

# **HEALTH PROFESSIONS COUNCIL**

## **Management Accounts For the 1 month ended 30th April 2005**

**HEALTH PROFESSIONS COUNCIL**  
**MANAGEMENT ACCOUNTS**  
**FOR THE 1 MONTH ENDED 30<sup>th</sup> April 2005**

**COMMENTARY**

**INTRODUCTION**

These accounts have been compared to budget version 3, which was agreed by the Finance and Resources Committee on 23rd March 2005. The format of the management accounts is the same as last financial year.

**DETAILED SUMMARY**

After one month of the financial year, we budgeted an operating surplus of £62,254. The actual result for the period was a surplus of £159,130, a favourable variance of £96,876.

April has been historically a relatively low spending month which was reflected in the budget. However there are some areas that have been underspent in the first month of the financial year, which will be discussed later.

After 1 month income totalled £864,289 with overheads at £726,086, thus giving the operating surplus of £159,130.

**INCOME**

Registration income is £17,226 above budget. It is a little early to be discussing any trends, but 2 of the professions (Chiropodists & Physiotherapists) are showing relatively high favourable variances. This is due to an influx of registrants from international and grandparenting applications towards the end of the last financial year. These registrants fees would have been included in the carry forward figure for this financial year and was higher than budgeted.

Investment income is very close to budget, but over the course of the year will fall behind budget due to capital expenditure commitments.

**DEPARTMENTS**

Departmental Expenditure at £726,086 is £79,650 better than budget. All departments have savings except Fitness to Practise. These favourable variances will be unlikely to be retained over the course of the year, as various projects are begun. For the costs for Kingsley Napley an estimate of the bills outstanding has been included in April 2005. After last financial year where HPC had underestimated the outstanding bills for Kingsley Napley over the months upto March 2005 a relatively high estimate has been included.

**OVERHEADS**

A study of the Overhead Total Schedule, which lists expenditure by group and type rather than by department, shows Payroll, Staff travelling and subsistence, Property services, Office services, Computer services, Communications and Partners. As mentioned it is little early to talk about trends, but the payroll favourable variances is due to some budgeted positions not being appointed in April (but are likely to be appointed over the course of the year). The favourable variance for Partners is mainly due to reduced training for partners and less approval visits than budgeted.

## **BALANCE SHEET**

The main movements in the balance sheet are an increase in debtors and prepayments and a decrease in creditors. These both have the effect of reducing the cash balance. The prepayment increase is mainly due to the payment of insurance premiums.

Working capital is £1,995,816, showing HPC in a good financial position. The Net Assets are £1,025,675 which is represented by the Capital Grant Receivable (being released to the Income and Expenditure Account) of £334,823 and the Accumulated Fund of £690,851 (£549,586 at the beginning of the financial year plus the net surplus for the year to date).

## **CASH FLOW**

The cash flow statement indicates the cash movement from 1<sup>st</sup> April 2004 to the current month. The cash movement when compared with the deficit can often be significantly different. To arrive at the cash movement, all non cash items, e.g. depreciation, are removed and balance sheet movements taken into consideration. The net cash outflow from operating activities for the first month of the financial year was a decrease of £301,829. The reason for this as mentioned in the balance sheet is due to an increase in debtors and decrease in creditors.

The overall decrease in cash was £289,166 reflected in the cash movement on the balance sheet from 31<sup>st</sup> March 2005 until the end of April (bank balance at the end of March of £2,821,795 compared with £2,532,629 at the end of April.)

## **CONCLUSION**

Overall, it is a bit early to be seeing any trends, but the opening month has led to a relatively large surplus which is higher than budgeted.

HPC is in a good financial position, especially in terms of cash which will be required for some capital expenditure in May 2005.

