

Council, 13 May 2015

Finance Report

Executive summary and recommendations

### **Introduction**

The report sets out the main activities of the Finance Department since the March 2015 meeting of Council. It includes statistical information and highlights key work undertaken.

### **Decision**

Council is asked to discuss the report.

### **Background information**

See Appendix 1 and 2

### **Resource implications**

The resources for the Department are set out in the annual workplan and budget 2014-15.

### **Financial implications**

HCPC financial results for 2014-15

### **Appendices**

Appendix 1: Finance Report including overview of management accounts and forecast

Appendix 2: Detailed schedules and graphs

### **Date of paper**

1 May 2015

Appendix 1

**Finance Department Report and  
Management Information Pack**

Andy Gillies, Finance Director

April 2015

## 1. Core processes

There have been no significant issues with collection of income from registrants or payments to partners or suppliers.

We are continuing to review the contracted out payroll service together with the HR Department. The preferred option was previously to negotiate with the provider of the new HR system, so as to achieve maximum benefits of integration of HR and payroll data. However the payroll bureau service of the HR software provider is not ISO27001 certified, so we are reviewing other options.

## 2. Projects

The upgraded finance systems (Sage and WAP) went live in March. The Finance systems project continues into 2015-16 with the introduction of electronic approval for invoices not initiated through the WAP purchase order system. Finance are also contributing to the Registration Processes Review project, the NetRegulate changes project and the HR project.

## 3. Treasury

At the end of March 2015, we had total cash and deposits of £18.0m, of which £8.5m is held in fixed term deposits (see table below) and £9.5m is in instant access accounts, earning up to 1.25%.

<b>Bank</b>	<b>Deposit amount £m</b>	<b>Term Months</b>	<b>Maturity date</b>	<b>Interest rate %</b>
Lloyds	2.5	12	1 April 2015	1.10
Santander	2.0	12	23 December 2015	1.00
Barclays	1.0	12	26 February 2016	0.92
Barclays	1.0	24	19 December 2016	1.06
Santander	2.0	24	10 March 2017	1.2
<b>Total</b>	<b>8.5</b>			

All of the banks we use meet the minimum credit rating in the investment policy.

#### 4. Procurement

The contract with the new travel management company has gone live and is now available for use. We expect to sign the new Public Law contract shortly.

#### 5. Audits

Mazars have completed the core financial systems audit for 2014-15, which provided substantial assurance. Grant Thornton have prepared their internal audit plan for 2015-16. The National Audit Office have provided an interim report on their external audit of the 2014-15 annual report and accounts. The internal and external audit reports and the 2015-16 internal audit plan were presented to the March Audit Committee,

#### 6. Staffing

The interim Procurement Manager left at the beginning of March following the completion of the Public Law tender evaluation. The Finance Business Partner left in February, and the post is currently filled by an interim. The two vacancies in the Financial Accounting team have been filled. We have an agency temp backfilling the Head of Financial Accounting, to enable her to focus on the Registration Processes project and the Finance Systems project.

#### 7. Management Accounts for the 12 months ending 31 March 2015

##### Income and expenditure

The month 12 management accounts show a surplus for financial year 2014-15 of £331k before revaluation. The budget for the year was a deficit of £534k, and the month 9 forecast indicated a deficit of £90k, so the actual result is £421k better than forecast and £866k better than budget. The £866k variance from budget includes:

- *Favourable variance of £290k on income*, caused by a higher than expected volume of international applications, offsetting slightly overbudgeted income from graduate registration and renewal fees
- *Favourable variance of £325k on payroll costs*, caused by vacant posts in the first half of the year
- *Favourable variance of £57k on non-payroll costs*.
- *Investment income (bank interest) of £116k, net of tax*. We do not budget for interest receivable.

By department, the largest variances from budget were as follows:

- *Education, 19% / £211k underspent.* Payroll costs were £92k underspent due to two vacant posts during the year, and non-payroll costs were underspent due to fewer than budgeted approval visits taking place
- *Fitness to Practise, 5% / £652k overspent.* As previously noted the budget for legal advice omitted the VAT, which meant the budget was understated by £730k. Excluding that error, the outturn was within the +/-5% tolerance
- *Major Projects, 47% / £491k underspent.* As discussed at the March meeting, the budget for Major Projects is inherently more uncertain than other departments' budgets. Projects budgets are set on a prudent basis at the scoping stage, including a 15% contingency. There were 15 major projects planned for 2014-15, of which 6 were the continuation of projects already started and 9 were new. The underspend in 2014-15 was caused by a combination of reductions in scope, savings on initial cost estimates and slippage in timetables
- *Registration, 11% / £299k overspent.* The overspent includes £120k more than budget on International Assessor fees, due to higher than expected application volumes, and £57k more than budget on overtime. The additional International Assessor costs are covered by the fees charged to the new international registrants, and the overtime was largely incurred on accelerated processing of international Paramedic applications, at the request of London Ambulance Service, for which a grant was received.

