



Making the difference

Chief Executive's Report



November 2014

Financial Information abstracted from the Audited Accounts for the year ending 31 March 2014

The figures used in this article are taken from the Auditor's Report for the 2013 – 2014 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 by £10,874 from £1,620,685 to £1,631,559. Debtors were reduced from £35,985 to £25,962 simply because capital project pre-payments were less.
- Net Current Assets increased dramatically by £448,406 from £845,931 to £1,294,337 largely as a result of the net receipts from the sale of Hill Barton House. Total Funds now stand at £6,067,846.
- Tangible Fixed Assets dropped with depreciation and the loss of the asset value of Hill Barton House from £5,315,136 to £4,773,509. Depreciation is a more significant sum than hitherto as a result of the highly commendable development of the asset value of the charity arising from the purchase of the Vranch House site and the development of the new Specialist Children's Assessment Centre.
- The charity paid a Statutory Debt of £98,741 to a pension fund under Section 75 of the 1995 Pension Act for which it had kept a contingency sum for the last 5 years.
- With Depreciation and the one-off payment of the Section 75 debt discounted the Society made a net trading surplus over the year of nearly £120,000 – an outstanding performance given the fiscal disciplines operating in the NHS and Local Government which has seen their contract payments frozen for the last 7 years.
- 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 interior rooms at Vranch House) and for further investment in the Hydrotherapy Pool and the New Honeylands building.

Profit & Loss Account

ELEMENT	2014	2013	2012
Gross Income	£1,631,559.00	£1,620,685.00	£2,127,670.00
Gross Expenditure	£1,739,780.00	£1,623,075.0	£1,326,162.00
Cash Gain/Loss for the Year	-£108,221.00	-£2,390.00	£801,508.00
gain/loss less Depreciation	£119,784.00	£123,795	

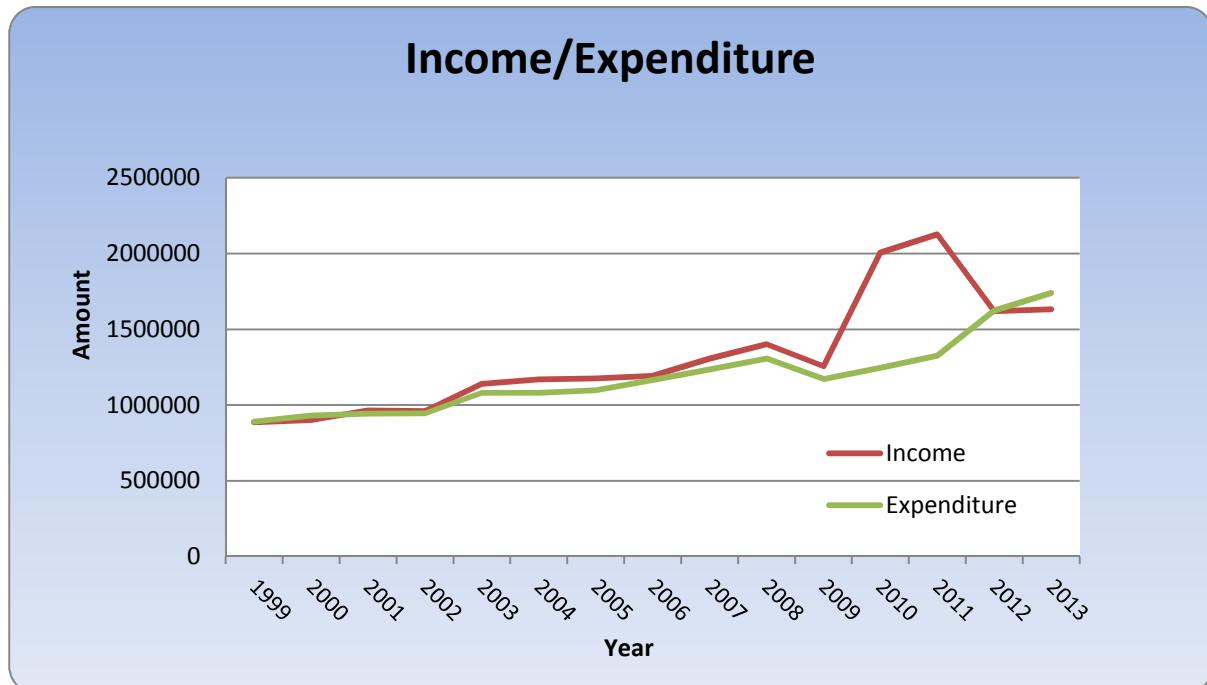
Summary of Key Financial Ratios:

Debtors as a Percentage of:	2014	2013	2012	2011
Total Funds	0.43%	0.70%	1.00%	5.60%
Creditors as a Percentage of:				
Current Assets	11.80%	7.60%	7.50%	17.60%
As a Percentage of Total Funds				
Profit/Loss for the Year	1.98%	2.00%	13.50%	3.90%
Revenue Costs	6.90%	7.70%	3.00%	4.90%

Notes:

1. Profit is shown net of depreciation.



Income & Expenditure Trends**Notes:**

1. Expenditure is unadjusted and includes the non-monetary expenditure of depreciation and the Section 75 Debt.
2. The Auditor's Report for 2013/14 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.

Future Plans

The charity's strategic objective for the next five years is to embody and develop the contract partnership with Devon County Council and the NHS North, East & West Devon Clinical Commissioning Group. The immediate objective is to continue to demonstrate performance compliance with the requirements of the joint contract and to continue to fund service objectives so that all the benchmarks are exceeded (as they were in 2014). 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 national 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 46% of the costs of the statutory services we provide. It should be noted that our statutory partners have frozen our funding at 2008 levels; that in 2015 we are embarking on what well may be an eighth year without any provision for inflation. This inevitably means that the level of contribution this charity makes to statutory services must increase or the high standard of the services we provide to the Public on behalf of the State will suffer. It is, however, highly unlikely that this can continue.

Colonel Graeme Wheeler
Chief Executive

