

# General Optical Council

## REPORT AND FINANCIAL STATEMENTS

31 March 2009

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# General Optical Council

## FINANCIAL STATEMENTS

for the year ended 31 March 2009

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

and Members of the Statutory Committees established under the Opticians Act, 1989.

The General Optical Council (constitution) Order 2009 came into effect on 1<sup>st</sup> April 2009 and amended the terms of office of all council members, most of which now conclude on 31 March 2009.

#### **CHAIR**

##### Appointment expiring on 31 December 2008

*Nominated by the Privy Council under paragraph 1(a) of Schedule 1 to the Act and the General Optical Council (Membership) Order of Council 1998*

Rosie Varley OBE BA MA(Econ) term extended to 31 March 2009 as lay member.

##### Appointment expiring on 31 March 2013

*Nominated by the Appointments Commission under paragraph 1(a) of Schedule 1 to the Act*

Geoffrey Harris JP BA BSc PhD

#### **MEMBERS OF THE COUNCIL**

##### Appointments expiring on 31 December 2008

*Nominated by the Privy Council under paragraph 1(a) of Schedule 1 to the Act and the General Optical Council (Membership) Order of Council 1998*

Moira Black CBE MA FCA

Geoffrey Harris JP BA BSc PhD

##### Appointments expiring on 31 March 2009

*Nominated by the Privy Council under paragraph 1(a) of Schedule 1 to the Act and the General Optical Council (Membership) Order of Council 1998*

David Pyle BA BSc MSc Dip.Ed (adviser on educational matters)

Michael Salmon BA Med PhD – term extended to 31 March 2009

##### Appointments expiring on 31 March 2009

*Nominated by the Appointments Commission under paragraph 1(a) of Schedule 1 to the Act*

Morag Alexander OBE

Ian Hamer OBE

Stuart Heatherington JP BSc MSc BA CMath CSc FIMA

Sheila Wild

##### Appointments expiring on 31 March 2009

*Nominated by examining bodies and training institutions under paragraph 1(d) of Schedule 1 to the Act and the General Optical Council (Membership) Order of Council 1998*

By the College of Optometrists:

Robert Hogan MCOptom PhD BSc(Hons)

Kevin Lewis BSc FCOptom Dip CLP

By the Association of British Dispensing Opticians:

Joan Underwood FBDO(Hons) CL(Hons) SLD

Jointly by the Anglia Ruskin University, the University of Aston, the University of Bradford, the Cardiff University, the City University, the Glasgow Caledonian University, the University of Manchester and the University of Ulster:

Alan Tomlinson MSc PhD DSc FCOptom DipCLP DOrth FAAO

# General Optical Council

## FINANCIAL STATEMENTS

for the year ended 31 March 2009

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### Appointments expiring on 31 March 2009

*Elected by registered optometrists under paragraph 1(b) of Schedule 1 to the Act:*

Roger Anderson BSc MPhil PhD MCOptom FAAO  
Donald Cameron BSc FCOptom DipCLP  
David Cartwright BSc MCOptom MBA  
Gwyneth Morgan BSc FCOptom  
Nicholas Rumney MScOptom FCOptom FAAO  
Charles Wass FBOA

*Elected by registered dispensing opticians under paragraph 1(c) of Schedule 1 to the Act:*

Rosemary Bailey FBDO(Hons)CL  
Jennifer Brower FBDO(Hons)LVA CertEd  
Keith Cavaye FBDO(Hons)cl SMC(Disp)  
Kim Devlin FBDO(Hons)CL  
James Russell FBDO

### Appointments expiring on 31 March 2009

*Nominated by the Royal College of Ophthalmologists under paragraph 1(e) of Schedule 1 to the Act:*

Saghir Sadiq DO MRCOphth FRCS FRCOphth DM  
Nigel Andrew FRCS FRCOphth  
Peter Kyle FRCS FRCOphth  
Stuart Roxburgh FRCS FRCOphth

### Appointment expiring on 31 March 2013

*Nominated by the Appointments Commission under paragraph 1(a) of Schedule 1 to the Act*

Nicholas Rumney MScOptom FCOptom FAAO  
Liam Kite FBDO  
Anna Bradley  
Brian Coulter OBE  
Fiona Peel OBE DL LLM SRN  
Peter Douglas FCA  
Morag Alexander OBE  
James Russell FBDO  
Paul Carroll Bsc (Hons) MCOptom MBA  
Robert Hogan MCOptom PhD BSc(Hons)  
Kevin Lewis BSc FCOptom Dip CLP

### **REGISTRAR AND CHIEF EXECUTIVE OF THE COUNCIL**

Peter Coe BA MIHM - to 31 July 2008

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

# General Optical Council

## REPORT OF THE COUNCIL

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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 2009.

