

Finance Department Report

General

Since the last Committee Meeting, the Finance department has produced the management accounts up to July 2011.

Supplier payments

At the end of April, 93.5% by value of the £430K Creditor payments were in the 30 days or less category.

Fee adjustments and income receipts handling

At the end of July, there was no backlog in Registrant direct debit cancellations and amendments against a 2 day backlog target. We had no backlog on rejected payments/refunds against a two day backlog target and no backlog on mid-cycle lapsing of Registrants. The banking of Registrant cheques is up to date and there was no backlog on credit card reconciliations against a two day backlog target.

Income Collection cycle

Direct debit collections of Registrants' fees (cover approximately 80% of registrants) are processed by the Finance Department, with collections made two months in advance. OR, PA and RA collections occurred in July. CS, OT, PH, PO and SL collections are scheduled for August and September. Most of the income comprises of Renewal fees collection.

Funds under Management

At the end of July 2011, £1.7M was invested in Lloyds instant access account earning 0.75% and £351k was invested in the Nat West Special Interest-bearing Account (SIBA) earning 0.50% per annum. The following have been invested for 3 months (maturing Late November/ early December 2011) at fixed rates: £0.5M invested in Barclays money market account earning 0.76%, £0.5m invested in Nat West Bond earning 1.5% and £3.0M in Lloyds TSB money market account earning 1.5%. An additional £1.0M is invested in Nat West long term deposit account earning 1.25% maturing March 2012.

Pensions

In April, there were 66 active members in the Friends Provident.

Flexiplan pension scheme update –From 1 April 2011 a monthly payment of £4,495.90 is being made as our contribution to the funding deficit. The Director of Finance is scheduled to attend an update meeting for employers on 27 September.

The most recent update from the Employers consultative Committee is included as a separate paper.

Employee training and staffing levels

There are eight full-time employees in the department. Temporary staff is periodically hired to cover for staff on annual or sick leave and to help achieve Finance department service level targets.

Sage system support and development

A new version of Sage was planned for later in this financial year together with PRS enhancements. Due to the work required on the deferred income this has now been postponed until 2012-13 financial year.

Significant Financial Projects/Issues (next few months)

- Work continues to find a resolution to the Deferred Income issue.
- The Five Year Financial plan is currently being worked on and is expected to be available for the November Finance and Resources Committee meeting.
- The six month reforecast will be started as soon as the September results are known and this is expected to be available for the November Finance and Resources Committee meeting.

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Accounts to 31 July 2011

Income and Expenditure Account - By Activity

Note

	Year to Date					Annual Budget	
	Actual	Budget	Variance	Variance			£'000
	£'000	£'000	£'000	%			
Income by Activity							
Graduate Registration fees	315	213	102	47.9%	A	631	
Readmission fees	63	75	(12)	(16.0%)		606	
Renewal fees	4,882	4,973	(91)	(1.8%)		14,966	
International scrutiny fees	217	127	90	70.9%	B	389	
Grandparenting fees	12	47	(35)	(74.5%)	C	142	
UK scrutiny fees	178	166	12	7.2%		475	
Registration Income	5,667	5,601	66	1.2%		17,209	
Cheque/credit card write offs	0	1	(1)	(100.0%)		3	
Total Income	5,667	5,602	65	1.2%		17,212	
Expenditure by Activity							
Payroll	1,889	1,949	60	3.1%		5,839	
Travel and subsistence	75	76	1	1.3%		217	
Council and committee expenses	71	99	28	28.3%	D	352	
Property services	129	137	8	5.8%		458	
Office services	388	401	13	3.2%		1,158	
Computer services	333	410	77	18.8%	E	1,352	
Communications	130	150	20	13.3%	F	609	
Partners	902	902	0	0.0%		2,684	
Professional fees	1,363	1,299	(64)	(4.9%)		3,954	
Projects	70	73	3	4.1%		163	
Specific departmental costs	135	147	12	8.2%		514	
Operating expenditure	5,485	5,643	158	2.8%		17,300	
Operating Surplus/(Deficit)	182	(41)	223			(88)	
Costs relating to GSCC	(30)	0	(30)			0	
Investment income	11	0	11			0	
Total surplus/(deficit)	163	(41)	204			(88)	

