

COMMENTARY ON FINANCIAL RESULTS FOR THE YEAR ENDED 31 MARCH 2010

The result for the year ended 31 March 2010 was a deficit of £61,000 after tax and transfer from change management provision. This compares with a breakeven budget approved by the former Council in November 2008, and an updated budget approved by the new Council in July 2009 of a deficit of £269,000, based on its own business plan.

Council was very pleased to note that the net improvement of £208,000 on its own updated budget was achieved by the GOC's senior management team through a combination of tight budgetary control and cost savings.

The monthly management accounting and the annual budgeting processes have both continued to be developed and management is determined to ensure that further efficiencies are also achieved in the current year.

The Council is very much aware of the potential effects on registrants of the current economic conditions. Whilst it is conscious of its statutory duties and the necessity for public protection, it is mindful of the need to ensure that it has a balanced budget focused on achieving best value in all areas of activity.

GENERAL OPTICAL COUNCIL
REPORT AND FINANCIAL STATEMENTS
31 MARCH 2010

**GENERAL OPTICAL COUNCIL
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2010**

**NAMES OF THE CHAIR, MEMBERS AND REGISTRAR OF THE
GENERAL OPTICAL COUNCIL**

The General Optical Council (constitution) Order 2009 came into effect on 1st April 2009 and amended the terms of office of all Council members.

CHAIR

Appointment to Council expiring on 31 March 2013

Nominated by the Appointments Commission under paragraph 1(a) of Schedule 1 to the Act and appointed on the 1st April 2009.

Geoffrey Harris JP BA BSc PhD – Resigned from the Council, 31st May 2010

INTERIM CHAIR

Appointment to Council expiring on 31 March 2013

Nominated by the Appointments Commission under paragraph 1(a) of Schedule 1 to the Act and appointed on the 1st April 2009.

Anna Bradley – Appointed interim Chair 2nd June 2010 until 31st December 2010 or until a new Chair is appointed, if earlier.

MEMBERS OF COUNCIL

Appointment to Council expiring on 31 March 2013

Nominated by the Appointments Commission under paragraph 1(a) of Schedule 1 to the Act and appointed on the 1st April 2009.

Morag Alexander OBE
Paul Carroll BSc (Hons) MCOptom MBA
Brian Coulter OBE BA LL.M MBA DMS
Peter Douglas FCA
Robert Hogan MCOptom PhD BSc (Hons)
Liam Kite FBDO
Kevin Lewis BSc (Hons) FCOptom DCCP
Fiona Peel OBE DL LL.M SRN
Nicholas Rumney MScOptom FCOptom FFAO
James Russell FBDO

REGISTRAR AND CHIEF EXECUTIVE OF THE COUNCIL

Dian Taylor BSc (Hons) - Acting Registrar and Chief Executive from 1 August 2008
- Registrar and Chief Executive from 12 February 2009

**GENERAL OPTICAL COUNCIL
FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2010**

The Council presents its Annual Report on the financial affairs of the Council together with the audited Accounts and Auditors' Report for the year ended 31 March 2010.

Council prepares an annual Financial Report which identifies its financial position and which is submitted to Parliament for scrutiny. Council prepares a five year Strategic Plan and an annual Business Plan setting out its medium term and immediate priorities.

The Audit Committee meets at least three times a year and reviews the systems of Council's internal financial controls and receives an annual report from the external Auditors. It also reviews the operational and compliance controls and risk management.

OPTICIANS ACT 1989

The General Optical Council is constituted as a body corporate under the Opticians Act 1989, amended by section 60 Order of the Health Act 1999 which came into effect on 30 June 2005.

The Council's purpose is to protect, promote and maintain the health and safety of the public through effective regulation of eye care professionals, businesses and optical students.

We carry this out by ensuring high standards of professional education, conduct and performance among registrants. Our four key functions are:

1. Setting standards for optical education and training, performance and conduct
2. Approving training and qualifications leading to registration
3. Maintaining a register of individuals who are qualified and fit to practice, train or carry on business as optometrists and dispensing opticians
4. Investigating and acting where registrants' fitness to practice, train or carry on business is impaired

In addition, the Council may take action against non-registrants where it believes it is necessary for public protection under the law relating to the sale of optical appliances or testing of sight.

