

Finance Department Report

General

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

Supplier payments

At the end of September, 94.5% by value of the £328K Creditor payments were in the 30 days or less category.

Fee adjustments and income receipts handling

At the end of September, 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. AS, BS and ODP collections occurred in October. CH, DT and HAD collections are scheduled for November and December. Most of the income comprises of Renewal fees collection.

Funds under Management

At the end of September 2011, £2.6M was invested in Lloyds instant access account earning 0.70% and £507k was invested in the Nat West Special Interest-bearing Account (SIBA) earning 0.50% per annum. The following have been invested for longer periods at fixed rates: £0.5M invested in Barclays money market account earning 0.76% (maturing Mid-Nov), £0.5m invested in Nat West Bond earning 1.5% (maturing Mid-Dec), £3.0M in Lloyds TSB money market account earning 1.5% (maturing Mid-Nov). An additional £1.0M is invested in Nat West long term deposit account earning 1.25% maturing March 2012.

Pensions

In October, there were 67 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.

In the update meeting for employers in September, it was announced that due to the recent downturn in the value of investments held on the stock exchange that the monthly payments to continue. The shortfall was being monitored and if the shortage reduced in the future there may be an opportunity to stop payments.

The CPSM pension scheme is now in the final stages of being wound-up and is expected to be complete before the end of the current financial year.

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 is planned for next financial year together with PRS enhancements.

Significant Financial Projects/Issues (next few months)

- Work continues to find a resolution to the Deferred Income issue with all refunds made up to the end of the last financial year.
- Mazars have begun work on the on-going differences and with their next visit due on 16 November. A verbal update will be given in the Committee meeting.
- 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.

Accounts to 30 September 2011

Income and Expenditure Account - By Activity

Note

	Year to Date					Annual Budget
	Actual	Budget	Variance	Variance		
	£'000	£'000	£'000	%		
Income by Activity						
Graduate Registration fees	479	318	161	50.6%	A	631
Readmission fees	88	219	(131)	(59.8%)	B	606
Renewal fees	7,344	7,469	(125)	(1.7%)		14,966
International scrutiny fees	325	185	140	75.7%	C	389
Grandparenting fees	18	70	(52)	(74.3%)	D	142
UK scrutiny fees	330	305	25	8.2%		475
Registration Income	8,584	8,566	18	0.2%		17,209
Cheque/credit card write offs	0	1	(1)	(100.0%)		3
Total Income	8,584	8,567	17	0.2%		17,212
Expenditure by Activity						
Payroll	2,865	2,941	76	2.6%		5,839
Travel and subsistence	109	110	1	0.9%		217
Council and committee expenses	112	154	42	27.3%	E	352
Property services	253	205	(48)	(23.4%)	F	458
Office services	691	674	(17)	(2.5%)		1,158
Computer services	507	615	108	17.6%	G	1,352
Communications	245	241	(4)	(1.7%)		609
Partners	1,269	1,315	46	3.5%		2,684
Professional fees	2,055	1,982	(73)	(3.7%)		3,954
Projects	117	118	1	0.8%		163
Specific departmental costs	229	246	17	6.9%		514
Operating expenditure	8,452	8,601	149	1.7%		17,300
Operating Surplus/(Deficit)	132	(34)	166			(88)
Costs relating to GSCC	(86)	0	(86)			0
Investment income	18	0	18			0
Total surplus/(deficit)	64	(34)	98			(88)

Notes to the Income and Expenditure Account - by Activity

Note	Narrative
A	This showed a favourable variance of £161K due to a higher number of registrants taking the discounted renewal fee.
B	The unfavourable variance of £131K was due to a decrease in readmission applications being received.
C	This showed a favourable variance of £140K due to an increase in international applications being received.
D	This showed an unfavourable variance of £52K due to a decrease in the number of registrants applying for via the grand parenting route.
E	£36K of the favourable variance 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 £14K in relation to the taxation on council and committee expenses.
F	This showed an unfavourable variance of £48K due to a phasing difference on repairs and maintenance (£21K) and building refurbishment (£16K). There is also a overspend on building refurbishment of £9K .
G	This showed a favourable variance of £108K mainly due to phasing differences on software support (£28K) and internet services (£34K). There is also a saving of £24K on Computer equipment and computer software depreciation due to delay in some projects.

