

Finance and Resources Committee – Thursday 19 June 2008

March 2008 Management Accounts

Executive summary and recommendations

Introduction

Decision

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

These accounts reflect any changes made by the auditors and agree to the statutory accounts.

Background information

April accounts have not been produced for the Committee due the tight deadline on the year end annual report process. The summarised April management accounts will go the next council meeting on 3 July.

Resource implications

Nil

Financial implications

Nil

Appendices

Consolidated Management Accounts for the 12 months ended 31 March 2008.
Variance Commentary

Date of paper

9 June 2008

HEALTH PROFESSIONS COUNCIL

CONSOLIDATED MANAGEMENT ACCOUNTS FOR THE 12 MONTHS ENDED 31 MARCH 2008 VARIANCE COMMENTARY

INTRODUCTION

These accounts were compared to budget version 7, which was agreed by the Council on 29th March 2007. The format of the management accounts is the same as last financial year except that this year includes a sheet related to project reporting.

DETAILED SUMMARY

At the end of the financial year, we budgeted an operating surplus, after unrealised gains, of £234,736 compared to 2007's budgeted deficit of £128,763. The actual result for year to date was a deficit of £976,274 after unrealised gains; an unfavourable variance of £1,211,010. Included in this deficit was impairment to the Freehold land and buildings of £1,039,520, which relates to the refurbishment work done on 22-26 Stannary Street. The land and buildings were revalued on 22 April 2008.

Income totalled £11,624,839 with overheads at £11,577,514 thus giving the operating surplus before investments of £47,325.

INCOME

Registration income was £937,482 below budget. The renewal fee was £233,737K below budget. Of this, £36K of the unfavourable variance relates to the downturn in international scrutiny fees. The remaining difference relates to the number of registrants deregistering. We also budgeted for 3.4% of registrants deregistering over the year, whereas the actual figure was 6%. The total budgeted year end registrant number was 180,160 compared to an actual figure of 178,393.

£510K of the unfavourable variance related to international scrutiny fee income. About £50K of the unfavourable variance related to the 5 weeks implementation period for the fee rise and £98K related to a budget miscalculation. Also, Scrutiny fees at the higher rate of £400 were budgeted for the whole 12 months of the budget year instead of 10 months. The remaining unfavourable variance is due to a downturn in the number of international applications being received. 2,262 were received compared to 2,759 which were budgeted.

Year to date investment income was £71K above budget.

DEPARTMENTS

Total Departmental expenditure was £11,577,514 which was £914,477 below budget. There were under spends in Approvals and Monitoring, Council, Committees, Communications, Facilities, Policy, Projects and the Registration departments.

OVERHEADS

Below is an explanation of some of the main favourable variances as well as any unfavourable variances:

Payroll costs

Payroll costs show an unfavourable variance of £33K. Basic pay was showing a favourable variance of £216K due to some budgeted positions not being appointed in the prior year particularly in the following areas; The Operations Offices, Registrations and Fitness to Practise The time to effect some dept restructures (consultation time) also delayed some hiring. This favourable variance was offset by temporary staff hired during the recruitment process and the average cost to recruit new employees being higher than budgeted.

Staff travelling and subsistence

This shows a favourable variance (year to date £69K). £25K of this variance relates to the Approvals and Monitoring department where the number of visits is down on what was originally budgeted for (63 visits done compared to 100 budgeted).

Council and committee expenses

This shows a favourable variance (year to date £342k). This was due to actual meeting & conference attendance being lower than budgeted for Chairmen meeting costs were budgeted for but to date were held on the same day as the Council meeting therefore no additional cost incurred. There is also a favourable variance on the tax cost of £89K due to over estimating the PAYE and National Insurance cost of council and committee members.

Property services

This shows a favourable variance of £60k. Of the variance £51K relates to building refurbishment which is due to take place in the next financial year.

Office services

This shows a favourable variance of £42K, mainly due to a favourable variance in Printing and Stationery. The under spend in Secretariat of £44K is due to over estimating the printing costs of council and committee papers and the under spend of £52K in Policy for the printing of Standards of Proficiency is delayed until the next financial year. There was an over spend in Room Hire of £85K due to the delay in the Stannary St premises becoming available for use. Of this £63K relates to a large number of FTP cases being held outside of Park House. There was an over spend in Other Office Services of £19K due to under budgeting the amount of office furniture which is being rented and also the storage cost of office furniture (22-26 Stannary St project related).

Computer Services

This shows an unfavourable variance of £89K. Of this £56K relates to Software licenses, which are Oracle licences we have had to purchase to ensure we are correctly covered. There was an overspend of £34K in Managed web services due to an upgrade costing £20K and also an invoice for £15K for Star relating to the 2006-07 year which was not accrued for. £21K favourable variance on IT Other Services Costs relates to the cabling for 22/26 Stannary St cabling which will occur in the next financial year, due to a delay in the project. There was also an overspend of £20K in Hardware <£1K due to under budgeting the upgrade to the servers. There was an overspend of £16K in Disaster contingency plan is due to additional training and analysis done.

Communications

This shows a favourable variance of £194K. Of this variance, £19K related to over-accruing likely expense claims in March 2007 in relation to the Partner's conference

in October 2006. The under spend of £48K for Market research has been delayed until the next financial year.

Partners

The year to date accounts showed a favourable variance of £280K. There was a favourable variance of £75K for approval visits and £23K for annual monitoring. Both of these are due to a lower than expected number of visits done this year. There is also a favourable variance of £120K in assessor's fees due to the down turn in international applications.

