

**THE COUNCIL FOR PROFESSIONS SUPPLEMENTARY TO  
MEDICINE**

**UNAUDITED ACCOUNTS FOR THE YEAR ENDED 31 MARCH  
2002**

- 1. Combined Accounts**
- 2. Accounts excluding Charity**
- 3. Management Account Format**

**FIRST DRAFT (UNAUDITED)**

**THE COUNCIL FOR  
PROFESSIONS SUPPLEMENTARY TO MEDICINE**

**COMBINED ACCOUNTS**

**YEAR ENDED 31 MARCH 2002**

**THE COUNCIL FOR PROFESSIONS SUPPLEMENTARY TO MEDICINE**

**COMBINED ACCOUNTS**

**STATEMENT OF RESPONSIBILITIES FOR THE ACCOUNTS**

**YEAR ENDED 31 MARCH 2002**

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The purpose of this statement is to distinguish the Council's responsibilities for the accounts from those of the auditors as stated in their report.

The Professions Supplementary to Medicine Act 1960 requires the Council to prepare accounts for each financial year which give a true and fair view of the Council's state of affairs at the end of the year and of its surplus or deficit for that period. In preparing those accounts the Council is expected to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- follow applicable accounting standards, subject to any material departures disclosed and explained in the accounts;
- prepare the accounts on the going concern basis unless it is inappropriate to assume that the Council will continue in business.

The Council is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Council and to enable it to ensure that the accounts comply with the provision of the Professions Supplementary to Medicine Act 1960.

**THE COUNCIL FOR PROFESSIONS SUPPLEMENTARY TO MEDICINE**

**COMBINED ACCOUNTS**

**BALANCE SHEET**

**AS AT 31 MARCH 2002**

	Notes	2002	2001
		£	£
<b>FIXED ASSETS</b>			
Tangible fixed assets	6	1,564,026	1,082,543
Investments	1(e)	<u>2,146,012</u>	<u>2,156,544</u>
		<b>3,710,038</b>	<b>3,239,087</b>
<b>CURRENT ASSETS</b>			
Debtors and prepayments	7	58,158	86,642
Cash at bank and in hand		<u>1,319,086</u>	<u>1,450,396</u>
		<b>1,377,244</b>	<b>1,537,038</b>
<b>CREDITORS: amounts falling due within one year</b>			
Registration fees in advance		21,301	60,123
Retention fees in advance		670,710	545,431
Creditors and accrued expenses	8	<u>529,108</u>	<u>233,275</u>
		<b>1,221,119</b>	<b>838,829</b>
<b>NET CURRENT ASSETS</b>		<u>156,125</u>	<u>698,209</u>
<b>NET ASSETS</b>		<u><u>3,866,163</u></u>	<u><u>3,937,296</u></u>
<b>Represented by:</b>			
Charitable trust account		100	100
Accumulated fund		<u>3,866,063</u>	<u>3,937,196</u>
		<u><u>3,866,163</u></u>	<u><u>3,937,296</u></u>

Approved by the Council on 13th June 2002  
and signed on its behalf:

Mrs J Stark

Mr A Yule OBE

**The notes on pages 5 to 7 form part of these accounts**

**THE COUNCIL FOR PROFESSIONS SUPPLEMENTARY TO MEDICINE**

**COMBINED ACCOUNTS**

**INCOME AND EXPENDITURE ACCOUNT**

**31 MARCH 2002**

	Notes	2002	2001
		£	£
<b>INCOME</b>			
Registration fees	1(c)	180,150	419,335
Retention fees	1(c)	2,866,417	2,096,724
Restoration fees		89,726	48,029
Pre-Registration fees		572,160	301,329
Sale of registers		1,265	7,175
Investment income	3	110,531	144,029
Profit/(loss) on disposal of investments		(49,729)	55,056
Change in market value of investments		<u>(71,897)</u>	<u>(154,288)</u>
<b>TOTAL INCOME</b>		<b>3,698,623</b>	<b>2,917,389</b>
<b>EXPENDITURE</b>			
Staff costs	4	1,485,400	1,173,321
Travelling and subsistence		199,273	197,837
Visits of inspection		50,092	46,299
Examination fees and expenses		60,195	54,110
Joint validation costs		110,563	74,850
Other expenses		1,556,023	1,067,948
Deficit on revaluation of freehold land and buildings		197,960	0
Deficit/(surplus) on disposal of fixed assets		4,832	(6,095)
Depreciation		<u>105,418</u>	<u>65,546</u>
<b>TOTAL EXPENDITURE</b>		<b>3,769,756</b>	<b>2,673,816</b>
<b>SURPLUS OF INCOME OVER EXPENDITURE</b>	2	<u>(71,133)</u>	<u>243,573</u>
As at 1 April 2001		3,937,196	3,693,623
Surplus of income over expenditure		<u>(71,133)</u>	<u>243,573</u>
<b>ACCUMULATED FUND AT 31 MARCH 2002</b>		<b>3,866,063</b>	<b>3,937,196</b>

