

**REPORT OF THE COUNCIL AND  
AUDITED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2006  
FOR  
INTERNATIONAL FEDERATION OF HEALTH PLANS**

# INTERNATIONAL FEDERATION OF HEALTH PLANS

## FEDERATION INFORMATION FOR THE YEAR ENDED 31 DECEMBER 2006

<b>COUNCIL OF MANAGEMENT:</b>	<b>President</b>	
	Mr George Halvorson	USA
	<b>Deputy Presidents</b>	
	Miss Valerie Gooding CBE	UK
	Mr Terry Smith	Australia
	Mr Carlos Kubik	Chile
	<b>Council</b>	
	Mr Mauricio Toro Bridge	Colombia
	Mr Macdonald Chaora	Zimbabwe
	Mr Johannes Due	Denmark
	Mr Keith Gibbs	UK
	Ms Agnes Ho	Hong Kong
	Dr Guy Peeters	Belgium
	Mr Kabelo Ebineng	Botswana
	Prof Dr Guus van Montfort	Netherlands
	Mr Vincent Sheridan	Ireland
	Mr Pierre-Yves Julien	Canada
	Dr Ian McPherson	New Zealand
	Mr Kenneth Martin	Canada
	Mr Shaun Matisonn	South Africa
Mr Bafana Nkosi	South Africa	
Mr George Savvides	Australia	
Mr Anthony Watson	USA	

**CHIEF EXECUTIVE:** Mr Tom Sackville

**REGISTERED OFFICE:** c/o VHI  
VHI House  
20, Lower Abbey Street  
Dublin 1, IRELAND

**REGISTERED NUMBER:** The Federation is registered as a corporate body under the Health Bodies (Corporate Status) Act 1979 Ireland

**AUDITORS:** Hakim Fry  
Chartered Accountants  
Registered Auditor  
69-71 East Street  
Epsom  
Surrey  
KT17 1BP

**BANKERS:** HSBC  
Chancery Lane & Fleet Street Branch  
123 Chancery Lane  
London WC2A 1QH

AIB Bank plc  
10/11 Lower Conell Street  
Dublin 1 Ireland

# **INTERNATIONAL FEDERATION OF HEALTH PLANS**

## **REPORT OF THE COUNCIL OF MANAGEMENT FOR THE YEAR ENDED 31 DECEMBER 2006**

The Council of Management presents their report with the financial statements for the year ended 31 December 2006.

### **PRINCIPAL ACTIVITY**

The principal activity of the federation was unchanged since last year.

The Federation's mission is:

To promote beneficial relationships between member organisations;

To exchange information and expertise;

To understand the opportunity and challenges in the independent healthcare industry, enabling members to develop optimal strategies for their businesses.

### **GOVERNING BODY AND MANAGEMENT**

The present members of the Council of Management are set out on page 1.

The ultimate governing body of the International Federation of Health Plans is the General Assembly.

### **COUNCIL OF MANAGEMENT'S RESPONSIBILITIES**

The Council of Management, through the secretariat appointed by them, prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Federation and of the income & expenditure arising from the operations of the Federation for that period. In preparing those financial statements, the Council of Management have:

- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates that are reasonable and prudent;
- followed applicable accounting standards;
- prepared the financial statements on the going concern basis unless it is inappropriate to presume that the Federation will continue in business.

The Council of Management is responsible for keeping proper accounting records, which disclose, with reasonable accuracy at any time, the financial position of the Fund. They are also responsible for safeguarding the assets of the Federation and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### **STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the Council of Management is aware, there is no relevant audit information of which the company's auditors are unaware, and each member has taken all the steps that they ought to have taken as a member in order to make them aware of any relevant audit information and to establish that the Federation's auditors are aware of that information.

The report of the Council of Management was approved on \_\_\_\_\_, and signed on its behalf by

**Mr Tom Sackville**  
Chief Executive

# INTERNATIONAL FEDERATION OF HEALTH PLANS

## INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2006

	<u>31.12.06</u>	<u>31.12.05</u>
	£	£
<b>INCOME</b>	<b>410,372</b>	377,036
Administrative expenses	<u>388,850</u>	<u>380,800</u>
	<b>21,522</b>	(3,764)
Other operating income	<u>28,551</u>	<u>19,633</u>
	<b>50,053</b>	15,869
Interest receivable after tax and similar income	<u>21,673</u>	<u>20,067</u>
<b>SURPLUS OF INCOME OVER EXPENDITURE</b>	<u><b>71,746</b></u>	<u><b>35,936</b></u>

### CONTINUING OPERATIONS

None of the Federation's activities were acquired or discontinued during the current and previous years.

### TOTAL RECOGNISED GAINS AND LOSSES

The Federation has no recognised gains or losses other than the surplus for the current and previous years.