Counter Fraud Solutions

This shows a favourable variance of 79K, due to the work being rescheduled for 2008/09.

Legal expenses

This shows an unfavourable variance of £172K. Of this £165K relates to FTP cases with the major due to additional disbursements charged by Kingsley Napley due to the number of cases held away from Park house.

Miscellaneous Expenses

This shows an unfavourable variance of £16K which relates to payments made to Portman Travel (Amex card) where we have not received the invoices. This will offset against the favourable variance for both staff and partners travel expenses, once allocated to various departments.

Legal Advice

This shows an unfavourable variance of £92K which relates to legal advice received in respect of section 60 legalisation and the onboarding of Practitioner Psychologists.

PROJECTS

There was a favourable operating variance of £247K relating to Business as usual (BAU) projects, On-boarding of Practitioner Psychologists, CPD and Equality and Diversity projects. Of the £247k, £137K relates to the new profession budget and £57K relates to the CPD budget where most of the under spend is due to an internal person being appointed for communicating the CPD process.

There has been capital expenditure (capex) on 10 Net-regulate projects so far this year, totalling £252K. Of this £12K was spent on Renewal forms, Online Trust register the ePasslist projects. The Online Trust Register and ePasslist project spending was to complete 2007 projects. The Renewal forms spend arose as a result of CPD where we needed to change the renewals form for the start of the renewal cycle.

£104K Capex has been spent on the CPD project and the overspend of £9K is due to a budget under estimation error. There was an under spend for the Professional Qualifications Directive (PQD) project of £40K. A database has been set up internally to monitor the applications. There was an overspend of £22K on the on the application server upgrade and £5K under spend on call recording budget. £9K has been spent in relation to the Lisa Access rights project with an additional £9K to be spent in next financial year. £40K has been spent on the new Finance System (FSU) with the overspend of £21K due to a budget estimation error, £10K of which is being offset against the under spend on the Lisa access rights project.

BALANCE SHEET

The main movements in the balance sheet since the beginning of the year were a decrease in Prepayments, increase in Creditors and an increase in deferred income the net impact of these movements was an increase in the cash balance of £850K.

£1,219K was spent in relation to the Stannary Street project with the remaining budget due to spent in the next financial year due the delay in the project. There was an under spend on hardware & equipment capital expenditure of £43K, with £67K actual spent to date. This is due to £43K relating to the purchase of equipment for Stannary St which now can not be capitalised due to the cost of the desks being less than £1K each.

Working capital was £3,009K showing HPC continues to be in a stable financial position, although not if Deferred Income (fees received in advance) had to be repaid. The Net Assets were £1,424K including the Accumulated Fund of £1,003K and the Revaluation Reserve of £421K. The Accumulated Fund comprised £1,979K at the beginning of the financial year plus the net surplus for the year to date and the £49K grant received from the department of health in respect of the new profession.

CASH FLOW

The Cash Flow statement indicated a net increase in cash of £850K from 1 April 2007 to the end of March 2008. At the end of March we budgeted a cash balance of £4,222K (including investments) and £2,436K excluding investments. The actual balance was £4,899K, including investments and £3,371K excluding investments. Excluding investments, the favourable variance was £935K. Of this £420K relates to the Stannary Street project, which has not yet been spent. £509K Cash inflow has not been received in relation to International Security Fees.

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, at the end of the financial year we had an operating surplus of £47K against a budgeted surplus of £60K. HPC continues to be in a stable financial position.

