

**Health Professions Council  
Finance and Resources Committee Meeting – 18<sup>th</sup> September 2006**

**JULY 2006 MANAGEMENT ACCOUNTS - PUBLIC PAPER**

**Executive Summary and Recommendations**

**1. Introduction**

**2. Decision**

The Council/Committee is requested to note the document. No decision is required.

**3. Background information**

**4. Resource implications**

Nil

**5. Financial implications**

Nil

**6. Background papers**

**7. Appendices**

Nil

**8. Date of paper**

1<sup>st</sup> September 2006

**HEALTH PROFESSIONS COUNCIL**  
**CONSOLIDATED MANAGEMENT ACCOUNTS**  
**FOR THE 4 MONTHS ENDED 31 July 2006**

**VARIANCE COMMENTARY**

**INTRODUCTION**

These accounts have been compared to budget version 4, which was agreed by the Council on 11<sup>th</sup> May 2006. The format of the management accounts is the same as last financial year.

**DETAILED SUMMARY**

After four months of the financial year, we budgeted an operating deficit of £83,959, compared to 2005's budgeted surplus of £443,718. The actual result for year to date was an operating surplus of £66,778; a favourable variance of £150,737.

Income totalled £3,530,825 with overheads at £3,464,048 thus giving the operating surplus of £66,778.

**INCOME**

Registration income is £150,922 below budget. This is partly due to less than expected income received from International Scrutiny Fees (a deficit of £166k to date).

Year to date investment income is more or less on budget except for an unrealised loss of £63,506, as the market value of the portfolio has decreased. This is an improvement on last month where the unrealised loss was £69,920.

**DEPARTMENTS**

Departmental expenditure is at £3,464,048, is £301,657 below than budget. However, the net favourable variance is unlikely to be retained over the course of the year, as various projects costs are incurred.

**OVERHEADS**

The majority of variances will be due to timing. Below is an explanation of some of the main favourable variances as well as any unfavourable variances:

Payroll costs

Payroll costs continue to show a favourable variance (year to date £108k) due to some budgeted positions not being appointed during the first three months of the year, particularly in the following areas; Approvals & Monitoring, Fitness to Practise, Policy & Standards. Roles are likely to be filled during the year reducing this variance but a portion will remain for the months that the posts have been vacant. Some of this variance will be offset by temporary staff during the recruitment process.

Council and committee expenses

This shows a favourable variance (year to date £21k). Council and Committee member daily allowance fees were budgeted to rise from £260 to £300. Payment of this new allowance will begin in August 2006 (back-dated to April) largely causing the favourable variance to date.

Property services

The favourable year to date variance of £33k is mainly due to the temporary relocation of some employees relating to the 22-26 Stannary St building refurbishment project, being deferred from July to about December 2006 with the actual building refit deferred probably until March/April 2007.

#### Office services

This shows an unfavourable variance of £42k. This is mainly due to an overspend in postage of £17k and an overspend in printing of £14k, mostly CPD mail-out related.

#### Computer services

The year to date unfavourable variance of £36k mostly relates to errors in the monthly phasing of hardware depreciation. The LISA Registration System will be fully depreciated at the end of August 2006.

#### Communications

The year to date favourable variance of £138k is due largely to monthly phasing error. Advertising, market research, annual partner's conference and media relations costs will begin to be reflected in the accounts once these projects are delivered during quarter 3 and quarter 4.

#### Partners

As partner training is increased, it will reduce the year to date favourable variance of £85k. The variance is also driven by the low Assessors fees to date and a lower than expected number of International registration applications scrutinised with flow-on underspending on application assessments.

#### Council Election

This currently shows an unfavourable variance of £30k due to budget estimation error. There is likely to be a further overspend by year end, due to the need to re-run the Physiotherapist election.

#### Legal expenses

This currently shows an unfavourable variance of £72K. This is mainly driven by the number of FTP cases which have been longer in duration and greater in number than expected.

### **BALANCE SHEET**

The main movements in the balance sheet since the beginning of the year are a decrease in Debtors and Prepayments and a decrease in Creditors. The net impact of these movements is a reduction in the cash balance.

Working capital is £2,823,592, showing HPC continues to be in a good financial position, although not if Deferred Income (fees received in advance) had to be repaid. The Net Assets are £2,327,571 which is represented by the Capital Grant Receivable for the LISA Registration system (being released to the Income and Expenditure Account) of £20,926, the Accumulated Fund of £1,654,456, the revaluation reserve of £652,189. The Accumulated Fund comprises £1,590,927 at the beginning of the financial year plus the net surplus for the year to date.

### **CASH FLOW**

The Cash Flow statement indicates a net decrease in cash of £263,134 from 1<sup>st</sup> April 2006 to the end of the current month, essentially generated from a decrease in deferred income, increase in debtors and decrease in general creditors.

The net increase or decrease in cash when compared to the accounting surplus or deficit can be significantly different. To arrive at the cash movement, non cash items such as depreciation are removed and balance sheet movements taken into consideration.

