

# General Optical Council

## REPORT AND FINANCIAL STATEMENTS

31 March 2007

# General Optical Council

## FINANCIAL STATEMENTS

for the year ended 31 March 2007

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

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

#### **CHAIRMAN**

Appointment for a term 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)

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

Appointments for a term expiring on 31 December 2006

*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*

Alastair McFarlane CCIPD  
Heather Wilcox BA FCCA  
David Youngson GOEC

Appointments for a term 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  
Shaheen Chaudhry JP BSc (resigned 31 January 2007)  
Geoffrey Harris JP BA BSc PhD  
David Pyle BA BSc MSc Dip.Ed (adviser on educational matters)  
Michael Salmon BA Med PhD

Appointments for a term expiring on 31 December 2011

*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 for a term expiring on 31 December 2007

*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 Chappell OBE MPhil FCOptom  
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 2007

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### Appointments for a term expiring on 31 December 2006

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

Roger Anderson BSc MPhil PhD MCOptom FAAO  
Richard Broughton FCOptom Dip CLP  
Donald Cameron BSc FCOptom DipCLP  
Judith Morris MSc FCOptom  
Richard Roberts OBE BSc FCOptom FAAO  
Nicholas Rumney MScOptom FCOptom FAAO

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

Rosemary Bailey FBDO(Hons)CL  
John Baker FBDO  
Jennifer Brower FBDO(Hons)LVA CertEd  
Kim Devlin FBDO(Hons)CL  
Joram Fried FBDO

### Appointments for a term expiring on 31 December 2011

*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 for a term expiring on 31 December 2007

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

Roger Buckley MA BM BCh FRCS FRCOphth  
James Dunne FRCS FRCOphth DO  
Peter Kyle FRCS FRCOphth  
Stuart Roxburgh FRCS FRCOphth

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

Peter Coe BA MIHM

# 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 2007.

Council prepares an annual Financial Report which identifies its financial position and which is submitted to Government for scrutiny. Council prepares a three 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 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 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 achieved a post tax surplus for the year of £468,478. This compared with a post tax surplus of £706,344 in 2005/6. Trading surpluses in recent years have added to the Council's reserves which now stand at £2.37m. The Council has continued to operate at or slightly above its stated Reserves Policy of 50% of planned annual expenditure. At the end of last financial year, Council approved a transfer £900,000 to its Legal Costs Contingency Reserve as protection against any potential legal challenge to its powers. This reserve stood at £1.5m as at 1 April 2007.

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

- (i) prudent financial control of overheads across all areas of expenditure
- (ii) higher than anticipated investment income
- (iii) a small increase in retention fee income despite the uncertainty over the number of registrants not renewing due the requirement for CET points
- (iv) underspends compared to budget in the areas of Legal Services, Standards consultancy and the administrative costs of the Fitness to Practise processes.

The Council's income in 2006/7 reached £3,425,205 made up predominantly by the annual retention and registration of full registrants who paid a fee of £169. The core fee of £135 has remained unchanged for the previous three financial years. The total fee of £169.00 agreed by Council in November 2005 included responsibility for the collection, funding and management of:

- (a) the statutory Continuing Education and Training (CET) Scheme (£27 levy per registrant per year), and
- (b) the Optical Consumer Complaints Service (OCCS) (£7 levy per registrant per year)

# General Optical Council

## REPORT OF THE COUNCIL

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Council also has a statutory responsibility to register 4,200 students who pay an annual registration or retention fee of £20.00 per annum.

Council earned £211,397 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 £318,000 to £2.92m, a rise of 12% as Council continued to meet its ever increasing workload. While this figure was below that budgeted, year on year expenditure increased in most operating areas except Standards. Planned expenditure in this area was delayed while the outcome of the government's review of healthcare regulation was published.

This year's income and expenditure report and notes to the accounts have been modified to show costs associated by expense area/department with prior year actuals restated to provide like for like comparisons.

### **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 Council, committee and working groups regularly, to prepare and contribute effectively 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, Chairman 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 Chairman and to the Council Chairman. 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.