**Richard Ballard**  
**Management Accountant**  
June 2005

HEALTH PROFESSIONS COUNCIL

MANAGEMENT ACCOUNTS TO 30 APRIL 2005

DETAILED SUMMARY

	Actual £	Budget £	Variance £	Variance %	Annual Budget £
<b>INCOME</b>					
<b>Professions</b>					
Arts Therapists	9,107	9,072	35	0.38	115,105
Biomedical Scientists	110,517	109,193	1,324	1.21	1,304,935
Chiropodists	83,614	78,070	5,544	7.10	814,875
Clinical Scientists	24,457	21,474	2,983	13.89	257,396
Dietitians	28,933	31,929	(2,996)	(9.38)	402,225
Orthoptists	6,088	6,063	25	0.41	70,894
Occupational Therapists	137,316	132,958	4,358	3.28	1,612,151
Paramedics	51,795	51,404	391	0.76	624,597
Physiotherapists	201,449	195,407	6,042	3.09	2,520,695
Prosthetists & Orthotists	3,830	3,876	(46)	(1.19)	46,393
Radiographers	115,842	118,485	(2,643)	(2.23)	1,446,745
Speech and Language Therapists	52,947	52,620	327	0.62	636,827
Operating Department Practitioners	38,395	36,512	1,883	5.16	439,662
<b>Registration Income</b>	<b>864,289</b>	<b>847,063</b>	<b>17,226</b>	<b>2.03</b>	<b>10,292,500</b>
<b>Department of Health Capital Grant Released</b>	<b>20,926</b>	<b>20,926</b>	<b>0</b>	<b>0.00</b>	<b>251,112</b>
<b>TOTAL INCOME</b>	<b>885,216</b>	<b>867,989</b>	<b>17,227</b>	<b>1.98</b>	<b>10,543,612</b>
<b>EXPENDITURE</b>					
<b>Departments</b>					
President	4,490	4,661	171	3.66	55,950
Council	4,188	4,885	697	14.26	425,214
Secretariat	26,236	31,817	5,581	17.54	437,726
Chief Executive	22,159	23,951	1,792	7.48	287,464
Education and Training	46,804	73,389	26,585	36.23	1,046,839
Registration	126,460	136,886	10,426	7.62	1,629,110
IT Department	89,410	97,276	7,866	8.09	1,424,456
Finance	27,118	33,462	6,344	18.96	383,622
Administration	50,155	62,577	12,422	19.85	974,941
Fitness to Practise	259,025	248,008	(11,017)	(4.44)	2,283,030
Human Resources	17,803	23,826	6,023	25.28	329,653
Communications	52,237	64,998	12,761	19.63	1,020,702
<b>Operating Expenses</b>	<b>726,086</b>	<b>805,736</b>	<b>79,650</b>	<b>9.89</b>	<b>10,298,707</b>
<b>SURPLUS / (DEFICIT) (Excluding Unrealised Gains)</b>	<b>159,130</b>	<b>62,254</b>	<b>96,876</b>	<b>(155.62)</b>	<b>244,905</b>
<b>Investment Income (Excluding Unrealised Gains)</b>	<b>10,164</b>	<b>10,912</b>	<b>(748)</b>	<b>(6.85)</b>	<b>130,961</b>
<b>Investment - Unrealised Gains</b>	<b>(28,029)</b>	<b>0</b>	<b>(28,029)</b>	<b>0.00</b>	<b>0</b>
<b>SURPLUS / (DEFICIT)</b>	<b>141,265</b>	<b>73,166</b>	<b>68,100</b>	<b>(93.08)</b>	<b>375,866</b>

HEALTH PROFESSIONS COUNCIL

MANAGEMENT ACCOUNTS TO 30 APRIL 2005

DETAILED SUMMARY

	Actual £	Budget £	Variance £	Variance %	Annual Budget £
<b>Income</b>					
Registration fees	42,896	29,994	12,902	43.02	299,651
Registration fees (part year)	0	0	0	0.00	0
Readmission fees	5,520	7,105	(1,585)	(22.31)	85,319
Renewal fees	724,651	717,093	7,558	1.05	8,993,010
International scrutiny fees	54,622	58,389	(3,767)	(6.45)	700,720
Confirmation letter fees	0	0	0	0.00	0
Grandparenting scrutiny fees & other	36,600	34,482	2,118	6.14	213,800
	<u>864,289</u>	<u>847,063</u>	<u>17,226</u>	<u>2.03</u>	<u>10,292,500</u>