### **Balance sheet and cash flow**

The cash balance at 31 March was £18m, while the month 9 forecast cash balance at 31 March 2015 was £14m. The difference is mainly due to £3.9m of direct debit collections which were initiated before the year end and therefore counted as March receipts, although they are not credited to our account by the bank until the beginning of April. The forecast treated those collections as April receipts, falling in the new financial year. The difference between the month 9 forecast and the actual cash balance is therefore mainly a timing difference which reverses itself in April.

The increase in the deferred income balance from £15.8m at 31 March 2014 to £17.3m at 31 March 2015 is also a function of the timing of the £3.9m direct debit collections at the end of March.

The £3.570k value of land and buildings on the balance sheet includes a revaluation gain of £385k (12%). The gain is based on indexation, as discussed with the National Audit Office, and in accordance with the Treasury's Financial Reporting Manual.

The results are subject to further internal review and the NAO's final audit.

# **Management Accounts**

## **31 March 2015**

Andy Gillies, Finance Director

**Management Accounts  
March 2015  
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**Variance commentary**

Department	Movement YTD	Budget YTD	Variance	%	Reforecast - Month 9	Comments on key variances
<b>Total Income</b>	<b>26,303,138</b>	<b>26,013,351</b>	<b>289,787</b>	<b>1.1</b>	25,926,947	Income is 1.1% / <b>£285k</b> ahead of budget. Graduate registration fees, readmission fees and renewal fees are behind budget by <b>6.6%</b> , <b>43.8%</b> and <b>0.5%</b> respectively.  However, International and UK scrutiny fees are <b>£667k</b> ahead of budget for 2014/15.

**Expenditure**

Department	Movement YTD	Budget YTD	Variance	%	Reforecast - Month 9	Comments on key variances
<b>Chair</b>	86,443	78,960	(7,483)	(9.5)	86,691	Fees <b>(£11k)</b> over budget due to more days worked than budgeted
<b>Chief Executive</b>	396,189	395,986	(203)	(0.1)	404,409	Minor Variance
<b>Council</b>	204,349	225,780	21,431	9.5	218,362	<b>£15k</b> underspend on Council fees and T&S.
<b>Communications</b>	1,140,938	1,267,699	126,761	10.0	1,222,190	<b>£48k/7%</b> payroll underspends due to vacant posts <b>£90k/18%</b> net underspend on Communications related expenditure including <b>£23k</b> Media Relations and <b>£32k</b> Meet the HCPC events, <b>£12k</b> Conferences & Exhibitions and <b>£20k</b> on Web deployments.
<b>Education</b>	889,385	1,100,094	210,709	19.2	909,949	<b>£92k</b> Payroll underspend due to two vacant posts. <b>£17k</b> underspend on Travel & Subsistence is linked to lower than budgeted approval visits. <b>£18k</b> underspend on Office Services due to reduced need. <b>£63k</b> partner savings: linked to 19% lower than budgeted approval visits; 56% lower than budgeted annual monitoring assessment days and 40% lower than budgeted annual monitoring postal submissions. Budgeted 85 approval visits; actual 69. Budgeted 9 AM days; actual 4. Budgeted 40 AM submissions; actual 27. Major change submissions now 45% over budget. Budgeted 87 MC submissions; actual 132. <b>£10k</b> underspend on small projects due to reduced need and <b>£3k</b> underspend on training due to reduced unit costs.
<b>Facilities Management</b>	1,464,979	1,574,250	109,271	6.9	1,481,400	<b>£38k/18%</b> payroll savings due to vacant posts. <b>£42k/7%</b> underspend on property related expenses, incl <b>£14k</b> on business rates, <b>£13k</b> on building refurb, <b>£19k</b> on utilities and <b>£19k</b> underspends on Stannary St rents. <b>£11k</b> underspend on professional fees
<b>Finance</b>	774,986	848,340	73,354	8.6	777,447	<b>(£23k)</b> overspend on payroll due to agency staff costs covering vacant Procurement Manager and Finance Business Partner Posts as well as vacancies in the purchase ledger team. <b>£99k</b> underspend on Professional fees includes <b>£59k</b> release of Flexiplan Pension provision, correcting an error in 2013-14 accounts, <b>£38k</b> underspend on Legal Advice costs <b>£2.5k</b> underspend on Other Professional Fees.