# General Optical Council

## REPORT OF THE COUNCIL

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### 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 Chairman 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

ROSIE VARLEY  
Chairman of the Council  
41 Harley Street  
London W1G 8DJ

PETER COE  
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 8 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 2007 and of its surplus 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 2007

	<i>Notes</i>	2007 £	2006 Restated £
<b>TURNOVER</b>			
Fees	1	3,198,704	3,159,466
Other operating income:			
Opticians Register		570	15,969
Sale of Computer Services		14,504	7,996
Other		30	1,022
		<u>3,213,808</u>	<u>3,184,453</u>
<b>OPERATING EXPENDITURE</b>			
Staff Employment	2	1,074,534	956,099
Business Services	3	1,178,683	1,150,151
Education	4	121,230	58,039
Legal Services	5	263,137	230,980
FTP	6	159,156	133,855
IT Services	7	33,612	21,358
Communications	8	83,227	24,238
Standards	9	9,616	30,034
		<u>2,923,195</u>	<u>2,604,754</u>
<b>OPERATING SURPLUS</b>			
Interest receivable and other income	10	290,613	579,699
		211,397	155,617
		<u>502,010</u>	<u>735,316</u>
<b>SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>			
Corporation tax	11	(35,532)	(28,971)
		<u>466,478</u>	<u>706,345</u>
<b>SURPLUS ON ORDINARY ACTIVITIES AFTER TAXATION</b>			
Transfers:			
Legal Costs Contingency Reserve	16	-	(900,000)
		<u>466,478</u>	<u>(193,655)</u>
Retained surplus/(deficit) for year		303,871	497,526
Retained surplus at beginning of year		770,349	303,871
		<u>770,349</u>	<u>303,871</u>

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

No separate statement of Total Recognised Gains and Losses has been presented as all gains and losses have been dealt with in the Income and Expenditure Account.

# General Optical Council

## BALANCE SHEET

31 March 2007

	Notes	2007 £	2006 £
TANGIBLE FIXED ASSETS	12	69,936	72,203
CURRENT ASSETS			
Other debtors		17,334	13,408
Prepayments and accrued income		66,677	73,625
Building society deposits		1,161,908	1,125,712
Cash at and in hand		4,201,612	3,245,587
		<u>5,447,531</u>	<u>4,458,332</u>
CREDITORS: Amounts falling due within one year	14	(3,147,118)	(2,626,664)
NET CURRENT ASSETS		<u>2,300,413</u>	<u>1,831,668</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,370,349</u>	<u>1,903,871</u>
RESERVES AND FUNDS			
Optical Education, Research and Public Purposes Fund	15	100,000	100,000
Legal Costs Contingency Reserve	16	1,500,000	1,500,000
Income and Expenditure Account	17	770,349	303,871
TOTAL FUNDS EMPLOYED		<u>2,370,349</u>	<u>1,903,871</u>

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

Moira Black  
Honorary Treasurer

Peter Coe  
Registrar and Chief Executive

**General Optical Council**  
**CASH FLOW STATEMENT**  
for the year ended 31 March 2007

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	<i>Notes</i>	2007 £	2006 £
Cash flow from operating activities	18a	875,937	486,439
Returns on investments and servicing of finance	18b	177,660	139,300
Taxation		(34,950)	(21,833)
Capital expenditure and financial investment	18b	(26,426)	(28,387)
INCREASE IN CASH IN THE PERIOD		<u>992,221</u>	<u>575,519</u>

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN FUNDS

		2007 £	2006 £
MOVEMENT IN NET FUNDS IN PERIOD		992,221	575,519
NET FUNDS AT 1 APRIL 2006		4,371,299	3,795,780
NET FUNDS AT 31 MARCH 2007	18c	<u>5,363,520</u>	<u>4,371,299</u>

# General Optical Council

## ACCOUNTING POLICIES

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### BASIS OF ACCOUNTING AND REPORTING

The Council's Financial Report and Accounts for 2007 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.

The basis used in preparing the accounts has been revised to ensure consistency with internal reporting. This revision has resulted in a change in the presentation of the 2006 expenditure accounts. The accounts show where the 2006 balances have been restated. The accounts will continue to be presented in the current format in future years.

### 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.

### 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. Any unsold stocks of the Opticians Register held at the year end are regarded as being of no value.

### 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 and enrolled bodies corporate. Fees for registration, enrolment 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.

### OTHER INCOME

The Council's other operating income consists of sales of computer services, the Opticians Annual Register and rental of facilities. Receipts representing advance sales of Registers still to be published are carried forward.

### DEFERRED INCOME

Deferred income mainly represents retention fees, register sales 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 disciplinary 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 2007

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#### 1 FEES

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

	2007 £	2006 £
Retention fees	2,308,390	2,291,284
CET Levy	491,103	489,780
OCCS Levy	127,323	126,980
Registration and enrolment fees	145,853	157,107
Student retention fees	43,522	-
Student registration fees	51,733	49,397
Restoration and transfer fees	23,564	36,400
Duplicate certificates	960	1,390
EC fees	2,682	3,328
Non EU/EEA fees	3,574	3,800
	<u>3,198,704</u>	<u>3,159,466</u>

#### 2 STAFF EMPLOYMENT COSTS

	2007 £	2006 £
Salaries	839,742	728,692
Social Security	93,250	81,350
Superannuation	63,747	78,190
Death in service scheme	4,828	3,995
Superannuation administration	4,000	4,000
Sickness scheme	16,428	14,302
Staff recruitment	32,526	28,448
Training	20,013	20,165
	<u>1,074,534</u>	<u>959,142</u>

	No.	No.
The average number of persons employed by the Council during the year was as follows:	<u>24</u>	<u>20</u>

#### MEMBERS' FEES AND EXPENSES

In accordance with the approval of The Privy Council, fees were paid to Members at the rate of £250 per day during the financial year (2006: £250 per day). In addition, Honoraria payments were made with the approval of The Privy Council as follows: Chairman £Nil (2006: £Nil), Deputy Chairman and Treasurer: £1,500 (2006: £1,500) Chairman of Committees: £750 (2006: £750).