Council prepares an annual Financial Report which identifies its financial position and which is submitted to Government for scrutiny. Council prepares a five year Corporate 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, as updated by its section 60 Order which came into effect on 30 June 2005.

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

We carry this out by ensuring high standards of professional education and conduct 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 practise, 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 the law relating to the sale of optical appliances or testing of sight is necessary for public protection.

The Council maintains regular contact and communication with a range of internal and external stakeholders, including registrants, the public, staff and Members. 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 of £478,216. This compared with a post tax surplus of £26,383 in 2007/8. The Council's total reserves now stand at £1.913m.

Factors which contributed to the current year post tax deficit included:

- (i) Changes required in order to implement the Government's White Paper on healthcare regulation, including an increase in personnel to build the management team in anticipation of slimmed down Council from 1 April, and appointment of new Council members;
- (ii) An increasing number of hearing days and an increased number of cases dealt with at those hearing days
- (iii) Increasing complexity in fitness to practice cases.

In further anticipation of the more corporate board way of working a change management reserve of £280,000 has been created by transfer from reserves to cover the costs of: Organisational development ( a planned, top-down, organization-wide effort to increase the organization's effectiveness and health) to include modernisation of the IT infrastructure, the growth of staff through training and development and new council induction and development.

The Legal Costs Contingency Reserve has been reviewed in considerable detail and given the potential liability of the GOC to pay costs in either FTP or High Court proceedings, the insurance cover in place to deal with legal challenges and the provision made by other healthcare regulators for such costs, the Council considers that a

# General Optical Council

## REPORT OF THE COUNCIL

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total reserve of £750,000 is sufficient and the balance of a further £750,000 has been transferred back to reserves.

The Council's income in 2008/9 reached £3.37m made up predominantly by the annual retention and registration of full registrants who paid a fee of £169. The total fee of £169 agreed by Council in November 2007 included responsibility for the collection, funding and management of the Optical Consumer Complaints Service (OCCS) (£7 levy per registrant per year)

Council also has a statutory responsibility to register 4,392 students who pay an annual registration or retention fee of £20 per annum.

Council earned £202,572 in taxable income, of which the majority was earned from the investment of its reserves in low risk bank building society accounts. The Council pays Corporation Tax on its investment income only at the prevailing rate.

Operating Expenditure increased year on year by £564k to £4.02m, a rise of 16% as Council continued to meet its ever 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 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 Communications Manager, Chair or Registrar before a statement is made.

##### Corporate responsibility

Members contribute to Council decisions and take joint responsibility for them. This does not preclude a Member who disagrees with a decision of the 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.

# General Optical Council

## REPORT OF THE COUNCIL

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### 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 licensing body, the Member must inform the Chair at the earliest opportunity.

## **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

Geoffrey Harris  
Chair of the Council  
41 Harley Street  
London W1G 8DJ

Dian Taylor  
Registrar and Chief Executive of Council

Date:

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GENERAL OPTICAL COUNCIL

We have audited the financial statements on pages 7 to 19.

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 directors 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 2009 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.

