Making the difference

Chief Executive's Report

November 2013

Financial Information abstracted from the Audited Accounts for the year ending 31 March 2013

The figures used in this article are taken from the Auditor's Report for the 2012 - 2013 Financial Year. The headline financial news is included in the report of the Directors and Trustees but the following financial information is worth high lighting:

- Income fell from £2,127,670 to £1,620,685 as a result of the cessation of fund-raised income for the new Specialist Children's Assessment Centre project which was completed and opened in June 2011. Debtors dropped signifiantly from £67,745 to £35,985 a result of the decline in pre-payments generated by the building project.
- Net Current Assets increased appreciably by £75,192 from £770,739 to £845,931.
- Tangible Fixed Assets dropped with depreciation from £5,392,718 to £5,315,136. The unprecedented recent development in asset value from £1,653,464 in 2011 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 £123,795 – 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 interior rooms at Vranch House) and for further investment in the Hydrotherapy Pool and the New Honeylands building.

Profit & Loss Account

ELEMENT	2013	2012	2011
Gross Income	£1,620,685.00	£2,127,670.00	£2,006,039.00
Gross Expenditure	£1,623,075.00	£1,326,162.00	£1,911,766.00
Cash Gain/Loss for the Year	-£2,390.00	£801,508.00	£94,273.00
gain/loss less Depreciation	£123,795		

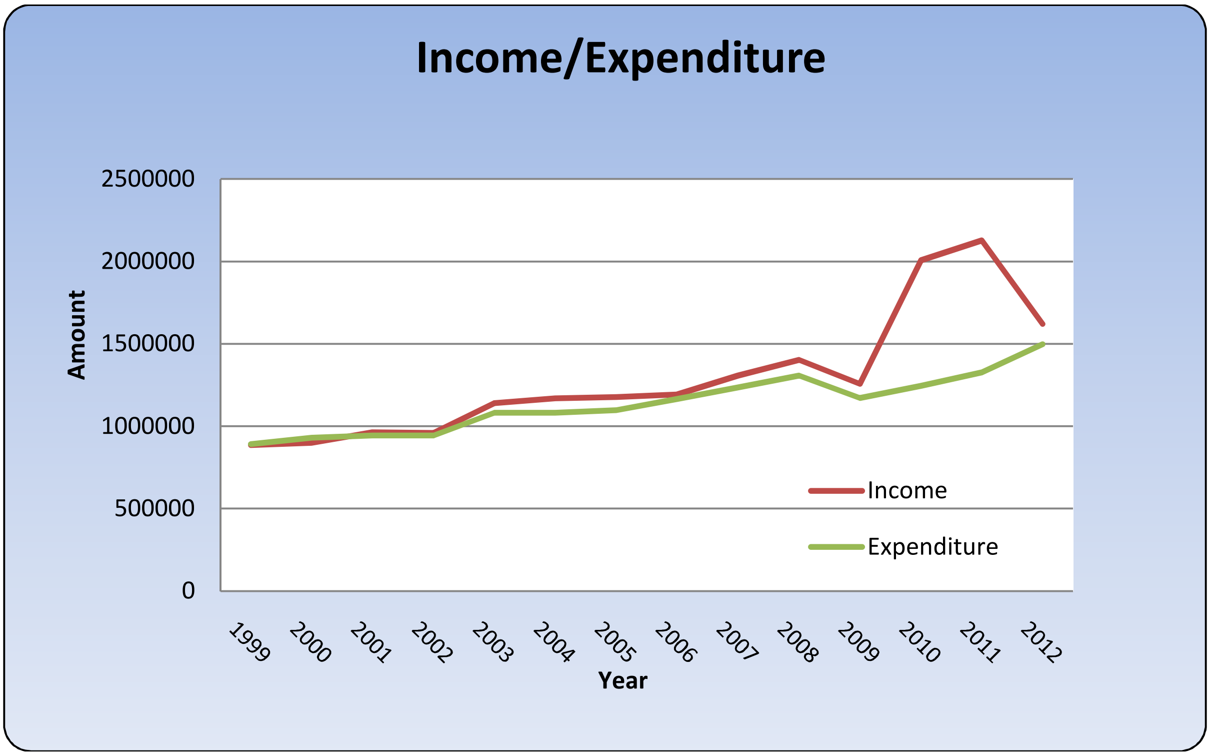
Summary of Key Financial Ratios:

Debtors as a Percentage of:				
	2013	2012	2011	2010
Total Funds	0.7%	1.00%	5.60%	2.00%
Creditors as a Percentage of:				
Net Current Assets	7.6%	7.50%	17.60%	5.50%
As a Percentage of Total Funds				
Profit/Loss for the Year	2%	13.50%	3.90%	5.00%
Revenue Costs	7.7%	3.00%	4.90%	2.50%

Notes:
1. Profit is shown net of depreciation.

Making the difference

Income & Expenditure Trends



Notes:

1. Expenditure adjusted to show surplus net of depreciation (a non-monetary expense).
2. The Auditor's Report for 2012/13 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 new partnership with Devon County Council and NHS Devon. 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 2013). 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 2014 we are embarking on a 7th year without any provision for inflation and thus that the level of contribution this charity makes to statutory services is increasing year-on-year. It is highly unlikely that this can continue.

Colonel Graeme Wheeler
Chief Executive