

**Health Professions Council  
Finance and Resources Meeting – 21 June 2007**

**DRAFT ANNUAL REPORT AND FINANCIAL STATEMENTS - PUBLIC PAPER**

**Executive Summary and Recommendations**

**1. Introduction**

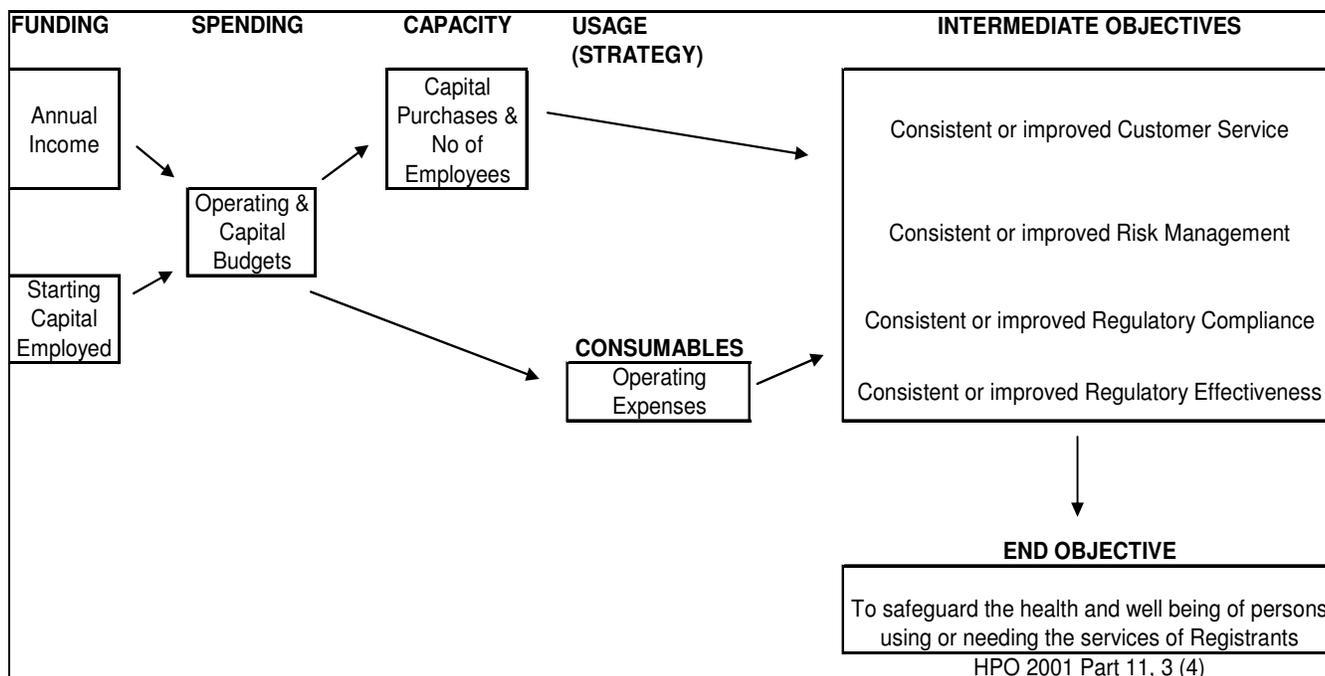
**2. Decision**

The Committee is requested to approve the draft annual report and accounts.

**3. Background information**

The draft Annual Report for the year ending 31 March 2007 is attached. Baker Tilly have indicated a few small typos in the front section, not yet updated. The Report follows a similar format to the Annual Report for the year ending 31 March 2006.

In the Management Commentary section, this year we've included a high level diagram to show readers the relationship of how our funding and spending is linked to the intermediate HPC objectives. Essentially, using funding sources, operating and capital spending budgets are formulated. Those budgets are used to purchase capacity (people hours and asset capacity) and other operating expenses (outsourced services etc). Outlining the intermediate objectives in the diagram reminds readers that HPC has multiple objectives to achieve<sup>1</sup> and that in achieving them all, we work to achieve the end objective, as outlined in the HPO.



<sup>1</sup> Refer also Strategic Intent document, Risk Register and Dept Workplans.

Following the above framework, we've re-grouped our high level performance metrics over the past five years as follows:

Year End figures unless otherwise indicated	2002/03	2003/04	2004/05	2005/06	2006/07
<b>FUNDING</b>					
Total Operating Income	£5,818,606	£6,965,174	£10,037,615	£10,988,027	£10,511,525
Starting Capital Employed*		£1,761,795	£1,050,853	£743,706	£2,347,750
<b>CAPACITY</b>					
Capital Purchases	£1,294,917	£513,618	£98,843	£1,040,355	£543,699
Average number of FTE** permanent employees	51	55	66	76	80
<b>USAGE</b>					
Total Operating Expenditure	£6,800,711	£8,299,075	£10,367,125	£10,105,549	£10,502,421
<b>INTERMEDIATE OBJECTIVES</b>					
Registrant Numbers	144,141	144,834	160,381	169,235	177,230
No of professions regulated	12	12	13	13	13
Number of Fitness to Practise allegations	70	134	172	316	322
Number of Fitness to Practise cases			102	140	222

\* Assumes asset book value equals realisable value.

\*\* FTE is full time equivalent employees. Temporary/Agency contractors are not included.

Number of Fitness to Practise cases not recorded for years 2002/03 and 2003/04.

The number of permanent and fixed temp (non agency) contractors at 31 March was 79.2.

From the above table, Registrant numbers have grown 23% in the 4 years since March 2003. The number of FTP allegations and cases handled (including Interim Orders and Appeals) has also risen significantly.

Over the five years, Operating Income per FTE has risen from £114,000 to £131,000, highlighting that income has been rising at a faster rate than permanent FTE headcount. This trend is desirable in increasing HPC's financial flexibility, since if Registrant numbers and applications fall below expectations, HPC's variable costs (e.g. non permanent employee costs and outsourced service costs) can be adjusted more easily (than fixed costs) to compensate.