BAKER TILLY UK AUDIT LLP  
Registered Auditor  
Chartered Accountants  
2 Bloomsbury Street  
London WC1B 3ST

**General Optical Council**  
**INCOME AND EXPENDITURE ACCOUNT**  
**for the year ended 31 March 2009**

	<i>Notes</i>	2009 £	2008 £
<b>TURNOVER</b>			
Fees	1	3,355,442	3,282,119
Other operating income:			
Sale of Computer Services		12,375	13,100
		<u>3,367,817</u>	<u>3,295,219</u>
<b>OPERATING EXPENDITURE</b>			
Staff Employment costs	2	1,584,950	1,240,769
Human Resources costs	3	286,091	175,957
Business services	4	968,512	1,070,572
Registrar costs	5	4,269	8,835
New Council Costs	6	941	-
Education	7	148,775	173,606
Legal services	8	447,826	303,349
FTP	9	358,546	212,538
IT Services	10	38,327	41,109
Communications	11	102,128	104,773
Standards	12	47,535	65,301
White paper costs	13	30,873	57,559
		<u>4,018,773</u>	<u>3,454,368</u>
<b>OPERATING DEFICIT</b>			
Interest receivable and other income	14	(650,956) 217,134	(159,149) 236,903
(DEFICIT)/SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>(433,822)</u>	<u>77,754</u>
Corporation tax	15	(44,394)	(51,371)
(DEFICIT)/SURPLUS ON ORDINARY ACTIVITIES AFTER TAXATION		<u>(478,216)</u>	<u>26,383</u>
The operating deficit for the year arises from the Council's continuing operations.			
<b>STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES</b>			
For the year ended 31 March 2009		2009 £	2008 £
(Deficit)/Surplus for the financial year		(478,216)	77,754
Transfer from legal costs contingency reserve	20	750,000	-
Transfer to Change Management Reserve	21	(280,000)	-
Retained (Deficit)/Surplus at 31 March 2009		<u>(8,216)</u>	<u>77,754</u>



# General Optical Council

## BALANCE SHEET

31 March 2009

FIXED ASSETS	Notes	2009 £	2008 £
Tangible fixed assets	16	51,504	64,343
Intangible fixed assets	17	21,515	20,759
		<u>73,019</u>	<u>85,102</u>
CURRENT ASSETS			
Other debtors		17,952	22,509
Prepayments and accrued income		41,926	32,592
Building society deposits		4,000,637	1,204,844
Cash at and in hand		2,244,180	4,278,413
		<u>6,304,695</u>	<u>5,538,358</u>
CREDITORS: Amounts falling due within one year	18	(4,464,844)	(3,226,568)
NET CURRENT ASSETS		<u>1,839,851</u>	<u>2,311,790</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,912,870</u>	<u>2,396,892</u>
RESERVES AND FUNDS			
Optical Education, Research and Public Purposes Fund	19	94,194	100,000
Legal Costs Contingency Reserve	20	750,000	1,500,000
Change Management Reserve	21	280,000	-
Income and Expenditure Account	22	788,676	796,892
		<u>1,912,870</u>	<u>2,396,892</u>
TOTAL FUNDS EMPLOYED		<u>1,912,870</u>	<u>2,396,892</u>

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

Dian Taylor  
Registrar and Chief Executive

**General Optical Council**  
**CASH FLOW STATEMENT**  
for the year ended 31 March 2009

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	<i>Notes</i>	2009 £	2008 £
Cash flow from operating activities	22a	626,975	(12,182)
Returns on investments and servicing of finance	22b	202,572	223,097
Taxation		(38,688)	(32,706)
Capital expenditure and financial investment	22b	(29,299)	(58,472)
INCREASE IN CASH IN THE PERIOD		<u>761,560</u>	<u>119,737</u>
 RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN FUNDS			
		2009 £	2008 £
MOVEMENT IN NET FUNDS IN PERIOD		761,560	119,737
NET FUNDS AT 1 APRIL 2008		5,483,257	5,363,520
NET FUNDS AT 31 MARCH 2009	22c	<u>6,244,817</u>	<u>5,483,257</u>

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# General Optical Council

## ACCOUNTING POLICIES

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### BASIS OF ACCOUNTING AND REPORTING

The Council's Financial Report and Accounts for 2009 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 1985 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.

### IT DEVELOPMENT COSTS

Intangible fixed assets are valued at cost less accumulated amortisation. Amortisation is calculated to write off the cost in equal annual instalments over their estimated useful lives of 3 years.

### DEPRECIATION

During the period the depreciation policy was altered from a reducing balance method to a straight line basis at rates 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% p.a. straight line
Leasehold improvements	5 years - 20% straight line
Computers	3 years - 33⅓% straight line
Office furniture & equipment	
Electronic equipment	3 years - 33⅓% p.a. straight line
Other	3 years - 33⅓% straight line

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

### RESEARCH AND DEVELOPMENT

The Council does not undertake any research or development work. If grants are made for those purposes they are written off when incurred.