**Variance commentary**

Department	Movement YTD	Budget YTD	Variance	%	Reforecast - Month 9	Comments on key variances
<b>Fitness to Practise</b>	12,881,382	12,229,016	(652,366)	(5.3)	12,614,768	<p><b>£54k</b> net underspend on payroll due to vacant posts.</p> <p><b>£296k</b> underspend on permanent and FTC post costs offset by (£242k) overspend on temporary staff costs.</p> <p><b>(£507k)/(10%)</b> overspend on Professional Fees due to VAT omission in the budget for legal advice.</p> <p><b>(£235k)/(8%)</b> overspend on Partners fees and T&amp;S.</p> <p><b>(£19k)</b> overspend on Travel &amp; Subsistence.</p> <p><b>(£42k)</b> overspend on printing and stationery, which includes bundles for hearings.</p> <p><b>(£43k)</b> Overspend on room hire for hearings.</p> <p><b>£11k</b> underspend on brochures.</p> <p><b>£14k</b> underspend on small projects.</p> <p><b>£10k</b> underspend on staff training.</p>
<b>Human Resources</b>	559,984	679,782	119,798	17.6	637,604	<p><b>£119k</b> underspend on the payroll category includes <b>£31k</b> saving on the HR department's own staff costs, <b>£51k</b> underspend on organisation-wide recruitment costs, and no spend yet against the central payroll contingency which is <b>£35k</b> underspent.</p>
<b>Human Resources Partners</b>	460,839	573,690	112,851	19.7	448,402	<p><b>£113k</b> underspend on partner costs includes <b>£95k</b> on recruitment &amp; interviews, <b>£18k</b> on training.</p>
<b>IT Department</b>	1,658,665	1,678,902	20,237	1.2	1,683,271	<p><b>£28k</b> underspends on payroll due to vacant post.</p> <p><b>£17k</b> underspend on Small Project Costs,</p> <p><b>(£40k)</b> overspend on computer costs due to agreed purchase of additional computer monitors .</p>
<b>Major Projects</b>	546,265	1,037,170	490,905	47.3	620,990	<p><b>Opex:</b></p> <p><b>£491k</b> underspend on Projects compared to Budget includes <b>£103k</b> on HR &amp; Partners Phase 2, <b>£111k</b> on Education System Build, <b>£100k</b> on 186KPR, and <b>£167k</b> on Registrations Process and Systems Phase 1, <b>£11k</b> on Stakeholder Contact Management System <b>£29k</b> on Direct Debit review and <b>£17k</b> Domino to Exchange Migration.</p> <p><b>Capex:</b></p> <p><b>£1427k</b> underspend on Projects compared to Budget includes <b>£65k</b> on Education System Build, <b>£343k</b> on Registrations Process and Systems Phase 1, <b>£54k</b> on Domino to Exchange Migration, <b>£138k</b> on Online Renewals (closed), <b>£94k</b> on Net Regulate Changes, <b>£623k</b> on HR and Partners Phase 2, <b>£65k</b> on FTP changes and <b>£20k</b> on Direct Debit Review.</p>
<b>Operations Office</b>	607,840	638,053	30,213	4.7	643,028	<p><b>(£30k)</b> overspend on professional fees incl <b>(£19k)</b> overspend on Information Security and <b>(£11k)</b> on legal advice</p> <p><b>£15k</b> underspend on Small Projects, <b>£25k</b> underspend on Training and <b>£12k</b> underspend on Subscriptions</p>
<b>Policy</b>	381,817	364,813	(17,004)	(4.7)	381,891	<p><b>(£45k)</b> overspend on payroll due to omissions in the budget</p> <p>Offset by underspends on the following; <b>£10k</b> on Office Services , <b>£8k</b> on T&amp;S, <b>£3k</b> on Training and <b>£5k</b> on Professional fees.</p>

**Variance commentary**

Department	Movement YTD	Budget YTD	Variance	%	Reforecast - Month 9	Comments on key variances
Registration	3,103,992	2,804,594	(299,398)	(10.7)	3,036,228	(£57k)/(3%) overspend on payroll due to overtime worked in order to accelerate processing of international applications; this is funded by Department of Health grant (£120k)/(26%) overspend on Partner costs mainly due to International Assessor fees (4608 actual vs 1840 budgeted). The overspend is partly covered by additional International Scrutiny fees, and partly by the Department of Health grant. (£132k) Printing & Stationary overspend due to updating of registration forms and Booklets to reflect updated rules around Professional Indemnity. £17k underspend on Professional fees £6k underspend on Travel £14k underspend on Training
Secretariat	218,150	260,899	42,749	16.4	217,601	£41k underspend on payroll as a result of maternity leave.
	<b>25,376,203</b>	<b>25,758,028</b>	<b>381,825</b>	<b>1.5</b>	<b>25,384,231</b>	
Depreciation	792,032	749,507	(42,525)	(5.7)	767,187	No budget for depreciation on leasehold improvements