The notes on pages 5 to 7 form part of these accounts

**THE COUNCIL FOR PROFESSIONS SUPPLEMENTARY TO MEDICINE**

**COMBINED ACCOUNTS**

**NOTES TO THE ACCOUNTS**

**31 MARCH 2002**

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**1 ACCOUNTING POLICIES**

**a) Accounting convention**

The accounts have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and in accordance with applicable accounting standards.

**b) Depreciation**

Depreciation is provided to write of the cost or valuation, less estimated residual values, of all fixed assets, over their expected useful lives. It is calculated at the following rates:

Freehold buildings	- 2% per annum
Office Furniture and Equipment	- 25% per annum
Motor Vehicles	- 20% per annum
Computer Equipment	- 25% per annum

**c) Fee Income**

Fee income, comprising registration fees and retention fees, is credited on a cash received basis in respect of fees received by the balance sheet date.

**d) Investment Income**

Bank deposit interest is credited on a received basis. Dividends and interest on fixed interest securities are recognised when due.

**e) Investments**

Investments are listed on a recognised stock exchange and are at market value. Historic cost at 31 March 2002: £2,088,322 (2001: £2,091,001).

**f) Computer Software**

Computer software is not capitalised and is charged to the Income and Expenditure Account in the year of acquisition.

**THE COUNCIL FOR PROFESSIONS SUPPLEMENTARY TO MEDICINE**

**COMBINED ACCOUNTS**

**NOTES TO THE ACCOUNTS (Continued)**

**31 MARCH 2002**

		2002	2001
		£	£
<b>2</b>	<b>SURPLUS OF INCOME OVER EXPENDITURE</b>		
	This is stated after charging:		
	Depreciation	105,418	65,546
	Auditors' remuneration		
	- audit fees	8,588	7,250
	- other fees	8,021	9,864
		<u>105,418</u>	<u>65,546</u>
<b>3</b>	<b>INVESTMENT INCOME</b>		
	Bank deposit interest	34,818	68,438
	Fixed interest securities	26,849	14,500
	Quoted UK equities	48,864	61,091
		<u>110,531</u>	<u>144,029</u>
<b>4</b>	<b>STAFF COSTS</b>		
	Wages and salaries	1,235,532	982,478
	Social security costs	99,811	84,670
	Pension costs	150,057	106,173
		<u>1,485,400</u>	<u>1,173,321</u>

The average weekly number of employees was 47 (2001: 38).

**Council Members' Remuneration**

Council members do not receive any remuneration for their services.

**5 PENSION FUNDING ARRANGEMENTS**

The Council has pension obligations to both present and former staff. This is met by the operation of the Council for Professions Supplementary to Medicine Retirement Benefits Scheme ("The Scheme") and the contributions to Flexiplan 1 Scheme operated by Federated Pension Services ("Flexiplan").

The Scheme is contributory, is contracted out of the state pension scheme and its benefits are secured by insurance policies issued by The Scottish Life Assurance Society. The last actuarial valuation of the fund, carried out as at 23 April 2001, showed that, on the basis of the assumptions adopted in the valuation, the rates of contributions, as fixed at that time, were sufficient to meet the future requirements. There are no active scheme members and currently the Scheme is being wound up.

Flexiplan is a money purchase scheme which is contracted in to the state pension scheme and its funds are invested in a range of gilts and equity shares by designated fund managers. The last actuarial valuation of the fund carried out at 31 March 2000 stated that the current overall contribution rates are appropriate to provide the target benefits.