### STOCKS

Although the Council carries limited stocks of stationery and other office consumables, the value of such stocks at the year end is not material and is not incorporated in the accounts.

### 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

## ACCOUNTING POLICIES

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### LEASED ASSETS AND OBLIGATIONS

Where assets are financed by leasing agreements that give rights approximating to ownership ("finance leases"), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable during the lease term. The corresponding leasing commitments are shown as obligations to the lessor.

Lease payments are treated as consisting of capital and interest elements, and the interest is charged to the profit and loss account in proportion to the remaining balance outstanding.

All other 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.

### TURNOVER

The Council's turnover comprises fees from registered optometrists and dispensing opticians, students and bodies corporate. 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 mainly represents retention fees and sales of computer services 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 function.

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 2009

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#### 1 FEES

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

	2009 £	2008 £
Retention fees	3,052,485	2,422,579
CET Levy	-	497,867
OCCS Levy	135,643	129,066
Registration fees	124,084	130,475
Restoration fees	37,038	93,348
Other fees	6,192	8,784
	<u>3,355,442</u>	<u>3,282,119</u>

#### 2 STAFF EMPLOYMENT COSTS

	2009 £	2008 £
Salaries	1,205,953	1,005,778
NI Employer's	142,086	111,406
Pension scheme	87,588	86,431
Life assurance	5,200	5,452
Pension administration	4,000	5,025
Private medical insurance	13,575	11,012
Long term disability scheme	5,126	4,000
Professional subscriptions	4,441	11,665
Other Costs	105,162	-
Agency Workers	11,819	-
	<u>1,584,950</u>	<u>1,240,769</u>
	No.	No.
The average number of persons employed by the Council during the year was as follows:	<u>30</u>	<u>26</u>

#### MEMBERS' FEES AND EXPENSES

Fees were paid to Members at the rate of £270 per day during the financial year (2009: £270 per day). In addition, Honoraria payments were made as follows: Chair £Nil (2008: £Nil), Deputy Chair and Treasurer: £1,650 (2008: £1,650) Chairs of all Committees: £825 (2008: £825) except of Investigation Committee Chair £1,650 (2008: £1,650).

Aggregate fees paid to the Chair were £35,000 (2008: £35,100). Average fees paid to Council Members during the year were £4,024 (2008: £6,164)

# General Optical Council

## NOTES TO THE FINANCIAL STATEMENTS

### for the year ended 31 March 2009

3	HUMAN RESOURCE COSTS	2009	2008
		£	£
	Staff recruitment costs	49,738	65,183
	Training and development	27,705	100,093
	Publications	2,512	2,805
	Legal fees - employment	9,970	5,063
	Policy development	67,729	1,048
	HR other costs	260	210
	Travel and subsistence – HR	1,299	5,496
	Staff working group	561	389
	Remuneration Committee	4,509	-
	Training & Development For Members	2,340	-
	Flexi Time Scheme	519	-
	Recruitment of New Chief Exec	49,905	-
	Recruitment of New Council Members	69,044	-
		<u>286,091</u>	<u>180,287</u>
4	BUSINESS SERVICES	2009	2008
		£	£
	Registration	56,792	46,515
	Finance	33,734	30,210
	Members fees and expenses	34,200	63,955
	CET costs	264,622	326,061
	OCCS	142,980	108,863
	Legal advice	3,059	8,870
	Office costs	233,381	255,767
	General members and meeting costs	185,715	193,978
	Optical and regulatory body subscriptions	14,029	12,648
		<u>968,512</u>	<u>1,046,867</u>
5	REGISTRARS COSTS	2009	2008
		£	£
	Travel and subsistence	1,075	4,875
	Meetings and entertainment	991	1,299
	Members expenses – meeting with registrar	822	2,440
	Registrars other costs	1,381	1,446
		<u>4,269</u>	<u>10,060</u>
6	NEW COUNCIL COSTS	2009	2008
		£	£
	Expenses of Meetings – Council & Seminar	73	-
	Other Costs	863	-
		<u>941</u>	<u>-</u>