## **CONCLUSION**

Overall the first 4 months have led to a higher surplus than budgeted (an operating surplus of £66,778 against a budgeted deficit of £83,959).

HPC continues to be in a good financial position, especially in terms of cash reserves which will be required for projects throughout the year and capital expenditure including the refurbishment of 22/26 Stannary Street.

**Charlotte Milner**  
**Management Accountant**  
August 2006

# **HEALTH PROFESSIONS COUNCIL**

## **Consolidated Management Accounts For the 4 months ended 31st July 2006**

HEALTH PROFESSIONS COUNCIL

CONSOLIDATED ACCOUNTS TO 31 JULY 2006  
DETAILED SUMMARY

|  | Actual<br>£      | Budget<br>£      | Variance<br>£    | Variance<br>%   | Annual<br>Budget<br>£ |
|--|------------------|------------------|------------------|-----------------|-----------------------|
| <b>INCOME</b>  |                  |                  |                  |                 |                       |
| <b>Professions</b>   |                  |                  |                  |                 |                       |
| Arts Therapists  | 43,155           | 43,671           | (516)            | (1.18)          | 131,355               |
| Biomedical Scientists  | 439,111          | 461,725          | (22,614)         | (4.90)          | 1,379,633             |
| Chiropodists   | 265,697          | 242,690          | 23,007           | 9.48            | 715,200               |
| Clinical Scientists  | 81,775           | 86,563           | (4,788)          | (5.53)          | 257,439               |
| Dietitians   | 134,294          | 134,150          | 144              | 0.11            | 400,469               |
| Occupational Therapists                                      | 524,685          | 578,773          | (54,088)         | (9.35)          | 1,725,678             |
| Operating Department Practitioners                           | 161,535          | 161,405          | 130              | 0.08            | 483,408               |
| Orthoptists  | 23,595           | 25,779           | (2,184)          | (8.47)          | 77,061                |
| Paramedics   | 211,027          | 234,773          | (23,746)         | (10.11)         | 696,810               |
| Physiotherapists   | 845,214          | 899,117          | (53,903)         | (6.00)          | 2,735,691             |
| Prosthetists & Orthotists                                    | 15,500           | 18,243           | (2,743)          | (15.04)         | 54,314                |
| Radiographers  | 492,087          | 481,198          | 10,889           | 2.26            | 1,458,920             |
| Speech and Language Therapists                               | 209,444          | 229,954          | (20,510)         | (8.92)          | 685,243               |
| <b>Registration Income</b>                                   | 3,447,119        | 3,598,041        | (150,922)        | (4.19)          | 10,801,221            |
| <b>Department of Health Capital Grant Released</b>           | 83,706           | 83,704           | 2                | 0.00            | 104,630               |
| <b>TOTAL INCOME</b>  | <b>3,530,825</b> | <b>3,681,745</b> | <b>(150,920)</b> | <b>(4.10)</b>   | <b>10,905,851</b>     |
| <b>EXPENDITURE</b>   |                  |                  |                  |                 |                       |
| <b>Departments</b>   |                  |                  |                  |                 |                       |
| Approvals & Monitoring                                       | 157,162          | 238,133          | 80,971           | 34.00           | 714,401               |
| Chief Executive  | 83,808           | 90,078           | 6,270            | 6.96            | 270,230               |
| Committees & PLG   | 63,538           | 89,182           | 25,644           | 28.76           | 267,542               |
| Communications   | 206,534          | 333,844          | 127,310          | 38.13           | 1,001,530             |
| Council  | 174,239          | 163,034          | (11,205)         | (6.87)          | 489,103               |
| Facilities Management  | 373,866          | 356,370          | (17,496)         | (4.91)          | 1,069,116             |
| Finance  | 187,198          | 142,199          | (44,999)         | (31.64)         | 426,598               |
| Fitness to Practise  | 920,590          | 862,470          | (58,120)         | (6.74)          | 2,587,411             |
| Human Resources & Partners                                   | 110,211          | 132,652          | 22,441           | 16.92           | 397,957               |
| IT Department  | 405,506          | 379,999          | (25,507)         | (6.71)          | 1,051,849             |
| Operations Office  | 107,796          | 121,181          | 13,385           | 11.05           | 363,540               |
| Policy & Standards   | 54,525           | 100,890          | 46,365           | 45.96           | 302,677               |
| President  | 9,837            | 16,500           | 6,663            | 40.38           | 49,500                |
| Registration   | 528,901          | 653,605          | 124,704          | 19.08           | 1,960,817             |
| Secretariat  | 80,337           | 85,567           | 5,230            | 6.11            | 256,700               |
| <b>Operating Expenses</b>                                    | 3,464,048        | 3,765,704        | 301,657          | 8.01            | 11,208,971            |
| <b>SURPLUS / (DEFICIT) - Excl. Unrealised Gains/(Losses)</b> | <b>66,778</b>    | <b>(83,959)</b>  | <b>150,737</b>   | <b>179.54</b>   | <b>(303,120)</b>      |
| <b>Taxation</b>  | 0                | 0                | 0                | 0.00            | 0.00                  |
| <b>Investment Income - Excl. Unrealised Gains/(Losses)</b>   | 60,257           | 58,120           | 2,137            | 3.68            | 174,357               |
| <b>Investment - Unrealised Gains / (Losses)</b>              | (63,506)         | 0                | (63,506)         | 0.00            | 0                     |
| <b>SURPLUS / (DEFICIT)</b>                                   | <b>63,529</b>    | <b>(25,839)</b>  | <b>(89,368)</b>  | <b>(345.87)</b> | <b>(128,763)</b>      |