The Council maintains regular contact and communication with a range of internal and external stakeholders, including registrants, the public and staff. We engage in partnership working with optical professional and membership bodies, government departments and other regulators.

FINANCIAL REVIEW

The Council reported a post tax deficit for the year on ordinary activities of £315,550. This compared with a post tax deficit on ordinary activities of £478,216 in 2008/9. The deficit after transfer from change management reserve was £60,550 (2009 deficit £758,216) The Council's total reserves now stand at £1.597m.

Following the prior year deficit, the Former Council increased the retention fee by 30% to budget for a break even position after tax and transfer from change management reserve. The break even position was broadly achieved notwithstanding the continuing modernisation of the Council's infrastructure following implementation of the Government's White Paper, Trust, Assurance and Safety and the increasing complexity of Fitness to Practice cases.

**GENERAL OPTICAL COUNCIL
FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2010**

The Council's income in 2009/10 reached £4.452m made up predominantly by the annual retention and registration of full registrants who paid a fee of £219.

The Council also has a statutory responsibility to register 3,984 students who pay an annual registration or retention fee of £20 per annum.

The Council in addition earned £84,792 in taxable income, of which the majority was earned from the investment of its reserves in low risk bank and building society accounts. The Council pays Corporation Tax on its investment income only at the prevailing rate.

The Council received grants totalling £286,000 from the Department of Health towards the revalidation scheme of which £64,359 was credited to income in the year which is equal to the expenditure in the year in accordance with the terms of the grant. The balance of the grants has been carried forward to be utilised in the subsequent year.

Operating Expenditure increased year on year by £816k to £4.835m, a rise of 20% as Council continued to meet its increasing workload.

CORPORATE GOVERNANCE

In June 2006, Council approved the following revised statement of its collective responsibility for corporate governance and an updated Code of Conduct for individual Members.

Corporate Responsibilities

The members of the Council together take corporate responsibility for the governance of the organisation and its decisions. The key functions of the Council are:

- Policy and Strategic Direction
- Performance Monitoring
- Financial Stewardship
- Accountability, Communication, and Stakeholder Engagement

Individual responsibilities

Individual Members follow the Seven Principles of Public Life as set out by the Nolan Committee in 1996 and comply with the guidance contained in this Code of Conduct. These include:

Attendance

Members are expected to attend or otherwise contribute in an efficient and cost effective manner to Council, committee and working groups business and to conduct themselves at all times in accordance with the public interest.

Confidentiality

Members are expected to respect the confidentiality of privileged information and only to share documents on public agendas.

Expression of Views

Members are expected to distinguish clearly, when speaking or writing, between personal views and those of the GOC. Any communication with the media about the Council's work or policy, including publication of views via the Internet, should be discussed with the Director of Communications and Information, Chair or Registrar before a statement is made.

**GENERAL OPTICAL COUNCIL
FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2010**

Corporate responsibility

Members contribute to the Council decisions and take joint responsibility for them. This does not preclude a Member who disagrees with a decision of a Council committee on which they serve from presenting their views to the Council provided that any disagreement has been raised at the meeting and notification has been given to the Committee Chair and to the Council Chair. However once a Council decision has been taken each member must support it.

Financial or Professional Interests

Members must declare in the register of interests, any professional, personal or business interests that may conflict, or appear to conflict, with their responsibilities as Council members.

Conflicts of Interest

Members are free to engage in political activities or to maintain associations with professional organizations provided that such activity does not conflict with the public protection role of the GOC or compromise their position as a Council member. Such outside activities must always be openly declared when a related matter is under discussion.

Equality and Diversity

Members must at all times demonstrate respect and dignity for others; a commitment to diversity and equal opportunities; and conduct themselves in a non-discriminatory manner.

Gifts and hospitality

Members must not accept gifts, hospitality or benefits offered as a consequence of GOC business, other than reasonable refreshments. If gifts cannot be refused without causing offence, they should be reported to the Registrar within 15 working days, who will discuss with the Member what action should be taken.

Personal behaviour

Members' behaviour must demonstrate the standards expected of holders of public office. Where a Member has been charged with, or had been convicted of, a serious criminal offence, or has been the subject of a disciplinary procedure by another regulating body, the Member must inform the Chair at the earliest opportunity.