**General Optical Council**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 31 March 2009**

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7	EDUCATION	2009 £	2008 £
	Education – general	29,796	28,638
	Education – meetings	30,620	66,509
	Visits	88,359	78,459
		<u>148,775</u>	<u>173,606</u>
8	LEGAL SERVICES	2009 £	2008 £
	Legal fees	299,845	256,602
	Criminal prosecution costs	84,177	14,583
	Investigation costs	7,404	4,722
	Assessment fees	8,450	9,274
	Members expenses – legal services	41,100	31,265
	Other	3,433	5,053
	Expert Report	2,012	-
	Conditional Registration Costs	1,405	-
		<u>447,826</u>	<u>321,499</u>
9	FTP	2009 £	2008 £
	Legal – venue costs	67,856	43,816
	Members fees and expenses	133,839	78,122
	Recruitment, induction, training	36,812	24,532
	FTP panel appraisal costs	10,935	5,516
	Legal/Clinical Advisor Costs	56,207	-
	Other	762	60,552
	Transcribers Costs	52,135	-
		<u>358,546</u>	<u>212,538</u>
10	IT SERVICES	2009 £	2008 £
		<u>38,327</u>	<u>41,109</u>

**General Optical Council**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 31 March 2009**

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11	COMMUNICATIONS	2009	2008
		£	£
	Corporate identity	3,959	7,936
	Website development costs	1,644	2,581
	Information	12,999	16,144
	Publications	59,369	60,484
	Stakeholder relations	4,414	3,705
	Members expenses – communications	205	75
	Other	1,491	3,468
	Amortisation of website development costs	15,947	10,380
	Consultancy Costs	2,100	-
		<u>102,128</u>	<u>104,773</u>
12	STANDARDS	2009	2008
		£	£
	Legislative Change Consultancy	11,367	6,464
	Therapeutic Prescribing Consultancy	4,798	13,573
	Contact Lens Consultancy	-	360
	Sale of Optical Appliances Consultancy	1,879	1,523
	European Directive Consultancy	-	1,304
	Members expenses – standards	26,750	37,105
	Other	2,310	4,972
	Competencies Consultancy	431	-
		<u>47,535</u>	<u>65,301</u>
13	WHITE PAPER COSTS	2009	2008
		£	£
	Project Board	10,261	16,363
	Tackling concern	12,304	16,675
	Governance	-	10,237
	Revalidation	4,910	9,050
	Registration	-	5,234
	Therapeutic Prescribing	3,398	-
		<u>30,873</u>	<u>57,559</u>
14	INTEREST RECEIVABLE AND OTHER INCOME	2009	2008
		£	£
	Bank and building society interest	202,572	223,097
	Rental income	13,832	13,832
	Sundry income	730	(26)
		<u>217,134</u>	<u>236,903</u>



**General Optical Council**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 31 March 2009**

15	TAXATION		2009 £	2008 £	
	UK corporation tax on (losses)/profits of the period		44,396	46,176	
	Adjustments in respect of previous periods		(2)	5,195	
	Total current tax		<u>44,394</u>	<u>51,371</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%. The differences are explained below:				
	(Loss)/Profit on ordinary activities before tax		(433,822)	101,515	
	(Loss)/Profit on ordinary activities multiplied by the standard rate of corporate tax in the UK 21% (2008:20%)		(91,103)	20,303	
	Effects of:				
	Income not taxable		135,499	25,873	
	Adjustments to tax charge in respect of previous periods		(2)	5,195	
	Current tax charge for the period		<u>44,394</u>	<u>51,371</u>	
16	TANGIBLE FIXED ASSETS				
	Cost	Long leasehold building and improvements £	Office, furniture & equipment £	Computer equipment £	Total £
	At 1 April 2008	87,670	22,303	35,320	145,293
	Cost of additions	2,941	548	9,107	12,596
	31 March 2009	<u>90,611</u>	<u>22,851</u>	<u>44,427</u>	<u>157,889</u>
	Depreciation				
	1 April 2008	48,287	12,976	19,687	80,950
	Charged in the year	5,315	7,296	12,824	25,435
	31 March 2009	<u>53,602</u>	<u>20,272</u>	<u>32,511</u>	<u>106,385</u>
	Net book value				
	31 March 2009	<u>37,009</u>	<u>2,579</u>	<u>11,916</u>	<u>51,504</u>
	31 March 2008	<u>39,383</u>	<u>9,327</u>	<u>15,633</u>	<u>64,343</u>