Charlotte Milner
Financial Controller
April 2008

HEALTH PROFESSIONS COUNCIL

Consolidated Management Accounts For the 12 months ended 31st March 2008

HEALTH PROFESSIONS COUNCIL

CONSOLIDATED ACCOUNTS TO 31 MARCH 2008
DETAILED SUMMARY

| | Actual £ | Budget £ | Variance £ | Variance % | Annual Budget £ |
|--|-------------------|-------------------|------------------|-----------------|-----------------------|
| INCOME | | | | | |
| Professions | | | | | |
| Arts Therapists | 94,415 | 155,664 | (61,249) | (39.35) | 155,664 |
| Biomedical Scientists | 1,460,343 | 1,655,611 | (195,268) | (11.79) | 1,655,611 |
| Chiropodists | 773,850 | 788,686 | (14,836) | (1.88) | 788,686 |
| Clinical Scientists | 282,503 | 291,107 | (8,604) | (2.96) | 291,107 |
| Dietitians | 486,170 | 429,950 | 56,220 | 13.08 | 429,950 |
| Occupational Therapists | 1,912,792 | 2,070,085 | (157,293) | (7.60) | 2,070,085 |
| Operating Department Practitioners | 513,535 | 523,091 | (9,556) | (1.83) | 523,091 |
| Orthoptists | 93,920 | 86,298 | 7,622 | 8.83 | 86,298 |
| Paramedics | 847,268 | 897,554 | (50,286) | (5.60) | 897,554 |
| Physiotherapists | 2,692,761 | 2,819,586 | (126,825) | (4.50) | 2,819,586 |
| Prosthetists & Orthotists | 56,090 | 61,343 | (5,253) | (8.56) | 61,343 |
| Radiographers | 1,624,684 | 1,911,678 | (286,994) | (15.01) | 1,911,678 |
| Speech and Language Therapists | 775,914 | 861,074 | (85,160) | (9.89) | 861,074 |
| Registration Income | 11,614,245 | 12,551,727 | (937,482) | (7.47) | 12,551,727 |
| Department of Health Capital Grant Released | 0 | 0 | 0 | 0.00 | 0 |
| Miscellaneous Income | 10,594 | 0 | 10,594 | 0.00 | 0 |
| TOTAL INCOME | 11,624,839 | 12,551,727 | (926,888) | (7.38) | 12,551,727 |
| EXPENDITURE | | | | | |
| Departments | | | | | |
| Approvals & Monitoring | 474,401 | 657,017 | 182,616 | 27.79 | 657,017 |
| Chief Executive | 280,526 | 256,414 | (24,112) | (9.40) | 256,414 |
| Committees & PLG | 173,849 | 396,192 | 222,343 | 56.12 | 396,192 |
| Communications | 886,079 | 1,016,454 | 130,375 | 12.83 | 1,016,454 |
| Council | 274,888 | 423,008 | 148,120 | 35.02 | 423,008 |
| Facilities Management | 897,301 | 981,195 | 83,894 | 8.55 | 981,195 |
| Finance | 530,240 | 448,271 | (81,969) | (18.29) | 448,271 |
| Fitness to Practise | 3,759,735 | 3,591,583 | (168,152) | (4.68) | 3,591,583 |
| Human Resources & Partners | 613,196 | 490,744 | (122,452) | (24.95) | 490,744 |
| IT Department | 1,000,260 | 844,074 | (156,186) | (18.50) | 844,074 |
| Operations Office | 306,405 | 259,316 | (47,089) | (18.16) | 259,316 |
| Policy & Standards | 252,286 | 430,727 | 178,441 | 41.43 | 430,727 |
| President | 39,344 | 47,900 | 8,556 | 17.86 | 47,900 |
| Projects | 132,104 | 353,213 | 221,109 | 62.60 | 353,213 |
| Registration | 1,695,336 | 2,021,818 | 326,482 | 16.15 | 2,021,818 |
| Secretariat | 261,564 | 274,065 | 12,501 | 4.56 | 274,065 |
| Operating Expenses | 11,577,514 | 12,491,991 | 914,477 | 7.32 | 12,491,991 |
| SURPLUS / (DEFICIT) - Excl. Unrealised Gains/(Losses) | 47,325 | 59,736 | (12,411) | 20.78 | 59,736 |
| Impairment of Freehold Land and Buildings | (1,039,520) | 0 | (1,039,520) | 0.00 | |
| Taxation | (43,139) | 0 | (43,139) | 0.00 | 0.00 |
| Investment Income - Excl. Unrealised Gains/(Losses) | 246,168 | 175,000 | 71,168 | (40.67) | 175,000 |
| Investment - Unrealised Gains / (Losses) | (187,108) | 0 | (187,108) | 0.00 | 0 |
| SURPLUS / (DEFICIT) | (976,274) | 234,736 | 1,211,010 | (515.90) | 234,736 |

HEALTH PROFESSIONS COUNCIL

CONSOLIDATED ACCOUNTS TO 31 MARCH 2008

CONSOLIDATED DETAILED SUMMARY

| | Actual £ | Budget £ | Variance £ | Variance % | Annual Budget £ |
|--------------------------------------|-------------------|-------------------|------------------|---------------|-----------------------|
| Consolidated Income | | | | | |
| Registration fees | 386,101 | 0 | 386,101 | 0.00 | 0 |
| Registration fees (part year) | 0 | 0 | 0 | 0.00 | 0 |
| Readmission fees | 115,360 | 205,200 | (89,840) | (43.78) | 205,200 |
| Renewal fees | 10,155,949 | 10,775,787 | (619,838) | (5.75) | 10,775,787 |
| International scrutiny fees | 567,160 | 1,076,800 | (509,640) | (47.33) | 1,076,800 |
| Confirmation letter fees | 0 | 0 | 0 | 0.00 | 0 |
| Grandparenting scrutiny fees & other | -15 | 0 | (15) | 0.00 | 0 |
| UK scrutiny fee/Graduated < 2 years | 389,690 | 493,940 | (104,250) | (21.11) | 493,940 |
| | <u>11,614,245</u> | <u>12,551,727</u> | <u>(937,482)</u> | <u>(7.47)</u> | <u>12,551,727</u> |

HEALTH PROFESSIONS COUNCIL

CONSOLIDATED ACCOUNTS TO 31 MARCH 2008

| CODE | INVESTMENT & OTHER INCOME | | | | Annual Budget £ |
|---|---------------------------|----------------|---------------|---------------|-----------------------|
| | Finance Director | | | | |
| BUDGET MANAGER | Actual £ | Budget £ | Variance £ | Variance % | |
| Consolidated Income | | | | | |
| Bank interest - Business Reserve | 14,477 | 20,000 | (5,523) | (27.61) | 20,000 |
| Bank interest - SIBA | 151,502 | 93,000 | 58,502 | 62.91 | 93,000 |
| Bond interest | 0 | 0 | 0 | 0.00 | 0 |
| Portfolio income | 71,319 | 62,000 | 9,319 | 15.03 | 62,000 |
| P & L on disposal of investments (Realised) | 8,870 | 0 | 8,870 | 0.00 | 0 |
| | <u>246,168</u> | <u>175,000</u> | <u>71,168</u> | 40.67 | <u>175,000</u> |
| P & L on disposal of investments (Unrealised) | (187,108) | 0 | (187,108) | 0.00 | 0 |