Notes to the Income and Expenditure Account - by Activity

Note	Narrative
A	This showed a favourable variance of £102K due to a higher number of registrants taking the discounted renewal fee.
B	The favourable variance of £90K was due to a increase in the international applications being received.
C	This showed an unfavourable variance of £35K due to a decrease in the number of registrants applying for via the grand parenting route.
D	The favourable variance of £28K was due to the cancellation of the April F&R committee and will be a saving in this financial year. There was also a saving of £10K in relation to the taxation on council and committee expenses.
E	This showed a favourable variance of £77K mainly due to phasing differences on software support (£27K) and internet services (£21K).
F	The favourable variance of £20K was mainly due to a phasing difference on Brochures (£10K) and Campaigns (£9K)

Accounts to 31 July 2011

Income and Expenditure Account - By Function

Note

	Year to Date				Annual Budget
	Actual	Budget	Variance	Variance	
	£'000	£'000	£'000	%	
Income by Profession					
Arts Therapists	73	72	1	1.4%	220
Biomedical Scientists	589	575	14	2.4%	1,800
Chiropodists	326	325	1	0.3%	992
Clinical Scientists	122	113	9	8.0%	354
Dietitians	192	201	(9)	(4.5%)	586
Hearing Aid Dispensers	43	43	0	0.0%	133
Occupational Therapists	831	815	16	2.0%	2,553
Operating Department Practitioners	261	268	(7)	(2.6%)	820
Orthoptists	33	33	0	0.0%	101
Paramedics	412	410	2	0.5%	1,282
Physiotherapists	1,217	1,231	(14)	(1.1%)	3,570
Practitioner Psychologists	468	476	(8)	(1.7%)	1,471
Prosthetists & Orthotists	23	22	1	4.5%	70
Radiographers	730	683	47	6.9%	2,214
Speech and Language Therapists	347	334	13	3.9%	1,043
Registration Income	5,667	5,601	66	1.2%	17,209
Cheque/credit card write offs	0	1	(1)		3
Total Income	5,667	5,602	65	1.2%	17,212
Expenditure by Function					
Chair	22	23	1	4.3%	71
Chief Executive	123	106	(17)	(16.0%)	312
Committee	26	29	3	10.3%	106
Council	26	48	22	45.8%	233
Communications	314	330	16	4.8%	1,096
Depreciation	168	181	13	7.2%	660
Education	240	267	27	10.1%	785
Facilities Management	306	294	(12)	(4.1%)	919
Finance	186	227	41	18.1%	654
Fitness to Practise	2,613	2,487	(126)	(5.1%)	7,494
Human Resources	102	152	50	32.9%	447
Human Resources Partners	124	172	48	27.9%	405
IT Department	315	379	64	16.9%	1,152
Major Projects	38	29	(9)	(31.0%)	83
Operations Office	164	141	(23)	(16.3%)	445
Policy	72	76	4	5.3%	285
Registration	548	622	74	11.9%	1,908
Secretariat	98	80	(18)	(22.5%)	245
Operating expenditure	5,485	5,643	158	2.8%	17,300
Operating Surplus/(Deficit)	182	(41)	223		(88)

Notes to the Income and Expenditure Account - by Function

Note	Narrative
1	The unfavourable variance of £17K was due to a phasing difference on training
2	The favourable difference of £22K was due to a saving of £10K on taxation and a phasing difference of £10K on fees and travel.
3	The favourable variance of £27K was mainly due a phasing difference on visits of £10K and training of £10K.
4	This showed a favourable variance of £41K mainly due to a saving on Pension Administration of £30K due to an accrual being made in the last financial year.
5	The favourable variance of £50K was due to a phasing difference of £10K on organisational training and £8K on legal expenses. There was also a saving of £11K on payroll costs.
6	The favourable variance of £48K was due to a phasing difference of partner training of £40K.
7	See note E
8	The showed an unfavourable variance of £23K due to additional position being recruited than was budgeted for (£14K) and a phasing difference on training of £5K.
9	This showed a favourable variance of £74K mainly due a saving of £25K on basic pay and a phasing difference of £24K on printing and stationery. There is also a phasing difference on CPD assessors fees of £18K.
10	The unfavourable variance of £18K was due to the phasing difference of legal advice.