**STATEMENT OF COUNCIL'S RESPONSIBILITIES FOR THE PREPARATION OF
FINANCIAL STATEMENTS**

The Council is required to prepare financial statements which show a true and fair view of the state of the Council's affairs as at the year end and of its surplus or deficit for the year then ended.

In order to meet this requirement the Council must be satisfied that:

- suitable accounting policies are selected and then consistently applied;
- judgements and estimates that are made are reasonable and prudent;
- applicable accounting standards have been followed;
- financial statements are prepared on a going concern basis unless it is inappropriate to assume that the Council will continue its activities.

The council is responsible for ensuring that proper books and records are maintained, for safeguarding the assets of the council, and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**GENERAL OPTICAL COUNCIL
FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2010**

FORM AND CONTENTS OF FINANCIAL REPORT AND ACCOUNTS

The Report and Accounts have been drawn up in accordance with current company law disclosure requirements and applicable accounting practice in so far as these are appropriate to the Council's circumstances. Section 32 (2) of the Opticians Act 1989 provides that "the accounts for each financial year of the Council shall be audited by auditors to be appointed by them and shall as soon as may be after they have been audited be published and laid before Parliament".

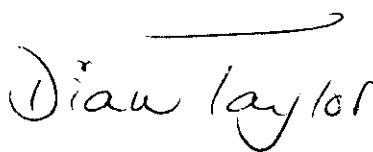
COUNCIL MEMBERSHIP

Information about membership of the Council is contained at the beginning of this report, on our website and in the Council's Annual Report.

Signed on behalf of the Council



Anna Bradley
Interim Chair of the Council



Dian Taylor
Registrar and Chief Executive of the Council

41 Harley Street
London W1G 8DJ

Date: 6/7/10.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GENERAL OPTICAL COUNCIL

We have audited the financial statements on pages 7 to 24.

This report is made solely to the General Optical Council's Members, as a body. Our audit work has been undertaken so that we might state to the Council'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 Council and the Council's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Council and auditors

The Members of the Council are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The Opticians Act 1989 requires the Council to keep accounts of all sums received or paid by them under the Act.

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 in accordance with the Opticians Act 1989, and whether the information given in the Report of the Council is consistent with the financial statements. We also report to you if, in our opinion, the Council 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 Members' remuneration and transactions with the Council is not disclosed.

We read other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Report of the Council. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

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 Members of the Council in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Council's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the 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 Council's affairs at 31 March 2010 and of its deficit for the year then ended and have been properly prepared in accordance with the Opticians Act 1989; and
- the information given in the Report of the Council is consistent with the financial statements.

Horwath Clark Whitehill

Horwath Clark Whitehill LLP
Statutory Auditors
St Bride's House
10 Salisbury Square
London
EC4Y 8EH

20 July 2010

**GENERAL OPTICAL COUNCIL
INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2010**

	Notes	2010 £	2009 £
INCOME			
Fees	1	4,380,210	3,355,442
Other operating income:			
Sale of computer services		7,040	12,375
Department of Health revalidation scheme grant		64,359	-
		<u>4,451,609</u>	<u>3,367,817</u>
OPERATING EXPENDITURE			
Staff Employment costs	2	1,773,739	1,584,950
Human Resources costs	3	329,777	286,091
Office and other costs	4	450,063	373,030
Registration	5	125,836	80,326
Finance	6	101,626	91,391
Information	7	2,701	2,000
Registrar's costs	8	2,725	4,269
Current Council Costs	9	209,308	941
Former Council Costs	10	-	127,323
Education	11	427,325	433,817
FTP Investigations	12	678,650	447,826
FTP Hearings	13	305,942	358,546
IT Services	14	158,129	38,327
Communications	15	184,981	111,528
Standards	16	84,014	47,535
White paper costs	17	-	30,873
		<u>4,834,816</u>	<u>4,018,773</u>
OPERATING DEFICIT		(383,207)	(650,956)
Interest receivable and other income	18	84,792	217,134
DEFICIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(298,415)	(433,822)
Corporation Tax	19	(17,135)	(44,394)
DEFICIT ON ORDINARY ACTIVITIES AFTER TAXATION		(315,550)	(478,216)
Transfer from/(to) change management reserve	26	255,000	(280,000)
DEFICIT AFTER TRANSFER FROM/TO CHANGE MANAGEMENT RESERVE		(60,550)	(758,216)

The operating deficit for the year arises from the Council's continuing operations.