Accounts to 30 September 2011

Income and Expenditure Account - By Function

Note

	Year to Date				Annual Budget £'000
	Actual	Budget	Variance	Variance	
	£'000	£'000	£'000	%	
Income by Profession					
Arts Therapists	112	109	3	2.8%	220
Biomedical Scientists	884	867	17	2.0%	1,800
Chiropodists	495	508	(13)	(2.6%)	992
Clinical Scientists	181	170	11	6.5%	354
Dietitians	296	300	(4)	(1.3%)	586
Hearing Aid Dispensers	66	68	(2)	(2.9%)	133
Occupational Therapists	1,265	1,230	35	2.8%	2,553
Operating Department Practitioners	403	405	(2)	(0.5%)	820
Orthoptists	50	54	(4)	(7.4%)	101
Paramedics	628	679	(51)	(7.5%)	1,282
Physiotherapists	1,847	1,829	18	1.0%	3,570
Practitioner Psychologists	700	768	(68)	(8.9%)	1,471
Prosthetists & Orthotists	35	34	1	2.9%	70
Radiographers	1,099	1,041	58	5.6%	2,214
Speech and Language Therapists	523	504	19	3.8%	1,043
Registration Income	8,584	8,566	18	0.2%	17,209
Cheque/credit card write offs	0	1	(1)		3
Total Income	8,584	8,567	17	0.2%	17,212
Expenditure by Function					
Chair	31	35	4	11.4%	71
Chief Executive	191	158	(33)	(20.9%)	312
Committee	42	47	5	10.6%	106
Council	42	84	42	50.0%	233
Communications	497	481	(16)	(3.3%)	1,096
Depreciation	249	269	20	7.4%	660
Education	347	388	41	10.6%	785
Facilities Management	536	442	(94)	(21.3%)	919
Finance	306	341	35	10.3%	654
Fitness to Practise	3,909	3,777	(132)	(3.5%)	7,494
Human Resources	161	226	65	28.8%	447
Human Resources Partners	179	221	42	19.0%	405
IT Department	481	576	95	16.5%	1,152
Major Projects	65	70	5	7.1%	83
Operations Office	247	220	(27)	(12.3%)	445
Policy	117	133	16	12.0%	285
Registration	889	1,012	123	12.2%	1,908
Secretariat	163	121	(42)	(34.7%)	245
Operating expenditure	8,452	8,601	149	1.7%	17,300
Operating Surplus/(Deficit)	132	(34)	166		(88)

Notes to the Income and Expenditure Account - by Function

Note	Narrative
1	The unfavourable variance of £33K was due to a phasing difference on training and legal advice
2	The favourable difference of £42K was due to a saving of £14K on taxation and a saving of £8K on conferences and training.
3	The favourable variance of £41K due to a saving on Approvals of £16K and legal advice £4K. There is also a phasing difference on training of £7K.
4	See note F. Also there is an overspend of £79K relating to the rental of additional office space.
5	The favourable variance of £65K was due to a phasing difference of £11K on organisational training and £12K on legal expenses. There was also a saving of £12K on staff recruitment and a saving of £18K due to the delay in recruiting a member of staff.
6	The favourable variance of £42K was due to a phasing difference of partner training of £31K.
7	See note G
8	The showed an unfavourable variance of £27K due to additional position being recruited than was budgeted for (£19K) and a overspend on legal advice of £15K.
9	The favourable variance of £123K was due a phasing difference on CPD assessments (£44K) and printing (£19K). There is also a saving of £39K on basic pay.
10	The unfavourable variance of £42K is due to an overspend in FOI legal advice.

