

**Health Professions Council  
Finance and Resources Committee Meeting – 28th July 2006**

**MAY 2006 MANAGEMENT ACCOUNTS - PUBLIC PAPER**

**Executive Summary and Recommendations**

**1. Introduction**

**2. Decision**

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

**3. Background information**

**4. Resource implications**

Nil

**5. Financial implications**

Nil

**6. Background papers**

May Management Accounts

**7. Appendices**

Nil

**8. Date of paper**

17th July 2006

**HEALTH PROFESSIONS COUNCIL**  
**CONSOLIDATED MANAGEMENT ACCOUNTS**  
**FOR THE 2 MONTHS ENDED 31<sup>st</sup> May 2006**

**COMMENTARY**

**INTRODUCTION**

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

**DETAILED SUMMARY**

After two months of the financial year, we budgeted an operating deficit of £26,645, compared to 2005's budgeted surplus of £157,105. The actual result for year to date was a surplus of £51,611; a favourable variance of £78,256.

Income totalled £1,665,957 with overheads at £1,614,346, thus giving the operating surplus of £78,256.

**INCOME**

Registration income is £175,572 below budget. It should be noted, as detailed in the approved budget, that as fewer professions begin their 2 year cycle and a number of registrants will be removed from the register for non payment or non signing of a declaration. The full year income is expected to be less than last year.

Year to date investment income is more or less on budget.

**DEPARTMENTS**

Departmental expenditure at £1,614,346 is £253,827 better than budget. These favourable variances will be unlikely to be retained over the course of the year, as various projects begin.

**OVERHEADS**

It remains a little early to talk about trends and the majority of variances will be due to timing. Below is an explanation of some of the main favourable variances as well as any unfavourable variances:

Payroll costs

Payroll costs continue to show a favourable variance (year to date £62k) due to some budgeted positions not being appointed in either April or May. Roles are likely to be filled during the year reducing this variance but a portion will remain for the months posts have been vacant.

Council and committee expenses

This shows a favourable variance (year to date £29k). Council and Committee member allowances have risen from £260 to £300. Payment of this new allowance, however, will begin in August 2006 and be back dated. This favourable variance therefore arises due to timing.

Property services

The favourable year to date variance of £21k is mainly due to building refurbishment project due to start later on in the year.

### Computer services

The year to date unfavourable variance of £9k is mainly driven by hardware depreciation. Fixed assets computer additions increase depreciation and to date there has been a total of £17k worth of additions, contributing a further £4k depreciation. The remaining difference of £5k is due to increased support & maintenance costs.

### Communications

The year to date favourable variance of £85k is due to timing. Advertising, market research, annual partners conference and media relations costs will begin to be reflected in the accounts once these projects are delivered during the year.

### Partners

As partners training is ramped up this will help reduce the year to date favourable variance of £49k. The variance is also driven by the low Assessors fees so far but this could be a timing issue and is dependant on the number of assessments carried out.

## **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 upfront payment of insurance premiums for the 2006/07 year.

Working capital is £2,781,699, showing HPC continues to be in a good financial position. The Net Assets are £2,300,296 which is represented by the Capital Grant Receivable (being released to the Income and Expenditure Account) of £62,779, the Accumulated Fund of £1,585,328, the revaluation reserve of £652,189. The Accumulated Fund comprises £1,590,927 at the beginning of the financial year plus the net deficit for the year to date.

## **CASH FLOW**

The Cash Flow statement indicates a net decrease in cash of £383,248 from 1<sup>st</sup> April 2006 to the end of the current month, essentially generated from a decrease in deferred income and increase in debtors.

The net increase or decrease in cash when compared to the accounting 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, it is a bit early to be seeing any trends, but the opening 2 months are more or less on budget than budgeted with an overall deficit for the year to date of £5k.

