



*Making the difference*

# Chief Executive's Report



November 2012

## Financial Information abstracted from the Audited Accounts for the year ending 31 March 2012

The figures used in this article are taken from the Auditor's Report for the 2011 - 2012 Financial Year. The headline financial news is included in the report of the Directors and Trustees but the following financial information is worth highlighting:

- Income rose from £2,006,039 to £2,127,670 as a result of our fund-raising for the new Specialist Children's Assessment Centre project which commenced in July 2010 (£333,000 from a single donor and £486,734 from other sources). Debtors dropped dramatically from £135,352 to £67,745 a result of the decline in pre-payments generated by the building project.
- Net Current Assets increased slightly by £6,165 to £770,739.
- Tangible Fixed Assets rose to £5,392,718 from £1,653,464 in the preceding year and Total Funds Employed rose from £2,418,038 to £6,163,457 in the same period. This unprecedented development in asset value is the consequence of the freehold purchase of the title to the Vranch House site and the value of the completed Children's Assessment Centre.
- With Depreciation discounted the Society made a net cash surplus over the year of £831,632 – an outstanding performance reflecting higher turnover in every area of activity.
- We have maintained the high number of pupils in the school and outpatients seen by the clinic whilst continuing investment in the buildings at Vranch House and in the Inclusion and IT services.

The Trustees agreed a programme of capital investments for the Financial Year which provided for continuing maintenance of the Vranch House estate (mostly for rebuilding the plant in the hydrotherapy pool), for further investment in the New Honeylands building and finalisation of the purchase of the title.

### Profit & Loss Account

ELEMENT	2012	2011	2010
Gross Income	£2,127,670.00	£2,006,039.00	£1,255,887.00
Gross Expenditure	£1,326,162.00	£1,911,766.00	£1,170,598.00
Cash Gain/Loss for the Year	£801,508.00	£94,273.00	£85,289.00

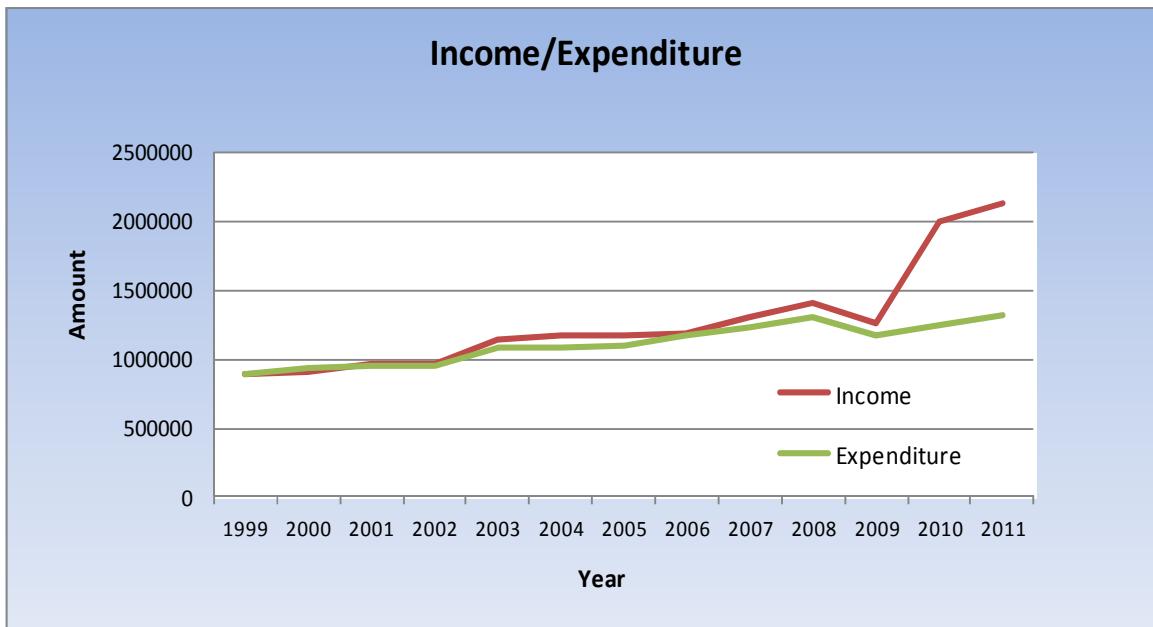
### Summary of Key Financial Ratios:

Debtors as a Percentage of:				
	2012	2011	2010	2009
Total Funds	1.00%	5.60%	2.00%	4.00%
Creditors as a Percentage of:				
Current Assets	7.50%	17.60%	5.50%	4.00%
As a Percentage of Total Funds				
Profit/Loss for the Year	13.50%	3.90%	5.00%	4.00%
Revenue Costs	3.00%	4.90%	2.50%	3.00%



**Notes:**

1. Profit is shown net of depreciation.

**Income & Expenditure Trends****Notes:**

1. The Auditor's Report for 2011/12 is available on request at a cost of £2.00 per copy but may be viewed at no cost but by prior arrangement at Vranch House or on the Charity Commission website at [www.charitycommission.gov.uk](http://www.charitycommission.gov.uk).

**Future Plans**

The charity's strategic objective for the next five years is to embody and develop the new partnership with Devon County Council and NHS Devon. The immediate objective is to demonstrate performance compliance with the requirements of the joint contract and then to so develop service objectives that all the benchmarks are exceeded. In the longer term, the Charity aims to continue development of its services, continue the investment programme by further developing charitable income and work with its partners to respond to financial retrenchment by adaptive working practises. Our long established financial policy of holding reserves amounting to no less than a year's operating costs has proved its worth on many occasions. Given the uncertainty and instability of the financial markets and the continued imperative of fiscal discipline we intend to maintain and further develop this reserve. The policy of not charging capital costs in any of our contracts forms the basis of our charitable benefit by contributing significantly to the 40% of the costs of the statutory services we provide.

Graeme Wheeler  
Chief Executive