HEALTH PROFESSIONS COUNCIL

CONSOLIDATED ACCOUNTS TO 31 JULY 2006

CONSOLIDATED DETAILED SUMMARY

|                                      | Actual<br>£      | Budget<br>£      | Variance<br>£    | Variance<br>% | Annual<br>Budget<br>£ |
|--------------------------------------|------------------|------------------|------------------|---------------|-----------------------|
| <b>Consolidated Income</b>           |                  |                  |                  |               |                       |
| Registration fees                    | 138,286          | 137,771          | 515              | 0.37          | 420,413               |
| Registration fees (part year)        | 0                | 0                | 0                | 0.00          | 0                     |
| Readmission fees                     | 117,324          | 57,447           | 59,877           | 104.23        | 172,341               |
| Renewal fees                         | 3,001,675        | 3,051,560        | (49,885)         | (1.63)        | 9,154,680             |
| International scrutiny fees          | 185,409          | 351,263          | (165,854)        | (47.22)       | 1,053,787             |
| Confirmation letter fees             | 25               | 0                | 25               | 0.00          | 0                     |
| Grandparenting scrutiny fees & other | 4,400            | 0                | 4,400            | 0.00          | 0                     |
|                                      | <u>3,447,119</u> | <u>3,598,041</u> | <u>(150,922)</u> | <u>(4.19)</u> | <u>10,801,221</u>     |

## HEALTH PROFESSIONS COUNCIL

## CONSOLIDATED ACCOUNTS TO 31 JULY 2006

| CODE  | INVESTMENT & OTHER INCOME |               |               |               | Annual<br>Budget<br>£ |
|---|---------------------------|---------------|---------------|---------------|-----------------------|
|   | Finance Director          |               |               |               |                       |
| BUDGET MANAGER                                | Actual<br>£               | Budget<br>£   | Variance<br>£ | Variance<br>% |                       |
| <b>Consolidated Income</b>                    |                           |               |               |               |                       |
| Bank interest - Business Reserve              | 4,505                     | 6,667         | (2,162)       | (32.43)       | 20,000                |
| Bank interest - Money Market                  | 34,483                    | 30,787        | 3,696         | 12.01         | 92,360                |
| Portfolio income                              | 23,615                    | 20,666        | 2,949         | 14.27         | 61,997                |
| P & L on disposal of investments (Realised)   | (2,346)                   | 0             | (2,346)       | 0.00          | 0                     |
|   | <u>60,257</u>             | <u>58,120</u> | <u>2,137</u>  | <u>3.68</u>   | <u>174,357</u>        |
| P & L on disposal of investments (Unrealised) | (63,506)                  | 0             | (63,506)      | 0.00          | 0                     |