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

**Chiluba Mulenga**  
**Acting Management Accountant**  
June 2006

# **HEALTH PROFESSIONS COUNCIL**

## **Consolidated Management Accounts For the 2 months ended 31st May 2006**

HEALTH PROFESSIONS COUNCIL

CONSOLIDATED MANAGEMENT ACCOUNTS TO 31 MAY 2006  
DETAILED SUMMARY

	Actual £	Budget £	Variance £	Variance %	Annual Budget £
<b>INCOME</b>					
<b>Professions</b>					
Arts Therapists	21,360	22,213	(853)	(3.84)	131,355
Biomedical Scientists	220,277	230,107	(9,830)	(4.27)	1,379,633
Chiropodists	137,163	120,329	16,834	13.99	715,200
Clinical Scientists	40,325	43,282	(2,957)	(6.83)	257,439
Dietitians	64,944	67,705	(2,761)	(4.08)	400,469
Occupational Therapists	162,822	289,074	(126,252)	(43.67)	1,725,678
Operating Department Practitioners	82,390	80,592	1,798	2.23	483,408
Orthoptists	11,625	12,879	(1,254)	(9.74)	77,061
Paramedics	105,415	117,098	(11,683)	(9.98)	696,810
Physiotherapists	426,860	453,887	(27,027)	(5.95)	2,735,691
Prosthetists & Orthotists	7,705	9,123	(1,418)	(15.54)	54,314
Radiographers	239,685	238,410	1,275	0.53	1,458,920
Speech and Language Therapists	103,532	114,977	(11,445)	(9.95)	685,243
<b>Registration Income</b>	1,624,104	1,799,676	(175,572)	(9.76)	10,801,221
<b>Department of Health Capital Grant Released</b>	41,853	41,852	1	0.00	104,630
<b>Rental Income</b>	0	0	0	0.00	0
<b>TOTAL INCOME</b>	<b>1,665,957</b>	<b>1,841,528</b>	<b>(175,571)</b>	<b>(9.53)</b>	<b>10,905,851</b>
<b>EXPENDITURE</b>					
<b>Departments</b>					
Approvals & Monitoring	96,236	119,069	22,833	19.18	714,401
Chief Executive	42,167	45,038	2,871	6.38	270,230
Committees & PLG	37,100	44,590	7,490	16.80	267,542
Communications	95,861	166,921	71,060	42.57	1,001,530
Council	28,978	81,517	52,539	64.45	489,103
Facilities Management	161,080	178,190	17,110	9.60	1,069,116
Finance	74,122	71,100	(3,022)	(4.25)	426,598
Fitness to Practise	434,236	431,236	(3,000)	(0.70)	2,587,411
Human Resources & Partners	53,232	66,327	13,095	19.74	397,957
IT Department	204,598	175,309	(29,289)	(16.71)	1,051,849
Operations Office	42,530	60,591	18,061	29.81	363,540
Policy & Standards	28,810	50,448	21,638	42.89	302,677
President	4,165	8,250	4,085	49.51	49,500
Registration	266,682	326,804	60,122	18.40	1,960,817
Secretariat	44,548	42,783	(1,765)	(4.13)	256,700
<b>Operating Expenses</b>	<b>1,614,346</b>	<b>1,868,173</b>	<b>253,827</b>	<b>13.59</b>	<b>11,208,971</b>
<b>SURPLUS / (DEFICIT) - Excl. Unrealised Gains/(Losses)</b>	<b>51,611</b>	<b>(26,645)</b>	<b>78,256</b>	<b>293.70</b>	<b>(303,120)</b>
<b>Taxation</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>Investment Income - Excl. Unrealised Gains/(Losses)</b>	<b>26,567</b>	<b>29,059</b>	<b>(2,492)</b>	<b>(8.58)</b>	<b>174,357</b>
<b>Investment - Unrealised Gains / (Losses)</b>	<b>(83,777)</b>	<b>0</b>	<b>(83,777)</b>	<b>0.00</b>	<b>0</b>
<b>SURPLUS / (DEFICIT)</b>	<b>(5,599)</b>	<b>2,414</b>	<b>8,013</b>	<b>(331.94)</b>	<b>(128,763)</b>