GENERAL OPTICAL COUNCIL
STATEMENT OF RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31 MARCH 2010

	Note	2010 £	2009 £
Deficit on ordinary activities		(315,550)	(478,216)
Transfer from/(to) charge management reserve	26	255,000	(280,000)
Transfer from legal costs contingency reserve	25	-	750,000
MOVEMENT IN INCOME AND EXPENDITURE RESERVE ACCOUNT		<u>(60,550)</u>	<u>(8,216)</u>

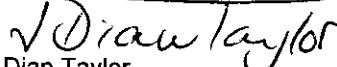
**GENERAL OPTICAL COUNCIL
BALANCE SHEET
AS AT 31 MARCH 2010**

	Notes	2010 £	2009 £
FIXED ASSETS			
Tangible fixed assets	20	319,361	51,504
Intangible fixed assets	21	-	21,515
Investments	22	600,000	-
		<u>919,361</u>	<u>73,019</u>
CURRENT ASSETS			
Other debtors		13,297	17,952
Prepayments and accrued income		84,531	41,926
Building society deposits		2,900,000	4,000,637
Cash at Bank and in hand		4,104,972	2,244,180
		<u>7,102,800</u>	<u>6,304,695</u>
CREDITORS: Amounts falling due within one year	23	<u>(6,424,841)</u>	<u>(4,464,844)</u>
NET CURRENT ASSETS		<u>677,959</u>	<u>1,839,851</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,597,320</u>	<u>1,912,870</u>
RESERVES AND FUNDS			
Optical Education, Research and Public Purposes Fund	24	94,194	94,194
Legal Costs Contingency Reserve	25	750,000	750,000
Change Management Reserve	26	25,000	280,000
Income and Expenditure Account	27	728,126	788,676
TOTAL FUNDS EMPLOYED		<u>1,597,320</u>	<u>1,912,870</u>

The notes on pages 11 to 24 form part of these accounts

The financial statements were approved and authorised by the Council on
and were signed on its behalf by:

6/7/10


Dian Taylor
Registrar and Chief Executive

**GENERAL OPTICAL COUNCIL
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2010**

	Notes	2010 £	2009 £
Cash flow from operating activities	28a	<u>1,718,873</u>	<u>626,975</u>
Returns on investments and servicing of finance	28b	<u>70,960</u>	<u>202,572</u>
Taxation		<u>(28,892)</u>	<u>(38,688)</u>
Capital expenditure and financial investment	28c	<u>(400,786)</u>	<u>(29,299)</u>
INCREASE IN CASH IN THE PERIOD		<u>1,360,155</u>	<u>761,560</u>
 RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN FUNDS			
	Note	2010 £	2009 £
MOVEMENT IN NET FUNDS IN PERIOD		1,360,155	761,560
NET FUNDS AT 1 APRIL 2009		<u>6,244,817</u>	<u>5,483,257</u>
NET FUNDS AT 31 MARCH 2010	28d	<u>7,604,972</u>	<u>6,244,817</u>

**GENERAL OPTICAL COUNCIL
NOTES TO THE ACCOUNTING POLICIES
FOR THE YEAR ENDED 31 MARCH 2010**

BASIS OF ACCOUNTING AND REPORTING

The Council's Financial Report and Accounts for 2009/10 are prepared under the historical cost convention and are drawn up to meet the requirements, so far as are considered appropriate to the Council, of the Companies Act 2006 and to accord, so far as relevant, with applicable accounting standards.

TANGIBLE FIXED ASSETS

The Council's premises are shown at historical cost consisting of original cost of acquisition and subsequent capital expenditure, less aggregate depreciation. Office furniture and equipment are also shown at historical cost less aggregate depreciation.

'UITF Abstract 29: Website development costs' states that costs incurred in developing a website should be treated as a tangible fixed asset in accordance with FRS 15. These assets had previously been shown under intangible fixed assets in GOC's financial statements. The classification has now been changed to reflect the correct treatment.