HEALTH PROFESSIONS COUNCIL

CONSOLIDATED ACCOUNTS TO 31 JULY 2006

OVERHEAD TOTAL

|   | Actual<br>£      | Budget<br>£      | Variance<br>£  | Variance<br>% | Annual<br>Budget<br>£ |
|---|------------------|------------------|----------------|---------------|-----------------------|
| <b>Payroll</b>                          |                  |                  |                |               |                       |
| Basic                                   | 758,198          | 900,972          | 142,774        | 15.85         | 2,702,918             |
| Overtime                                | 4,200            | 7,834            | 3,634          | 46.39         | 23,500                |
| National Insurance                      | 80,959           | 113,617          | 32,658         | 28.74         | 340,850               |
| Pension costs                           | 64,934           | 90,405           | 25,471         | 28.17         | 271,217               |
| Medical insurance                       | 372              | 0                | (372)          | 0.00          | 0                     |
| Staff recruitment                       | 82,010           | 49,183           | (32,827)       | (66.74)       | 147,550               |
| Temporary staff                         | 214,998          | 141,815          | (73,183)       | (51.60)       | 425,447               |
| Other payroll expense                   | 2,855            | 13,500           | 10,645         | 78.85         | 40,500                |
|   | <b>1,208,525</b> | <b>1,317,326</b> | <b>108,801</b> | <b>8.26</b>   | <b>3,951,982</b>      |
| <b>Staff travelling and subsistence</b> |                  |                  |                |               |                       |
| Fares                                   | 23,519           | 26,787           | 3,268          | 12.20         | 80,360                |
| Car expenses and car park               | 260              | 693              | 433            | 62.48         | 2,080                 |
| Subsistence                             | 19,075           | 24,089           | 5,014          | 20.81         | 72,260                |
| Entertaining                            | 929              | 750              | (179)          | (23.93)       | 2,250                 |
| Conferences                             | 1,698            | 4,732            | 3,034          | 64.12         | 14,200                |
|   | <b>45,482</b>    | <b>57,051</b>    | <b>11,569</b>  | <b>20.28</b>  | <b>171,150</b>        |
| <b>Council and committee expenses</b>   |                  |                  |                |               |                       |
| Fees                                    | 59,357           | 89,656           | 30,299         | 33.80         | 268,970               |
| Travelling and subsistence              | 61,082           | 56,426           | (4,656)        | (8.25)        | 169,275               |
| Tax Cost (NI ER and PAYE)               | 39,849           | 31,324           | (8,525)        | (27.22)       | 93,973                |
| Conference expenses                     | 4,108            | 1,333            | (2,775)        | (208.14)      | 4,000                 |
| Training                                | 16,677           | 23,630           | 6,953          | 29.43         | 70,890                |
|   | <b>181,072</b>   | <b>202,369</b>   | <b>21,297</b>  | <b>10.52</b>  | <b>607,108</b>        |
| <b>Property services</b>                |                  |                  |                |               |                       |
| Business rates                          | 23,979           | 20,177           | (3,802)        | (18.84)       | 60,530                |
| Water                                   | 141              | 625              | 484            | 77.39         | 1,876                 |
| Electricity                             | 6,263            | 6,825            | 562            | 8.24          | 20,475                |
| Gas                                     | 1,486            | 1,620            | 134            | 8.24          | 4,860                 |
| Cleaning contractors                    | 8,736            | 9,400            | 664            | 7.07          | 28,200                |
| Cleaning materials                      | 2,853            | 3,521            | 668            | 18.98         | 10,563                |
| Waste disposal                          | 2,826            | 4,207            | 1,381          | 32.84         | 12,623                |
| Repairs and maintenance                 | 3,486            | 6,333            | 2,847          | 44.95         | 19,000                |
| Maintenance contracts                   | 4,165            | 2,609            | (1,556)        | (59.63)       | 7,829                 |
| Security                                | 6,785            | 4,500            | (2,285)        | (50.77)       | 13,500                |
| Building Refurbishment                  | 16,924           | 50,000           | 33,076         | 66.15         | 150,000               |
| Property depreciation                   | 14,000           | 14,952           | 952            | 6.37          | 44,856                |
|   | <b>91,643</b>    | <b>124,769</b>   | <b>33,126</b>  | <b>26.55</b>  | <b>374,312</b>        |