**Income and Expenditure**

	Period 12	Full Year				Full year
	Actual	Actual	Budget	Variance	Variance %	Month 9 Forecast
<b>Income by Activity</b>						
Graduate Registration fees	145,246	1,451,115	1,553,268	(102,153)	(6.6)	1,429,058
Readmission fees	19,320	207,275	368,540	(161,265)	(43.8)	172,039
Renewal fees	1,905,811	22,396,532	22,510,798	(114,266)	(0.5)	22,281,152
International scrutiny fees	138,160	1,337,796	809,424	528,372	65.3	1,164,720
Grandparenting fees	0	0	0	0		
UK scrutiny fees	53,566	909,597	771,321	138,276	17.9	879,978
<b>Registration Income</b>	<b>2,262,103</b>	<b>26,302,315</b>	<b>26,013,351</b>	<b>288,964</b>	<b>1.1</b>	<b>25,926,947</b>
Cheque/credit card write offs	1,006	824	0	824		
<b>Total Income</b>	<b>2,263,109</b>	<b>26,303,138</b>	<b>26,013,351</b>	<b>289,787</b>	<b>1.1</b>	<b>25,926,947</b>
Chair	9,572	86,443	78,960	(7,483)	(9.5)	86,691
Chief Executive	29,933	396,189	395,986	(203)	(0.1)	404,409
Council & Committee	20,853	204,349	225,780	21,431	9.5	218,362
Communications	109,168	1,140,938	1,267,699	126,761	10.0	1,222,190
Education	94,527	889,385	1,100,094	210,709	19.2	909,949
Facilities Management	117,642	1,464,979	1,574,250	109,271	6.9	1,481,400
Finance	84,378	774,986	848,340	73,354	8.6	777,447
Fitness to Practise	1,268,906	12,881,382	12,229,016	(652,366)	(5.3)	12,614,768
Human Resources	35,833	559,984	679,782	119,798	17.6	637,604
Human Resources Partners	59,320	460,839	573,690	112,851	19.7	448,402
IT Department	144,793	1,658,665	1,678,902	20,237	1.2	1,683,271
Major Projects	91,770	546,265	1,037,170	490,905	47.3	620,990
Operations Office	57,902	607,840	638,053	30,213	4.7	643,028
Policy	67,694	381,817	364,813	(17,004)	(4.7)	381,891
Registration	276,344	3,103,992	2,804,594	(299,398)	(10.7)	3,036,228
Secretariat	14,257	218,150	260,899	42,749	16.4	217,601
<b>Operating expenditure</b>	<b>2,482,892</b>	<b>25,376,203</b>	<b>25,758,028</b>	<b>381,825</b>	<b>1.5</b>	<b>25,384,231</b>
<b>Operating surplus/(deficit)</b>	<b>(219,783)</b>	<b>926,935</b>	<b>255,323</b>	<b>671,612</b>	<b>263.0</b>	<b>542,716</b>
<b>Other expenditure</b>						
Depreciation	90,434	792,032	749,507	(42,525)	(5.7)	767,187
Costs relating to Revalidation	0	42,927	0	(42,927)		42,927
Regulation of Public Health Specialists	26,237	63,096	40,000	(23,096)	(57.7)	39,150
	<b>116,671</b>	<b>898,055</b>	<b>789,507</b>	<b>(108,548)</b>	<b>(13.7)</b>	<b>849,264</b>
<b>Other income</b>						
Investment Income, net of tax	16,150	116,367	0	116,367		101,915
Grant Income	111,164	186,164	0	186,164		114,150
	<b>127,314</b>	<b>302,531</b>	<b>0</b>	<b>302,531</b>		<b>216,065</b>
<b>Surplus/(deficit) before revaluation</b>	<b>(209,140)</b>	<b>331,411</b>	<b>(534,184)</b>	<b>865,595</b>		<b>(90,483)</b>
<b>Revaluation of freehold land and buildings</b>	<b>384,629</b>	<b>384,629</b>	<b>0</b>	<b>384,629</b>	<b>0</b>	
<b>Total surplus/(deficit)</b>	<b>175,489</b>	<b>716,040</b>	<b>(534,184)</b>	<b>1,250,224</b>	<b>234.0</b>	<b>(90,483)</b>