**Regarding the "bottom line" performance, HPC achieved a retained surplus after tax of £235k, compared to an adjusted surplus of £985k in the 2006 year. The Surplus for the year after Operational costs, but before tax and investments was £9k, compared to an adjusted surplus of £882k in the 2006 year.**

The reason for the March 2006 adjustment from the figures of £1,133k (surplus before tax and investments) and £1,236k (retained surplus) reported in last year's Annual Report is that there was a change in the Government Financial Reporting Manual (FRM) and Treasury guidelines in how grants and residual grant balances are recognised and reported. Essentially the £251,117 of Grant Income shown in the Income and Expenditure Account in 2006 is now credited to the General Funds section of the Balance Sheet. Refer Prior Year Adjustments in the Accounting Policies section of the Annual Report for more detail.

Finally, the draft Annual Report will remain subject to minor editorial amends (to be made by the Publications Manager).

**4. Resource implications**

Finance, Secretariat and Communications employee time

**5. Financial implications**

Baker Tilly Audit UK LLP and National Audit Office audit fees.  
Baker Tilly Taxation and Advisory Services LLP fees.

**6. Background papers**

Nil

**7. Appendices**

2007 Annual Report

**8. Date of paper**

8<sup>th</sup> June 2007

**HPC annual report 2007** (1 April 2006 to 31 March 2007)

**Contents** (*front section only – excludes ‘Financial statements’*)

The Council	2
President’s statement	7
Chief Executive and Registrar’s report	9
Statutory committee reports	10
Education and Training Committee	10
Investigating Committee	12
Conduct and Competence Committee	13
Health Committee	15
Non-statutory committee reports	17
Registration Committee	17
Communications Committee	18
Finance and Resources Committee	19
Audit Committee	21
Approvals Committee	23
Communicating with the public	25
The web	27
Events	29
Policy and standards	31
Registrants: past, present and future	33
Council member biographies	34
Council and committee meetings	43
Council meeting attendance	46
Committee meeting attendance	48
The five principles of good regulation	57
(Financial statements)	

## **The Council**

The Council submits its fifth annual report together with the audited financial statements for the year ended 31 March 2007.

### **Members during the year**

All Council members served throughout the year except as shown below:

Norma Brook            President<sup>1</sup>  
Anna van der Gaag    President<sup>2</sup>  
John Camp            Vice President<sup>3</sup> (resigned 8 January 2007)

### **Registrant members**

Karen Bryan (appointed 12 March 2007)  
Morgwn Davies  
Helen Davis  
Gail Darwent (until 8 July 2006)  
Elizabeth Ellis (appointed 9 July 2006)  
Christopher H Green (resigned 19 March 2007)  
Robert Jones (until 8 July 2006)  
Morag MacKellar  
Pat McFadden  
William Munro  
Pam Sabine  
Graham Smith (appointed 27 October 2006)  
Simon Taylor  
Annie Turner  
Diane Waller

### **Alternate members**

Ozan Altay  
Patricia Blackburn  
Sue Griffiths (appointed 9 July 2006)  
Daisy Haggerty  
Carol Lloyd  
Alan Mount  
Helen Patey  
Jacqueline Pearce  
Gill Pearson

---

<sup>1</sup> Until 8 July 2006 when her term of office as a Council member came to an end. Professor Brook did not seek re-election.

<sup>2</sup> President from 11 July 2006, previously a Council member.

<sup>3</sup> The role of the Vice-President was abolished on 14 December 2006.

Doug Proctor  
Jacqueline Sheridan  
Eileen Thornton  
Mark Woolcock

**Lay members**

Paul Acres  
John Camp (resigned on 8 January 2007)  
Shaheen Chaudhry (resigned on 25 January 2007)  
Mary Clark-Glass  
Robert Clegg  
Peter Douglas (appointed 17 October 2006)  
Sheila Drayton  
Christine Farrell  
John Harper  
Tony Hazell  
Ros Levenson (resigned 8 July 2006)  
Jeff Lucas  
Keith Ross  
Barbara Stuart

A Register of Interests in respect of all members is maintained. The register is published on the HPC website.

## **The Council** continued

### **Method of appointment or election of Council members**

The Council consists of 40 members: 13 registrant members; 13 alternate members; 13 lay members; and the President<sup>4</sup>. There are currently three vacancies on the Council; one for a registrant member and two for lay members. The registrant and alternate members are elected by registrants from the same part of the Register (for example the physiotherapy member is elected by physiotherapists). The lay members are appointed by the Appointments Commission. The numbers of registrants and alternate members (currently 13) is linked to the number of professions regulated by the Council. There is an alternate member for every registrant member. An alternate member has the same function as a registrant member but only attends Council meetings in their capacity as a member if their corresponding registrant member is not present. There must be at least one lay member and one registrant or alternate member from each home country within the United Kingdom.

### **Legislative and regulatory background to the Council**

The Health Professions Council (HPC), a 'body corporate', was set up on 1 April 2002 by the Health Professions Order 2001. The HPC replaced the Council for Professions Supplementary to Medicine (CPSM) which was abolished at that time. The Council is one of nine UK statutory regulators for healthcare professionals. The Council currently regulates approximately 177,000 registrants.

As a statutory regulator, the HPC is a public body, but it is independent and not part of the Department of Health (DH) or the National Health Service (NHS). The majority of its costs are funded by fees from registrants. The fees are set out in the Health Professions Council (Registrations and Fees) Rules. Any changes to the fees are subject to consultation and must be approved by Parliament.

### **Council functions and objectives**

The Health Professions Order 2001 provides that the main function of the Health Professions Council is to establish standards of education and training, conduct and performance for members of the relevant professions, and to ensure the maintenance of these standards. In exercising these functions the Order also provides that the HPC's principal objective is: 'to safeguard the health and well-being of persons using and needing the services of registrants'.