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**  
**for the year ended 31 March 2009**

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17	INTANGIBLE FIXED ASSETS	Website/Intranet development costs £	
	Cost		
	1 April 2008	31,139	
	Additions	16,703	
	31 March 2009	<u>47,842</u>	
	Amortisation		
	1 April 2008	10,380	
	Charge in year	15,947	
	31 March 2009	<u>26,327</u>	
	Net book value		
	31 March 2009	<u>21,515</u>	
	31 March 2008	<u>20,759</u>	
18	CREDITORS	2009 £	2008 £
	Other creditors	392,288	140,253
	Corporation tax	42,024	36,318
	Other tax and social security	46,371	47,283
	Deferred income	3,936,467	2,950,381
	Accruals	47,694	52,333
		<u>4,464,844</u>	<u>3,226,568</u>
19	OPTICAL EDUCATION, RESEARCH AND PUBLIC PURPOSES FUND	2009 £	2008 £
	31 March 2009	<u>94,194</u>	<u>100,000</u>
20	LEGAL COSTS CONTINGENCY RESERVE	2009 £	2008 £
	1 April 2008	1,500,000	1,500,000
	Transfer to Income and Expenditure, reserve no longer required	(750,000)	-
	31 March 2009	<u>750,000</u>	<u>1,500,000</u>

**General Optical Council**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 31 March 2009**

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21	PROVISION FOR CHANGE MANAGEMENT RESERVE	2009	2008
		£	£
	1 April 2008	-	-
	Transfer from Income and Expenditure Account	280,000	-
	31 March 2009	<u>280,000</u>	<u>-</u>
22	INCOME AND EXPENDITURE RESERVE ACCOUNT	2009	2008
		£	£
	1 April 2008	796,892	770,509
	(Deficit)/Surplus for the year	(478,216)	26,383
	Other Recognised Gains and Losses in the year	470,000	-
	31 March 2009	<u>788,676</u>	<u>796,892</u>
22	CASH FLOWS	2009	2008
		£	£
a	Reconciliation of operating surplus to net cash inflow from operating activities		
	Operating deficit	(650,956)	(159,149)
	Depreciation	25,435	32,927
	Amortisation	15,947	10,380
	Other income	14,562	13,806
	(Increase)/decrease in debtors	(4,777)	28,910
	Increase in creditors	1,232,570	60,944
	Non Cash Movements	(5,806)	-
	Net cash in/(out)flow from operating activities	<u>626,975</u>	<u>(12,182)</u>

**General Optical Council**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 March 2009

		2009 £	2008 £
b	Analysis of cash flows for headings netted in the cash flow		
	<b>Returns on investments and servicing of finance</b>		
	Interest received	202,572	223,097
	<b>Net cash inflow from returns on investments and servicing of finance</b>	<u>202,572</u>	<u>223,097</u>
	<b>Capital expenditure and financial investment</b>		
	Purchase of tangible fixed assets	(12,596)	(27,333)
	Purchase of intangible fixed assets	(16,703)	(31,139)
	<b>Net cash outflow from capital expenditure and financial investment</b>	<u>(29,299)</u>	<u>(58,472)</u>
		At 1 April 2008 £	At 31 March 2009 £
c	Analysis of net funds		
	Cash in hand: at bank	5,483,257	6,244,817
		<u>761,560</u>	<u>-</u>
			Other non cash changes £

23 PENSION COMMITMENTS

The Council operates a defined contribution pension scheme on behalf of certain employees. The assets of the scheme are held separately from those of the Council in an independently administered fund. The amount paid during the year was £87,587 (2008: £86,431).

24 COMMITMENTS UNDER OPERATING LEASES

At 31 March 2009 the Council had annual commitments under non-cancellable operating leases as follows:

	2009 £	2008 £
Land and buildings expiring after five years	1,000	1,000
	<u>1,000</u>	<u>1,000</u>