|                       |
|-----------------------|
| <b>OVERHEAD TOTAL</b> |
|-----------------------|

|   | Actual<br>£    | Budget<br>£    | Variance<br>£   | Variance<br>%  | Annual<br>Budget<br>£ |
|---|----------------|----------------|-----------------|----------------|-----------------------|
| <b>Office services</b>                      |                |                |                 |                |                       |
| Printing and stationery                     | 117,749        | 140,779        | 23,030          | 16.36          | 422,337               |
| Photocopying                                | 1,169          | 2,400          | 1,231           | 51.29          | 7,200                 |
| Microfilming                                | 252            | 144            | (108)           | (75.16)        | 432                   |
| Postage                                     | 90,040         | 72,216         | (17,824)        | (24.68)        | 216,647               |
| Telephone                                   | 8,439          | 11,636         | 3,197           | 27.48          | 34,908                |
| Mobile telephone                            | 3,087          | 3,080          | (7)             | (0.21)         | 9,236                 |
| Fax   | 0              | 583            | 583             | 100.00         | 1,750                 |
| Couriers                                    | 1,649          | 1,750          | 101             | 5.79           | 5,250                 |
| Office equipment < £1000                    | 24,334         | 10,083         | (14,251)        | (141.34)       | 30,250                |
| Office equipment rental                     | 2,974          | 0              | (2,974)         | 0.00           | 0                     |
| Staff catering                              | 3,671          | 2,450          | (1,221)         | (49.85)        | 7,350                 |
| Other office services                       | 6,891          | 6,574          | (317)           | (4.82)         | 19,722                |
| Room Hire                                   | 17,135         | 11,337         | (5,798)         | (51.14)        | 34,010                |
| Office equipment depreciation               | 27,654         | 27,667         | 13              | 0.05           | 83,000                |
|   | <b>305,043</b> | <b>263,032</b> | <b>(42,011)</b> | <b>(15.97)</b> | <b>872,092</b>        |
| <b>Computer services</b>                    |                |                |                 |                |                       |
| Hardware < £1000                            | 6,167          | 3,750          | (2,417)         | (64.47)        | 11,250                |
| Hardware maintenance                        | 9,598          | 1,533          | (8,065)         | (526.06)       | 4,600                 |
| Software                                    | 1,237          | 3,333          | 2,096           | 62.90          | 10,000                |
| Software maintenance & licenses             | 21,434         | 19,887         | (1,547)         | (7.78)         | 59,660                |
| Systems support                             | 25,018         | 23,667         | (1,351)         | (5.71)         | 71,000                |
| New IT Software Systems                     | 12,650         | 15,000         | 2,350           | 15.67          | 45,000                |
| Internet maintenance                        | 38,471         | 32,579         | (5,892)         | (18.08)        | 97,738                |
| Computer media and sundries                 | 8,934          | 5,000          | (3,934)         | (78.69)        | 15,000                |
| Disaster contingency plan                   | 4,100          | 11,373         | 7,273           | 63.95          | 34,120                |
| Computer training                           | 1,111          | 3,333          | 2,222           | 66.67          | 10,000                |
| IT Security - Backup Offsite etc            | 2,211          | 0              | (2,211)         | 0.00           | 0                     |
| Other computer services costs               | 3,067          | 6,333          | 3,266           | 51.57          | 19,000                |
| Hardware depreciation                       | 189,018        | 161,001        | (28,017)        | (17.40)        | 394,854               |
|   | <b>323,015</b> | <b>286,789</b> | <b>(36,226)</b> | <b>(12.63)</b> | <b>772,222</b>        |
| <b>Communications</b>                       |                |                |                 |                |                       |
| Advertising                                 | 40,838         | 76,000         | 35,162          | 46.27          | 228,000               |
| Annual Reports (Design, Distribute)         | 4,357          | 5,400          | 1,043           | 19.31          | 16,200                |
| Brochures (Design, Distribute)              | 7,333          | 15,050         | 7,717           | 51.28          | 45,150                |
| Listening Events                            | 6,686          | 9,960          | 3,274           | 32.87          | 29,880                |
| Market Research                             | 2,241          | 7,833          | 5,592           | 71.39          | 23,500                |
| Registrant Comms & Internal                 | 631            | 0              | (631)           | 0.00           | 0                     |
| Translations                                | 0              | 1,050          | 1,050           | 100.00         | 3,150                 |
| Stakeholder Communications                  | 8,575          | 5,483          | (3,092)         | (56.40)        | 16,450                |
| Standards of Proficiency (Design,Prod,Dist) | 0              | 8,333          | 8,333           | 100.00         | 25,000                |
| Web Site Design                             | 5,140          | 13,913         | 8,773           | 63.05          | 41,740                |
| Annual Conference                           | 0              | 49,427         | 49,427          | 100.00         | 148,280               |
| Marketing & Promotions                      | 1,789          | 4,187          | 2,398           | 57.26          | 12,560                |
| Conference Attendance                       | 584            | 4,333          | 3,749           | 86.53          | 13,000                |
| General Events (Internal & External)        | 14,337         | 13,575         | (762)           | (5.61)         | 40,725                |
| Media Relations - Press Event Launch        | 2,046          | 18,800         | 16,754          | 89.12          | 56,400                |
|   | <b>94,559</b>  | <b>233,344</b> | <b>138,785</b>  | <b>59.48</b>   | <b>700,035</b>        |

|                       |
|-----------------------|
| <b>OVERHEAD TOTAL</b> |
|-----------------------|

|                                       | Actual<br>£      | Budget<br>£      | Variance<br>£   | Variance<br>% | Annual<br>Budget<br>£ |
|---------------------------------------|------------------|------------------|-----------------|---------------|-----------------------|
| <b>Partners</b>                       |                  |                  |                 |               |                       |
| Partners Recruitment                  | 376              | 8,900            | 8,524           | 95.78         | 26,700                |
| Partners Training                     | 1,065            | 46,003           | 44,938          | 97.68         | 138,008               |
| Registration Assessors                | 8,085            | 13,020           | 4,935           | 37.90         | 39,060                |
| Panels (Allowance & Travel )          | 193,224          | 141,627          | (51,597)        | (36.43)       | 424,880               |
| Approvals (Previously Visits)         | 30,456           | 44,133           | 13,677          | 30.99         | 132,400               |
| Assessors fees (All Professions)      | 126,265          | 191,270          | 65,005          | 33.99         | 573,810               |
| Test of Competence (All Professions)  | 4,473            | 5,200            | 727             | 13.99         | 15,600                |
| Annual Monitoring                     | 18,850           | 13,825           | (5,025)         | (36.35)       | 41,475                |
| Major/Minor Change                    | 239              | 4,193            | 3,954           | 94.30         | 12,580                |
|                                       | <b>383,033</b>   | <b>468,171</b>   | <b>85,138</b>   | <b>18.19</b>  | <b>1,404,513</b>      |
| <b>Specific departmental expenses</b> |                  |                  |                 |               |                       |
| Accountancy consultancy               | 3,286            | 0                | (3,286)         | 0.00          | 0                     |
| Archive storage                       | 5,262            | 4,800            | (462)           | (9.63)        | 14,400                |
| Auditors' fees                        | 19,222           | 19,222           | 0               | 0.00          | 57,665                |
| Bank charges                          | 19,209           | 21,667           | 2,458           | 11.34         | 65,000                |
| Books and publications                | 155              | 333              | 178             | 53.45         | 1,000                 |
| Consultation Ev (SET, Approvals,CPD)  | 41               | 6,320            | 6,279           | 99.35         | 18,960                |
| Council Elections                     | 66,231           | 36,000           | (30,231)        | (83.98)       | 108,000               |
| General insurance                     | 11,116           | 13,200           | 2,084           | 15.79         | 39,600                |
| Health and safety                     | 10,029           | 1,293            | (8,736)         | (675.63)      | 3,880                 |
| Miscellaneous Expenses                | 0                | 0                | 0               | 0.00          | 0                     |
| Legal advice                          | 58,186           | 97,908           | 39,722          | 40.57         | 293,720               |
| Legal expenses                        | 499,171          | 426,667          | (72,504)        | (16.99)       | 1,280,000             |
| Legal insurance                       | 12,600           | 15,400           | 2,800           | 18.18         | 46,200                |
| Legal -Transcript Writer              | 36,665           | 30,083           | (6,582)         | (21.88)       | 90,250                |
| Other professional fees               | 37,898           | 34,103           | (3,795)         | (11.13)       | 102,310               |
| Pension administration                | 4,404            | 4,224            | (180)           | (4.25)        | 12,672                |
| Personal Performance Consultancy      | 3,275            | 2,933            | (342)           | (11.67)       | 8,800                 |
| Professional Liaison Groups           | 4,759            | 14,047           | 9,288           | 66.12         | 42,140                |
| ISO 9001 Certification                | 983              | 3,349            | 2,366           | 70.66         | 10,047                |
| Reward Data                           | 2,115            | 2,333            | 218             | 9.34          | 7,000                 |
| Subscriptions to professional bodies  | 5,686            | 3,786            | (1,900)         | (50.18)       | 11,360                |
| Taxation advice                       | 9,576            | 2,000            | (7,576)         | (378.81)      | 6,000                 |
| Training                              | 21,807           | 45,518           | 23,711          | 52.09         | 136,553               |
|                                       | <b>831,676</b>   | <b>785,186</b>   | <b>(46,490)</b> | <b>(5.92)</b> | <b>2,355,557</b>      |
| <b>OVERHEAD TOTAL</b>                 | <b>3,464,048</b> | <b>3,738,037</b> | <b>273,990</b>  | <b>7.33</b>   | <b>11,208,971</b>     |

