



Making the difference

Chief Executive's Report

November 2016

Financial Information abstracted from the Audited Accounts for the year ending 31 March 2016

The figures used in this article are taken from the Auditor's Report for the 2015 – 2016 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 increased by £112,453 from £1,630,594 to £1,743,047 but Debtors and Pre-Payments increased by £42,712 from £31,651 to £74,363 simply because of the capital project pre-payments for the new Hydrotherapy Pool. These trends are not significant.
- Net Current Assets fell by £66,294 from £1,311,460 to £1,245,166 largely as a result of capital investment in the new pool building but Total Net Funds increased from £5,998,880 to £6,056,466.
- Fixed Assets increased despite depreciation by £123,880 from £4,687,420 to £4,811,300. Depreciation remains a 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 Vranck House site and the development of the new Specialist Children's Assessment Centre.
- With Depreciation of £139,305 carried as a non-monetary expense the charity made an operating surplus of £57,586 but with Depreciation discounted a net cash surplus of £196,891 was generated (£55,488 last year).
- It is a commendable reflection of internal fiscal controls that total expended resources decreased in the year under audit by £14,099.
- We have maintained the high number of pupils in the school and outpatients seen by the clinic whilst continuing investment in the buildings at Vranck House and in the services hosted by it.

The Trustees agreed a programme of capital investments for the Financial Year which provided for continuing maintenance of the Vranck House estate (mostly for rebuilding interior rooms at Vranck House) and for further investment in the Hydrotherapy Pool and the New Honeylands building.

Profit & Loss Account

ELEMENT	2016	2015	2014
Gross Income	£1,743,047	£1,630,594.00	£1,631,559.00
Gross Expenditure	£1,685,461	£1,699,560.00	£1,739,780.00
Cash Gain/Loss for the Year	£57,586	£-68,966.00	£-108,221.00
gain/loss less Depreciation	£196,891	£55,488.00	£119,784.00

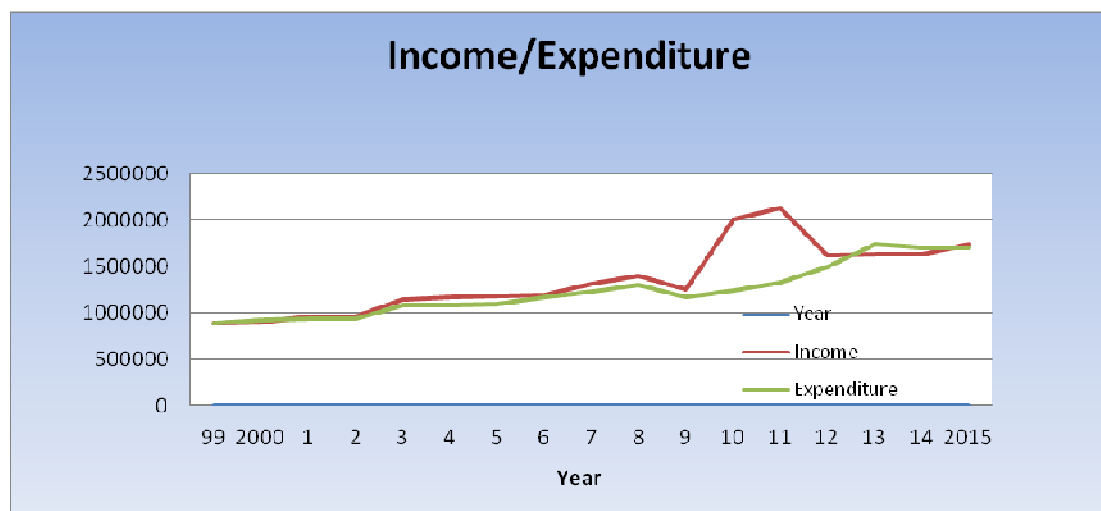
Summary of Key Financial Ratios:

Debtors as a Percentage of:	2016	2015	2014	2013
Total Funds	1.22%	0.53%	0.43%	0.70%
Creditors as a Percentage of:				
Current Assets	10.45%	5.00%	11.80%	7.60%
As a Percentage of Total Funds				
Profit/Loss for the Year ¹	3.25%	0.90%	1.98%	2.00%
Total Expenditure	28%	28.33	28.7%	26.3%

¹ Profit is shown net of depreciation.



Income & Expenditure Trends



Notes:

1. Expenditure is unadjusted and includes the non-monetary expenditure of depreciation.
2. The Auditor's Report for 2015/16 is available on request at a cost of £2.00 per copy but may be viewed at no cost but by prior arrangement at Vranck 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 54% 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 2017 we are embarking on what will be a ninth 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 and work is in hand to redress the imbalance. The Trustees, having authorised a £0.5m investment to replace the hydrotherapy pool building and plant between 2015 and 2016, will look to continue the programme of buildings and equipment development and maintenance in 2017.

Colonel Graeme Wheeler
Chief Executive