## HEALTH PROFESSIONS COUNCIL

## MANAGEMENT ACCOUNTS TO 30 APRIL 2005

CODE	INVESTMENT & OTHER INCOME				Annual Budget £
	Actual £	Budget £	Variance £	Variance %	
BUDGET MANAGER	Finance Director				
<b>Income</b>					
Bank interest - Business Reserve	2,009	1,666	343	20.61	20,000
Bank interest - Money Market	1,703	1,666	37	2.22	20,000
Bond interest	3,904	3,900	4	0.10	46,800
Portfolio income	3,739	3,680	59	1.60	44,161
P & L on disposal of investments (Realised)	(1,191)	0	(1,191)	0.00	0
	<u>10,164</u>	<u>10,912</u>	<u>(748)</u>	<u>(6.85)</u>	<u>130,961</u>
P & L on disposal of investments (Unrealised)	(28,029)	0	(28,029)	0.00	0

HEALTH PROFESSIONS COUNCIL

MANAGEMENT ACCOUNTS TO 30 APRIL 2005

OVERHEAD TOTAL

	Actual £	Budget £	Variance £	Variance %	Annual Budget £
<b>Payroll</b>					
Basic	166,385	182,413	16,028	8.79	2,300,807
Overtime	728	708	(20)	(2.76)	35,986
National Insurance	17,771	20,141	2,370	11.77	257,047
Pension costs	16,792	21,610	4,818	22.29	259,360
Medical insurance	0	0	0	0.00	0
Staff recruitment	3,536	10,000	6,464	64.64	75,000
Temporary staff	13,282	10,059	(3,223)	(32.04)	152,630
Other payroll expense	0	3,333	3,333	100.00	40,000
	<u>218,492</u>	<u>248,264</u>	<u>29,771</u>	<u>11.99</u>	<u>3,120,830</u>
<b>Staff travelling and subsistence</b>					
Fares	5,608	7,370	1,762	23.91	88,470
Car expenses and car park	347	450	103	22.96	5,400
Subsistence	3,863	5,828	1,965	33.72	69,970
Entertaining	0	252	252	100.00	3,050
Conferences	546	1,081	535	49.47	15,500
Lecturing	0	0	0	0.00	0
	<u>10,363</u>	<u>14,981</u>	<u>4,618</u>	<u>30.82</u>	<u>182,390</u>
<b>Council and committee expenses</b>					
Allowances	14,230	13,335	(895)	(6.71)	205,656
Travelling and subsistence	10,769	10,606	(163)	(1.54)	169,286
Conference expenses	260	833	573	68.79	10,000
Training	0	0	0	0.00	11,200
	<u>25,260</u>	<u>24,774</u>	<u>(486)</u>	<u>(1.96)</u>	<u>396,142</u>
<b>Property services</b>					
Business rates	3,531	4,044	513	12.70	48,530
Water	53	75	22	29.49	900
Electricity	1,038	1,050	12	1.17	12,600
Gas	49	250	201	80.35	3,000
Cleaning contractors	1,546	1,900	354	18.62	22,800
Cleaning materials	272	770	498	64.70	9,250
Waste disposal	263	840	577	68.75	10,080
Repairs and maintenance	1,233	1,075	(158)	(14.74)	12,900
Maintenance contracts	195	477	282	59.02	5,724
Security	0	0	0	0.00	8,000
Building Refurbishment	0	0	0	0.00	90,000
Property depreciation	2,000	2,000	0	0.00	24,000
	<u>10,180</u>	<u>12,481</u>	<u>2,301</u>	<u>18.44</u>	<u>247,784</u>