### **Corporate governance arrangements and organisational structure**

In accordance with the governance arrangements set out in the Health Professions Order 2001, the Council has established four statutory committees. These are as follows:

- Education and Training Committee
- Investigating Committee

---

<sup>4</sup> The President may be either a registrant or a lay member.

- Conduct and Competence Committee
- Health Committee

The Council has also established three non-statutory committees:

- Finance and Resources Committee
- Audit Committee
- Communications Committee

During the financial year April 2006 to March 2007, the Council agreed that two other non-statutory committees, the Registration Committee and the Approvals Committee, had completed their work and that they should be abolished.

### **Committee membership**

As set down in the Health Professions Order 2001, all committees are chaired by Council members. The majority of committee members are also Council members, however the Council has appointed six non-Council Committee members to bring additional professional skills and expertise to committee decision-making. These members were appointed in accordance with the principles set out by the Office of the Commissioner for Public Appointments.

The Council has a number of executive departments operating under the leadership of the Chief Executive. These departments are as follows:

- Fitness to Practise
- Registration (International and Grandparenting)
- Registration (UK)
- Policy and Standards
- Approvals and Monitoring
- Communications
- Finance
- Facilities Management
- Human Resources
- Information Technology
- Secretariat

### **Form of financial statements**

In accordance with a direction given by the Privy Council, under Section 46(1) (b) of the Health Professions Order 2001, the HPC's financial statements have been prepared in a form which complies with the HM Treasury guidance on the preparation of accounts for non-departmental public bodies.

### **Recruitment**

In the spring of 2005 the HPC held its first elections. All of the existing Council members stood down at that time. Registrant and alternate Council members were eligible to stand for re-election. All lay Council members were eligible for re-

appointment. All registrants working or living in one of the four home countries of the United Kingdom who were on the HPC Register on 2 March 2005 were also eligible to stand for election. In accordance with the Health Professions Order 2001, the terms of office of one quarter of the Council members expire each year. For example, elections were held for the registrant physiotherapy, occupational therapy and radiography members of Council in the spring of 2006.

Professor Norma Brook stood down as HPC President in July 2006. Her successor is Doctor Anna van der Gaag.

The Appointments Commission oversees the appointments process for lay members. Lay members may be reappointed following their initial term of office, however this is not automatic and follows an appraisal of their performance and a recommendation from the President. Vacancies are advertised in the national press. The appointments procedure is in accordance with the guidance from the Office of the Commissioner for Public Appointments.

### **Terms of office**

The term of office for Council members is usually four years. However, the term of office for the period following the first elections is of a length specified by the Privy Council as follows:

#### **Registrant Council members**

Election in 2005 to hold office until 2006 (one year)  
Physiotherapists, occupational therapists, radiographers.  
Thereafter four years.

Election in 2005 to hold office until 2007 (two years)  
Biomedical scientists, paramedics, chiropractors/podiatrists.  
Thereafter four years.

Election in 2005 to hold office until 2008 (three years)  
Speech and language therapists, operating department practitioners, dietitians.  
Thereafter four years.

Election in 2005 to hold office until 2009 (four years)  
Clinical scientists, arts therapists, orthoptists, prosthetists/orthotists.  
Thereafter four years.

#### **Lay Council members**

Lay members were appointed for periods which vary between one and four years following the first elections.

#### **Alternate Council members**

The term of office for alternate Council members is currently four years.

## **President's statement**

2006 – 2007 has been a busy and challenging year for the Council. I would like to start by acknowledging that behind our achievements are a committed Council, dedicated Committees and an enthusiastic group of employees, who have worked hard to ensure the continuing success of the HPC.

Throughout my presidency I am keen that we proactively engage with registrants, the professions and the public and create opportunities to listen and respond so that we continue to improve and develop. It is vital that we do not simply expand but that we evolve in response to external changes. We can only do this if we are aware of the wider landscape of healthcare.

Listening Events are a key aspect of this endeavour and, through the year, we held events at various locations across the country, from Bangor and Ayr to Newcastle and Burnley. Listening Events give registrants a forum for providing us with constructive feedback on how we are working. Additionally, employees and Council members have spoken at many professional seminars, exhibitions and conferences; and the student talks programme for prospective registrants continues to grow.

By consulting with the professions and our other stakeholders, we have continued to review and set standards and produce guidance for our registrants. In particular, I would like to thank everyone who responded to the consultation on our proposals to change the fees structure. I believe we have reached a consensus based on the response we received and the new fee structure will allow us to continue to operate at the highest standard of professional regulation.

This year has also seen continuing efforts to inform members of the public about what we do. Using the results of the MORI public research undertaken in September 2005, we focussed our communications activities in a number of ways. We mailed a public information leaflet to Citizen's Advice Bureaux and GP surgeries throughout the UK, we ran a public awareness campaign in Birmingham in October 2006, which resulted in an 8% increase in awareness of the HPC. We have also encouraged health professionals to help raise the profile of registration by providing free posters and leaflets about the HPC upon request. We have launched an 'advert e-kit' that allows registrants to download the special 'HPCheck' logo and use this to encourage awareness of the HPC as a benchmark of quality.

Reforms to healthcare regulation have been a focus for the year. The majority of recommendations outlined by the Government in its report 'Trust, Assurance and Safety – the Regulation of Health Professionals in the 21<sup>st</sup> Century', are supported by the HPC. We believe these reforms are good for patients, good for the public and good for the professions. In particular, extending statutory regulation to include more health professionals will help further protect the public.

Greater clarity and consistency across the regulatory bodies will improve public understanding and access to regulatory processes. We will continue to work closely with the health departments in the four UK home countries, with the Council for Healthcare Regulatory Excellence (CHRE) and consumer organisations, the professions and their professional bodies to implement the reforms.

The HPC is a young organisation which aims to deliver modern, professional regulation by listening and responding to the views of our stakeholders. We are continuing to create more efficient and effective processes, and to make them more accessible to the public. We are engaging in a constructive dialogue that underpins good working relationships. Such dialogue is at the heart of progress for us all.