HEALTH PROFESSIONS COUNCIL

CONSOLIDATED MANAGEMENT ACCOUNTS TO 31 MAY 2006

CONSOLIDATED DETAILED SUMMARY

	Actual £	Budget £	Variance £	Variance %	Annual Budget £
<b>Consolidated Income</b>					
Registration fees	70,238	69,537	701	1.01	420,413
Registration fees (part year)	0	0	0	0.00	0
Readmission fees	63,420	28,727	34,693	120.77	172,341
Renewal fees	1,408,573	1,525,781	(117,208)	(7.68)	9,154,680
International scrutiny fees	80,048	175,631	(95,583)	(54.42)	1,053,787
Confirmation letter fees	25	0	25	0.00	0
Grandparenting scrutiny fees & other	1,800	0	1,800	0.00	0
	<u>1,624,104</u>	<u>1,799,676</u>	<u>(175,572)</u>	<u>(9.76)</u>	<u>10,801,221</u>

## HEALTH PROFESSIONS COUNCIL

## CONSOLIDATED MANAGEMENT ACCOUNTS TO 31 MAY 2006

CODE	INVESTMENT & OTHER INCOME				Annual Budget £
	Finance Director				
BUDGET MANAGER	Actual £	Budget £	Variance £	Variance %	
<b>Consolidated Income</b>					
Bank interest - Business Reserve	0	3,333	(3,333)	(100.00)	20,000
Bank interest - Money Market	15,443	15,393	50	0.32	92,360
Bond interest	0	0	0	0.00	0
Portfolio income	14,033	10,333	3,700	35.81	61,997
P & L on disposal of investments (Realised)	(2,909)	0	(2,909)	0.00	0
	<u>26,567</u>	<u>29,059</u>	<u>(2,492)</u>	<u>(8.58)</u>	<u>174,357</u>
P & L on disposal of investments (Unrealised)	(83,777)	0	(83,777)	0.00	0

HEALTH PROFESSIONS COUNCIL

CONSOLIDATED MANAGEMENT ACCOUNTS TO 31 MAY 2006

OVERHEAD TOTAL

	Actual £	Budget £	Variance £	Variance %	Annual Budget £
<b>Payroll</b>					
Basic	382,829	450,488	67,659	15.02	2,702,918
Overtime	2,744	3,916	1,172	29.94	23,500
National Insurance	40,920	56,810	15,890	27.97	340,850
Pension costs	32,468	45,205	12,737	28.18	271,217
Medical insurance	186	0	(186)	0.00	0
Staff recruitment	39,686	24,592	(15,094)	(61.38)	147,550
Temporary staff	97,157	70,909	(26,248)	(37.02)	425,447
Other payroll expense	702	6,750	6,048	89.59	40,500
	<b>596,692</b>	<b>658,670</b>	<b>61,978</b>	<b>9.41</b>	<b>3,951,982</b>
<b>Staff travelling and subsistence</b>					
Fares	12,700	13,393	693	5.17	80,360
Car expenses and car park	0	347	347	100.00	2,080
Subsistence	9,890	12,041	2,151	17.86	72,260
Entertaining	7	375	368	98.01	2,250
Conferences	1,892	2,368	476	20.12	14,200
Lecturing	0	0	0	0.00	0
	<b>24,490</b>	<b>28,524</b>	<b>4,034</b>	<b>14.14</b>	<b>171,150</b>
<b>Council and committee expenses</b>					
Fees	26,783	44,829	18,046	40.26	268,970
Travelling and subsistence	26,215	28,212	1,997	7.08	169,275
Tax Cost (NI ER and PAYE)	0	15,662	15,662	100.00	93,973
Conference expenses	2,376	667	(1,709)	(256.26)	4,000
Training	16,327	11,815	(4,512)	(38.19)	70,890
	<b>71,700</b>	<b>101,185</b>	<b>29,485</b>	<b>29.14</b>	<b>607,108</b>
<b>Property services</b>					
Business rates	6,206	10,088	3,882	38.48	60,530
Water	362	313	(49)	(15.55)	1,876
Electricity	3,052	3,413	361	10.58	20,475
Gas	1,117	810	(307)	(37.96)	4,860
Cleaning contractors	3,788	4,700	912	19.41	28,200
Cleaning materials	909	1,761	852	48.39	10,563
Waste disposal	(761)	2,104	2,865	136.18	12,623
Repairs and maintenance	2,349	3,167	818	25.83	19,000
Maintenance contracts	2,197	1,305	(892)	(68.37)	7,829
Security	82	2,250	2,168	96.34	13,500
Building Refurbishment	14,894	25,000	10,106	40.42	150,000
Property disposals	0	0	0	0.00	0
Property depreciation	7,000	7,476	476	6.37	44,856
	<b>41,195</b>	<b>62,387</b>	<b>21,192</b>	<b>33.97</b>	<b>374,312</b>