Aggregate fees paid to the Chairman were £25,000 (2006: £25,000). Average fees paid to Members during the year were £5,870 (2006: £6,712)

**General Optical Council**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 31 March 2007**

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3	BUSINESS SERVICES	2007	2006
		£	Restated £
	Ground rent and water rates	36,569	36,242
	Insurance and financial services	70,744	70,376
	Office services	71,226	68,675
	Print, stationery and postage	67,440	93,159
	Travel and subsistence expenses	28,135	20,618
	Hospitality	1,223	883
	Expenses of meetings	35,910	31,442
	Audit and accountancy charges	13,571	13,236
	Legal advice	14,356	12,043
	Bank charges	9,915	6,180
	Other miscellaneous expenses	12,465	7,354
	Printing of 2005 Register	-	9,760
	Professional subscriptions	13,254	16,152
	Subscriptions to optical bodies	14,677	15,215
	OCCS	113,601	100,000
	Members fees and expenses	299,002	284,786
	CET management costs	322,367	316,758
	Election costs 2006	25,535	-
	Depreciation charges	28,693	47,272
		<u>1,178,683</u>	<u>1,150,151</u>
		<u><u>1,178,683</u></u>	<u><u>1,150,151</u></u>
4	EDUCATION	2007	2006
		£	Restated £
	Expenses of visits	93,876	49,455
	Entry Standards of Dispensing Opticians	2,622	8,584
	Appointment of new visitors panel	24,732	-
		<u>121,230</u>	<u>58,039</u>
		<u><u>121,230</u></u>	<u><u>58,039</u></u>

# General Optical Council

## NOTES TO THE FINANCIAL STATEMENTS

### for the year ended 31 March 2007

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5	LEGAL SERVICES		2006
		2007	Restated
		£	£
	Legal fees	184,450	211,202
	Document disclosure costs	1,627	1,502
	Investigation costs	1,031	213
	Assessment fees	5,748	956
	Criminal prosecution costs	70,281	17,107
		<u>263,137</u>	<u>230,980</u>
		<u><u>263,137</u></u>	<u><u>230,980</u></u>
6	FTP		2006
		2007	Restated
		£	£
	Members fees and expenses (Disciplinary panel)	299	28,819
	Hearings Panel fees and expenses	66,506	13,492
	Training costs	20,876	-
	Induction costs	4,230	14,280
	Panel appraisals costs	1,410	-
	Venue costs	31,140	23,517
	Legal/clinical adviser costs	17,396	35,801
	Transcribers costs	17,299	17,946
		<u>159,156</u>	<u>133,855</u>
		<u><u>159,156</u></u>	<u><u>133,855</u></u>
7	IT SERVICES		2006
		2007	Restated
		£	£
		33,612	21,358
		<u>33,612</u>	<u>21,358</u>
		<u><u>33,612</u></u>	<u><u>21,358</u></u>
8	COMMUNICATIONS		2006
		2007	Restated
		£	£
	Corporate identity	3,343	-
	Website development costs	3,527	1,050
	Information	8,293	5,262
	Publications	65,076	17,790
	Stakeholder relations	2,988	136
		<u>83,227</u>	<u>24,238</u>
		<u><u>83,227</u></u>	<u><u>24,238</u></u>

**General Optical Council**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 31 March 2007**

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9	STANDARDS	2007 £	2006 Restated £
	Therapeutic Prescribing Consultancy	-	1,811
	Contact Lens Consultancy	500	-
	Sale of Optical Appliances Consultancy	257	-
	Legislative Change Consultancy	-	28,223
	Standards Consultancy	8,859	-
		9,616	30,034
		9,616	30,034
10	INTEREST RECEIVABLE AND OTHER INCOME	2007 £	2006 £
	Bank and building society interest	177,660	141,667
	Rental income	13,832	13,832
	Hire of facilities for meetings	63	118
	Sundry income	19,842	-
		211,397	155,617
		211,397	155,617
11	TAXATION	2007 £	2006 £
	UK corporation tax on profits of the period	-	29,591
	Adjustments in respect of previous periods	-	(620)
	Total current tax	-	28,971
		-	28,971
	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 19%. The differences are explained below:		
	Profit on ordinary activities before tax	-	735,315
	Profit on ordinary activities multiplied by the standard rate of corporate tax in the UK 19% (2006: 19%)	-	139,710
	Effects of:		
	Income not taxable	-	(110,119)
	Adjustments to tax charge in respect of previous periods	-	(620)
	Current tax charge for the period	-	28,971
		-	28,971