## **Chief Executive and Registrar's report**

Operationally, the year has been busy, with continued growth and development across the organisation.

We have seen an increase in the volume of fitness to practise cases referred to the HPC, as well as a rise in the number and complexity of hearings. Cases referred by employers now make up 50% of all complaints received; 25% come from members of the public; and the remainder are referred by other agencies (such as the police). The practice committees have further reviewed the accessibility of the fitness to practise process, in particular the nature of the information on our website, and have also been involved in the review of our standards of conduct, performance and ethics.

We met our commitment to publish more information about how continuing professional development (CPD) will be linked to registration. Following the work of the Professional Liaison Group (PLG), which drafted information in 2005 – 06, we published an introductory guide and a detailed guide about the CPD audit process. The introductory guide was mailed to every registrant and example 'profiles', prepared in conjunction with professional bodies, were also published on our website.

In November 2006, we launched a major consultation on proposals to change the Council's fees structure, asking registrants and other stakeholders for their views. The consultation document was sent to all registrants and a wide range of other stakeholders, including professional bodies, employers, higher education institutions and others with an interest in the HPC. We received 1,200 responses to the consultation, ranging from positive to critical and the 'Key Decisions' document, published on our website, contains a detailed analysis of those responses and the decisions we made.

We have continued to set standards for our registrants, producing guidance and consulting with stakeholders. In particular, much work has been done on changes to the standards of proficiency and the Council has published guidance on health, disability and registration. It has published guidance on the standards of education and training and has also approved draft guidance on confidentiality, which will be the subject of consultation.

We believe we are leading the way in delivering an effective model of healthcare regulation and have achieved a great deal since we were established. We will continue to work closely with the professions and our stakeholders in the four UK home countries to ensure that our role in protecting the public is further strengthened and more widely recognised.

I would like to close thank the members of the Council, the Committees and our employees for their hard work, commitment and enthusiasm over the past year.

## **Statutory committee reports**

1 April 2006 to 31 March 2007

### **Education and Training Committee**

#### **Principles**

The Education and Training Committee is one of the HPC's four statutory committees. Its purpose is to advise Council on establishing standards of proficiency and establishing standards and requirements for education and training or continuing professional development (CPD). The Health Professions Order 2001 states that the Council may give guidance to registrants, employers and other appropriate parties on the standards. The Committee is made up of 18 members and met five times during the year.

#### **Achievements**

The Committee recommended that its sub-committees, the Registration Committee and the Approvals Committee, should be abolished, as policies in these areas had been established. The Council agreed to abolish these committees and thanked members for their work. The Education and Training Committee will directly oversee these areas of work in the future. From 1 February 2007, panels of the Education and Training Committee met regularly to consider recommendations about approval and monitoring of individual programmes of professional education.

During the year, the Committee:

- recommended proposed changes to HPC registration and renewal fees to Council. This was the subject of a consultation from November 2006 to February 2007.
- following a consultation process, recommended draft guidance on the standards of education and training to Council for approval;
- approved a consultation on requirements for external examiners in the standards of education and training.
- agreed to review the standards of proficiency for operating department practitioners, following the end of 'grandparenting' for that profession;
- identified and monitored strategic issues and agreed position statements where appropriate.
- met its commitment to publish more information about how CPD will be linked to registration. A Professional Liaison Group (PLG) had drafted this information in 2005-6. In 2006, the HPC published an introductory booklet and detailed information about the CPD audit process. Example profiles, prepared in conjunction with professional bodies, have been published on the HPC website.

The PLG to review the standards of proficiency met five times in 2005-6 and reported to Council in July 2006. The Council consulted on proposed changes in 2006-7. The results of the consultation will be published.

## **Ongoing work**

### **Approval of supplementary prescribing courses**

In February 2005 the Committee agreed criteria for approval of supplementary prescribing courses. During the year 15 supplementary prescribing courses were approved and three courses are awaiting approval.

### **Self referrals of health and character by registrants**

In February 2005 the Committee agreed to establish procedures by which a panel of the Committee can consider and report on self referrals of health or character by registrants. In June 2005 the Committee agreed the process for considering self referrals. At the time of writing, 303 declarations on renewal, readmission or self-referral have been received.

### **Eileen Thornton**

Chairman

### **Colin Bendall**

Secretary

1 April 2006 to 31 March 2007  
**Investigating Committee**

### **Principles**

The Investigating Committee is a statutory committee of the Council. It is one of the three practice committees and is made up of eight Council members and one registered medical practitioner. Its purpose is to set the strategy and policy which determine how the HPC deals with complaints and/or fraudulent or incorrect entries onto the Register. If the HPC receives a complaint about a registrant, the Investigating Committee will appoint a panel to determine whether there is a 'case to answer'. If the complaint is about fraudulent or incorrect entry onto the Register, this will be considered at a hearing by a panel of the Investigating Committee. The Committee met four times during the year.

### **Achievements**

During the year, the Committee:

- reviewed the priorities, projects and principles of the Fitness to Practise (FTP) workplan for the next financial year. An integral part of the workplan involves the training of FTP team members who will work towards achieving the award of BTEC Level 5 Advanced Professional Certificate in Investigative Practice from Edexcel, the National Awarding Body. This will permit members of the FTP team to undertake functions that have been historically carried out by solicitors and will ensure that resources are used efficiently.
- reviewed the nature and scope of information provided on the HPC website about FTP cases and made a recommendation to Council about the information displayed on the HPC website about FTP panels.
- reviewed the standards of conduct, performance and ethics (SCPEs) and recommended to Council that the updated SCPEs go out for consultation subject to the approval of the Health and Conduct and Competence Committees.
- followed the developmental and implementation phases of the Fitness to Practise database which had been designed to enable the FTP team to track cases electronically.
- followed the review that the FTP Department was engaged in for the provision of information provided to witnesses and the creation of FTP service level standards.

The Investigating Committee look forward to the continuation of its work in the setting of policy and strategy for the fitness to practise processes.