**THE COUNCIL FOR PROFESSIONS SUPPLEMENTARY TO MEDICINE  
COMBINED ACCOUNTS**

**NOTES TO THE ACCOUNTS (Continued)**

**31 MARCH 2002**

**6 TANGIBLE FIXED ASSETS**

	Freehold Land and Buildings £	Office Furniture and Equipment £	Motor Vehicles £	Computer Equipment £	Total £
<b>Cost or valuation</b>					
At 1 April 2001	970,982	42,535	29,547	400,232	1,443,296
Additions	575,186	52,832	0	179,403	807,421
Revaluation	(246,168)	0	0	0	(246,168)
Disposals	0	0	(29,547)	0	(29,547)
<b>At 31 March 2002</b>	<b>1,300,000</b>	<b>95,367</b>	<b>0</b>	<b>579,635</b>	<b>1,975,002</b>
<b>Depreciation</b>					
At 1 April 2001	39,954	29,404	1,570	289,825	360,753
Disposals	0	0	(6,987)	0	(6,987)
Revaluation	(48,208)	0	0	0	0
Charge for the year	16,921	15,593	5,417	67,487	105,418
<b>At 31 March 2002</b>	<b>8,667</b>	<b>44,997</b>	<b>0</b>	<b>357,312</b>	<b>410,976</b>
<b>Net book value</b>					
<b>At 31 March 2002</b>	<b>1,291,333</b>	<b>50,370</b>	<b>0</b>	<b>222,323</b>	<b>1,564,026</b>
<i>Net book value</i>					
<i>At 31 March 2001</i>	<i>931,028</i>	<i>13,131</i>	<i>27,977</i>	<i>110,407</i>	<i>1,082,543</i>

The freehold property at Park House, 184 Kennington Park Road, London, SE11 4BU and also comprising 20 Stannary Street was valued at 5 December 2001 on the basis of Existing Use Value as defined by the Royal Institution of Chartered Surveyors, Appraisal and Valuation Manual, at the sum of £1,300,000. The valuation was prepared by Drivers Jonas, Chartered Surveyors, of Suffolk Street, London who acted as independent valuers.

The historic cost of the property was £1,659,254 (2001: £1,084,068) and accumulated depreciation based on cost was £179,338 (2001: £146,153).

	2002 £	2001 £
<b>7 DEBTORS AND PREPAYMENTS</b>		
Other debtors	10,729	12,660
Prepayments	47,429	73,982
	<b>58,158</b>	<b>86,642</b>
<b>8 CREDITORS</b>		
Other creditors	79,775	164,414
Other taxes and social security	82,380	22,993
Accruals	366,953	45,868
	<b>529,108</b>	<b>233,275</b>
<b>9 CAPITAL COMMITMENTS</b>		
Amounts contracted for	0	534,500



**FIRST DRAFT (UNAUDITED)**

**THE COUNCIL FOR  
PROFESSIONS SUPPLEMENTARY TO MEDICINE**

**YEAR ENDED 31 MARCH 2002**

**THE COUNCIL FOR PROFESSIONS SUPPLEMENTARY TO MEDICINE**

**COUNCIL MEMBERS AND THEIR ADVISORS**

**YEAR ENDED 31 MARCH 2002**

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The Council ceased to operate on 31 March 2002 with all Council Members resigning on that date. During the year the members and advisors were as follows:

**COUNCIL MEMBERS**

Prof B Edwards CBE - Chairman  
Mrs S Cosgrave - Vice Chairman  
Mrs E C Allen  
Mr A R Ariori  
Dr E Bingham  
Ms F Blunden – appointed 1 July 2001  
Dr D A Coia  
Miss M C H Curr – appointed 26 April 2001  
Dr J W Davie  
Dr R H Davies  
Miss H Davis  
Mr M Downing  
Prof T Duckworth  
Dr R W Edmonds  
Prof J Harper  
Mrs S Kinsey  
Dr S Kumar – appointed 1 May 2001  
Prof J S Lilleyman  
Miss M D McKellar  
Lady B M McLaughlin CBE – resigned 31 August 2001  
Dr G C Markham  
Dr J Old  
Mr J C Peacock  
Dr B Pentland  
Mr V P Robinson  
Ms S J Sayer – resigned 30 April 2001  
Ms M P Smith  
Mrs J Stark  
Mr R S Thomas – appointed 1 October 2001  
Dame Mary Uprichard – retired 31 May 2001  
Prof D E Waller  
Prof C D Ward  
Mrs B Waters  
Prof M Watkins – appointed 1 June 2001  
Miss M W Watson OBE – retired 30 June 2001  
Mr K Wenman  
Mr D K Wilson  
Mr A E Yates  
Mr A Yule OBE

**REGISTRAR**

Mr M D Hall OBE

**AUDITORS**

Messrs Horwath Clark Whitehill  
Chartered Accountants  
25 New Street Square  
London  
EC4A 3LN

**BANKERS**

National Westminster Bank PLC  
Walworth Road Branch  
290 Walworth Road  
London  
SE17 3RQ

**SOLICITORS**

Messrs Kingsley Napley  
Knight's Quarter  
14 St John's Lane  
London  
EC1N 4AJ

**THE COUNCIL FOR PROFESSIONS SUPPLEMENTARY TO MEDICINE**  
**STATEMENT OF RESPONSIBILITIES FOR THE ACCOUNTS**  
**YEAR ENDED 31 MARCH 2002**

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The purpose of this statement is to distinguish the Council's responsibilities for the accounts from those of the auditors as stated in their report.