**OVERHEAD TOTAL**

	Actual £	Budget £	Variance £	Variance %	Annual Budget £
<b>Office services</b>					
Printing and stationery	21,049	24,157	3,108	12.87	446,892
Photocopying	428	600	172	28.59	7,200
Microfilming	35	36	1	2.08	432
Postage	5,139	7,500	2,361	31.48	260,000
Telephone	1,170	2,000	830	41.50	34,908
Telephone system maintenance	0	0	0	0.00	0
Mobile telephone	896	463	(433)	(93.46)	5,580
Fax	114	145	31	21.48	1,750
Couriers	350	437	87	19.86	5,250
Office equipment < £1000	0	2,520	2,520	100.00	30,250
Office equipment rental	428	291	(137)	(47.02)	3,500
Staff catering	993	1,204	211	17.55	14,450
Other office services	703	941	238	25.33	11,295
Room Hire	3,500	3,533	33	0.93	39,250
Depreciation of office equipment	7,490	7,500	10	0.14	90,000
	<b>42,294</b>	<b>51,327</b>	<b>9,033</b>	<b>17.60</b>	<b>950,757</b>

**Computer services**

Hardware < £1000	0	883	883	100.00	10,600
Hardware maintenance	329	691	362	52.39	8,300
Software Systems	0	833	833	100.00	304,500
Software licenses	3,525	4,924	1,399	28.42	59,060
Systems support	4,588	5,211	623	11.96	62,532
Internet maintenance	2,747	1,940	(807)	(41.59)	23,280
Computer media and sundries	684	1,250	566	45.31	15,000
Disaster contingency plan	5,366	6,081	715	11.76	72,983
Computer training	0	1,712	1,712	100.00	20,550
Other computer services costs	20	666	646	97.07	8,000
IT Security - Backup Offsite etc	64	0	(64)	0.00	0
IT Hardware Disposals	0	0	0	0.00	0
Hardware depreciation	47,759	48,000	241	0.50	576,000
	<b>65,080</b>	<b>72,191</b>	<b>7,111</b>	<b>9.85</b>	<b>1,160,805</b>

**Communications**

Advertising	3,025	3,000	(25)	(0.85)	225,000
Annual Reports (Design, Distribute)	0	0	0	0.00	19,000
Brochures (Design, Distribute)	0	2,447	2,447	100.00	29,375
HPC Consultation Events	212	0	(212)	0.00	20,000
Grandparenting Communications	0	0	0	0.00	5,000
Listening Events	501	0	(501)	0.00	28,200
Lobbying	4,284	7,491	3,207	42.81	68,750
PR Advisors	8,783	3,208	(5,575)	(173.77)	38,500
Market Research	0	0	0	0.00	58,750
Registrant Comms & Internal	0	2,937	2,937	100.00	35,250
Translations	280	587	307	52.29	7,050
Stakeholder Communications	0	1,666	1,666	100.00	20,000
Standards of Proficiency (Design, Prod, Dist)	0	1,650	1,650	100.00	19,800
Web Site Design	0	0	0	0.00	29,375
Annual Conference	236	0	(236)	0.00	0
Marketing & Promotions	291	1,000	709	70.86	12,000
Conference Attendance	3,299	833	(2,466)	(296.07)	10,000
General Events (Internal & External)	9,571	12,000	2,429	20.24	28,000
Media Relations - Press Event Launch	83	0	(83)	0.00	0
Welsh Language Scheme	0	1,250	1,250	100.00	15,000
	<b>30,566</b>	<b>38,069</b>	<b>7,503</b>	<b>19.71</b>	<b>669,050</b>