DEPRECIATION

A straight line basis depreciation policy was used during the year calculated to write off the cost less estimated residual value, if any, of each tangible fixed asset over its expected useful life, as follows:

Leasehold premises	999 years - 0.1% straight line
Leasehold improvements	5 years - 20% straight line
Computers	3 years - 33⅓% straight line
Office furniture & equipment	3 years - 33⅓% straight line
Website/Intranet/Online Retention	3 years - 33⅓% straight line

A full year's depreciation is charged in the year of purchase, none is charged in the year of disposal.

TAXATION

The Council is chargeable to Corporation Tax on its investment income, on any chargeable gains that may arise and on any income received from non-mutual trading.

DEFERRED TAX

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

GENERAL OPTICAL COUNCIL
NOTES TO THE ACCOUNTING POLICIES (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2010

LEASED ASSETS AND OBLIGATIONS

Leases are "operating leases" and the annual rentals are charged to profit and loss on a straight line basis over the lease term.

VALUE ADDED TAX

The Council is not registered for VAT and all VAT borne by the Council on expenditure incurred is treated as part of the cost of the goods or services supplied.

PENSION ARRANGEMENTS

The Council contributes to the personal pension plans of its staff and contributions are charged to the income and expenditure account in the year they become payable.

INCOME

The Council's income comprises fees from registered optometrists and dispensing opticians, bodies corporate and students. Fees for registration and retention are payable for the year or period ending on 31 March and all such fees are credited in the accounts for the year to which they relate. Fees for registration and retention of students are payable for the year or period ending 31 August and all such fees are credited in the accounts for the year to which they relate.

OTHER INCOME

The Council's other operating income consists of sales of computer services.

DEFERRED INCOME

Deferred income represents retention fees received in advance.

LEGAL COSTS CONTINGENCY RESERVE

This reserve has been established to strengthen the Council's position in dealing with major fitness to practise cases and in fulfilling its statutory functions.

Costs awarded:

Credit is taken for legal costs awarded when they are received by the Council.

OPTICAL EDUCATION, RESEARCH AND PUBLIC PURPOSES FUND

The Optical Education, Research and Public Purposes Fund has been established to meet expenditure on purposes connected with optical education and research and for any other public purposes connected with the profession of optometrists or dispensing opticians in terms of the provisions of Section 32(1) of the Opticians Act 1989.

**GENERAL OPTICAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2010**

1 FEES

The contribution of various activities of the Council to turnover are set out below:

	2010 £	2009 £
Retention fees	4,000,410	3,052,485
Optical Consumer Complaints Service levy	138,673	135,643
Registration fees	193,026	124,084
Late application fees	24,330	-
Restoration fees	19,370	37,038
Other fees	4,401	6,192
	<u>4,380,210</u>	<u>3,355,442</u>

2 STAFF EMPLOYMENT COSTS

	Note	2010 £	2009 £
Salaries		1,428,968	1,205,953
NI Employer's		157,237	142,086
Pension schemes	29	83,824	87,588
Life assurance		7,323	5,200
Pension administration		4,000	4,000
Private medical insurance		14,562	13,575
Long term disability scheme		3,703	5,126
Professional subscriptions		6,590	4,441
Other costs		4,405	105,162
Agency workers		31,492	11,819
Consultants		31,635	-
		<u>1,773,739</u>	<u>1,584,950</u>
		No.	No.
The average number of persons employed by the Council during the year was as follows:		<u>36</u>	<u>30</u>

MEMBERS' FEES

Fees paid to the Chair of the Council were £35,000 (2009: £35,000).
Fees paid to Members were £12,000 (2009: £4,024 average).

COMMITTEES OF COUNCIL - MEMBERS' FEES

Fees paid to the Audit and Remuneration Committee Members were £nil (2009: at the rate of £270 per day).

**GENERAL OPTICAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2010**

COUNCIL COMMITTEES – MEMBERS’ HONORARIA

Honoraria paid to Committee Members were at the rate of £270 per day (2009: £270).

Honoraria paid to Chairs (except of Investigation Committee) were:

1st April 2009 to 31st December 2009 £619 (2009: £619).