<b>OVERHEAD TOTAL</b>
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	Actual £	Budget £	Variance £	Variance %	Annual Budget £
<b>Office services</b>					
Printing and stationery	50,825	70,390	19,565	27.80	422,337
Photocopying	276	1,200	924	76.99	7,200
Microfilming	74	72	(2)	(3.33)	432
Postage	26,812	36,108	9,296	25.74	216,647
Telephone	5,257	5,818	561	9.64	34,908
Telephone system maintenance	0	0	0	0.00	0
Mobile telephone	562	1,538	976	63.43	9,236
Fax	0	292	292	100.00	1,750
Couriers	935	875	(60)	(6.87)	5,250
Office equipment < £1000	6,714	5,042	(1,672)	(33.16)	30,250
Office equipment rental	1,949	0	(1,949)	0.00	0
Office equipment maintenance	0	0	0	0.00	0
Staff catering	491	1,225	734	59.90	7,350
Other office services	7,174	3,287	(3,887)	(118.27)	19,722
Room Hire	8,469	5,668	(2,801)	(49.42)	34,010
Office equipment disposals	0	0	0	0.00	0
Office equipment depreciation	13,790	13,833	43	0.31	83,000
	<b>123,331</b>	<b>131,515</b>	<b>8,184</b>	<b>6.22</b>	<b>872,092</b>
<b>Computer services</b>					
Hardware < £1000	953	1,875	922	49.18	11,250
Hardware maintenance	1,955	767	(1,188)	(154.92)	4,600
Software	778	1,667	889	53.31	10,000
Software maintenance & licenses	12,095	9,943	(2,152)	(21.64)	59,660
Systems support	10,242	11,833	1,591	13.45	71,000
New IT Software Systems	18,121	7,500	(10,621)	(141.62)	45,000
Internet maintenance	19,126	16,290	(2,836)	(17.41)	97,738
Computer media and sundries	4,199	2,500	(1,699)	(67.96)	15,000
Disaster contingency plan	2,050	5,687	3,637	63.96	34,120
Computer training	0	1,667	1,667	100.00	10,000
IT Security - Backup Offsite etc	1,105	0	(1,105)	0.00	0
Other computer services costs	1,745	3,167	1,422	44.91	19,000
IT Hardware Disposals	0	0	0	0.00	0
Hardware depreciation	94,716	65,809	(28,907)	(43.92)	394,854
	<b>167,085</b>	<b>128,705</b>	<b>(9,474)</b>	<b>(7.36)</b>	<b>772,222</b>
<b>Communications</b>					
Advertising	17,343	38,000	20,657	54.36	228,000
Annual Reports (Design, Distribute)	0	2,700	2,700	100.00	16,200
Brochures (Design, Distribute)	272	7,525	7,253	96.39	45,150
HPC Consultation Events	0	0	0	0.00	0
Grandparenting Communications	0	0	0	0.00	0
Listening Events	260	4,980	4,720	94.78	29,880
Lobbying	1,718	0	(1,718)	0.00	0
PR Advisors	1,027	0	(1,027)	0.00	0
Market Research	(5,707)	3,917	9,624	245.70	23,500
Registrant Comms & Internal	631	0	(631)	0.00	0
Translations	0	525	525	100.00	3,150
Stakeholder Communications	105	2,742	2,637	96.18	16,450
Standards of Proficiency (Design,Prod,Dist)	0	4,167	4,167	100.00	25,000
Web Site Design	2,908	6,957	4,049	58.20	41,740
Annual Conference	0	24,713	24,713	100.00	148,280
Marketing & Promotions	1,789	2,093	304	14.51	12,560
Conference Attendance	254	2,167	1,913	88.29	13,000
General Events (Internal & External)	10,199	6,788	(3,411)	(50.25)	40,725
Media Relations - Press Event Launch	86	9,400	9,314	99.09	56,400
Welsh Language Scheme	0	0	0	0.00	0
	<b>30,886</b>	<b>116,674</b>	<b>85,788</b>	<b>73.53</b>	<b>700,035</b>