The Professions Supplementary to Medicine Act 1960 requires the Council to prepare accounts for each financial year which give a true and fair view of the Council's state of affairs at the end of the year and of its surplus or deficit for that period. In preparing those accounts the Council is expected to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- follow applicable accounting standards, subject to any material departures disclosed and explained in the accounts;
- prepare the accounts on the going concern basis unless it is inappropriate to assume that the Council will continue in business.

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**THE COUNCIL FOR PROFESSIONS SUPPLEMENTARY TO MEDICINE**  
**BALANCE SHEET**  
**AS AT 31 MARCH 2002**

	Notes	2002	2001
		£	£
<b>FIXED ASSETS</b>			
Tangible fixed assets	6	1,564,026	1,082,543
Investments	1(e)	<u>2,146,012</u>	<u>2,156,544</u>
		<b>3,710,038</b>	<b>3,239,087</b>
<b>CURRENT ASSETS</b>			
Debtors and prepayments	7	58,158	86,642
Cash at bank and in hand		<u>1,318,986</u>	<u>1,450,296</u>
		<b>1,377,144</b>	<b>1,536,938</b>
<b>CREDITORS: amounts falling due within one year</b>			
Registration fees in advance		21,301	60,123
Retention fees in advance		670,710	545,431
Creditors and accrued expenses	8	<u>529,108</u>	<u>233,275</u>
		<b>1,221,119</b>	<b>838,829</b>
<b>NET CURRENT ASSETS</b>		<u><b>156,025</b></u>	<u><b>698,109</b></u>
<b>NET ASSETS</b>		<u><u><b>3,866,063</b></u></u>	<u><u><b>3,937,196</b></u></u>
<b>Represented by:</b>			
<b>ACCUMULATED FUND</b>		<u><u><b>3,866,063</b></u></u>	<u><u><b>3,937,196</b></u></u>

Approved by the Council on 13th June 2002

and signed on its behalf:

Mrs J Stark

Mr A Yule OBE

The notes on pages 6 to 8 form part of these accounts

**THE COUNCIL FOR PROFESSIONS SUPPLEMENTARY TO MEDICINE**

**INCOME AND EXPENDITURE ACCOUNT**

**31 MARCH 2002**

	Notes	2002	2001
		£	£
<b>INCOME</b>			
Registration fees	1(c)	180,150	419,335
Retention fees	1(c)	2,866,417	2,096,724
Restoration fees		89,726	48,029
Pre-Registration fees		572,160	301,329
Sale of registers		1,265	7,175
Investment income	3	110,531	144,029
Surplus/(deficit) on disposal of investments		(49,729)	55,056
Change in market value of investments		<u>(71,897)</u>	<u>(154,288)</u>
<b>TOTAL INCOME</b>		<b><u>3,698,623</u></b>	<b><u>2,917,389</u></b>
<b>EXPENDITURE</b>			
Staff costs	4	1,220,076	930,259
Travelling and subsistence		199,273	197,837
Visits of inspection		50,092	46,299
Examination fees and expenses		60,195	54,110
Joint validation costs		29,975	16,609
Other expenses		1,556,023	1,067,948
Deficit on revaluation of freehold land and buildings		197,960	0
Deficit/(surplus) on disposal of fixed assets		4,832	(6,095)
Depreciation		<u>105,418</u>	<u>65,546</u>
		<b>3,423,844</b>	<b><u>2,372,513</u></b>
<b>PAYMENTS TO CHARITABLE TRUST</b>			
Deed of covenant		120,000	149,500
Reimbursement of expenses		<u>225,912</u>	<u>151,803</u>
		<b>345,912</b>	<b><u>301,303</u></b>
<b>TOTAL EXPENDITURE</b>		<b><u>3,769,756</u></b>	<b><u>2,673,816</u></b>
<b>SURPLUS OF INCOME OVER EXPENDITURE</b>	2	<b><u>(71,133)</u></b>	<b><u>243,573</u></b>
As at 1 April 2001		3,937,196	3,693,623
Surplus of income over expenditure		<u>(71,133)</u>	<u>243,573</u>
<b>ACCUMULATED FUND AT 31 MARCH 2002</b>		<b><u>3,866,063</u></b>	<b><u>3,937,196</u></b>

The notes on pages 6 to 8 form part of these accounts

**THE COUNCIL FOR PROFESSIONS SUPPLEMENTARY TO MEDICINE**

**COMBINED ACCOUNTS**

**NOTES TO THE ACCOUNTS**

**31 MARCH 2002**

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**1 ACCOUNTING POLICIES**

**a) Accounting convention**

The accounts have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and in accordance with applicable accounting standards.