Statement of Financial Position

	31 July 2011		31 March 2011	
	£'000	£'000	£'000	£'000
<u>Non-current Assets</u>				
Property, Plant & Machinery				
Land & buildings, at cost or valuation	2,252		2,263	
Depreciation	(10)		0	
		2,242		2,263
Computer Equipment, at cost	712		702	
Depreciation	(575)		(544)	
		137		158
Office furniture and equipment, at cost	469		469	
Depreciation	(400)		(390)	
		69		79
Intangible assets	3,902		3,786	
Depreciation	(2,520)		(2,404)	
		1,382		1,382
<u>Total Non-current Assets</u>		<u>3,830</u>		<u>3,882</u>
<u>Current assets</u>				
Other current assets	477		501	
Cash & Cash Equivalents	7,527		8,722	
	<u>8,004</u>		<u>9,223</u>	
<u>Total assets</u>		<u>11,834</u>		<u>13,105</u>
<u>Current Liabilities</u>				
Trade and other payables	(430)		(503)	
Other Liabilities	(1,109)		(1,235)	
Deferred Income	(8,326)		(9,799)	
	<u>(9,865)</u>		<u>(11,537)</u>	
<u>Total asset less liabilities</u>		<u>1,969</u>		<u>1,568</u>
<u>General reserve</u>				
General fund b/fwd	1,807		940	
(Deficit)/surplus for the year	162		628	
Grant income	-		-	
General fund c/fwd	<u>1,969</u>		<u>1,568</u>	
<u>Revaluation reserve</u>				
Reserve b/fwd	0		4	
Movements in the year	0		(4)	
Reserve c/fwd	<u>0</u>		<u>0</u>	
		<u>1,969</u>		<u>1,568</u>

Summary of Capital Expenditure

Property

Purchase of building
Replacement of office windows

Office Equipment

Information Technology

Laptops + PCs
Server replacement
Software Licences
Server upgrade
Synchronisation for file server to DR
iphone application

Small Projects

Major Projects

FTP case management system
Education Systems review
Credit/ debit card outsourcing
On-line Register enhancements
Transfer to GSCC
NetRegulate change requests

Total Capital Expenditure

	YTD Actual £'000	YTD Budget £'000	YTD Variance £'000	Annual Budget £'000
	0	262	262	1,610
	2	0	(2)	50
	2	262	260	1,660
	0	0	0	-
	0	0	0	0
	10	3	(7)	10
	0	0	0	6
	2	3	1	10
	0	0	0	2
	0	0	0	2
	2	0	(2)	-
	14	6	(8)	30
	0	0	0	0
	102	142	40	310
	0	34	34	137
	0	0	0	0
	9	0	(9)	0
	0	0	0	0
	1	12	11	36
	112	188	76	483
	128	456	328	2,173

Cash Flow Statement
From 1 April 2011 - 30 April 2011

	£'000
Surplus /(deficit) over expenditure	180
Costs incurred in relation to GSCC	(30)
Depreciation charge for the year of tangible fixed assets	168
(Increase)/decrease in debtors & prepayments	24
Increase/(decrease) in creditors (CGT and VAT Tax not included)	(199)
Increase /(decrease) in deferred income	(1,473)
Net cash In/(out)flow from operating activities	(1,330)
Return on investments and servicing of finance	
Investment Income (Bank interest)	11
Taxation	
Capital expenditure and financial investments	
Purchase of tangible assets	(115)
Disposal of tangible assets	
Financing	
Income from DOH	240
Increase/(decrease) in Cash	(1,194)
Cash at 31 March 2011	8,722
Cash at 30 April 2011	7,528
Cash Movement	(1,194)

Consolidated Cash Flow: April 2011 to March 2012

	APRIL	MAY	JUNE	JULY	AUGUST	SEPT	OCT	NOV	DEC	JAN	FEB	MAR
Opening Balance 1st	8,722	7,928	7,483	7,924								
Receipts												
Registration Income	1,386	1,365	1,422	1,494								
Investment Income	5	1	4	1								
Deferred Income Movements	(796)	(465)	278	(491)								
Bank Loan	0	0	0	0								
Miscellaneous Income	0	0	0	0								
Total Cash Receipts	595	901	1,704	1,004	0	0	0	0	0	0	0	0
Payments												
Operational												
Expenditure	1,163	1,611	1,398	1,331								
Depreciation	(42)	(43)	(41)	(42)								
Aged Cred / Accrual Movements	280	(229)	117	45								
Debtor Movements	(28)	(32)	(23)	57								
Payments to Creditors	1,373	1,307	1,451	1,391	0	0	0	0	0	0	0	0
Exceptional												
Capital Expenditure	16	39	52	9								
Capital Write-off	0	0	0	0								
Investment Purchases	0	0	0	0								
Loan Repayments	0	0	0	0								
DOH Income	0	0	(240)	0								
Taxation	0	0	0	0								
Total Payments	16	39	(188)	9	0	0	0	0	0	0	0	0
Closing Balance	7,928	7,483	7,924	7,528	0	0	0	0	0	0	0	0
Budgeted Closing Balance **	7,468	6,639	5,729	6,041	5,970	7,334	8,192	7,257	6,366	4,231	3,763	6,166
Difference	460	844	2,195	1,487								

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.