**Morag MacKellar**  
Chairman

**Sophie Butcher**  
Secretary

1 April 2006 to 31 March 2007

## **Conduct and Competence Committee**

### **Principles**

The Conduct and Competence Committee is a statutory committee of the Council. It is one of the three practice committees and is made up of nine Council members and one registered medical practitioner. Its purpose is to advise the Council on what constitutes appropriate conduct, performance and ethics of all registrants. If HPC receives a complaint about a registrants' conduct, or their competence, then the Committee may assemble a panel to hear the evidence at a hearing. The Committee sets the strategy and policy which determine how these panels are run, and assess their performance. The Committee met four times during the year.

### **Achievements**

During the year, the Committee:

- led the review of the standards of conduct, performance and ethics (SCPEs) in liaison with the other practice committees and recommended to Council that the updated SCPEs go out to consultation.
- produced more detailed guidance on confidentiality and recommended to Council that the HPC should consult on confidentiality guidance at the same time as the draft SCPEs.
- reviewed the requirement for the creation of supplementary guidance to the SCPEs and recommended that a bank of information should be produced for the HPC website. This information would be based on the existing SCPEs and include signposts for further sources of information, such as Department of Health guidance and professional body guidance.
- approved the priorities, projects and principles of the Fitness to Practise (FTP) workplan for the next financial year. An integral part of the workplan involves the training of FTP team members who will work towards achieving the award of BTEC Level 5 Advanced Professional Certificate in Investigative Practice from Edexcel, the National Awarding Body. This will permit members of the FTP team to undertake functions that have been historically carried out by solicitors and will ensure that resources are used efficiently.
- discussed the overarching principles which would inform the Committees' strategic plan.
- noted the legal advice sought about when a striking off order could be made when a suspension order, which was imposed in respect of a competence or health allegation, was reviewed under Article 30 of the Health Professions Order 2001.
- reviewed HPC cases which had been referred to the High Courts by the Council for Healthcare Regulatory Excellence (CHRE) and reviewed the learning points that could be taken from these cases.
- approved the review of the documentation 'What happens if a complaint is made about me' and 'Making a complaint about a health professional'.

- approved the review of service level standards for the adequate provision of information to witnesses.
- looked at the number of cases where a review hearing had been held.
- reviewed the nature and scope of information provided on the HPC website about FTP cases and made a recommendation to Council about the information displayed on the HPC website about FTP panels.
- monitored the developmental and implementation phases of the Fitness to Practise database which had been designed to enable the FTP team to track cases electronically.
- participated in the tender and selection process for legal services.

The Conduct and Competence Committee is dedicated to the ongoing identification and analysis of FTP trends which will be extrapolated via the FTP tracking system. The Committee looks forward to the year ahead working, in liaison with the other practice committees, on the setting of policies and strategy for FTP processes.

**Keith Ross**  
Chairman

**Sophie Butcher**  
Secretary

1 April 2006 to 31 March 2007

## **Health Committee**

### **Principles**

The Health Committee is a statutory committee of the Council. It is one of the three practice committees and is made up of eight Council members and one registered medical practitioner. Its purpose is to set the strategy and policy which determine how the HPC deals with allegations of ill health. If the HPC receives a complaint where the registrant's health appears to be relevant, the Fitness to Practise Department may appoint a panel, on behalf of the Health Committee, to hear the evidence at a hearing. The panel will be made up of a chairperson, a registrant partner and a lay partner. In hearings of such panels, if health is felt to be potentially a major factor in a particular case, a registered doctor will also be on the panel. Members of the Health Committee do not sit on panels. The Committee met four times during the year.

### **Achievements**

During the year, the Committee:

- reviewed legal advice which had been sought about when a 'striking off order' could be made when a suspension order, which was imposed in respect of a competence or health allegation was reviewed under Article 30 of the Health Professions Order 2001.
- reviewed the priorities, projects and principles of the Fitness to Practise workplan for the next financial year. An integral part of the workplan involved the training of FTP team members who will work towards achieving the award of BTEC Level 5 Advanced Professional Certificate in Investigative Practice from Edexcel, the National Awarding Body. This will permit members of the FTP team to undertake functions that have been historically carried out by solicitors and will ensure that all resources are used efficiently.
- reviewed the nature and scope of information provided on the HPC website about ftp cases and made a recommendation to Council about the information displayed on the HPC website about ftp panels.
- reviewed the standards of conduct, performance and ethics (SCPEs) and recommended to Council that the updated SCPEs go out to consultation subject to the approval of the Investigating and Conduct and Competence Committees.
- reviewed the number of 'not well founded' cases received by the Health Committee.
- followed the developmental and implementation phases of the Fitness to Practise database which had been designed to enable the FTP team to track cases electronically.
- followed the review of service level standards for the adequate provision of information to witnesses.

The Health Committee looks forward to the continuation of its work and, together with the other practice committees, to making a contribution to the setting of policy and strategy for fitness to practise processes.

**Tony Hazell**

Chairman

**Sophie Butcher**

Secretary

## **Non-statutory committee reports**

1 April 2006 to May 2006

### **Registration Committee**

#### **Principles**

The Registration Committee was a non-statutory sub-committee of the Education and Training Committee. It dealt with issues relating to applications and registration. In May 2006 the Council agreed that the Registration Committee had completed its work and that it should be abolished. The duties of the Committee have been included within the remit of the Education and Training Committee and the Finance and Resources Committee.

#### **Annie Turner**

Chairman

#### **Sophie Butcher**

Secretary

1 April 2006 to 31 March 2007  
**Communications Committee**

### **Principles**

The Communications Committee is a non-statutory committee of the Council. Its purpose is to advise Council and the Executive on HPC's overall communications strategy and to monitor and evaluate the outcomes of the strategy. The Committee is made up of nine members and met three times during the year.