<b>OVERHEAD TOTAL</b>
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	Actual £	Budget £	Variance £	Variance %	Annual Budget £
<b>Partners</b>					
Partners Recruitment	376	4,450	4,074	91.55	26,700
Partners Training	1,009	23,001	21,992	95.61	138,008
Legal Assessors	17,760	0	(17,760)	0.00	0
Registration Assessors	4,729	6,510	1,781	27.36	39,060
International Test of Competence			0	0.00	
Mediation - Panels	0	0	0	0.00	0
Panels (Allowance & Travel )	70,132	70,813	681	0.96	424,880
Screening - Panels (Allow & Travel)	0	0	0	0.00	0
Approvals (Previously Visits)	17,640	22,067	4,427	20.06	132,400
JVC Costs	0	0	0	0.00	0
Assessors fees (All Professions)	57,919	95,635	37,716	39.44	573,810
Test of Competence (All Professions)	798	2,600	1,802	69.32	15,600
Annual Monitoring	14,362	6,913	(7,449)	(107.75)	41,475
Major/Minor Change	174	2,097	1,923	91.70	12,580
	<b>184,898</b>	<b>234,086</b>	<b>49,188</b>	<b>21.01</b>	<b>1,404,513</b>
<b>Specific departmental expenses</b>					
Accountancy consultancy	0	0	0	0.00	0
Archive storage	2,624	2,400	(224)	(9.34)	14,400
Auditors' fees	6,000	9,611	3,611	37.57	57,665
Bank charges	8,321	10,833	2,512	23.19	65,000
Books and publications	155	167	12	7.19	1,000
Conferences	0	0	0	0.00	0
Consultation Ev (SET, Approvals,CPD)	2,959	3,160	201	6.36	18,960
Council Elections	0	18,000	18,000	100.00	108,000
General insurance	11,530	6,600	(4,930)	(74.70)	39,600
Good Citizen Scheme	0	0	0	0.00	0
Health and safety	7,050	647	(6,403)	(989.64)	3,880
HPC Processes			0	0.00	
Miscellaneous Expenses	3,908	0	(3,908)	0.00	0
Investors in People	0	0	0	0.00	0
Legal advice	58,186	48,952	(9,234)	(18.86)	293,720
Legal expenses	228,696	213,333	(15,363)	(7.20)	1,280,000
Legal insurance	0	7,700	7,700	100.00	46,200
Legal -Transcript Writer	4,474	15,042	10,568	70.25	90,250
Other professional fees	13,305	17,052	3,747	21.97	102,310
Pension administration	2,113	2,112	(1)	(0.05)	12,672
Personal Performance Consultancy	1,009	1,467	458	31.25	8,800
Professional Liaison Groups	2,403	7,023	4,620	65.79	42,140
Quality ISO 2002	884	1,675	791	47.24	10,047
Reward Data	1,128	1,167	39	3.34	7,000
Staff Functions	0	0	0	0.00	0
Staff Handbook	0	0	0	0.00	0
Subscriptions to professional bodies	2,952	1,894	(1,058)	(55.87)	11,360
Taxation advice	6,345	1,000	(5,345)	(534.50)	6,000
Training	10,027	22,759	12,732	55.94	136,553
	<b>374,069</b>	<b>392,594</b>	<b>18,525</b>	<b>4.72</b>	<b>2,355,557</b>
<b>OVERHEAD TOTAL</b>	<b>1,614,346</b>	<b>1,854,340</b>	<b>239,994</b>	<b>12.94</b>	<b>11,208,971</b>