**b) Depreciation**

Depreciation is provided to write of the cost or valuation, less estimated residual values, of all fixed assets, over their expected useful lives. It is calculated at the following rates:

Freehold buildings	- 2% per annum
Office Furniture and Equipment	- 25% per annum
Motor Vehicles	- 20% per annum
Computer Equipment	- 25% per annum

**c) Fee Income**

Fee income, comprising registration fees and retention fees, is credited on a cash received basis in respect of fees received by the balance sheet date.

**d) Investment Income**

Bank deposit interest is credited on a received basis. Dividends and interest on fixed interest securities are recognised when due.

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Investments are listed on a recognised stock exchange and are at market value. Historic cost at 31 March 2002: £2,088,322 (2001: £2,091,001).

**f) Computer Software**

Computer software is not capitalised and is charged to the Income and Expenditure Account in the year of acquisition.

**THE COUNCIL FOR PROFESSIONS SUPPLEMENTARY TO MEDICINE**

**NOTES TO THE ACCOUNTS (Continued)**

**31 MARCH 2002**

		2002	2001
		£	£
<b>2</b>	<b>SURPLUS OF INCOME OVER EXPENDITURE</b>		
	This is stated after charging:		
	Depreciation	105,418	65,546
	Auditors' remuneration		
	- audit fees	8,588	7,250
	- other fees	8,021	9,864
		<u>112,027</u>	<u>82,660</u>
<b>3</b>	<b>INVESTMENT INCOME</b>		
	Bank deposit interest	34,818	68,438
	Fixed interest securities	26,849	14,500
	Quoted UK equities	48,864	61,091
		<u>110,531</u>	<u>144,029</u>
<b>4</b>	<b>STAFF COSTS</b>		
	Wages and salaries	1,021,341	787,112
	Social security costs	78,223	64,792
	Pension costs	120,512	78,355
		<u>1,220,076</u>	<u>930,259</u>

The average weekly number of employees was 35 (2001: 28).

**Council Members' Remuneration**

Council members do not receive any remuneration for their services.

**5 PENSION FUNDING ARRANGEMENTS**

The Council has pension obligations to both present and former staff. This is met by the operation of the Council for Professions Supplementary to Medicine Retirement Benefits Scheme ("The Scheme") and the contributions to Flexiplan 1 Scheme operated by Federated Pension Services ("Flexiplan").

The Scheme is contributory, is contracted out of the state pension scheme and its benefits are secured by insurance policies issued by The Scottish Life Assurance Society. The last actuarial valuation of the fund, carried out as at 23 April 2001, showed that, on the basis of the assumptions adopted in the valuation, the rates of contributions, as fixed at that time, were sufficient to meet the future requirements. There are no active scheme members and currently the Scheme is being wound up.

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**THE COUNCIL FOR PROFESSIONS SUPPLEMENTARY TO MEDICINE**

**NOTES TO THE ACCOUNTS (Continued)**

**31 MARCH 2002**

**6 TANGIBLE FIXED ASSETS**

	Freehold Land and Buildings £	Office Furniture and Equipment £	Motor Vehicles £	Computer Equipment £	Total £
<b>Cost or valuation</b>					
At 1 April 2001	970,982	42,535	29,547	400,232	1,443,296
Additions	575,186	52,832	0	179,403	807,421
Revaluation	(246,168)	0	0	0	(246,168)
Disposals	0	0	(29,547)	0	(29,547)
<b>At 31 March 2002</b>	<b>1,300,000</b>	<b>95,367</b>	<b>0</b>	<b>579,635</b>	<b>1,975,002</b>
<b>Depreciation</b>					
At 1 April 2001	39,954	29,404	1,570	289,825	360,753
Disposals	0	0	(6,987)	0	(6,987)
Revaluation	(48,208)	0	0	0	(48,208)
Charge for the year	16,921	15,593	5,417	67,487	105,418
<b>At 31 March 2002</b>	<b>8,667</b>	<b>44,997</b>	<b>0</b>	<b>357,312</b>	<b>410,976</b>
<b>Net book value</b>					
At 31 March 2002	<u>1,291,333</u>	<u>50,370</u>	<u>0</u>	<u>222,323</u>	<u>1,564,026</u>
<i>Net book value</i>					
At 31 March 2001	<u>931,028</u>	<u>13,131</u>	<u>27,977</u>	<u>110,407</u>	<u>1,082,543</u>

The freehold property at Park House, 184 Kennington Park Road, London, SE11 4BU and also comprising 20 Stannary Street was valued at 5 December 2001 on the basis of Existing Use Value as defined by the Royal Institution of Chartered Surveyors, Appraisal and Valuation Manual, at the sum of £1,300,000. The valuation was prepared by Drivers Jonas, Chartered Surveyors, of Suffolk Street, London who acted as independent valuers.