Statement of Financial Position

	30 September 2011		31 March 2011	
	£'000	£'000	£'000	£'000
<u>Non-current Assets</u>				
Property, Plant & Machinery				
Land & buildings, at cost or valuation	2,252		2,250	
Depreciation	<u>(15)</u>		<u>0</u>	
		2,237		2,250
Computer Equipment, at cost	714		702	
Depreciation	<u>(599)</u>		<u>(552)</u>	
		115		150
Office furniture and equipment, at cost	469		469	
Depreciation	<u>(405)</u>		<u>(390)</u>	
		64		79
Intangible assets	4,007		3,786	
Depreciation	<u>(2,575)</u>		<u>(2,404)</u>	
		1,432		1,382
		<u>3,848</u>		<u>3,861</u>
<u>Total Non-current Assets</u>				
<u>Current assets</u>				
Other current assets	404		501	
Financial assets	0		0	
Cash & Cash Equivalents	<u>9,369</u>		<u>8,722</u>	
	<u>9,773</u>		<u>9,223</u>	
		<u>13,621</u>		<u>13,084</u>
<u>Total assets</u>				
<u>Current Liabilities</u>				
Trade and other payables	(328)		(503)	
Other Liabilities	(1,247)		(1,495)	
Deferred Income	<u>(9,998)</u>		<u>(9,342)</u>	
	<u>(11,573)</u>		<u>(11,340)</u>	
		<u>2,048</u>		<u>1,744</u>
<u>Total asset less liabilities</u>				
<u>General reserve</u>				
General fund b/fwd	1,744		1,124	
(Deficit)/surplus for the year	64		620	
Grant income	240		-	
General fund c/fwd	<u>2,048</u>		<u>1,744</u>	
<u>Revaluation reserve</u>				
Reserve b/fwd	0		4	
Movements in the year	<u>0</u>		<u>(4)</u>	
Reserve c/fwd	0		0	
		<u>2,048</u>		<u>1,744</u>

Summary of Capital Expenditure

Property

Purchase of building
Replacement of office windows

Office Equipment

Information Technology

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

Small Projects

Major Projects

FTP case management system
Sage 200 & PRS upgrade
Education Systems review
NetRegulate change requests
Various small capex value projects

Total Capital Expenditure

	YTD Actual £'000	YTD Budget £'000	YTD Variance £'000	Annual Budget £'000
	0	275	275	1,610
	2	50	48	50
	2	325	323	1,660
	0	0	0	-
	0	0	0	0
	10	5	(5)	10
	0	6	6	6
	2	5	3	10
	0	0	0	2
	0	2	0	2
	2	0	(2)	2
	14	18	4	32
	0	0	0	5
	173	190	17	249
	0	0	0	26
	30	68	38	137
	7	36	29	152
	9	0	(9)	17
	219	294	75	581
	235	637	402	2,278

HEALTH PROFESSIONS COUNCIL

Cash Flow Statement

From 1 April 2011 - 30 September 2011

	£'000
Surplus /(deficit) over expenditure	132
Costs incurred in relation to GSCC	(86)
Depreciation charge for the year of tangible fixed assets	249
(Increase)/decrease in debtors & prepayments	97
Increase/(decrease) in creditors (CGT and VAT Tax not included)	(423)
Increase /(decrease) in deferred income	656
Net cash In/(out)flow from operating activities	625
Return on investments and servicing of finance	
Investment Income (Excluding realised gains & losses)	18
Taxation	
Capital expenditure and financial investments	
Purchase of tangible assets	(236)
Disposal of tangible assets	
Financing	
Income from DOH	240
Increase/(decrease) in Cash	647
Cash at 31 March 2011	8,722
Cash at 30 April 2011	9,369
Cash Movement	647

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	7,528	8,949						
Receipts												
Registration Income	1,386	1,365	1,422	1,494	1,483	1,433						
Investment Income	5	1	4	1	6	1						
Deferred Income Movements	(796)	(465)	278	(491)	1,457	673						
Bank Loan	0	0	0	0	0	0						
Miscellaneous Income	0	0	0	0	0	0						
Total Cash Receipts	595	901	1,704	1,004	2,946	2,107	0	0	0	0	0	0
Payments												
Operational												
Expenditure	1,163	1,611	1,398	1,331	1,497	1,538						
Depreciation	(42)	(43)	(41)	(42)	(40)	(41)						
Aged Cred / Accrual Movements	280	(229)	117	45	75	134						
Debtor Movements	(28)	(32)	(23)	57	(19)	(53)						
Payments to Creditors	1,373	1,307	1,451	1,391	1,513	1,578	0	0	0	0	0	0
Exceptional												
Capital Expenditure	16	39	52	9	12	108						
Capital Write-off	0	0	0	0	0	0						
Investment Purchases	0	0	0	0	0	0						
Loan Repayments	0	0	0	0	0	0						
DOH Income	0	0	(240)	0	0	0						
Taxation	0	0	0	0	0	0						
Total Payments	16	39	(188)	9	12	108	0	0	0	0	0	0
Closing Balance	7,928	7,483	7,924	7,528	8,949	9,370	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)	(2,979)	(2,036)						

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.