**Payroll costs**

	Year to date				Full year
	Actual	Budget	Variance	Variance %	Month 9 Forecast
Chair					
Chief Executive	266,066	270,686	4,620	1.7	271,721
Council & Committee					
Communications	615,037	663,418	48,381	7.3	642,324
Education	641,904	740,923	99,019	13.4	643,878
Facilities Management	201,486	248,640	47,154	19.0	205,262
Finance	561,497	534,140	(27,357)	(5.1)	560,280
Fitness to Practise	3,445,429	3,499,451	54,022	1.5	3,434,450
Human Resources	380,815	500,600	119,785	23.9	440,247
Human Resources Partners	131,753	128,780	(2,973)	(2.3)	131,753
IT Department	565,288	586,708	21,420	3.7	565,428
Major Projects	156,308	175,790	19,482	11.1	175,790
Operations Office	457,627	460,347	2,721	0.6	470,028
Policy	266,663	220,975	(45,688)	(20.7)	264,033
Registration	1,781,477	1,723,884	(57,593)	(3.3)	1,837,545
Secretariat	170,012	211,679	41,667	19.7	175,822
<b>Payroll costs</b>	<b>9,641,362</b>	<b>9,966,021</b>	<b>324,659</b>	<b>3.3</b>	<b>9,818,563</b>

**Non-payroll costs**

	Year to date				Full year
	Actual	Budget	Variance	Variance %	Month 9 Forecast
Chair	86,443	78,960	(7,483)	(9.5)	86,691
Chief Executive	130,123	125,300	(4,823)	(3.8)	132,688
Council & Committee	204,349	225,780	21,431	9.5	218,362
Communications	525,901	604,281	78,380	13.0	579,866
Education	247,481	359,171	111,690	31.1	266,070
Facilities Management	1,263,493	1,325,610	62,117	4.7	1,276,138
Finance	213,489	314,200	100,711	32.1	217,167
Fitness to Practise	9,435,953	8,729,565	(706,388)	(8.1)	9,180,318
Human Resources	179,169	179,182	13	0.0	197,356
Human Resources Partners	329,086	444,910	115,824	26.0	316,649
IT Department	1,093,377	1,092,194	(1,183)	(0.1)	1,117,843
Major Projects	389,958	861,380	471,422	54.7	445,200
Operations Office	150,213	177,706	27,493	15.5	173,000
Policy	115,154	143,838	28,684	19.9	117,858
Registration	1,322,515	1,080,710	(241,805)	(22.4)	1,198,682
Secretariat	48,138	49,220	1,082	2.2	41,779
<b>Non-payroll costs</b>	<b>15,734,842</b>	<b>15,832,007</b>	<b>57,166</b>	<b>0.4</b>	<b>15,565,667</b>

### Income by profession

	Year to date				Full year
	Actual	Budget	Variance	Variance %	Month 9 Forecast
Arts Therapists	272,882	255,290	17,592	6.9	270,904
Biomedical Scientists	1,797,074	1,812,722	(15,648)	(0.9)	1,781,803
Chiropodists	1,028,457	1,004,331	24,126	2.4	1,014,542
Clinical Scientists	413,069	405,735	7,334	1.8	408,318
Dieticians	709,014	709,564	(550)	(0.1)	698,687
Hearing Aid Dispensers	170,113	164,123	5,990	3.6	164,999
Occupational Therapists	2,784,633	2,830,819	(46,186)	(1.6)	2,743,782
Operating Department Practitioners	926,341	949,293	(22,952)	(2.4)	912,834
Orthoptists	103,888	107,503	(3,615)	(3.4)	131,455
Paramedics	1,607,581	1,628,288	(20,707)	(1.3)	1,535,353
Physiotherapists	4,092,485	4,116,484	(23,999)	(0.6)	4,032,209
Practitioner Psychologists	1,620,471	1,526,800	93,670	6.1	1,605,659
Prosthetists & Orthotists	78,243	79,029	(786)	(1.0)	75,877
Radiographers	2,409,948	2,234,880	175,068	7.8	2,366,611
Speech & Language Therapists	7,106,344	6,991,621	114,723	1.6	1,152,906
Social Workers	1,181,772	1,196,868	(15,096)	(1.3)	7,031,009
<b>Registration Income</b>	<b>26,302,315</b>	<b>26,013,351</b>	<b>288,964</b>	<b>1.1</b>	<b>25,926,947</b>
Cheque/credit card adjustments	824		824		0
<b>Total income</b>	<b>26,303,138</b>	<b>26,013,351</b>	<b>289,787</b>	<b>1.1</b>	<b>25,926,947</b>