The historic cost of the property was £1,659,254 (2001: £1,084,068) and accumulated depreciation based on cost was £179,338 (2001: 146,153).

	2002 £	2001 £
<b>7 DEBTORS AND PREPAYMENTS</b>		
Other debtors	10,729	12,660
Prepayments	47,429	73,982
	<u>58,158</u>	<u>86,642</u>
<b>8 CREDITORS</b>		
Other creditors	79,775	164,414
Other taxes and social security	82,380	22,993
Accruals	366,953	45,868
	<u>529,108</u>	<u>233,275</u>
<b>9 CAPITAL COMMITMENTS</b>		
Amounts contracted for	<u>0</u>	<u>534,500</u>



**THE COUNCIL FOR PROFESSIONS SUPPLEMENTARY TO MEDICINE**

**NOTES TO THE ACCOUNTS (Continued)**

**31 MARCH 2002**

**For the information of Council Members only**

	2002	2001
	£	£
Printing and stationery	296,784	215,073
Computer operating costs	160,221	146,768
Postage	198,250	182,203
Staff recruitment and training costs	48,510	44,925
Office cleaning	22,534	17,063
Rates and insurance	19,397	15,049
Electricity and gas	9,677	8,032
Telephone	24,825	17,340
Repairs and renewals	130,113	18,264
Legal fees	328,377	224,358
Audit and accountancy fees	16,609	17,267
Other professional fees	233,575	102,143
Bank charges	23,386	20,675
Miscellaneous expenses	30,533	26,924
Public relations	4,558	6,060
Other financial charges	0	147
Interview expenses	8,674	5,657
	<u>1,556,023</u>	<u>1,067,948</u>

	£	<i>From December 2000</i> £	<i>Until December 2000</i> £
Registration fees (full year)	22	22	17
Registration fees (half year)	17	17	12
Retention fees	22	22	17
Restoration to register (disciplinary reason)	22	22	17
Restoration to register	22	22	17
Private practice address in register (for each address)	4	4	4

THE COUNCIL FOR PROFESSIONS SUPPLEMENTARY TO MEDICINE  
 INCOME AND EXPENDITURE ACCOUNT  
 For the 12 months ended 31st March 2002

	Note	Actual for year £	Budget for year £	Variance Favourable/ (adverse) £	Prior Year Actual for year £
<b>Statutory Fee Income</b>					
Registration Fee Income	3	180,151	126,091	54,060	419,335
Restoration Fee Income	3	89,726	46,750	42,976	48,029
Retention Fee Income	3	2,846,643	2,834,150	12,493	2,096,724
Practice Address Fee Income		500	0	500	1,028
	2	<u>3,117,019</u>	<u>3,006,991</u>	<u>110,028</u>	<u>2,565,116</u>
<b>Non Statutory Fee Income</b>					
Sale of Registers Income		1,265	10,550	(9,285)	7,175
Confirmation Letter Income		17,425	12,950	4,475	13,978
	2	<u>18,690</u>	<u>23,500</u>	<u>(4,810)</u>	<u>21,153</u>
<b>Pre-Registration Fee Income</b>					
EU Fee Income	3	74,932	34,719	40,213	36,668
Non-EU Fee Income	3	461,743	241,795	219,948	245,320
Grandfathering	3	17,560	1,115	16,445	4,335
	2	<u>554,235</u>	<u>277,629</u>	<u>276,606</u>	<u>286,323</u>
<b>Investment Income</b>					
Interest	4	27,296	32,000	(4,704)	60,685
Dividends	4	83,235	85,000	(1,765)	83,344
Profit on Disposal of Investments	4	(49,729)	20,000	(69,729)	55,056
Change in Market Value of Investments	4	(71,897)	0	(71,897)	(154,288)
	2	<u>(11,095)</u>	<u>137,000</u>	<u>(148,095)</u>	<u>44,797</u>
Other Income - Add to Retention Fees	4	19,774	0	19,774	0
<b>TOTAL INCOME</b>	2	<u>3,698,623</u>	<u>3,445,120</u>	<u>253,503</u>	<u>2,917,389</u>
<b>Staff Costs</b>					
Staff Costs	5	1,533,910	1,395,503	(138,407)	1,218,245
<b>Council and Board Costs</b>					
Council and Board Costs (Including Legal Fees of:)	5	1,207,360 328,377	1,179,130 288,000	(28,230) (40,377)	971,449 224,358
Office Overheads	5	1,028,486	587,740	(440,746)	484,122
<b>TOTAL EXPENDITURE</b>	5	<u>3,769,756</u>	<u>3,162,373</u>	<u>(607,383)</u>	<u>2,673,816</u>
<b>SURPLUS/(DEFICIT)</b>	1	<u>£(71,133)</u>	<u>£282,747</u>	<u>(353,880)</u>	<u>£243,573</u>