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HEALTH PROFESSIONS COUNCIL

CONSOLIDATED ACCOUNTS TO 31 MARCH 2008

OVERHEAD TOTAL

| | Actual £ | Budget £ | Variance £ | Variance % | Annual Budget £ |
|---|------------------|------------------|-----------------|---------------|-----------------------|
| Payroll | | | | | |
| Basic | 2,789,213 | 3,005,328 | 216,115 | 7.19 | 3,005,328 |
| Overtime | 29,633 | 28,875 | (758) | (2.62) | 28,875 |
| National Insurance | 298,372 | 357,401 | 59,029 | 16.52 | 357,401 |
| Pension costs | 281,221 | 214,867 | (66,354) | (30.88) | 214,867 |
| Medical insurance | 1,789 | 1,200 | (589) | (49.11) | 1,200 |
| Staff recruitment | 234,054 | 92,500 | (141,554) | (153.03) | 92,500 |
| Temporary staff | 447,597 | 310,887 | (136,710) | (43.97) | 310,887 |
| Other payroll expense | 2,750 | 40,000 | 37,250 | 93.13 | 40,000 |
| | 4,084,630 | 4,051,058 | (33,572) | (0.83) | 4,051,058 |
| Staff travelling and subsistence | | | | | |
| Fares | 83,576 | 107,090 | 23,514 | 21.96 | 107,090 |
| Car expenses and car park | 260 | 1,222 | 962 | 78.72 | 1,222 |
| Subsistence | 41,533 | 79,265 | 37,732 | 47.60 | 79,265 |
| Entertaining | 2,925 | 1,500 | (1,425) | (95.02) | 1,500 |
| Conferences | 1,897 | 10,000 | 8,103 | 81.03 | 10,000 |
| | 130,191 | 199,077 | 68,886 | 34.60 | 199,077 |
| Council and committee expenses | | | | | |
| Fees | 186,066 | 275,320 | 89,254 | 32.42 | 275,320 |
| Travelling and subsistence | 122,342 | 253,422 | 131,080 | 51.72 | 253,422 |
| Tax Cost (NI ER and PAYE) | 30,019 | 119,444 | 89,425 | 74.87 | 119,444 |
| Conference expenses | 3,589 | 39,640 | 36,051 | 90.95 | 39,640 |
| Training | 13,424 | 10,080 | (3,344) | (33.18) | 10,080 |
| | 355,440 | 697,906 | 342,466 | 49.07 | 697,906 |
| Property services | | | | | |
| Business rates | 92,693 | 93,652 | 959 | 1.02 | 93,652 |
| Water | 2,342 | 3,120 | 778 | 24.93 | 3,120 |
| Electricity | 46,565 | 36,750 | (9,815) | (26.71) | 36,750 |
| Gas | 10,969 | 7,592 | (3,377) | (44.47) | 7,592 |
| Cleaning contractors | 29,750 | 31,716 | 1,966 | 6.20 | 31,716 |
| Cleaning materials | 4,406 | 9,250 | 4,844 | 52.37 | 9,250 |
| Waste disposal | 11,077 | 14,675 | 3,598 | 24.52 | 14,675 |
| Repairs and maintenance | 17,359 | 16,376 | (983) | (6.00) | 16,376 |
| Maintenance contracts | 6,794 | 23,072 | 16,278 | 70.55 | 23,072 |
| Security | 23,780 | 26,020 | 2,240 | 8.61 | 26,020 |
| Building Refurbishment | 62,980 | 113,535 | 50,555 | 44.53 | 113,535 |
| Property disposals | 0 | 0 | 0 | 0.00 | 0 |
| Property depreciation | 42,000 | 34,500 | (7,500) | (21.74) | 34,500 |
| | 350,716 | 410,258 | 59,542 | 14.51 | 410,258 |