**HEALTH PROFESSIONS COUNCIL**  
**CONSOLIDATED BALANCE SHEET**  
as at 31 July 2006

|  | <b>30 July 2006</b> |                    | <b>31 March 2006</b> |                    |
|--|---------------------|--------------------|----------------------|--------------------|
|  | £                   | £                  | £                    | £                  |
| <b>FIXED ASSETS</b>                        |                     |                    |                      |                    |
| <b>Tangible fixed assets</b>               |                     |                    |                      |                    |
| Land & buildings, at cost or valuation     | 3,000,000           |                    | 3,069,443            |                    |
| Depreciation                               | <u>(14,000)</u>     |                    | <u>(69,443)</u>      |                    |
| Net book value                             |                     | 2,986,000          |                      | 3,000,000          |
| Computer Equipment, at cost                | 2,071,039           |                    | 2,090,422            |                    |
| Depreciation                               | <u>(1,775,423)</u>  |                    | <u>(1,598,868)</u>   |                    |
| Net book value                             |                     | 295,615            |                      | 491,554            |
| Office furniture and equipment, at cost    | 370,132             |                    | 353,370              |                    |
| Depreciation                               | <u>(293,618)</u>    |                    | <u>(265,964)</u>     |                    |
| Net book value                             |                     | 76,515             |                      | 87,406             |
|  |                     | <hr/>              |                      | <hr/>              |
| <b>Total tangible fixed assets</b>         |                     | <b>3,358,130</b>   |                      | <b>3,578,960</b>   |
| <b>Investments</b>                         |                     | <b>1,556,110</b>   |                      | <b>1,714,190</b>   |
|  |                     | <hr/>              |                      | <hr/>              |
| <b>TOTAL FIXED ASSETS</b>                  |                     | <b>4,914,240</b>   |                      | <b>5,293,150</b>   |
| <b>CURRENT ASSETS</b>                      |                     |                    |                      |                    |
| Debtors                                    | 26,995              |                    | 29,740               |                    |
| Prepayments                                | 154,672             |                    | 84,608               |                    |
| Bank balances and cash                     | <u>3,738,795</u>    |                    | <u>4,001,929</u>     |                    |
|  |                     | 3,920,462          |                      | 4,116,277          |
| <b>CURRENT LIABILITIES</b>                 |                     |                    |                      |                    |
| <b>Amounts falling due within one year</b> |                     |                    |                      |                    |
| Creditors and accrued expenses             | 1,096,870           |                    | 1,583,906            |                    |
|  |                     | <hr/>              |                      | <hr/>              |
| <b>WORKING CAPITAL</b>                     |                     | <b>2,823,592</b>   |                      | <b>2,532,371</b>   |
| <b>DEFERRED INCOME</b>                     |                     |                    |                      |                    |
| Registration fees in advance               | 88,615              |                    | 106,502              |                    |
| Retention fees in advance                  | <u>5,321,646</u>    |                    | <u>5,371,271</u>     |                    |
|  |                     | <b>(5,410,261)</b> |                      | <b>(5,477,773)</b> |
|  |                     | <hr/>              |                      | <hr/>              |
| <b>NET ASSETS</b>                          |                     | <b>2,327,571</b>   |                      | <b>2,347,748</b>   |
|  |                     | <hr/> <hr/>        |                      | <hr/> <hr/>        |
| <b>Represented by:</b>                     |                     |                    |                      |                    |
| Capital Grant Receivable - LISA System     |                     | 20,926             |                      | 104,632            |
| Accumulated Fund                           |                     | 1,590,927          |                      | 355,210            |
| Revaluation reserve                        |                     | 652,189            |                      | 652,189            |
| Surplus/(Deficit) for the period           |                     | <u>63,529</u>      |                      | <u>1,235,717</u>   |
|  |                     | <b>2,327,571</b>   |                      | <b>2,347,748</b>   |
|  |                     | <hr/> <hr/>        |                      | <hr/> <hr/>        |