# General Optical Council

## NOTES TO THE FINANCIAL STATEMENTS

### for the year ended 31 March 2007

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12	TANGIBLE FIXED ASSETS				
	Cost	Long leasehold building and improvements £	Office, furniture & equipment £	Computer equipment £	Total £
	At 1 April 2006				
	Long Leasehold Building				
	41 Harley Street, London W1G 8DJ	84,500	-	-	84,500
	Office furniture & equipment, computers	-	47,402	88,321	135,723
	Cost of additions	-	14,595	11,831	26,426
	31 March 2007	<u>84,500</u>	<u>61,997</u>	<u>100,152</u>	<u>246,649</u>
	Depreciation				
	1 April 2006	27,270	41,333	79,417	148,020
	Charged in the year	10,192	8,953	9,548	28,693
	31 March 2007	<u>37,462</u>	<u>50,286</u>	<u>88,965</u>	<u>176,713</u>
	Net book value				
	31 March 2007	<u>47,038</u>	<u>11,711</u>	<u>11,187</u>	<u>69,936</u>
	31 March 2006	<u>57,230</u>	<u>6,069</u>	<u>8,904</u>	<u>72,203</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.

#### 13 CAPITAL COMMITMENTS

There were no capital commitments at 31 March 2007.

14	CREDITORS	2007 £	2006 £
	Other creditors	67,966	77,865
	Corporation tax	17,812	17,230
	Other tax and social security	37,434	41,862
	Deferred income	2,979,148	2,464,732
	Accruals	44,758	24,975
		<u>3,147,118</u>	<u>2,626,664</u>

#### 15 OPTICAL EDUCATION, RESEARCH AND PUBLIC PURPOSES FUND

	2007 £	2006 £
1 April 2006 and 31 March 2007	100,000	100,000
	<u>100,000</u>	<u>100,000</u>

A commitment for £6,000 has been agreed to support a joint Research proposal but no funds had yet been requested

# General Optical Council

## NOTES TO THE FINANCIAL STATEMENTS

### for the year ended 31 March 2007

16	LEGAL COSTS CONTINGENCY RESERVE		2007		2006
			£		£
	1 April 2006		1,500,000		600,000
	Transfer from income and expenditure account		-		900,000
	31 March 2007		<u>1,500,000</u>		<u>1,500,000</u>
17	INCOME AND EXPENDITURE RESERVE		2007		2006
			£		£
	1 April 2006		303,871		497,526
	Surplus/(deficit) for the year		466,478		(193,655)
	31 March 2007		<u>770,349</u>		<u>303,871</u>
18	CASH FLOWS		2007		2006
			£		£
a	Reconciliation of operating surplus to net cash inflow from operating activities				
	Operating surplus		290,613		579,699
	Depreciation		28,693		47,272
	Other income		33,737		16,316
	Decrease/(increase) in debtors		3,023		(33,973)
	Increase/(decrease) in creditors		519,871		(122,875)
	Net cash flow from operating activities		<u>875,937</u>		<u>486,439</u>
			2007		2006
			£		£
b	Analysis of cash flows for headings netted in the cash flow				
	<b>Returns on investments and servicing of finance</b>				
	Interest received		177,660		139,300
	<b>Net cash inflow from returns on investments and servicing of finance</b>		<u>177,660</u>		<u>139,300</u>
	<b>Capital expenditure and financial investment</b>				
	Purchase of tangible fixed assets		(26,426)		(28,387)
	<b>Net cash outflow from capital expenditure and financial investment</b>		<u>(26,426)</u>		<u>(28,387)</u>
c	Analysis of net funds	At		Other non	At
		1 April	Cash flow	cash	31 March
		2006		changes	2007
		£	£	£	£
	Cash in hand: at bank	4,371,299	992,221	-	5,363,520
		<u>4,371,299</u>	<u>992,221</u>	<u>-</u>	<u>5,363,520</u>

# General Optical Council

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2007

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19 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 £63,747 (2006: £78,190).

20 COMMITMENTS UNDER OPERATING LEASES

At 31 March 2007 the Council had annual commitments under non-cancellable operating leases as follows:

	2007	2006
	£	£
Land and buildings expiring after five years	1,000	1,000
	<u>1,000</u>	<u>1,000</u>