| |
|-----------------------|
| OVERHEAD TOTAL |
|-----------------------|

| | Actual £ | Budget £ | Variance £ | Variance % | Annual Budget £ |
|---|------------------|------------------|-----------------|----------------|-----------------------|
| Office services | | | | | |
| Printing and stationery | 603,861 | 696,831 | 92,970 | 13.34 | 696,831 |
| Photocopying | 5,069 | 7,200 | 2,131 | 29.60 | 7,200 |
| Microfilming | 0 | 500 | 500 | 100.00 | 500 |
| Postage | 85,469 | 98,060 | 12,591 | 12.84 | 98,060 |
| Telephone | 27,500 | 34,908 | 7,408 | 21.22 | 34,908 |
| Mobile telephone | 5,488 | 10,350 | 4,862 | 46.97 | 10,350 |
| Fax | 5,000 | 0 | (5,000) | 0.00 | 0 |
| Couriers | 8,614 | 5,250 | (3,364) | (64.08) | 5,250 |
| Office equipment < £1000 | 8,834 | 14,800 | 5,966 | 40.31 | 14,800 |
| Office equipment rental | 4,156 | 4,650 | 494 | 10.61 | 4,650 |
| Staff catering | 6,485 | 7,800 | 1,315 | 16.86 | 7,800 |
| Other office services | 39,127 | 19,580 | (19,547) | (99.83) | 19,580 |
| Room Hire | 300,672 | 215,920 | (84,752) | (39.25) | 215,920 |
| Office equipment depreciation | 29,363 | 55,521 | 26,158 | 47.11 | 55,521 |
| | 1,129,638 | 1,171,370 | 41,732 | 136 | 1,171,370 |
| Computer services | | | | | |
| Hardware < £1000 | 29,723 | 10,000 | (19,723) | (197.23) | 10,000 |
| Hardware maintenance | 15,277 | 15,000 | (277) | (1.85) | 15,000 |
| Software Licences | 73,916 | 18,000 | (55,916) | (310.64) | 18,000 |
| Software support & maintenance | 32,669 | 33,200 | 531 | 1.60 | 33,200 |
| IT systems external support | 110,129 | 132,000 | 21,871 | 16.57 | 132,000 |
| New IT Software Systems | 16,509 | 15,000 | (1,509) | (10.06) | 15,000 |
| Managed Web/Internet services | 148,771 | 115,000 | (33,771) | (29.37) | 115,000 |
| Internet/3G | 12,688 | 532 | (12,156) | (2,285.05) | 532 |
| IT Consummerables | 21,903 | 18,000 | (3,903) | (21.68) | 18,000 |
| Disaster contingency plan | 28,582 | 13,000 | (15,582) | (119.86) | 13,000 |
| Computer training | 10,000 | 10,000 | 0 | 0.00 | 10,000 |
| IT Security - Backup Offsite etc | 242 | 1,000 | 758 | 75.80 | 1,000 |
| Other computer services costs | 5,093 | 26,000 | 20,907 | 80.41 | 26,000 |
| IT Other Professional Fees | 17,895 | 29,000 | 11,105 | 38.29 | 29,000 |
| IT Hardware Disposals | 157 | 0 | (157) | 0.00 | 0 |
| Hardware depreciation | 152,092 | 151,227 | (865) | (0.57) | 151,227 |
| | 675,646 | 586,959 | (88,687) | (15.11) | 586,959 |
| Communications | | | | | |
| Campaigns | 181,981 | 180,000 | (1,981) | (1.10) | 180,000 |
| Annual Reports (Design, Distribute) | 11,112 | 12,500 | 1,388 | 11.11 | 12,500 |
| Brochures (Design, Distribute) | 41,676 | 53,500 | 11,824 | 22.10 | 53,500 |
| Listening Events | 25,630 | 36,000 | 10,370 | 28.80 | 36,000 |
| Market Research | 51,929 | 100,000 | 48,071 | 48.07 | 100,000 |
| Registrant Communications | 294 | 0 | (294) | 0.00 | 0 |
| Translations | 8,855 | 3,150 | (5,705) | (181.10) | 3,150 |
| Public Affairs & Stakeholder | 22,734 | 45,000 | 22,266 | 49.48 | 45,000 |
| Standards of Proficiency (Design,Prod,Dist) | 6,688 | 18,000 | 11,312 | 62.85 | 18,000 |
| Web Site Design | 36,350 | 41,740 | 5,390 | 12.91 | 41,740 |
| Annual Conference | (17,651) | 0 | 17,651 | 0.00 | 0 |
| Marketing & Promotions | 9,857 | 13,800 | 3,943 | 28.57 | 13,800 |
| Conference Attendance | 16,981 | 19,800 | 2,819 | 14.24 | 19,800 |
| General Events (Internal & External) | 22,620 | 50,322 | 27,702 | 55.05 | 50,322 |
| Media Relations | 42,876 | 60,000 | 17,124 | 28.54 | 60,000 |
| General Public Literature | 16,723 | 45,000 | 28,277 | 62.84 | 45,000 |
| Internal Communications | 30,247 | 34,500 | 4,253 | 12.33 | 34,500 |
| Bi-Annual Opinion polling | 70,192 | 60,000 | (10,192) | (16.99) | 60,000 |
| | 579,092 | 773,312 | 194,220 | 237.70 | 773,312 |