1st January 2010 to 31st March 2010 £nil (2009: £206).

Honoraria paid to Chair of Investigation Committee were £1,650 (2009: £1,650).

From 1st January 2010, Chairs of Council Committees except Investigation Committee are appointed from the salaried Management Team.

3 HUMAN RESOURCE COSTS	2010 £	2009 £
Staff recruitment costs	33,663	49,738
Training and development	110,520	27,705
Publications	2,553	2,512
Legal fees - employment	76,499	9,970
Organisational development	26,367	67,729
Other costs	198	2,078
Staff working group	4,902	561
Remuneration committee	-	4,509
Training & development for Members	1,627	2,340
Recruitment of new Chief Executive	-	49,905
Recruitment of new Council Members	(2,869)	69,044
Recruitment of committees	68,571	-
Staff welfare	7,746	-
	329,777	286,091
4 OFFICE AND OTHER COSTS	2010 £	2009 £
Optical Consumer Complaints Service	127,404	122,559
Legal fees	8,001	3,059
Office costs	299,497	233,383
Optical and regulatory body subscriptions	15,161	14,029
	450,063	373,030
5 REGISTRATION	2010 £	2009 £
Operations	46,940	56,792
Bank charges	17,147	12,134
Online retention	50,765	-
Project work	7,001	-
Committee members fees and expenses	3,983	11,400
	125,836	80,326

**GENERAL OPTICAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2010**

6	FINANCE	2010	2009
		£	£
	Accountancy charges	5,118	5,000
	Audit fees	13,973	15,069
	Finance and Procedure Committee	-	11,400
	Tax on Council/ committee members' & visitors' expenses	76,980	58,391
	Other costs	5,555	1,531
		<u>101,626</u>	<u>91,391</u>
7	INFORMATION	2010	2009
		£	£
	Legal – freedom of information	2,701	2,000
		<u>2,701</u>	<u>2,000</u>
8	REGISTRAR'S COSTS	2010	2009
		£	£
	Travel and subsistence	1,265	1,075
	Meetings costs	450	991
	Other costs	1,010	2,203
		<u>2,725</u>	<u>4,269</u>
9	CURRENT COUNCIL COSTS	2010	2009
		£	£
	Meetings expenses – Council and seminar	4,501	73
	Members' fees and expenses – Council and seminar	180,073	-
	Members' expenses- hotels	6,067	-
	Members' fees NI (employer's)	9,416	-
	Other costs	4,685	868
	Facilitator fees and expenses	3,288	-
	Chair's expenses	1,278	-
		<u>209,308</u>	<u>941</u>

GENERAL OPTICAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2010

10	FORMER COUNCIL COSTS	2010	2009
		£	£
	Expenses of meetings – Council & seminar	-	15,099
	Members' fees and expenses – Council and seminar	-	91,192
	Members' expenses- hotels	-	11,687
	Members' fees NI (employer)	-	9,345
		<u>-</u>	<u>127,323</u>
11	EDUCATION	2010	2009
		£	£
	CET costs	320,428	285,042
	Education – general	1,895	4,027
	Education – meetings	28,435	56,389
	Visits	76,567	88,359
		<u>427,325</u>	<u>433,817</u>
12	FTP INVESTIGATIONS	2010	2009
		£	£
	Legal fees	338,645	299,845
	Criminal prosecution costs	22,681	84,177
	Investigation costs	20,826	7,404
	Assessment fees	39,954	8,450
	Investigation Committee members' fees and expenses	53,830	41,100
	Other costs	1,819	4,838
	Legal tender costs	28,263	-
	Expert reports	15,969	2,012
	Department of Health new rules	25,000	-
	Appeals	53,000	-
	Legal costs provision	78,663	-
		<u>678,650</u>	<u>447,826</u>