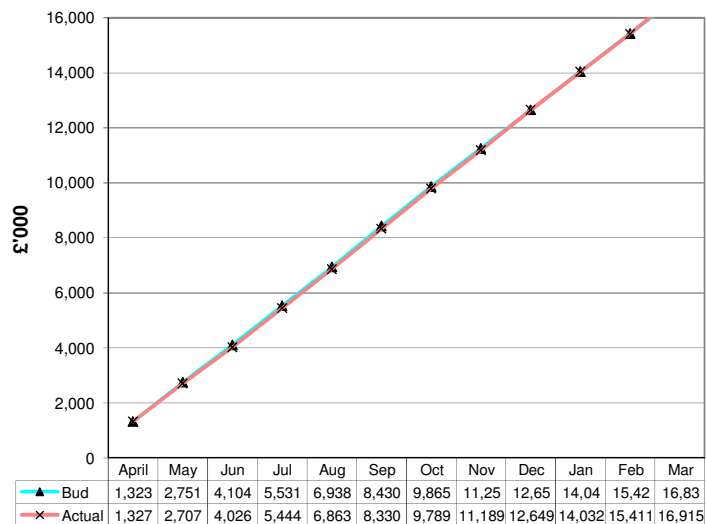
Depreciation - Cash paid for fixed assets incurred in previous months make depreciation a non cash item, so is taken off the current month expenditure.

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.

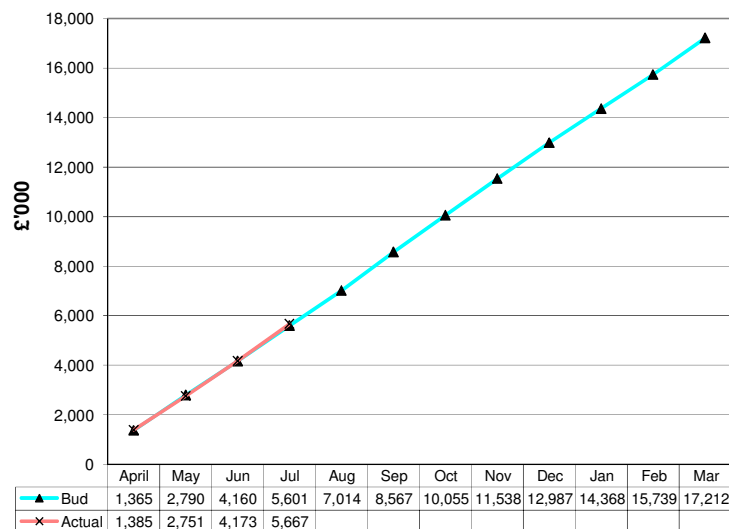
Debtor Movements - If positive, debtors/prepayments have been paid without all being recognised in the I & E Account, so must be added to the expenditure for the month, Vice versa for a negative figure.

** Budgeted Closing balance has been adjusted to include £2.26m from the sale of investment portfolio.

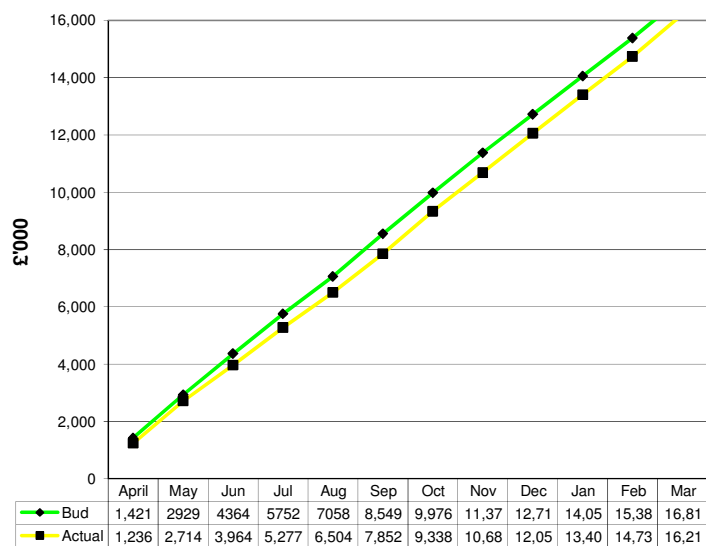
Cummulative Income 2010/11 budgeted & actual



Income 2011/12 budgeted & actual



Cummulative Expenditure 2010/11 budgeted & actual



Expenditure 2011/12 budgeted & actual