### **Achievements**

During the year, the Committee:

- reviewed the draft Communications strategy to be implemented for 2007-2011.
- reviewed the draft Communications workplan 2007-8.
- noted the work being undertaken to refresh HPC's visual identity and house style to ensure consistency across all print and web applications.
- reviewed a qualitative piece of research conducted by Opinion Leader Research (OLR), in which health professionals from a variety of different settings were asked about their perception of the standards of proficiency (SoPs). The research sought to identify the level of importance assigned to the SoPs by health professionals in the progression of their career.
- followed an audit of internal communications within the HPC. The main findings and recommendations resulting from the audit will be drawn up into a prioritised list and incorporated into the communications workplan.
- agreed to the inclusion of Terms of Reference in the Communications Committee Standing Orders.
- noted the work with the Joint UK Health and Social Care Regulators Public Patient Involvement (PPI) Group. HPC has been involved with the Group since its inception in January 2005.

The Committee looks forward to continuing the important work of promoting the role of the HPC to its stakeholders.

### **Pat McFadden**

Chairman

### **Sophie Butcher**

Secretary

1 April 2006 to 31 March 2007

## **Finance and Resources Committee**

### **Principles**

The Finance and Resources Committee is a non-statutory committee of the Council. Its main functions are to monitor finance on behalf of the Council and to make recommendations to the Council on the budget and other financial issues. Its remit also covers human resources, operations and information technology. The Committee is made up of eleven members and met seven times during the year. In addition to this, the Committee met twice as the Remuneration Committee.

### **Achievements**

In 2005 it was agreed that the Audit Committee would report directly to the Council. The Audit Committee was reconstituted with a separate membership from the Finance and Resources Committee. In 2006 the Council agreed new standing orders for both committees.

During the year, the Committee:

- recommended the five-year financial plan to Council for approval;
- recommended proposed changes to fees to Council, which were the subject of consultation from November 2006 to February 2007;
- agreed general principles for fees, including that they should be regularly reviewed and set at a level to maintain the reserves policy and ensure the Council's financial viability;
- received a costing model prepared by the internal auditor, which enabled the Council's costs to be apportioned to income from different fees;
- approved workplans for the Human Resources, Information Technology, Finance and Operations Departments;
- recommended the 2004-5 and 2005-6 annual reports and accounts to Council;
- received a report on performance of the Council's investments and reviewed the investment policy;
- oversaw preparation for proposed alterations to the Council's offices;
- approved a project management and reporting process;
- considered the budget for 2007-8 and recommended it to the Council for approval; and
- considered future arrangements for the employee pension scheme.

The Committee reviewed payroll recommendations when it sat as the Remuneration Committee in April 2006 and March 2007.

The financial results and commentary for the year are shown elsewhere in this annual report.

The Committee has again had a busy year and looks forward to continuing its work in 2007-8.

**Robert Clegg**  
Chairman

**Colin Bendall**  
Secretary

1 April 2006 to 31 March 2007

## **Audit Committee**

### **Principles**

The Audit Committee is a non-statutory committee of the Council. Its aims are to ensure that the financial and operating systems of HPC are rigorously audited and that risks are identified and controlled. The Committee acts as the main link between the Council, the internal auditors (PKF (UK) LLP) and the joint external auditors (Baker Tilly and the National Audit Office). It approves the workplans for the internal and external auditors and receives progress reports to ensure that the Council's systems are effective and provide value for money. It supports the drive for continuous improvement in the way the Council operates. The Committee is made up of six members and met seven times during the year. Each meeting was attended by representatives of Baker Tilly and the National Audit Office (NAO). Following the appointment of PKF as internal auditors, representatives of that firm also attended meetings.

### **Achievements**

In 2006 the Council agreed new standing orders for the Audit Committee and the Finance and Resources Committee and agreed that the Audit Committee should meet in public.

During the year, the Committee:

- approved the Baker Tilly audit plans and the NAO audit strategies for 2005-6 and 2006-7;
- approved the internal audit plans for 2006-7 and 2007-8;
- recommended the 2004-5 and 2005-6 annual reports and accounts to Council for approval;
- received progress reports on internal audit work and considered the results of internal audits of the Human Resources Department, the Information Technology service level agreement, fitness to practise and corporate governance arrangements and financial procedures;
- received reports on British Standards Institute (BSI) audits of the Council's work, which enabled the Council to retain its International Organisation for Standardisation (ISO) 9001 accreditation;
- received updates of the risk register, prepared with input from the internal and external auditors;
- recommended to Council that Baker Tilly should be reappointed (this recommendation was ratified by Council in December);
- recommended to Council that PKF should be reappointed (this recommendation was ratified by Council in March).

In April 2006 and February 2007, the Committee attended training sessions which included contributions from Baker Tilly, the NAO and PKF. The Committee also compared its arrangements to the NAO self assessment checklist for audit

committees. The Committee agreed to regularly review its effectiveness and the effectiveness of the internal and external auditors.

**Paul Acres**

Chairman

**Colin Bendall**

Secretary

1 April 2006 to 31 March 2007

## **Approvals Committee**

### **Principles**

The Approvals Committee is a non-statutory sub-committee of the Education and Training Committee. It deals with programme approvals, including considering visitors' reports. The primary purpose of the Committee is to oversee the development, implementation and review of the Council's procedures for approval and monitoring of programmes and education providers. The Approvals Committee is made up of eleven members and met three times during the year.

### **Achievements**

During the year, members of the Committee met as 'approvals panels' to allow timely consideration of recommendations in respect of programme approvals, annual monitoring and major and minor changes to programmes. Eleven Panel meetings were held during the year.

During the year the Committee continued oversight of approval and monitoring processes. Annual monitoring of programmes took place for the first time, involving a series of assessment days attended by groups of 'visitors' from different professions, who worked together to consider submissions from education providers. The Committee agreed that programmes approved in the previous academic year, or those going through the approvals process, would not normally be subject to monitoring in the same year. This will reduce the burden of the Council's requirements on education providers and streamline the link between the approvals and monitoring processes.

The year saw industrial action by several trade unions in higher education, including action in connection with examinations. The Council contacted education providers and received confirmation that students would still be assessed in accordance with HPC's standards, thereby ensuring that the public would be protected.

