

Annual General Meeting Financial Report 2013/2014

This paper aims to provide shareholders with an overview of BICS financial performance for 2013/14. This paper needs to be read in conjunction with the full accounts for 2013/14 financial year, which are included with the Annual General Meeting papers.

Financial Highlights

The 2013/2014 financial year saw turnover increase from £9,512,602 to £11,388,085. Year-end operating surplus was £58,139. This represents a decrease in operating profit; however this is not a negative reflection on the organisations performance. Our reserves at the end of the 2013/2014 financial year were in the healthy position of £1,199,129.

Our financial objective is to deliver a small surplus to ensure organisation stability. In this financial year we passed £1,619,343 of income to GP practices in Brighton and Hove through a range of partnership or sub contracting arrangements which represents 14.2% of our turnover, this is an increase of 50% on 2012/13.

The 2013/2014 financial year is the second year that BICS’s Financial Statements have been audited.

Income and Expenditure

Table1

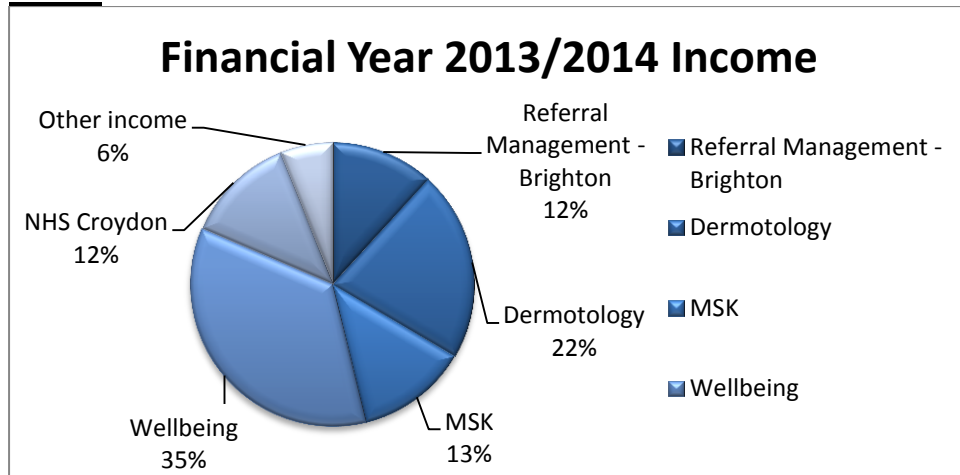


Table 2

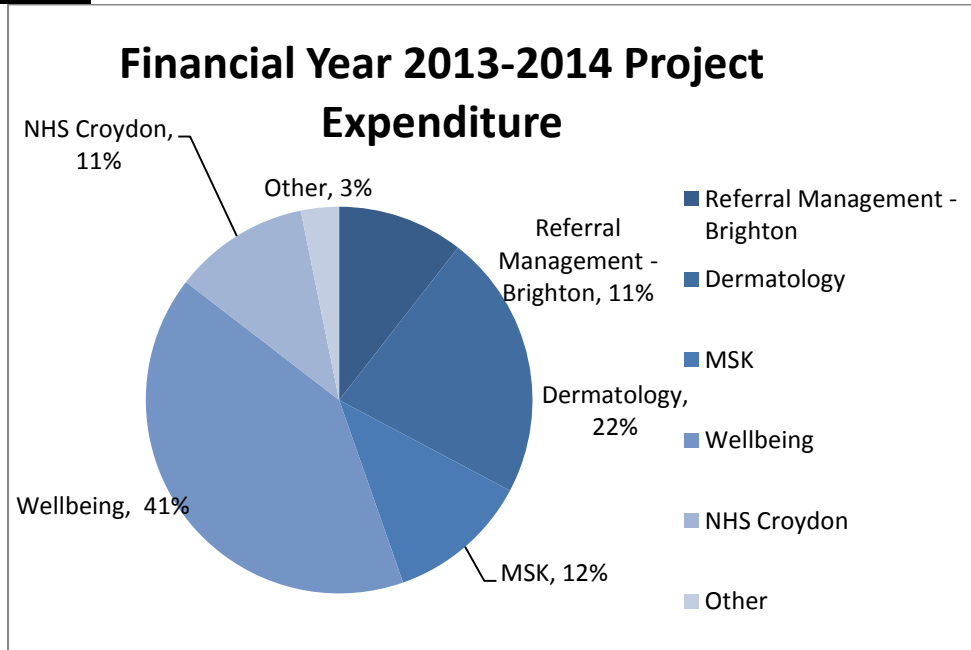


Table 3

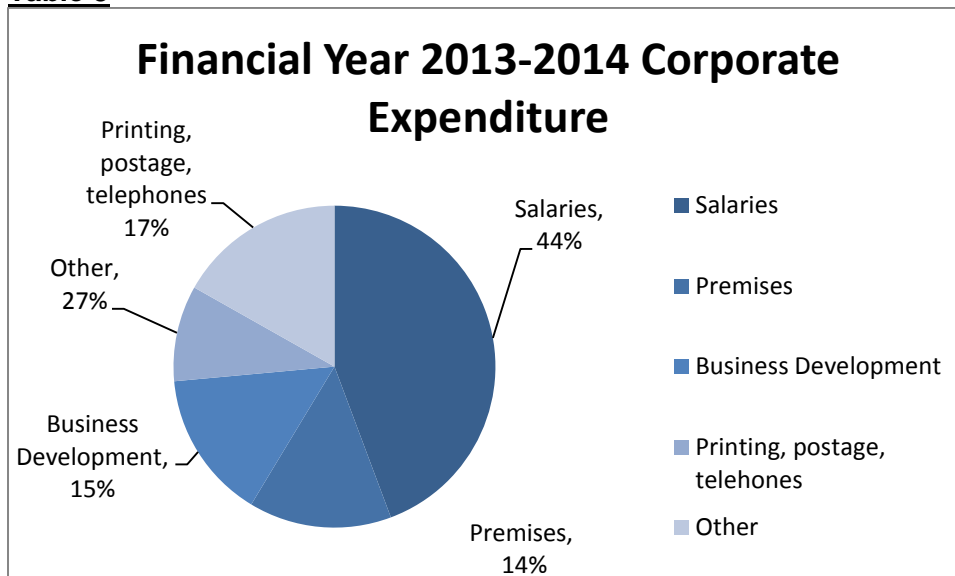


Table three breaks down corporate expenditure with salaries being the biggest contributor to corporate expenditure.

BICS employed 149 full time equivalent staff and 27 GP triagers during 2013/14.

Staffing percentage is broken down into:

- GP Triagers – 15% this represents an 5% increase in total staffing from last year .
- Directors and Non-Executive Directors – 6%,
- Managers –9%

- Administrators –70%.

All permanent past and present employees, including Directors, are covered by the NHS Pension Scheme, except in case where individuals have chosen to opt out of the scheme.

During the year BICS made a one off payment to Burwash Medical Centre of £102,491 this is shown within the expenditure lines of Burwash Practice Grant, Primary Care Collaboration and Primary Care Projects of the BICS expenditure budgets and the corresponding Burwash income accounts. A full summary of expenditure and the plan for return on investment is shown in the separate paper.