# INTERNATIONAL FEDERATION OF HEALTH PLANS

## BALANCE SHEET 31 DECEMBER 2006

		31.12.06		31.12.05	
	Notes	£	£	£	£
<b>FIXED ASSETS:</b>					
Tangible assets	4		9,912		2,867
<b>CURRENT ASSETS:</b>					
Debtors	5	19,313		32,028	
Cash at bank and in hand		<u>886,803</u>		<u>755,283</u>	
			906,116		787,311
<b>CREDITORS:</b> Amounts falling due within one year	6	<u>238,795</u>		<u>204,691</u>	
<b>NET CURRENT ASSETS:</b>			<u>667,321</u>		<u>582,620</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES:</b>			677,321		585,487
<b>PROVISIONS FOR LIABILITIES:</b>	8		<u>20,000</u>		-
			<u>£657,233</u>		<u>£585,487</u>
<b>REPRESENTED BY:</b>					
Accumulated Fund at 1 January 2006			585,487		549,551
Surplus of Income over Expenditure for the year			<u>71,746</u>		<u>35,936</u>
<b>Accumulated Fund at 31 December 2006</b>			<u>£657,233</u>		<u>£585,487</u>

These financial statements were approved by the Council of Management on \_\_\_\_\_, and signed on its behalf by

**Mr George Halvorson**  
President

**Mr Tom Sackville**  
Chief Executive

The notes form part of these financial statements

# INTERNATIONAL FEDERATION OF HEALTH PLANS

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2006

### 1. ACCOUNTING POLICIES

#### Accounting convention

The financial statements have been prepared under the historical cost convention.

#### Dues

Dues represent current annual membership fees received for the year.

#### Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Furniture, fittings and equipment	between 12.5% and 33 1/3% on cost
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#### Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

#### Foreign currencies

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the balance sheet date and are stated in UK pounds. All other exchange differences are dealt with through the income and expenditure account.

#### Leased assets

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and depreciated over their expected useful lives. The interest element of leasing payments represents a constant proportion of the capital balance outstanding and is charged to the income and expenditure account over the period of the lease.

All other leases are regarded as operating leases and the payments made under them are charged to the income and expenditure account on a straight-line basis over the lease term.

#### Pensions

The company operates a defined contribution pension scheme. Contributions payable for the year are charged to the income and expenditure accounts.

### 2. OPERATING SURPLUS

The operating surplus is stated after charging:

	<b>31.12.06</b>	31.12.05
	£	£
Operating lease rentals charged in respect of land and buildings	<u>14,144</u>	<u>15,700</u>

### 3. TAXATION

Based on the deposit interest received in the year.

	<b>31.12.06</b>	31.12.05
	£	£
Charge for the year represents tax at 25% (2005 – 25%)	<u>7,286</u>	<u>6,607</u>

The notes form part of these financial statements

# INTERNATIONAL FEDERATION OF HEALTH PLANS

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2006

### 4. TANGIBLE FIXED ASSETS

		<b>Furniture, fittings and equipment.</b>
		<u>£</u>
<b>COST:</b>		
At 1 January 2006		33,884
Additions		11,089
Disposals		<u>(24,459)</u>
At 31 December 2006		<u>20,514</u>
<b>DEPRECIATION:</b>		
At 1 January 2006		31,016
Charge for year		4,020
Eliminated on disposals		<u>(24,434)</u>
At 31 December 2006		<u>10,602</u>
<b>NET BOOK VALUE:</b>		
At 31 December 2006		<u>9,912</u>
At 31 December 2005		<u>2,868</u>

### 5. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.06	31.12.05
	£	£
Other debtors	4,931	406
Prepayments	<u>14,382</u>	<u>31,622</u>
	<u>19,313</u>	<u>32,028</u>

### 6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.06	31.12.05
	£	£
Deferred income	188,940	148,224
Other creditors	587	99
Social security & other taxes	7,793	8,237
Accrued expenses	<u>41,475</u>	<u>48,131</u>
	<u>238,795</u>	<u>204,691</u>

The notes form part of these financial statements

# INTERNATIONAL FEDERATION OF HEALTH PLANS

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2006

### 7. OPERATING LEASE COMMITMENTS

The following payments are committed to be paid within one year:

	<b>31.12.06</b>	<b>31.12.05</b>
	<b>£</b>	<b>£</b>
Expiring: Between one and five years	<b><u>14,000</u></b>	<b><u>-</u></b>

### Land and buildings operating leases

### 8. PROVISIONS FOR LIABILITIES

	<b>31.12.06</b>	<b>31.12.05</b>
	<b>£</b>	<b>£</b>
Other provisions	<b><u>20,000</u></b>	<b><u>-</u></b>
		<b><u>Other provisions</u></b>
		<b>£</b>
Increase in provision		<b><u>20,000</u></b>
Balance at 31 December 2006		<b><u>20,000</u></b>

During the year the federation signed a contract for the use of a hotel in Australia in 2008. Shortly after signing the contract the federation needed to cancel the contract and the hotel is seeking to recover the lost income and this provision is the expected amount to settle the claim.