**HEALTH PROFESSIONS COUNCIL  
CONSOLIDATED ACCOUNTS TO 31 JULY 2006**

**CAPITAL EXPENDITURE  
From 1st April 2006 - 30 June 2006**

|   | Actual<br>£ | Budget<br>£ | Variance<br>£ | Annual<br>Budget<br>£ |
|---|-------------|-------------|---------------|-----------------------|
| <u>Major Investment (£50K+ Individual Item)</u>   |             |             |               |                       |
| Office Services   |             |             |               |                       |
| Renovation work to 22-26 Stannery Street. Figures are based on a quantity surveyors estimations and the work will go out to tender early in the new financial year. £851,000 + VAT. |             | 0           | 0             | 999,925               |
| Sub Total   | 0           | 0           | 0             | 999,925               |
| <u>Minor Investment (less than £50K individually)</u>   |             |             |               |                       |
| Information Technology  |             |             |               |                       |
| 15 New Laptops or PCs (New Employees) - £1085 (average)   |             | 0           | 0             | 16,275                |
| 2 Dell 3300 Projectors - £1500 each   |             | 0           | 0             | 3,000                 |
| 3 HP LaserJet 4200 DTN Printer - £1025  |             | 0           | 0             | 3,075                 |
| 2 Procure Switches (Server Room) - £2.5k average  |             | 0           | 0             | 5,000                 |
| Server to Consolidate existing PC's being used as servers - £5000 + £2000 for a rack to house the new server.   |             | 0           | 0             | 7,000                 |
| Replacement UPS (battery)   |             | 0           | 0             | 3,000                 |
| Office Services   |             |             |               |                       |
| Colour photocopier  | 9,066       | 0           | (9,066)       |                       |
| 3x desk & storage   | 2,332       | 0           | (2,332)       |                       |
| Rackmount storage   | 1,856       | 0           | (1,856)       |                       |
| FujiScanner s500  | 3,845       | 0           | (3,845)       |                       |
| 1 Xerox Work Centre BW Photocopier with 4 Hole Punch - £4565+ VAT   |             | 0           | 0             | 5,363                 |
| Separate air conditioning units in server room  |             | 0           | 0             | 5,000                 |
| Access Control System (to cover 3 buildings & increasing employee numbers)  |             | 0           | 0             | 9,504                 |
| New compressor for airconditioning  |             | 0           | 0             | 5,217                 |
|   | 3,507       | 0           | (3,507)       |                       |
|   | 20,607      | 0           | (20,607)      | 57,217                |
| Contingency   |             | 0           | 0             | 50,795                |
| <u>LISA IT Projects</u>   |             |             |               |                       |
|   | 0           | 0           | 0             | 243,571               |
| <b>Total Capital Expenditure</b>  | 20,607      | 0           | (20,607)      | 1,351,508             |

# HEALTH PROFESSIONS COUNCIL

## CONSOLIDATED ACCOUNTS TO 31 JULY 2006

### CASH FLOW STATEMENT

From 1st April 2006 - 31 July 2006

|   | £                |
|---|------------------|
| Surplus /(deficit) over expenditure                             | 66,778           |
| Depreciation charge for the year of tangible fixed assets       | 218,208          |
| Grant income released   | (83,706)         |
| (Increase)/decrease in debtors                                  | (67,319)         |
| Increase/(decrease) in creditors (CGT and VAT Tax not included) | (487,036)        |
| Increase /(decrease) in deferred income                         | (67,512)         |
| <b>Net cash In/(out)flow from operating activities</b>          | <b>(420,587)</b> |
| <b>Return on investments and servicing of finance</b>           |                  |
| Investment Income (Excluding realised gains & losses)           | 62,604           |
| <b>Capital expenditure and financial investments</b>            |                  |
| Purchase of tangible assets                                     | (20,607)         |
| Disposal of tangible assets                                     | 23,229           |
| Purchase of investments   | (25,936)         |
| Proceeds from sale of investments                               | 118,165          |
| <b>Increase/(decrease) in Cash</b>                              | <b>(263,134)</b> |
| Cash at 31 March 2006   | 4,001,929        |
| Cash at 31 July 2006  | 3,738,795        |
| Cash Movement   | <b>(263,134)</b> |