**Statement of Financial Position**

	Actual 31 March 2015	Actual 31 March 2014
<b>Non-current assets</b>		
Land & buildings, at cost or valuation	3,570,011	3,185,000
Land & buildings depreciation	(50)	0
	3,569,961	3,185,000
Computer equipment, at cost	559,976	465,457
Computer equipment depreciation	(348,216)	(287,164)
	211,759	178,293
Office furniture and equipment, at cost	330,371	357,891
Office equipment depreciation	(244,018)	(230,958)
	86,353	126,933
Intangible assets	6,172,676	5,363,658
Intangible assets depreciation	(4,665,580)	(4,106,773)
	1,507,097	1,256,885
<b>Total non-current assets</b>	<b>5,375,170</b>	<b>4,747,110</b>
<b>Current assets</b>		
Other current assets	707,405	618,960
Cash & cash equivalents	18,047,612	16,038,062
	<b>18,755,017</b>	<b>16,657,022</b>
<b>Total assets</b>	<b>24,130,188</b>	<b>21,404,132</b>
<b>Current liabilities</b>		
Trade and other payables	918,544	806,716
Other liabilities	2,148,969	1,767,589
Deferred income	17,331,712	15,814,904
	<b>20,399,225</b>	<b>18,389,209</b>
<b>Total assets less liabilities</b>	<b>3,730,963</b>	<b>3,014,923</b>
General fund b/fwd	(3,014,923)	
This period (surplus)/deficit	(716,040)	
General fund c/fwd	<b>(3,730,963)</b>	<b>(3,014,923)</b>

**Projects**

	Opex			Capex			Opex & Capex			Opex		Capex	
	Actual	Budget	Variance	Actual	Budget	Variance	Actual	Budget	Variance	Month 9	Budget	Month 9	Budget
	YTD £	2014/15 YTD £	£	YTD £	2014/15 YTD £	£	YTD £	2014/15 YTD £	£	Forecast Full Year £	Full Year £	Forecast Full Year £	Full Year £
NetRegulate Changes 2013-14	(115)	0	115	432	3,660	3,228	317	3,660	3,343	(115)	0	432	3,660
HR & Partners Phase 1	47,571	12,882	(34,689)	960	5,508	4,548	48,531	18,390	(30,141)	42,242	12,882	960	5,508
Education System Build	100,601	211,906	111,305	459,347	513,567	54,220	559,948	725,473	165,525	124,088	211,906	386,570	513,567
186 Kennington Park Road	336,512	436,968	100,456		0	0	336,512	436,968	100,456	290,000	476,968	0	0
Professional Indemnity	724	2,737	2,013	3,780	8,252	4,472	4,504	10,989	6,485	724	2,737	3,780	8,252
Fees Change Project	0	0	0	0	500	500	0	500	500	0	0	0	500
Registrations Systems Review Phase 1	22,445	189,255	166,810	126,108	469,370	343,262	148,553	658,625	510,072	52,724	189,255	111,917	469,370
HR & Partners Phase 2	248	103,208	102,960	83,487	707,250	623,763	83,735	810,458	726,723	39,125	103,208	90,233	707,250
Stakeholder Contact Management System	0	11,500	11,500		56,677	56,677	0	68,177	68,177	4,600	11,500	11,737	56,677
SAGE & PRS Upgrade	24,265	12,305	(11,960)	82,694	36,800	(45,894)	106,958	49,105	(57,853)	29,460	12,305	78,871	36,800
Domino to Exchange Migration	5,543	23,000	17,457	49,075	103,169	54,094	54,618	126,169	71,551	29,670	23,000	137,056	103,169
Direct Debit Review	0	28,980	28,980		20,286	20,286	0	49,266	49,266	0	28,980	0	20,286
Online Renewals Review & Change of Payment Provider	8,472	1,266	(7,206)	0	138,000	138,000	8,472	139,266	130,794	8,472	1,266	0	138,000
FTP Changes 2014-15	0	2,013	2,013		65,550	65,550	0	67,563	67,563	0	2,013	0	65,550
NetRegulate Changes 2014-15	0	1,150	1,150	10,524	104,576	94,052	10,524	105,726	95,202	0	1,150	20,550	104,576
	<b>546,266</b>	<b>1,037,170</b>	<b>490,904</b>	<b>816,407</b>	<b>2,233,165</b>	<b>1,416,758</b>	<b>1,362,673</b>	<b>3,270,335</b>	<b>1,907,662</b>	<b>620,990</b>	<b>1,077,170</b>	<b>842,106</b>	<b>2,233,165</b>
Regulation of Public Health Specialists	63,096	40,000	(23,096)			0	63,096	40,000	(23,096)	39,150			
Research Revalidation	42,927	0	(42,927)				42,927	0	(42,927)	42,927			