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

	<b>31 May 2006</b>		<b>31 March 2006</b>	
	£	£	£	£
<b>FIXED ASSETS</b>				
<b>Tangible fixed assets</b>				
Land & buildings, at cost or valuation	3,000,000		3,069,443	
Depreciation	<u>(7,000)</u>		<u>(69,443)</u>	
Net book value		2,993,000		3,000,000
Computer Equipment, at cost	2,075,279		2,090,422	
Depreciation	<u>(1,685,361)</u>		<u>(1,598,868)</u>	
Net book value		389,918		491,554
Office furniture and equipment, at cost	366,625		353,370	
Depreciation	<u>(279,754)</u>		<u>(265,964)</u>	
Net book value		86,871		87,406
		<hr/>		<hr/>
<b>Total tangible fixed assets</b>		<b>3,469,789</b>		<b>3,578,960</b>
<b>Investments</b>		<b>1,523,413</b>		<b>1,714,190</b>
		<hr/>		<hr/>
<b>TOTAL FIXED ASSETS</b>		<b>4,993,202</b>		<b>5,293,150</b>
<b>CURRENT ASSETS</b>				
Debtors	28,890		29,740	
Prepayments	164,288		84,608	
Bank balances and cash	<u>3,618,681</u>		<u>4,001,929</u>	
		3,811,859		4,116,277
<b>CURRENT LIABILITIES</b>				
<b>Amounts falling due within one year</b>				
Creditors and accrued expenses	1,030,160		1,583,906	
		<hr/>		<hr/>
<b>WORKING CAPITAL</b>		<b>2,781,699</b>		<b>2,532,371</b>
<b>DEFERRED INCOME</b>				
Registration fees in advance	47,005		106,502	
Retention fees in advance	<u>5,427,600</u>		<u>5,371,271</u>	
		<b>(5,474,605)</b>		<b>(5,477,773)</b>
		<hr/>		<hr/>
<b>NET ASSETS</b>		<b>2,300,296</b>		<b>2,347,748</b>
		<hr/> <hr/>		<hr/> <hr/>
<b>Represented by:</b>				
Capital Grant Receivable - LISA System		62,779		104,632
Accumulated Fund		1,590,927		355,210
Revaluation reserve		652,189		652,189
Surplus/(Deficit) for the period		<u>(5,599)</u>		<u>1,235,717</u>
		<b>2,300,296</b>		<b>2,347,748</b>
		<hr/> <hr/>		<hr/> <hr/>