**OVERHEAD TOTAL**

	Actual £	Budget £	Variance £	Variance %	Annual Budget £
<b>Partners</b>					
Partners Recruitment	3,683	5,551	1,868	33.65	84,200
Partners Training	22,446	38,027	15,581	40.97	188,875
Legal Assessors	13,715	12,391	(1,324)	(10.69)	148,694
Registration Assessors	42,042	43,658	1,616	3.70	523,900
International Test of Competence	1,990	2,500	510	20.39	16,250
Mediation - Panels	0	833	833	100.00	10,000
Panels (Allowance & Travel )	36,920	37,861	941	2.49	350,875
Screening - Panels (Allow & Travel)	0	0	0	0.00	0
Approvals (Previously Visits)	10,130	15,283	5,153	33.72	183,400
JVC Costs	0	0	0	0.00	0
	<b>130,926</b>	<b>156,104</b>	<b>25,178</b>	<b>16.13</b>	<b>1,506,194</b>
<b>Specific departmental expenses</b>					
Archive storage	0	900	900	100.00	10,800
Auditors' fees	3,000	3,000	0	0.00	36,000
Bank charges & interest	3,853	5,000	1,147	22.94	60,000
Books and publications	0	166	166	100.00	2,000
General insurance	4,277	2,883	(1,394)	(48.34)	34,602
Legal insurance	3,500	3,500	0	0.00	42,000
Health and safety	109	323	214	66.27	3,880
Legal expenses	159,516	144,813	(14,703)	(10.15)	1,295,938
Other professional fees	5,395	5,125	(270)	(5.26)	239,800
Pension administration	1,057	416	(641)	(153.97)	5,000
Staff Handbook	0	166	166	100.00	2,000
Personal Performance Consultancy	449	550	101	18.40	6,600
Investors in People	0	0	0	0.00	10,000
Good Citizen Scheme	0	83	83	100.00	1,000
Quality ISO 2002	3,093	3,867	774	20.02	8,155
HPC Processes	0	0	0	0.00	0
Reward Data	9	0	(9)	0.00	1,000
Subscriptions to professional bodies	169	1,611	1,442	89.49	19,380
Professional Liaison Groups	1,922	5,000	3,078	61.56	110,900
Legal -Transcript Writer	6,571	8,342	1,771	21.23	100,100
Taxation advice	0	500	500	100.00	6,000
Training	6	1,300	1,294	99.54	69,600
	<b>192,924</b>	<b>167,545</b>	<b>(5,379)</b>	<b>(2.87)</b>	<b>2,064,755</b>
<b>OVERHEAD TOTAL</b>	<b>726,086</b>	<b>805,736</b>	<b>79,650</b>	<b>9.89</b>	<b>10,298,707</b>

**HEALTH PROFESSIONS COUNCIL**

**BALANCE SHEET  
as at 30th April 2005**

	£	£	<i>March 2005</i>	
			£	£
<b>FIXED ASSETS</b>				
<b>Tangible fixed assets</b>				
Land & buildings, at cost or valuation	1,700,000		1,700,000	
Depreciation	<u>(34,000)</u>		<u>(32,000)</u>	
Net book value		1,666,000		1,668,000
Computer Equipment, at cost	2,020,752		1,976,139	
Depreciation	<u>(1,236,312)</u>		<u>(1,188,553)</u>	
Net book value		784,440		787,586
Office furniture and equipment, at cost	372,918		369,740	
Depreciation	<u>(220,156)</u>		<u>(212,667)</u>	
Net book value		152,762		157,074
		<hr/>		<hr/>
<b>Total tangible fixed assets</b>		<b>2,603,202</b>		<b>2,612,660</b>
<b>Investments</b>		<b>1,268,488</b>		<b>1,346,804</b>
<b>TOTAL FIXED ASSETS</b>		<hr/> <b>3,871,690</b> <hr/>		<hr/> <b>3,959,464</b> <hr/>
<b>CURRENT ASSETS</b>				
Other debtors and prepayments	327,212		185,113	
Bank balances and cash	<u>2,532,629</u>		<u>2,821,795</u>	
		2,859,841		3,006,908
<b>CURRENT LIABILITIES</b>				
<b>Amounts falling due within one year</b>				
Creditors and accrued expenses	<u>864,025</u>		<u>1,200,689</u>	
<b>WORKING CAPITAL</b>		<b>1,995,816</b>		<b>1,806,219</b>
<b>DEFERRED INCOME</b>				
Registration fees in advance	82,563		97,104	
Retention fees in advance	<u>4,759,268</u>		<u>4,763,244</u>	
		<b>(4,841,831)</b>		<b>(4,860,348)</b>
<b>NET ASSETS</b>		<hr/> <b>1,025,675</b> <hr/>		<hr/> <b>905,336</b> <hr/>
<b>Represented by:</b>				
Capital Grant Receivable - LISA System		334,823		355,750
Accumulated Fund at 1 April 2005		549,586		443,987
Surplus/(Deficit) for the period		<u>141,265</u>		<u>105,599</u>
		<hr/> <b>1,025,675</b> <hr/>		<hr/> <b>905,336</b> <hr/>