| |
|-----------------------|
| OVERHEAD TOTAL |
|-----------------------|

| | Actual £ | Budget £ | Variance £ | Variance % | Annual Budget £ |
|---------------------------------------|-------------------|-------------------|------------------|---------------|-----------------------|
| Partners | | | | | |
| Partners Recruitment | 6,900 | 19,600 | 12,700 | 64.79 | 19,600 |
| Partners Training | 30,365 | 50,517 | 20,152 | 39.89 | 50,517 |
| Registration Assessors | 16,120 | 39,170 | 23,050 | 58.85 | 39,170 |
| Panels (Allowance & Travel) | 713,469 | 710,423 | (3,046) | (0.43) | 710,423 |
| Approvals (Previously Visits) | 79,556 | 154,260 | 74,704 | 48.43 | 154,260 |
| Assessors fees (All Professions) | 231,776 | 352,080 | 120,304 | 34.17 | 352,080 |
| Test of Competence (All Professions) | 11,425 | 16,200 | 4,775 | 29.47 | 16,200 |
| Annual Monitoring | 11,834 | 34,400 | 22,566 | 65.60 | 34,400 |
| Major/Minor Change | 5,454 | 10,050 | 4,596 | 45.73 | 10,050 |
| | 1,106,900 | 1,386,700 | 279,800 | 20.18 | 1,386,700 |
| Project Costs | | | | | |
| MP2 - CPD | 20,714 | 77,400 | 56,686 | 73.24 | 77,400 |
| MP7 - Fee rise | 0 | 0 | 0 | 0.00 | 0 |
| MP5 - Equality & Diversity | 15,179 | 43,125 | 27,946 | 64.80 | 43,125 |
| MP2 - New profession | 94,869 | 232,688 | 137,819 | 59.23 | 232,688 |
| MP28 - Finnacle System Upgrad | 1,342 | 0 | (1,342) | 0.00 | 0 |
| BAU Projects | 38,253 | 64,275 | 26,022 | 40.49 | 64,275 |
| | 170,356 | 417,488 | 247,132 | 237.76 | 417,488 |
| Specific departmental expenses | | | | | |
| Archive storage | 46,893 | 27,020 | (19,873) | (73.55) | 27,020 |
| Auditors' fees | 46,500 | 38,000 | (8,500) | (22.37) | 38,000 |
| Bank charges | 61,131 | 53,862 | (7,269) | (13.50) | 53,862 |
| Books and publications | 296 | 500 | 204 | 40.87 | 500 |
| Conselling | 0 | 6,000 | 6,000 | 100.00 | 6,000 |
| Council Elections | 86,055 | 79,790 | (6,265) | (7.85) | 79,790 |
| Counter fraud Solutions | 5,605 | 84,198 | 78,593 | 93.34 | 84,198 |
| General insurance | 32,863 | 43,000 | 10,137 | 23.58 | 43,000 |
| Health and safety | 14,758 | 21,880 | 7,122 | 32.55 | 21,880 |
| Miscellaneous Expenses | 15,639 | 0 | (15,639) | 0.00 | 0 |
| Internal Audit | 36,786 | 27,000 | (9,786) | (36.24) | 27,000 |
| Legal advice | 366,132 | 273,931 | (92,201) | (33.66) | 273,931 |
| Legal expenses | 1,668,169 | 1,496,189 | (171,980) | (11.49) | 1,496,189 |
| Legal insurance | 31,500 | 50,820 | 19,320 | 38.02 | 50,820 |
| Legal -Transcript Writer | 203,129 | 216,657 | 13,528 | 6.24 | 216,657 |
| Other professional fees | 62,016 | 56,810 | (5,206) | (9.16) | 56,810 |
| Pension administration | 18,557 | 20,000 | 1,443 | 7.21 | 20,000 |
| Personal Performance Consultancy | 11,452 | 8,052 | (3,400) | (42.23) | 8,052 |
| Professional Liaison Groups | 41,595 | 64,504 | 22,909 | 35.52 | 64,504 |
| ISO 9001 Certification | 5,601 | 6,424 | 823 | 12.81 | 6,424 |
| Reward Data | 14,094 | 8,500 | (5,594) | (65.81) | 8,500 |
| Subscriptions to professional bodies | 29,287 | 33,432 | 4,145 | 12.40 | 33,432 |
| Taxation advice | 9,295 | 4,000 | (5,295) | (132.38) | 4,000 |
| Training | 187,553 | 177,294 | (10,259) | (5.79) | 177,294 |
| | 2,994,904 | 2,797,863 | (197,041) | (7.04) | 2,797,863 |
| OVERHEAD TOTAL | 11,577,514 | 12,491,991 | 914,477 | 7.32 | 12,491,991 |

HEALTH PROFESSIONS COUNCIL
CONSOLIDATED BALANCE SHEET
as at 31 March 2008

| | 31 March 2008 | | Actual 31 March 2007 | |
|--|--------------------|------------------------------|-------------------------|------------------------------|
| | £ | £ | £ | £ |
| FIXED ASSETS | | | | |
| Tangible fixed assets | | | | |
| Land & buildings, at cost or valuation | 3,090,000 | | 3,224,656 | |
| Depreciation | <u>0</u> | | <u>(42,000)</u> | |
| Net book value | | 3,090,000 | | 3,182,656 |
| Computer Equipment, at cost | 2,658,339 | | 2,354,123 | |
| Depreciation | <u>(2,032,094)</u> | | <u>(1,885,259)</u> | |
| Net book value | | 626,245 | | 468,864 |
| Office furniture and equipment, at cost | 387,804 | | 395,249 | |
| Depreciation | <u>(347,835)</u> | | <u>(332,823)</u> | |
| Net book value | | 39,969 | | 62,426 |
| | | <hr/> | | <hr/> |
| Total tangible fixed assets | | 3,756,214 | | 3,713,946 |
| Investments | | 1,528,047 | | 1,848,266 |
| | | <hr/> | | <hr/> |
| TOTAL FIXED ASSETS | | 5,284,260 | | 5,562,212 |
| CURRENT ASSETS | | | | |
| Debtors | 80,898 | | 42,694 | |
| Prepayments | 132,307 | | 197,462 | |
| Bank balances and cash | <u>4,899,109</u> | | <u>4,049,524</u> | |
| | | <u>5,112,314</u> | | <u>4,289,680</u> |
| CURRENT LIABILITIES | | | | |
| Amounts falling due within one year | | | | |
| Creditors and accrued expenses | 2,102,639 | | 1,840,472 | |
| | | <hr/> | | <hr/> |
| WORKING CAPITAL | | 3,009,675 | | 2,449,208 |
| DEFERRED INCOME | | | | |
| Registration fees in advance | 175,734 | | 61,624 | |
| Retention fees in advance | <u>6,693,458</u> | | <u>5,366,983</u> | |
| | | (6,869,191) | | (5,428,607) |
| | | <hr/> | | <hr/> |
| NET ASSETS | | 1,424,744 | | 2,582,813 |
| | | <hr/> <hr/> | | <hr/> <hr/> |
| Represented by: | | | | |
| General Funds | | 1,979,272 | | 1,695,560 |
| Revaluation reserve | | 421,746 | | 652,189 |
| Surplus/(Deficit) for the period | | <u>(976,274)</u> | | <u>235,064</u> |
| | | <hr/> 1,424,744 <hr/> | | <hr/> 2,582,813 <hr/> |