**HEALTH PROFESSIONS COUNCIL  
CONSOLIDATED MANAGEMENT ACCOUNTS TO 31 MAY 2006**

**CAPITAL EXPENDITURE  
From 1st April 2006 - 31st May 2006**

	Actual £	Budget £	Variance £	Annual Budget £
<u>Major Investment (£50K+ Individual Item)</u>				
Office Services				
Renovation work to 22-26 Stannery Street. Figures are based on a quantity surveyors estimations and the work will go out to tender early in the new financial year. £851,000 + VAT.		0	0	999,925
Sub Total	0	0	0	999,925
<u>Minor Investment (less than £50K individually)</u>				
Information Technology				
15 New Laptops or PCs (New Employees) - £1085 (average)		0	0	16,275
2 Dell 3300 Projectors - £1500 each		0	0	3,000
3 HP LaserJet 4200 DTN Printer - £1025		0	0	3,075
2 Procure Switches (Server Room) - £2.5k average		0	0	5,000
Server to Consolidate existing PC's being used as servers - £5000 + £2000 for a rack to house the new server.		0	0	7,000
Replacement UPS (battery)		0	0	3,000
Office Services				
Colour photocopier	9,066	0	(9,066)	
3x desk & storage	2,332	0	(2,332)	
Rackmount storage	1,856	0	(1,856)	
FujiScanner s500	3,845	0	(3,845)	
1 Xerox Work Centre BW Photocopier with 4 Hole Punch - £4565+ VAT		0	0	5,363
Separate air conditioning units in server room		0	0	5,000
Access Control System (to cover 3 buildings & increasing employee numbers)		0	0	9,504
	17,100	0	(17,100)	57,217
Contingency	0	0	0	50,795
<u>LISA IT Projects</u>				
	0	0	0	243,571
	17,100	0	(17,100)	1,351,508
<b>Total Capital Expenditure</b>				

# HEALTH PROFESSIONS COUNCIL

## CONSOLIDATED MANAGEMENT ACCOUNTS TO 31 MAY 2006

### CASH FLOW STATEMENT

From 1st April 2006 - 31st May 2006

	£
Surplus /(deficit) over expenditure	51,611
Depreciation charge for the year of tangible fixed assets	107,283
Grant income released	(41,853)
(Increase)/decrease in debtors	(78,830)
Increase/(decrease) in creditors (CGT and VAT Tax not included)	(553,746)
Increase /(decrease) in deferred income	(3,168)
<b>Net cash In/(out)flow from operating activities</b>	<b>(518,703)</b>
<b>Return on investments and servicing of finance</b>	
Investment Income (Excluding realised gains & losses)	29,476
<b>Capital expenditure and financial investments</b>	
Purchase of tangible assets	(17,100)
Disposal of tangible assets	18,989
Purchase of investments	(7,294)
Proceeds from sale of investments	111,385
<b>Increase/(decrease) in Cash</b>	<b>(383,248)</b>
Cash at 31 March 2006	4,001,929
Cash at 31 May 2006	3,618,681
Cash Movement	<b>(383,248)</b>

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

	Mar-06	APRIL	MAY	JUNE	JULY	AUGUST	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	Total 12 Mths
<b>Opening Balance 1st</b>		4,001,929	4,042,162	3,618,682	3,618,682	3,618,682	3,618,682	3,618,682	3,618,682	3,618,682	3,618,682	3,618,682	3,618,682	
<b>Receipts</b>														
Registration Income		850,782	773,322											
Investment Income		4,923	24,553											
Investment Sales		0	111,385											
Deferred Income Movements		436,748	(439,916)											
Bank Loan														
Rental Income														
<b>Total Cash Receipts</b>		1,292,453	469,344	0	0	0	0	0	0	0	0	0	0	1,761,797
<b>Payments</b>														
<b>Operational</b>														
Expenditure		793,583	820,763											
Depreciation		(57,238)	(50,046)											
Aged Cred / Accrual Movements		245,174	308,573											
Debtor Movements		268,212	(189,382)											
Payments to Creditors		1,249,731	889,908	0	0	0	0	0	0	0	0	0	0	2,139,639
<b>Exceptional</b>														
Capital Expenditure		13,254	3,846											
Capital Write-off		(10,765)	(8,224)											
Investment Purchases		0	7,294											
Loan Repayments		0												
<b>Total Payments</b>		1,252,220	892,824	0	0	0	0	0	0	0	0	0	0	2,145,044
<b>Closing Balance</b>		4,001,929	3,618,682	3,618,682	3,618,682	3,618,682	3,618,682	3,618,682	3,618,682	3,618,682	3,618,682	3,618,682	3,618,682	(383,247)

Aged Creditors	800,652	1,338,113	1,029,540	1,029,540	1,029,540	1,029,540	1,029,540	1,029,540	1,029,540	1,029,540	1,029,540	1,029,540	1,029,540	1,029,540
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.