THE COUNCIL FOR PROFESSIONS SUPPLEMENTARY TO MEDICINE

DETAILED EXPENDITURE REPORT

For the 12 months ended 31st March 2002

	Note	Actual for year £	Budget for year £	Variance Favourable/ (adverse) £	Prior Year Actual for the year £
<b>Staff Costs</b>					
Salaries	6	1,231,995	1,109,943	(122,052)	979,283
Pension Costs	6	150,057	122,569	(27,488)	106,172
Social Security		99,811	110,641	10,830	84,670
Benefits in Kind		3,537	3,850	313	3,195
Staff Recruitment and Welfare		48,510	48,500	(10)	44,925
	5	<u>1,533,910</u>	<u>1,395,503</u>	<u>(138,407)</u>	<u>1,218,245</u>
<b>Council and Board Costs</b>					
Travel and Living Expenses Meetings		199,273	222,680	23,407	197,838
Visits of Inspection		50,092	68,700	18,608	46,300
Examination Expenses		60,195	58,000	(2,195)	54,110
Joint Validation Expenses		110,563	81,050	(29,513)	74,850
Interview Expenses		8,674	5,700	(2,974)	5,657
Educational Grants		0	5,000	5,000	0
Printing and Stationery	6	269,073	209,200	(59,873)	187,801
Public Relations		4,558	40,000	35,442	6,060
Postage	6	91,820	134,000	42,180	124,034
Legal Fees		328,377	288,000	(40,377)	224,358
Professional Fees		84,735	66,800	(17,935)	50,441
	5	<u>1,207,360</u>	<u>1,179,130</u>	<u>(28,230)</u>	<u>971,449</u>
<b>Office Overheads</b>					
Printing and Stationery		28,975	39,960	10,985	27,272
Computer Operating Costs		160,221	157,360	(2,861)	146,768
Postage Expenses		106,430	67,000	(39,430)	58,168
Office Cleaning and Sundry		22,534	21,500	(1,034)	17,063
Rates and Insurance		19,396	23,600	4,204	15,049
Electricity and Gas		9,677	13,300	3,623	8,032
Telephone		24,825	26,350	1,525	17,340
Repairs and Renewals	7	130,114	45,500	(84,614)	18,264
Bank Charges		23,386	19,420	(3,966)	20,674
Other Financial Charges		0	0	0	147
Miscellaneous Expenses		20,683	28,670	7,987	26,924
Revaluation of Building	8	197,960	0	(197,960)	
Depreciation Charges	7	110,250	74,050	(36,200)	59,452
Audit Fees		8,588	9,000	413	7,403
Other Professional Fees	7	165,448	62,030	(103,418)	61,566
	5	<u>1,028,486</u>	<u>587,740</u>	<u>(440,746)</u>	<u>484,122</u>
<b>TOTAL EXPENDITURE</b>	5	<u>£3,769,756</u>	<u>£3,162,373</u>	<u>£(607,383)</u>	<u>£2,673,816</u>

**THE COUNCIL FOR PROFESSIONS SUPPLEMENTARY TO MEDICINE**

**BALANCE SHEET  
as at 31st March 2002**

	Note	£	£	2001 £	£
<b>FIXED ASSETS</b>					
Land & buildings, at cost or valuation		1,348,209		970,982	
Depreciation		<u>(56,875)</u>		<u>(39,954)</u>	
Net book value			1,291,333		931,028
Motor vehicles, at cost		0		29,547	
Depreciation		<u>0</u>		<u>(1,570)</u>	
Net book value			0		27,977
Computer Equipment, at cost		579,635		400,232	
Depreciation		<u>(357,312)</u>		<u>(289,825)</u>	
Net book value			222,323		110,407
Office furniture and equipment, at cost		95,367		42,535	
Depreciation		<u>(44,997)</u>		<u>(29,404)</u>	
Net book value			50,370		13,131
<b>TOTAL FIXED ASSETS</b>	<b>10</b>		<b>1,564,026</b>		<b>1,082,543</b>
<b>INVESTMENTS</b>			<b>2,146,012</b>		<b>2,156,544</b>
<b>CURRENT ASSETS</b>					
Stock		0		0	
Debtors and prepayments		58,157		86,642	
Bank balances and cash	<b>11</b>	<u>1,319,085</u>		<u>1,450,395</u>	
		<u>1,377,243</u>		<u>1,537,037</u>	
<b>CURRENT LIABILITIES</b>					
<b>Amounts falling due within one year</b>					
Registration fees in advance	<b>12</b>	21,301		60,123	
Retention fees in advance	<b>13</b>	670,710		545,431	
Creditors and accrued expenses	<b>14</b>	<u>529,108</u>		<u>233,274</u>	
		<u>1,221,119</u>		<u>838,828</u>	
<b>NET CURRENT ASSETS</b>			<b>156,124</b>		<b>698,209</b>
			<b><u>£3,866,162</u></b>		<b><u>£3,937,296</u></b>
<b>Represented by:</b>					
Charitable Trust Account			100		100
Accumulated Fund at 1 April 2001			3,937,196		3,693,623
Surplus/(Deficit) for the year			<u>(71,133)</u>		<u>243,573</u>
	<b>9</b>		<b><u>£3,866,162</u></b>		<b><u>£3,937,296</u></b>