**HEALTH PROFESSIONS COUNCIL
CONSOLIDATED ACCOUNTS TO 31 MARCH 2008**

**CAPITAL EXPENDITURE
From 1st April 2007 - 31 March 2008**

| | Actual £ | Budget YTD £ | Variance £ | Annual Budget £ | |
|--|------------------|--------------------|------------------|-----------------------|---|
| <u>Major Investment (£50K+ Individual Item)</u> | | | | | |
| Office Services | | | | | |
| Renovation work to 22-26 Stannery Street. | 1,219,306 | 1,639,800 | (420,494) | 1,639,800 | 0 |
| Sub Total | 1,219,306 | 1,639,800 | (420,494) | 1,639,800 | |
| <u>Minor Investment (less than £50K individually)</u> | | | | | |
| Information Technology | | | | | |
| Server for Fax server installation | 0 | 5,000 | (5,000) | 5,000 | |
| Server for Lotus Notes Environment, move from Krusty LISA server | 0 | 5,000 | (5,000) | 5,000 | |
| Google appliance for user searching across network | 0 | 2,000 | (2,000) | 2,000 | |
| Replacement Tape unit for LISA (existing is near end of life and under capacity) | 6,376 | 11,000 | (4,624) | 11,000 | |
| Replacement phones for Registrations dept | 4,242 | 8,000 | (3,758) | 8,000 | |
| New computers and laptops for employees | 21,663 | 20,000 | 1,663 | 20,000 | |
| 6 Blackberry devices £200 each max | 0 | 1,200 | (1,200) | 1,200 | |
| HP Procurve Switches | 15,859 | 0 | 15,859 | 0 | |
| Memory Driver | 1,504 | 0 | 1,504 | 0 | |
| Replacement Server | 3,290 | 0 | 3,290 | 0 | |
| Video Conferencing | 7,112 | | | | |
| Office Services | | | | | |
| Replacement B & W Copier | 0 | 5,500 | (5,500) | 5,500 | |
| Security - CCTV system | 0 | 9,000 | (9,000) | 9,000 | |
| 36 Desks for 22-26 Stannery Street | 0 | 43,800 | (43,800) | 43,800 | |
| Dishwasher - Council Chamber | 1,906 | 0 | 1,906 | 0 | |
| Air conditioning in Server room | 5,000 | 0 | 5,000 | | |
| | 66,951 | 110,500 | (43,549) | 110,500 | |
| Contingency | 0 | 0 | 0 | 0 | |
| <u>LISA IT Projects</u> | 252,874 | 250,000 | 2,874 | 250,000 | |
| Total Capital Expenditure | 1,539,132 | 2,000,300 | (461,168) | 2,000,300 | |

**HEALTH PROFESSIONS COUNCIL
CONSOLIDATED ACCOUNTS TO 31 MARCH 2008**

**Project reporting
From 1st April 2007 - 31 March 2008**

| | | Actual £ | YTD Budget £ | Variance £ | Annual Budget £ |
|------------------------------------|---|----------------|--------------------|------------------|-----------------------|
| <u>Project number</u> | | | | | |
| <u>Capital Expenditure</u> | | | | | |
| MP2 | CPD | 103,778 | 85,000 | 18,778 | 85,000 |
| MP3 | Practitioner Psychologists | 16,647 | - | 16,647 | - |
| MP25 | Application Server Upgrade | 51,963 | 30,000 | 21,963 | 30,000 |
| MP26 | Professional qualifications Directive | 0 | 40,000 | (40,000) | 40,000 |
| | Registrations Trends Analysis | 0 | 2,000 | (2,000) | 2,000 |
| MP27 | Replacement of Finance system | 39,924 | 19,000 | 20,924 | 19,000 |
| | Call recording | 15,358 | 20,000 | (4,642) | 20,000 |
| | MIS Presentation | 4,200 | 19,000 | (14,800) | 19,000 |
| MP28 | Change in Lisa access rights | 9,082 | 35,000 | (25,918) | 35,000 |
| | Renewals forms | 4,171 | - | 4,171 | - |
| | Online Trust Register | 5,034 | - | 5,034 | - |
| | ePasslist | 2,717 | - | 2,717 | - |
| | | - | - | - | - |
| Total Capital Expenditure | | 252,874 | 250,000 | 2,874 | 250,000 |
| <u>Operating Expenditure</u> | | | | | |
| MP2 | CPD | 20,714 | 77,400 | (56,686) | 77,400 |
| MP7 | Fee Rise | 0 | 0 | 0 | 0 |
| MP5 | Equality & Diversity | 15,179 | 43,125 | (27,946) | 43,125 |
| MP3 | On-boarding of Practitioner Psychologists | 94,869 | 232,688 | (137,819) | 232,688 |
| MP27 | Finance System Upgrade | 1,342 | 0 | 1,342 | 0 |
| | Registrations Trends Analysis | 8,225 | 24,525 | (16,300) | 24,525 |
| | Call Recording | 12,079 | 8,000 | 4,079 | 8,000 |
| | Certificates Review | 0 | 3,625 | (3,625) | 3,625 |
| | MIS presentation | 16,728 | 11,500 | 5,228 | 11,500 |
| MP26 | Professional Qualifications Directive | 0 | 6,625 | (6,625) | 6,625 |
| | FTP Trend Analysis Project | 1,220 | 10,000 | (8,780) | 10,000 |
| Total Operating Expenditure | | 170,356 | 417,488 | (247,132) | 417,488 |
| | | (0) | 0 | | |