The Committee noted that some education providers had experienced difficulties in meeting the requirement of section 6.7.5 of the 'Standards of education and training', which stated that assessment regulations should clearly specify requirements for the appointment of at least one external examiner from the relevant part of the Register. During the year, the Council consulted on an amendment which continued to require that regulations should clearly specify appointment of at least one external examiner from the relevant part of the Register, but allowed the possibility of other arrangements if agreed.

As the processes for approving and monitoring programmes had been established, the Council agreed that the Committee had completed its work and that it should be abolished with effect from 31 December 2006. The Education and Training Committee will oversee policy and procedural issues and panels of

the Education and Training Committee will take over the work of the Approvals Panels.

The Approvals Committee would like to recognise the large number of visits which have been successfully completed and arranged for the coming year.

As Chairman, I am grateful to the members of the Approvals Committee and the Council's employees for their support.

**Professor John Harper**  
Chairman

**Colin Bendall**  
Secretary

## **Communicating with the public**

Communicating with the public is one of the most important aspects of our work. We try to raise awareness amongst the public about who we are, what we do and the importance of checking that health professionals are registered. We are encouraging the public to make sure they use registered health professionals, to ensure they are treated by those who meet national standards.

In 2006, we stopped looking solely at UK-wide media campaigns and moved to region-specific campaigns. Throughout September and October we ran an awareness campaign in the Birmingham area. We hope it will form part of a series of regional campaigns, aimed at increasing awareness amongst the general public and encouraging them to check that their health professionals are registered.

We carried out some market research before the campaign (through Mori) and found that over 95% of people in Birmingham wouldn't let an unqualified gas engineer or electrician (90%) carry out repairs on their house; yet when it came to people's health, almost 80% of patients weren't checking to see if the person treating them was qualified.

We used a range of advertising, public relations and special promotions to push our campaign message. Articles were placed in local newspapers, adverts were posted on buses, bus shelters and telephone booths, and we ran radio advertising on BRMB and Heart FM. We also held a promotion in the Bull Ring shopping centre, where the HPC Communications team met face-to-face with members of the public to raise awareness. Information packs were also distributed in local hospitals and GP surgeries. Awareness levels in the area increased by approximately 8% as a result of the campaign.

The HPC has also distributed a 'Be Sure Be Safe' public information leaflet to Citizens' Advice Bureaux across the UK. The leaflet is also stocked in the majority of doctors' surgeries around the country. This means that the public has access to information when they are most receptive to HPC's message.

We have also been encouraging registrants themselves to help raise the profile of registered health professionals. We have done this by providing free posters, public information leaflets and car stickers to any registrants that request them. We have also launched an online 'advert e-kit' that allows registrants to download the special 'HPCheck' logo and offers guidance on how and when to use it.

Last year, we successfully launched the ongoing 'HPCheck' campaign. This involved setting up a new microsite ([www.hpcheck.org](http://www.hpcheck.org)) aimed solely at the public – as a way of encouraging them to check simply and easily that their health professionals are registered. The microsite contains essential information about who we are, what we do and who we regulate; as well as information on why you

should check your health professional is registered and what registration means. We will continue to work on raising awareness of the HPC and the importance of using registered professionals throughout the coming year.

## **The web**

### **www.hpc-uk.org**

The web remains the most cost-effective and efficient way of making large amounts of information available to large numbers of people. We consistently utilise the HPC website as a tool to communicate news quickly and effectively to our registrants and other stakeholders. Accessing our website is one of the best ways for you to keep up to date with our work.

The redesigned website has proved to be a great success and continues to expand with information being added on a daily basis. On average, the site receives over 70,000 visits per month.

This year we launched our 'advert e-kit', to help increase public awareness of the organisation and raise the profile of registered health professionals. Registrants are now able to download special 'HPCheck' logos and advertising templates, which they can use to publicise their HPC registered status.

Improvements have also been made behind the scenes. We now have the ability to collect and analyse more detailed statistical information from the site. Along with other feedback received, this data has helped us plan the next stage of development – which is already under way.

### **Developments**

The website's content management system (CMS) is being extended to allow more detailed and up-to-date information to be displayed on the site, while also improving its functionality. A new 'education' section is being built and will include a more interactive approved course list, as well as much improved information for, and about education providers. We are also improving the way users can view and navigate information on the site generally. The Fitness to Practise section is being extended and a new search facility will make it easier to find information about fitness to practise hearings, both past and present. The main website search engine is also being replaced with a more powerful resource. This will allow users more flexibility in the way they search for information and documents on the site overall.

### **www.hpcheck.org**

This special microsite was launched as part of the 'HPCheck' campaign, to encourage people to check – simply and quickly – that their health professionals are registered. The very compact site consists of the online Register (displayed on the home page), plus a small number of pages containing essential information and HPC's key messages only. We continue to use advertising and public awareness campaigns to raise awareness of the site.

### **www.healthregulation.org**

This section of the HPC website attempts to list in one place all relevant bodies involved in the regulation of health professionals throughout the world. It is an ambitious and ongoing piece of work, which depends as much on site visitors emailing information to us, as it does on HPC Council members' information, and staff research. The database is designed and maintained by the HPC and lists the website addresses of regulators and professional bodies around the world.

Information about health regulators across the globe can be required by many people, from health professionals who want to practise outside the UK, to other regulators who want details on whether an applicant has ever been sanctioned by another regulator. We hope that this area of the site will continue to grow, and be a source of useful information to visitors.

### **The future**

The development of secure registrant facilities is ongoing. We are looking to provide a system that will give registrants the ability to renew their registration and update their contact details online. A facility for potential registrants to apply online is also being developed.

We are continually looking at ways to improve the main HPC website.

### **Your input**

If you have any comments to make about the HPC website, either good or bad, please get in touch by emailing: [webmaster@hpc-uk.org](mailto:webmaster@hpc-uk.org)

We welcome constructive feedback that will help us to make the site more useful, and make the information that you need more easily available.