GENERAL OPTICAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2010

13	FTP HEARINGS	2010 £	2009 £
	Venue costs	18,364	67,856
	Hearings panels members' fees and expenses	124,333	133,839
	Recruitment, induction, training	15,938	36,812
	FTP panel appraisal costs	2,561	10,935
	Legal/Clinical advisor costs	54,231	56,207
	Other costs	1,504	762
	Transcriber costs	43,084	52,135
	Judicial review	<u>45,927</u>	<u>-</u>
		<u>305,942</u>	<u>358,546</u>
14	IT SERVICES	2010 £	2009 £
	Support contracts	33,628	1,874
	Software and licence fees	49,518	20,721
	Computer equipment /maintenance	29,353	1,915
	Depreciation	34,192	12,824
	Insurance	709	952
	IT development	7,014	-
	Other	<u>3,715</u>	<u>41</u>
		<u>158,129</u>	<u>38,327</u>
15	COMMUNICATIONS	2010 £	2009 £
	Corporate identity	6,233	3,959
	Website development costs	1,701	1,644
	Information	18,190	10,999
	Publications	57,293	59,369
	Stakeholder relations	29,696	4,414
	Committee members' fees and expenses – Companies Committee	3,130	11,605
	Other costs	1,399	1,491
	Amortisation of website/intranet development costs	19,974	15,947
	Consultancy costs	12,250	2,100
	Project related costs	28,245	-
	Website support	<u>6,870</u>	<u>-</u>
		<u>184,981</u>	<u>111,528</u>

GENERAL OPTICAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2010

16	STANDARDS	2010	2009
		£	£
	Legislative change consultancy	-	11,367
	Code review consultancy	5,871	-
	Therapeutic prescribing consultancy	-	4,798
	Sale of optical appliances consultancy	-	1,879
	Committee members' expenses – Audit Committee	332	-
	Consultancy Charges – Audit Committee	4,044	-
	Revalidation scheme	64,359	-
	Committee members fees and expenses – Standards Committee	5,319	26,750
	Other	1,164	2,310
	Competencies consultancy	2,925	431
		84,014	47,535
17	WHITE PAPER COSTS	2010	2009
		£	£
	Project Board	-	10,261
	Tackling concerns	-	12,304
	Revalidation	-	4,910
	Therapeutic prescribing	-	3,398
		-	30,873
18	INTEREST RECEIVABLE AND OTHER INCOME	2010	2009
		£	£
	Bank and building society interest	70,960	202,572
	Rental income	13,832	13,832
	Sundry income	-	730
		84,792	217,134

GENERAL OPTICAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2010

19	TAXATION	2010 £	2009 £
	UK corporation tax on deficits of the year	17,135	44,396
	Adjustments in respect of previous year	<u>-</u>	<u>(2)</u>
	Total current tax	<u>17,135</u>	<u>44,394</u>
	Factors affecting the tax charge for the period: The tax on ordinary activities is lower than the standard rate of corporation tax in the UK 21% (2009:21%). The differences are explained below:		
	Deficit on ordinary activities before tax	<u>(298,415)</u>	<u>(433,822)</u>
	Deficit on ordinary activities multiplied by the standard rate of corporate tax in the UK 21% (2009:21%)	(62,667)	(91,103)
	Effects of:		
	Income not taxable	45,532	135,499
	Adjustments to tax charge in respect of previous years	<u>-</u>	<u>(2)</u>
	Current tax charge for the year	<u>17,135</u>	<u>44,394</u>

GENERAL OPTICAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2010

20 TANGIBLE FIXED ASSETS

Cost	Long leasehold building and improvements £	Office, furniture & equipment £	Computer equipment £	Website/ Intranet/ Online Retention £	Total £
At 1 April 2009	90,611	22,851	44,427	-	157,889
Transfer from intangible fixed assets	-	-	-	155,336	155,336
Cost of additions	148,809	76,457	68,026	-	293,292
31 March 2010	239,420	99,308	112,453	155,336	606,517
Depreciation					
1 April 2009	53,602	20,272	32,511	-	106,385
Transfer from intangible fixed assets	-	-	-	78,106	78,106
Charged in the year	42,826	27,890	31,949	-	102,665
31 March 2010	96,428	48,162	64,460	78,106	287,156
Net book value					
31 March 2010	142,992	51,146	47,993	77,230	319,361
<i>31 March 2009</i>	<i>37,009</i>	<i>2,579</i>	<i>11,916</i>	<i>21,515</i>	<i>73,019</i>

The 999 year lease of the Harley Street building expires in 2958. The building is included in the accounts at an historical cost of £32,511. In the opinion of the Council, the market value is considerably in excess of the book value.