# HEALTH PROFESSIONS COUNCIL

## MANAGEMENT ACCOUNTS TO 30 APRIL 2005

### CASH FLOW STATEMENT

From 1st April 2005 - 31st March 2006

	£
Surplus over expenditure	159,130
Depreciation of tangible fixed assets	57,249
Grant income released	(20,926)
Increase in debtors	(142,099)
Decrease in creditors	(336,664)
Decrease in deferred income	(18,517)
<b>Net cash outflow from operating activities</b>	<b><u>(301,828)</u></b>
<b>Return on investments and servicing of finance</b>	
Investment Income (Excluding realised gains)	11,355
<b>Capital expenditure and financial investments</b>	
Purchase of tangible fixed assets	(47,791)
Purchase of investments	(20,498)
Proceeds from sale of investments	69,595
<b>Increase in Cash</b>	<b><u><u>(289,166)</u></u></b>
Cash at 31st March 2005	2,821,795
Cash at 30th April 2005	2,532,629
<b>Cash Movement</b>	<b><u><u>(289,166)</u></u></b>

**HPC Cash Flow: April 05 - March 06**

	Mar-04	APRIL	MAY	JUNE	JULY	AUGUST	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	Total 12 Mths
<b>Opening Balance 1st</b>		2,821,796	2,532,629	1,304,087	851,516	673,078	154,064	1,207,670	1,854,824	1,968,479	1,664,092	1,759,281	2,039,289	
<b>Receipts</b>														
Registration Income		864,289												
Investment Income		11,355												
Investment Sales		69,595												
Deferred Income Movements		(18,517)												
<b>Total Cash Receipts</b>		926,722	255,483	394,347	850,097	688,601	1,868,869	1,434,452	847,227	442,532	807,209	1,023,020	1,643,012	11,181,571
<b>Payments</b>														
<b>Operational</b>														
Expenditure		126,086												
Depreciation		(57,219)												
Aged Cred / Accrual Movements		336,664												
Debtor Movements		142,099												
<b>Payments to Creditors</b>		1,147,600	484,025	846,918	1,026,123	1,200,615	815,263	777,085	730,359	723,706	708,807	739,799	679,533	9,879,833
<b>Exceptional</b>														
Capital Expenditure		47,791	1,000,000	0	2,412	7,000	0	10,213	3,213	23,213	3,213	3,213	3,210	1,103,478
Investment Purchases		20,498												20,498
<b>Total Payments</b>		2,158,899	1,484,025	846,918	1,028,535	1,207,615	815,263	787,298	733,572	746,919	712,020	743,012	682,743	11,003,809
<b>Closing Balance</b>	2,821,796	2,532,629	1,304,087	851,516	673,078	154,064	1,207,670	1,854,824	1,968,479	1,664,092	1,759,281	2,039,289	2,999,558	177,762

Aged Creditors	803,644	484,025	846,918	1,026,123	1,200,615	815,263	777,085	730,359	723,706	708,807	739,799	679,533	707,263	707,263
Accruals	397,045	380,000	380,000	285,000	285,000	285,000	285,000	285,000	285,000	285,000	285,000	285,000	285,000	285,000
Budgeted Expenditure 05/06		748,236	846,918	931,123	1,200,615	815,263	777,085	730,359	723,706	708,807	739,799	679,533	707,263	

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 with cash being recognised in the I & E Account, so must be added to the expenditure for the month, Vice versa for a negative figure.