Director’s Remuneration

The Remuneration Committee comprises of Non-Executive Directors, no member is involved in any decision as to their own remuneration. The committee is responsible for making recommendations for the appropriate remuneration and terms of service for the Executive Directors to ensure they are fairly rewarded for their individual contribution to BICS, having regard to BICS circumstances and overall performance. The committee also has responsibility for deciding on bonus payments for staff and Executive Directors according to our pay policy. Executive Directors were awarded a performance related unconsolidated performance related bonus for achievements in 2013/14, which were paid in 2014/15.

Table 4 shows a breakdown of the Directors Remuneration during 2013/14. Salaries are outlined in a range, and are not whole time equivalent. There was no uplift in 2013/14.

Table 4

Salary and Allowances				
2013/14				
Name and Title	Salary Range	Other Remuneration (Performance Related Pay)	Benefits in Kind	
	£,	£,	£,	
Dr Peter Devlin	Clinical Director	115,000 – 118,000	12,968	0
Dr Jonathan Serjeant	Clinical Director	115,000 – 118,000	12,968	0
Zoe Nicholson	Operational Director	115,000 – 118,000	18,198	0
Dr Jan Austera	Non-Executive Director	10,000-15,000	0	0
Dr Nick Patton	Non-Executive Director	5,000-10,000	0	0
Lindsay Coleman	Non Executive Director	10,000-15,000	0	0

Looking to the Future

The company expects turnover to be in the region of £20 million in 2014/15.

The major development is a partnership with Sussex Community Trust and Sussex Partnership Foundation Trust and Horder Health to provide Integrated MSK services to Central Sussex and East Sussex, the Extended Primary Integrated Care (EPIC) initiative which has received funding from the Prime Minister's Fund and a small additional funding from the CCG to deliver support to GP Clusters for Proactive Care. We also re-tendered for the Croydon Referral Management Service (CReSS) for a further 2 years. We re-tendered for the Brighton and Hove Integrated Dermatology Service, which BICS withdrew from the procurement process post award, the service is being transferred to BSUH from the 1st April 2015.

Operating Surplus for 2014/15 is likely to be under £100k.