HEALTH PROFESSIONS COUNCIL

CONSOLIDATED ACCOUNTS TO 31 MARCH 2008

CASH FLOW STATEMENT

From 1st April 2007 - 31 March 2008

| | £ |
|---|------------------|
| Surplus /(deficit) over expenditure | 47,325 |
| Depreciation charge for the year of tangible fixed assets | 203,847 |
| (Increase)/decrease in debtors & prepayments | 26,952 |
| Increase/(decrease) in creditors (CGT and VAT Tax not included) | 219,027 |
| Increase /(decrease) in deferred income | 1,440,584 |
| Net cash In/(out)flow from operating activities | 1,937,735 |
| Return on investments and servicing of finance | |
| Investment Income (Excluding realised gains & losses) | 237,299 |
| Capital expenditure and financial investments | |
| Purchase of tangible assets | (1,539,131) |
| Disposal of tangible assets | 23,054 |
| Purchase of investments | (224,777) |
| Proceeds from sale of investments | 366,757 |
| Financing | |
| Income from DOH | 48,648 |
| Increase/(decrease) in Cash | 849,585 |
| Cash at 31 March 2007 | 4,049,524 |
| Cash at 31 March 2008 | 4,899,109 |
| Cash Movement | 849,585 |

HPC CONSOLIDATED Cash Flow: April 07 - March 08

| | Mar-06 | APRIL | MAY | JUNE | JULY | AUGUST | SEPT | OCT | NOV | DEC | JAN | FEB | MAR | Total 12 Mths |
|-------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Opening Balance 1st | | 4,049,524 | 3,620,399 | 3,032,867 | 2,521,613 | 2,885,897 | 2,964,389 | 4,129,354 | 4,641,182 | 4,270,131 | 4,029,974 | 4,046,710 | 3,612,532 | |
| Receipts | | | | | | | | | | | | | | |
| Registration Income | | 834,762 | 925,929 | 818,102 | 994,137 | 1,049,128 | 950,293 | 1,192,506 | 716,830 | 1,135,336 | 987,187 | 1,019,970 | 990,065 | |
| Investment Income | | 2,683 | 7,533 | 43,932 | 4,221 | 4,693 | 44,068 | 4,957 | 5,339 | 13,437 | 48,896 | 3,676 | 53,865 | |
| Investment Sales | | 0 | 20,160 | 83,600 | 148 | 26,542 | 0 | 24,992 | 90,132 | 16,994 | 29,866 | 12,881 | 61,442 | |
| Deferred Income Movements | | (29,496) | (694,801) | (447,059) | 270,590 | (37,428) | 1,187,576 | 356,202 | (95,724) | (248,100) | 61,741 | (200,996) | 1,318,079 | |
| Bank Loan | | | | | | | | | | | | | | |
| Miscellaneous Income | | | | 19,649 | (19,649) | | | | 5,746 | 0 | 0 | 0 | 4,848 | |
| Total Cash Receipts | | 807,949 | 258,821 | 518,224 | 1,249,447 | 1,042,935 | 2,181,937 | 1,578,657 | 722,323 | 917,667 | 1,127,690 | 835,531 | 2,428,299 | 13,669,479 |
| Payments | | | | | | | | | | | | | | |
| Operational | | | | | | | | | | | | | | |
| Expenditure | | 589,888 | 995,629 | 926,648 | 862,887 | 920,498 | 972,804 | 844,696 | 1,186,828 | 750,834 | 1,003,767 | 1,019,904 | 1,503,131 | |
| Depreciation | | (14,695) | (14,428) | (17,129) | (2,912) | (16,873) | (12,081) | (16,401) | (16,980) | (16,980) | (16,288) | (17,464) | (41,617) | |
| Aged Cred / Accrual Movements | | 664,359 | (170,909) | 50,554 | 15,923 | (12,303) | (44,676) | 46,422 | (382,788) | 314,149 | (226,316) | 89,782 | (563,223) | |
| Debtor Movements | | (31,106) | (15,183) | 3,125 | (34,044) | 1,985 | 49,598 | (2,501) | 42,553 | (48,278) | 30,606 | 8,487 | (32,194) | |
| Payments to Creditors | | 1,208,446 | 795,109 | 963,198 | 841,854 | 893,307 | 965,646 | 872,215 | 829,613 | 999,725 | 791,769 | 1,100,709 | 866,097 | 11,127,688 |
| Exceptional | | | | | | | | | | | | | | |
| Capital Expenditure | | 0 | 35,306 | 33,927 | 57,650 | 71,136 | 28,940 | 128,361 | 238,238 | 141,354 | 320,116 | 155,026 | 329,077 | |
| Capital Write-off | | 0 | 0 | 0 | (14,350) | 0 | (4,481) | (3,291) | 0 | 0 | (932) | 0 | 0 | |
| Investment Purchases | | 28,628 | 15,938 | 32,353 | 9 | 0 | 26,867 | 69,544 | 25,523 | 16,745 | 0 | 13,974 | (4,804) | |
| Loan Repayments | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| DOH Income | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (48,648) | |
| Total Payments | | 1,237,074 | 846,353 | 1,029,478 | 885,163 | 964,443 | 1,016,972 | 1,066,829 | 1,093,374 | 1,157,824 | 1,110,953 | 1,269,709 | 1,141,722 | 12,819,894 |
| Closing Balance | 4,049,524 | 3,620,399 | 3,032,867 | 2,521,613 | 2,885,897 | 2,964,389 | 4,129,354 | 4,641,182 | 4,270,131 | 4,029,974 | 4,046,710 | 3,612,532 | 4,899,109 | 849,585 |

0

(0)

| | | | | | | | | | | | | | | |
|----------------------------|---------|---------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|---------|---------|
| Aged Creditors | 800,652 | 918,928 | 1,089,837 | 1,039,283 | 1,023,360 | 1,035,663 | 1,080,339 | 1,033,917 | 1,416,705 | 1,102,556 | 1,328,872 | 1,239,090 | 372,993 | 372,993 |
| 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.