## Capital expenditure

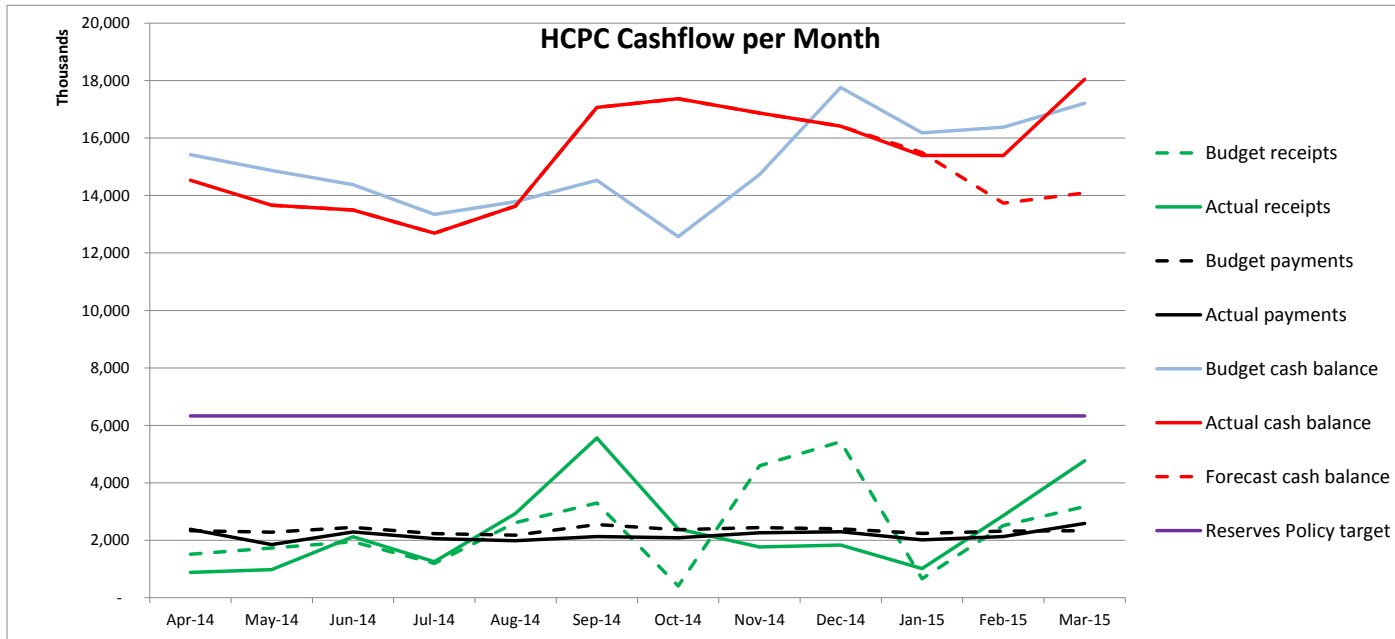
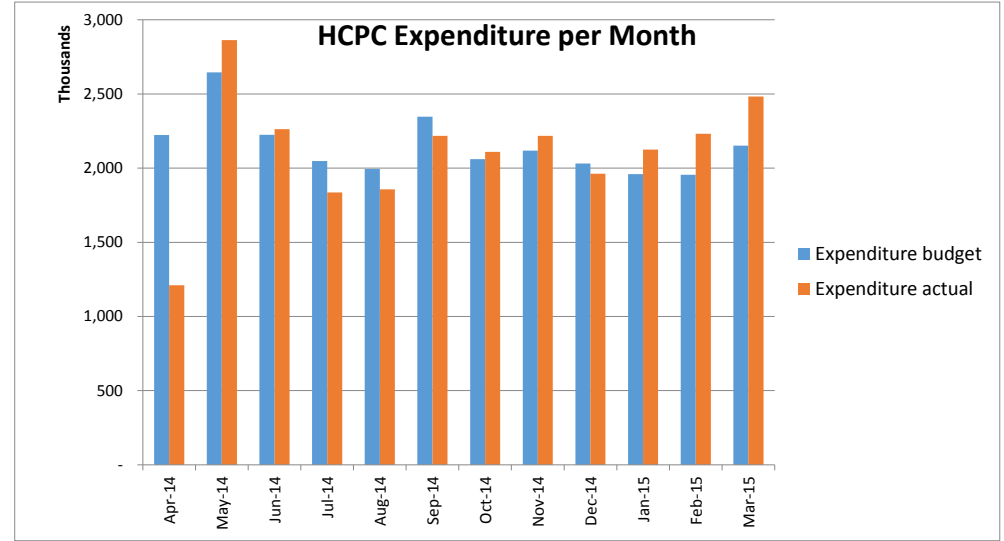
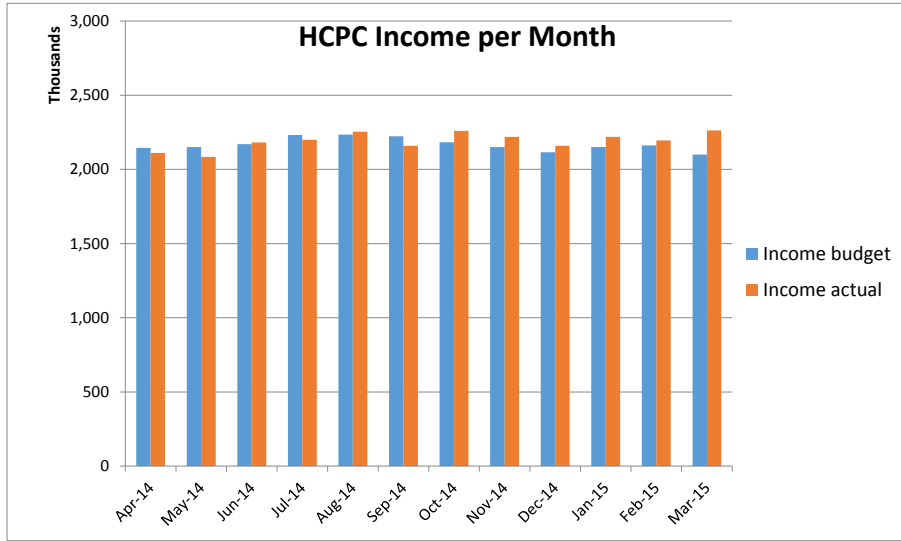
	Actual YTD £	Budget 2014/15 YTD £	Variance £
<u>Office Equipment</u>			
Vending Machines		10,000	10,000
Installation of air conditioning to units Stannary Street & reception	8,252	10,000	1,748
Replacement Colour Copier		14,000	14,000
Replacement B&W Copier		12,000	12,000
Fibre Patch Lead			0
Cable			
New Windows	30,174	0	
	<b>38,426</b>	<b>46,000</b>	<b>37,748</b>
<u>Information Technology</u>			
Software Licences upgrades, new starters & new software	56,500	43,075	(13,425)
Software Licences new/replacement services		23,397	23,397
Hardware replacement servers, switches & drives	126,554	124,000	(2,554)
Software			0
Hard Drive Storage			0
	<b>183,054</b>	<b>190,472</b>	<b>7,418</b>
<u>Projects</u>			
<b>Capital Expenditure</b>	<b>816,407</b>	<b>2,233,165</b>	<b>1,416,758</b>
<b>Total Capital Expenditure</b>	<b>1,037,888</b>	<b>2,469,637</b>	<b>1,461,924</b>