**HPC CONSOLIDATED Cash Flow: April 06 - March 07**

|                               | Mar-06 | APRIL     | MAY       | JUNE      | JULY      | AUGUST    | SEPT      | OCT       | NOV       | DEC       | JAN       | FEB       | MAR       | Total<br>12 Mths |
|-------------------------------|--------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------------|
| <b>Opening Balance 1st</b>    |        | 4,001,929 | 4,042,162 | 3,618,682 | 3,500,656 | 3,738,795 | 3,738,795 | 3,738,795 | 3,738,795 | 3,738,795 | 3,738,795 | 3,738,795 | 3,738,795 |                  |
| <b>Receipts</b>               |        |           |           |           |           |           |           |           |           |           |           |           |           |                  |
| Registration Income           |        | 850,782   | 773,322   | 969,779   | 853,236   |           |           |           |           |           |           |           |           |                  |
| Investment Income             |        | 4,923     | 24,553    | 20,583    | 12,544    |           |           |           |           |           |           |           |           |                  |
| Investment Sales              |        | 0         | 111,385   | 6,780     | 0         |           |           |           |           |           |           |           |           |                  |
| Deferred Income Movements     |        | 436,748   | (439,916) | (371,285) | 306,941   |           |           |           |           |           |           |           |           |                  |
| Bank Loan                     |        |           |           |           |           |           |           |           |           |           |           |           |           |                  |
| Rental Income                 |        |           |           |           |           |           |           |           |           |           |           |           |           |                  |
| <b>Total Cash Receipts</b>    |        | 1,292,453 | 469,344   | 625,857   | 1,172,721 | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 3,560,375        |
| <b>Payments</b>               |        |           |           |           |           |           |           |           |           |           |           |           |           |                  |
| <b>Operational</b>            |        |           |           |           |           |           |           |           |           |           |           |           |           |                  |
| Expenditure                   |        | 793,583   | 820,763   | 986,386   | 863,316   |           |           |           |           |           |           |           |           |                  |
| Depreciation                  |        | (57,238)  | (50,046)  | (57,564)  | (53,360)  |           |           |           |           |           |           |           |           |                  |
| Aged Cred / Accrual Movements |        | 245,174   | 308,573   | (198,541) | 131,830   |           |           |           |           |           |           |           |           |                  |
| Debtor Movements              |        | 268,212   | (189,382) | (5,041)   | (6,470)   |           |           |           |           |           |           |           |           |                  |
| Payments to Creditors         |        | 1,249,731 | 889,908   | 725,240   | 935,316   | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 3,800,195        |
| <b>Exceptional</b>            |        |           |           |           |           |           |           |           |           |           |           |           |           |                  |
| Capital Expenditure           |        | 13,254    | 3,846     | 0         | 3,507     |           |           |           |           |           |           |           |           |                  |
| Capital Write-off             |        | (10,765)  | (8,224)   | 0         | (4,240)   |           |           |           |           |           |           |           |           |                  |
| Investment Purchases          |        | 0         | 7,294     | 18,643    | 0         |           |           |           |           |           |           |           |           |                  |
| Loan Repayments               |        | 0         | 0         | 0         | 0         |           |           |           |           |           |           |           |           |                  |
| <b>Total Payments</b>         |        | 1,252,220 | 892,824   | 743,883   | 934,583   | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 3,823,510        |
| <b>Closing Balance</b>        |        | 4,001,929 | 3,618,682 | 3,500,656 | 3,738,795 | 3,738,795 | 3,738,795 | 3,738,795 | 3,738,795 | 3,738,795 | 3,738,795 | 3,738,795 | 3,738,795 | (263,135)        |

|                            |         |           |           |           |           |           |           |           |           |           |           |           |           |           |
|----------------------------|---------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Aged Creditors             | 800,652 | 1,338,113 | 1,029,540 | 1,228,081 | 1,096,251 | 1,096,251 | 1,096,251 | 1,096,251 | 1,096,251 | 1,096,251 | 1,096,251 | 1,096,251 | 1,096,251 | 1,096,251 |
| Accruals                   | 782,635 |           |           |           |           |           |           |           |           |           |           |           |           | 0         |
| Budgeted Expenditure 05/06 |         |           |           |           |           |           |           |           |           |           |           |           |           |           |

Deferred Income Movements - ( ) Some income from deferred income and cash has already been received. If positive, cash received in advance and not recognised as income in current month.  
 Depreciation - Cash paid for fixed assets incurred in previous months make depreciation a non cash item, so is taken off the current month expenditure.  
 Aged Creditor Movements - ( ) Denotes an increase in aged creditors from the previous month and is taken off the current month expenditure as they haven't been paid. Vice versa for a positive figure.

Debtor Movements - If positive, debtors/prepayments have been paid without all being recognised in the I & E Account, so must be added to the expenditure for the month, Vice versa for a negative figure.