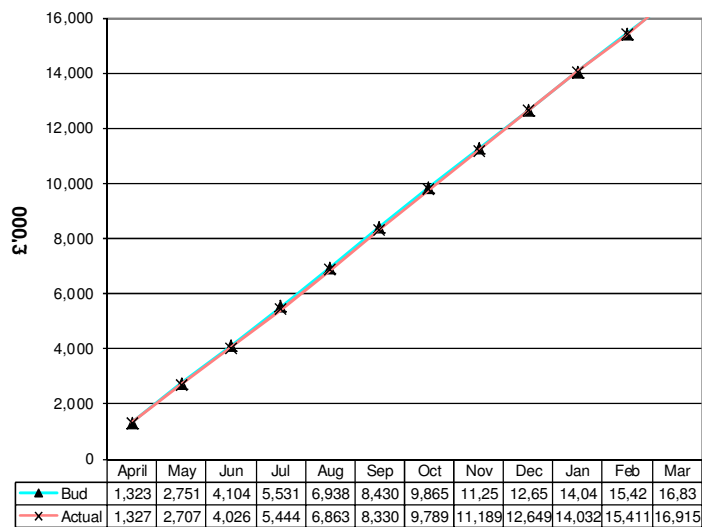
Depreciation - Cash paid for fixed assets incurred in previous months make depreciation a non cash item, so is taken off the current month expenditure.

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.

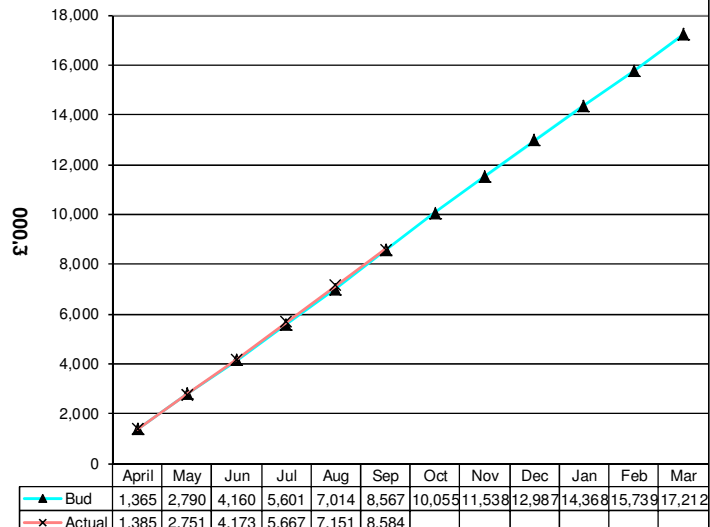
Debtor Movements - If positive, debtors/prepayments have been paid without all being recognised in the I & E Account, so must be added to the expenditure for the month, Vice versa for a negative figure.

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

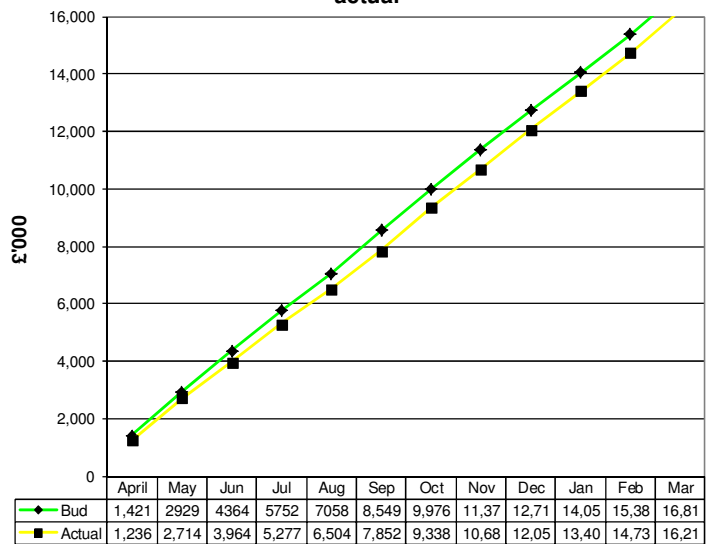
Cummulative Income 2010/11 budgeted & actual



Cummulative Income 2011/12 budgeted & actual



Cummulative Expenditure 2010/11 budgeted & actual



Cummulative Expenditure 2011/12 budgeted & actual