## Cash flow statement

From 1 April 2014

	Year to date budget £	Year to date actual £	Full year forecast £
Operating surplus/(deficit)	215,318	926,935	542,716
Decrease/(increase) in debtors & prepayments	50,000	(86,022)	292,960
Increase/(decrease) in creditors	231,687	493,209	50,541
(Decrease)/increase in deferred income	3,055,807	1,516,808	(1,892,904)
<b>Net cash in/(out)flow from operating activities</b>	<b>3,552,812</b>	<b>2,850,929</b>	<b>(1,006,687)</b>
<b>Return on investments and servicing of finance</b>			
Investment Income		116,367	101,915
Costs relating to Revalidation		(42,927)	(39,150)
Regulation of Public Health Specialists		(63,096)	(42,927)
<b>Capital expenditure and financial investments</b>			
Purchase of tangible assets	(2,480,927)	(1,037,888)	(1,078,579)
<b>Financing</b>			
Income from DOH		186,164	114,150
<b>Increase/(decrease) in cash</b>	<b>1,071,885</b>	<b>2,009,550</b>	<b>(1,951,278)</b>
Cash at 1 April 2014	16,243,000	16,038,062	16,038,062
Cash at end of period	17,314,885	18,047,612	14,086,784
<b>Cash movement</b>	<b>1,071,885</b>	<b>2,009,550</b>	<b>(1,951,278)</b>

**Graphs**



Graphs - cumulative