GENERAL OPTICAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2010

21	INTANGIBLE FIXED ASSETS	2010 £
		Website/Intranet /Online Retention Costs
	Cost	
	At 1 April 2009	47,842
	Cost of additions	107,494
		<hr/>
	31 March 2010	155,336
	Depreciation	
	1 April 2009	26,327
	Charged in the year	51,779
		<hr/>
	31 March 2010	78,106
	Net book value	77,230
	Transfer to Tangible Fixed Assets	(77,230)
	Net book value	
	31 March 2010	-
		<hr/>
	<i>31 March 2009</i>	<u><u>21,515</u></u>

22	INVESTMENTS	2010 £	2009 £
	Fixed Term Deposit Investments >1year	<u>600,000</u>	<u>-</u>

GENERAL OPTICAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2010

23	CREDITORS	2010	2009
		£	£
	Other creditors	329,327	392,288
	Corporation tax	30,267	42,024
	Other tax and social security	60,410	46,371
	Revalidation scheme grant	221,641	-
	Deferred income	5,430,182	3,936,467
	Accruals	<u>353,014</u>	<u>47,694</u>
	31 March 2010	<u>6,424,841</u>	<u>4,464,844</u>
24	OPTICAL EDUCATION, RESEARCH AND PUBLIC PURPOSES FUND	2010	2009
		£	£
	31 March 2010	<u>94,194</u>	<u>94,194</u>
25	LEGAL COSTS CONTINGENCY RESERVE	2010	2009
		£	£
	1 April 2009	750,000	1,500,000
	Transfer to Income and Expenditure Account	<u>-</u>	<u>(750,000)</u>
	31 March 2010	<u>750,000</u>	<u>750,000</u>
26	CHANGE MANAGEMENT RESERVE	2010	2009
		£	£
	1 April 2009	280,000	-
	Transfer (to)/from Income and Expenditure Account	<u>(255,000)</u>	<u>280,000</u>
	31 March 2010	<u>25,000</u>	<u>280,000</u>
27	INCOME AND EXPENDITURE RESERVE ACCOUNT	2010	2009
		£	£
	1 April 2009	788,676	796,892
	Deficit for the year	(315,550)	(478,216)
	Transfer from legal costs contingency reserve	-	750,000
	Transfer from/(to) change management reserve	<u>255,000</u>	<u>(280,000)</u>
	31 March 2010	<u>728,126</u>	<u>788,676</u>

GENERAL OPTICAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2010

28 CASH FLOWS	2010 £	2009 £
a) Reconciliation of operating surplus to net cash inflow from operating activities		
Operating deficit	(383,207)	(650,956)
Depreciation	154,444	41,382
Other income	13,832	14,562
(Increase)/decrease in debtors	(37,950)	(4,777)
Increase in creditors	1,971,754	1,232,570
Non Cash Movements	-	(5,806)
	1,718,873	626,975
	2010 £	2009 £
b) Analysis of cash flows for headings netted in the cash flow		
Returns on investments and servicing of finance		
Interest received	70,960	202,572
Net cash inflow from returns on investments and servicing of Finance	70,960	202,572
c) Capital expenditure and financial investment		
Purchase of tangible fixed assets	(400,786)	(29,299)
Net cash outflow from capital expenditure and financial Investment	(400,786)	(29,299)
	<i>At</i> <i>1 April</i> 2009 £	<i>At</i> 31 March 2010 £
d) Analysis of Net Funds		
Cash in hand: at bank	6,244,817	1,360,155
	7,604,972	7,604,972

GENERAL OPTICAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2010

29 PENSION COMMITMENTS

The Council operates defined contribution pension schemes on behalf of certain employees. The assets of the schemes are held separately from those of the Council in independently administered funds. The amounts paid during the year totalled £83,824 (2009: £87,588).

30 COMMITMENTS UNDER OPERATING LEASES

At 31 March 2010 the Council had annual commitments under non-cancellable operating leases as follows:

	2010	2009
	£	£
Land and buildings:		
No later than one year	325	325
Later than one year and no later than five years	1,300	1,300
Later than five years	306,475	306,800