# THE COUNCIL FOR PROFESSIONS SUPPLEMENTARY TO MEDICINE

## NOTES to the Management Accounts for the year ended 31<sup>st</sup> March 2002

### Income and Expenditure Account

1. The accounts for the year show a deficit of £71,000 against a budget of £283,000, an adverse variance of £354,000. It must be noted that this result has been affected by a number of 'extraordinary' items, a write down of the property of £198,000 and of the investment portfolio of £72,000. To this can be added £180,000 in respect of the former Registrar and a correction in respect of last year's accounts in which retention fees were overstated by £107,000. If these had not taken place, the surplus would have been £486,000, a favourable variance of £203,000.
2. For the 12 months total income is £3,699,000, £254,000 better than the budget of £3,445,000. Both Statutory Fee Income, 3.5% above budget, and Pre-Registration Fee Income, 100% above budget, show significant increases but this is partly offset by shortfalls in Non-Statutory Fee Income, 20% below budget, and Investment Income, 108% below budget.
3. Statutory Fee Income is above budget in all cases, following a higher than budgeted increase in numbers of new registrants. Overall total registrants are at record levels. There has also been a significant increase in overseas applications and in grandfathering, which accounts for the rise in Pre-Registration Fee Income.
4. Investment Income reflects the drop in interest rates and less money on deposit particularly in the last quarter when the Shadow Health Professions Council was being temporarily funded by CPSM. There is a loss in disposal of investments of (£50,000) against budgeted gains of £20,000 and a write down of (£72,000). This reflects the current investment climate, especially since September 11<sup>th</sup>.
5. Total expenditure is £3,770,000, which is 19% above the budget of £3,162,000. Staff costs are at £1,534,000, 10% above the budget of 1,396,000, Council and board costs are at £1,207,000, 2% above the budget of £1,179,000, Office Overheads are at £1,028,000, 75% above the budget of £587,000 (see below).
6. The staff costs increase was due to the early retirement payment to the Registrar. Council and Board Cost variances worthy of note include Council Printing and Stationery (£60,000), which is compensated for a favourable variance in Postage of £42,000. (Some direct mailing costs are included in the former.)
7. The major adverse variances in office overheads are Repairs and Renewals (£85,000), the refurbishment of the exterior and reception area of Park House, and Other Professional Fees (£103,000), largely the scanning and linking

project. Depreciation charges now reflect charges on new acquisitions and a change to 25% straight-line depreciation for office furniture.

8. The main increase in office overheads is the revaluation of the building, which effectively moved £ 198,000 of cost from the Balance Sheet (Stannary Street) to the Income and Expenditure Account.

### **Balance Sheet**

9. The Balance Sheet shows that Reserves have decreased to £3,866,000. This compares to £3,937,000 at the end of March 2001.
10. Fixed assets have increased by £481,000 over the year. There have been additions to property (Stannary Street) net of the revaluation write-down. Additions to computers and office furniture have also been required.
11. The major change in current assets is the reduction in bank and cash balances. This is largely due to the property investment.
12. Registration fees in advance have been significantly reduced to £21,000 compared with the £60,000 in the previous period. This is due to increased attention by the registration department to reducing these balances and either processing or refunding the applicants fees as applicable.
13. Retention fees in advance have increased to £670,000 compared with £545,000 in the previous period. This is due to an understatement of retention fees in advance in the previous period of £107,000, which would make the previous years retention fees in advance £652,000.
14. Creditors & Accruals have increased to £529,000 compared with £233,000 in the previous year. This is due to a planned reduction in the balances on the purchase ledger at the end of March and a significant number of Shadow Health Professions Council accruals, subsequently paid and funded by the Department of Health.