**DETAILED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2006**  
**FOR**  
**INTERNATIONAL FEDERATION OF HEALTH PLANS**

# INTERNATIONAL FEDERATION OF HEALTH PLANS

## INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2006

		<u>31.12.06</u>		<u>31.12.05</u>	
	Notes	£	£	£	£
<b>DUES</b>	1		<b>410,372</b>		377,036
Other operating income	2		<u>28,551</u>		<u>19,633</u>
			<b>438,923</b>		396,669
Administrative expenses	3	<b>374,708</b>		365,100	
Establishment costs	4	<u>14,144</u>		<u>15,700</u>	
			<u><b>388,850</b></u>		<u>380,800</u>
<b>OPERATING SURPLUS</b>			<b>50,073</b>		15,869
Interest earned after tax	5		<u>21,673</u>		<u>20,067</u>
<b>SURPLUS ON ORDINARY ACTIVITIES</b>			<u><b>£71,746</b></u>		<u>£35,936</u>

# INTERNATIONAL FEDERATION OF HEALTH PLANS

## INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2006

	<u>31.12.06</u>	<u>31.12.05</u>
	£	£
1. <b>DUES</b>		
Full members	387,790	356,047
Associate members	2,500	939
Individual members	-	-
Affiliated members	<u>20,082</u>	<u>20,050</u>
	<u>410,372</u>	<u>377,036</u>
2. <b>OTHER OPERATING INCOME</b>		
Events	<u>28,551</u>	<u>19,633</u>

# INTERNATIONAL FEDERATION OF HEALTH PLANS

## INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2006

	<u>31.12.06</u>	<u>31.12.05</u>
	£	£
<b>3. ADMINISTRATIVE EXPENSES</b>		
Wages and staff welfare	282,427	276,257
Communications	17,862	11,386
Printing, postage & stationery	21,846	17,971
Motor and travelling	24,670	40,378
Sundry expenses	144	647
Accountancy	10,855	8,755
Legal & professional fees	641	380
Affiliation and conferences	-	536
Governance	10,272	5,492
Bank charges	1,946	1,021
Exchange (gain)/loss	-	-
Depreciation:		
Furniture, fittings and equipment	4,020	2,277
(Gain)/Loss on disposal:		
Furniture, fittings and equipment	<u>25</u>	<u>-</u>
	<u>374,708</u>	<u>365,100</u>
<b>4. ESTABLISHMENT COSTS</b>		
Rent, rates & office services	<u>14,144</u>	<u>15,700</u>
	<u>14,144</u>	<u>15,700</u>
<b>5. INTEREST EARNED AFTER TAX</b>		
Deposit account interest	28,954	26,674
Tax on interest receivable	(7,286)	(6,607)
HMRC repayment supplement	<u>5</u>	<u>-</u>
	<u>21,673</u>	<u>20,067</u>

# INTERNATIONAL FEDERATION OF HEALTH PLANS

## REPORT OF THE INDEPENDENT AUDITORS TO THE COUNCIL OF MANAGEMENT OF THE INTERNATIONAL FEDERATION OF HEALTH PLANS

We have audited the financial statements of International Federation of Health Plans for the year ended 31 December 2006 on pages four to seven. These financial statements have been prepared under the historical cost convention and the accounting policies set out on page six.

This report is made solely to the Council of Management. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Federation and the Council of Management, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of director and auditors**

As described on page two the Council of Management is responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared. We also report to you if, in our opinion, the Report of the Council of Management is not consistent with the financial statements, if the Federation has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding remuneration and transactions with the Federation is not disclosed.

### **Basis of opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Council of Management in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Federation's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

### **Opinion**

In our opinion:

- the financial statements give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Federation's affairs as at 31 December 2006 and of its surplus for the year then ended.
- the information given in the Report of the Council of Management is consistent with the financial statements.

**Hakim Fry**  
**Chartered Accountants**  
**Registered Auditor**  
**69-71 East Street**  
**Epsom**  
**Surrey**  
**KT17 1BP**

Dated:

# **INTERNATIONAL FEDERATION OF HEALTH PLANS**

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# RONALD GRIEVE FUND

## ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2006

	2006 £	2005 £	2004 £
<b>Income</b>			
Interest received	5,699	5,595	5,419
Exchange gain	-	-	-
	<hr/>	<hr/>	<hr/>
	5,699	5,595	5,419
<b>Expenditure</b>			
Lecture fees and expenses	28,826	-	4,088
Scholarships	15,626	-	-
Exchange loss	634	266	247
	<hr/>	<hr/>	<hr/>
<b>Surplus/(Deficit) for year</b>	(39,387)	5,329	1,084
<b>Accumulated fund brought forward</b>	211,322	205,993	204,909
	<hr/>	<hr/>	<hr/>
<b>Accumulated fund carried forward</b>	171,935	211,322	205,993
<b>Represented by:</b>			
Cash on deposit	169,532	208,919	203,590
Debtor	2,403	2,403	2,403
	<hr/>	<hr/>	<hr/>
	<u>171,935</u>	<u>211,322</u>	<u>205,993</u>

The Ronald Grieve Trust is an endowment fund that can be used for educational purposes and has traditionally been used to fund the opening and closing speakers at the International Federation of Health Plans' Biennial Conferences.