## **Events**

Events provide a valuable opportunity for the HPC to interact face-to-face with our stakeholders, to communicate our messages, raise awareness of the HPC and the work that we do, and for us to receive feedback on the organisation's activities. Over the past year we have developed our Listening Event programme, attended a variety of external conferences and exhibitions, and held our second Partner Conference.

### **Listening Events**

Listening Events are run throughout the UK, providing an introduction to the HPC and giving registrants the opportunity to see and hear first-hand how we are progressing. As well as providing the opportunity for registrants to meet with other health professionals, the events provide an invaluable opportunity for attendees to meet HPC Council members – and wherever possible the Chief Executive and/or the President. A dedicated question and answer session at every event enables registrants to provide feedback on how we can improve. This feedback is used to help us develop HPC strategy and the future regulation of health professionals.

### ***Where we've been...***

June 2006

Bangor (Northern Ireland) – Tuesday 13

Ayr – Thursday 15

February 2007

Aberystwyth – Tuesday 13

Worcester – Tuesday 15

September 2006

Newcastle – Tuesday 5

Burnley – Thursday 7

The 2007-8 Listening Event programme is yet to be confirmed, however, as always, events will be located throughout the UK to reach as many registrants as possible. Please see below for details of how to keep up-to-date with HPC events.

### **External conferences and exhibitions**

Over the past twelve months HPC has exhibited at the following conferences:

- HR in the NHS, 25-27 April 2006, Birmingham
- Primary Care 2006, 4-5 May 2006, Birmingham

- Trading Standards Institute's Annual Conference and Exhibition, 20-22 June 2006, London
- Patient Information Forum, 28 February 2007, London
- Managing Long Term Conditions, 29 March 2007, Telford

Over the next twelve months HPC will be exhibiting at a range of conferences, including:

- Primary Care, 10-11 May 2007, Birmingham
- Institute of Biomedical Science Congress, 24-26 September 2007, Birmingham
- HR in the NHS, 9-11 October 2007, Birmingham

### **HPC partner conference**

In November 2006 we ran our second training conference for HPC 'partners'. The event, held in Glasgow, was a great success and facilitated open communication between partners, Council members and HPC employees. Delegates had the opportunity to attend a range of workshop groups and keynote speeches, as well as a special question and answer panel session. This session enabled delegates to put questions and comments to Council members, the HPC President and our Chief Executive. Over 220 partners attended the event and we hope to hold a third conference in 2008. For more information on HPC partners, please see our website.

### **Further details**

For full details of HPC events, and to keep up-to-date with the events schedule, please visit the 'Events' section of the HPC website at: [www.hpc-uk.org](http://www.hpc-uk.org)  
Alternatively, you can sign up to our electronic newsletter by emailing: [newsletter@hpc-uk.org](mailto:newsletter@hpc-uk.org) If you would like to make a general enquiry about HPC events, please email [events@hpc-uk.org](mailto:events@hpc-uk.org) or telephone 020 7840 9797.

## **Policy and standards**

The financial year 2006 – 2007 was an important year of development for the still relatively new Policy and Standards Department.

### **Standards**

The establishment and the review of standards form the backbone of the Department's work, and several large-scale projects were rolled out this year. The review of the standards of proficiency (SoPs) was completed, and was the subject of consultation. The standards of conduct, performance and ethics (SCPEs) were reviewed by the practice committees. In addition, after receiving feedback, the Council consulted on its requirement for external examiners, in relation to the standards of education and training.

### **Guidance**

Following consultation, the Council agreed the text of its documents on health, disability and registration. The practice committees also discussed the possibility of issuing additional guidance on the standards of conduct, performance and ethics, and established draft guidance on confidentiality, which will be the subject of a consultation. The final standards of education and training guidance document was also published.

In addition to formal guidance, the Policy and Standards Department has been working to produce more information for registrants about continuing professional development (CPD). Two information brochures for registrants were published in April 2006, and we have also been working in partnership with professional bodies to publish sample CPD 'profiles' on our website.

### **Consultations**

The Policy team was also involved in the preparation and implementation of the consultation on registration fees. Working with the Finance and Communications Departments, we prepared a draft consultation document, attempting to strike a balance between providing full information about our finances, and our suggestions, and creating a document that was readable, concise and clear.

We processed the responses that were received: over 1,200 in total. These responses were logged and analysed – and any additional themes raised were drawn out. A summary was then presented to the Council to assist their decision-making.

### **New professions**

Liaising with new professions or 'aspirant groups' seeking statutory regulation is now the responsibility of the Policy and Standards Department. We meet with aspirant groups, handle the 'scoring' of applications to the Council, and liaise with colleagues in project management about the operational side of bringing a new profession onto the Register.

**The review of regulation**

The Chief Medical Officer's report 'Good doctors, safer patients', and the Department of Health's review of non-medical regulation were published in July 2006. HPC issued an immediate response welcoming the documents, and the Council then began to prepare a detailed response, particularly to the second report.

The Council's response was submitted in November 2006. The subsequent Government 'White Paper', 'Trust, Assurance and Safety, the Regulation of Health Professionals in the 21<sup>st</sup> Century', was published in February 2007.

More information about all of the work above is available on our website:  
[www.hpc-uk.org](http://www.hpc-uk.org)

### **Registrants: past, present and future**

HPC is now five years old. However, registration for some of our professions began 70 years ago. Our predecessor, the Council for Professions Supplementary to Medicine (CPSM), began in 1960, but before then there was a voluntary register run by the Board of Registration of Medical Auxiliaries (BRMA). The British Medical Association (BMA) set up the BRMA in 1935, which published its first register on 26 May 1937. The Board covered seven 'auxiliary' professions: chiropodists, dietitians, orthoptists, physiotherapists, radiographers, speech therapists and dispensing opticians (now regulated by the General Optical Council). The yearly registration fee was 'half a guinea', or 55p in modern money – which was a sizeable sum back then. In 1951 it had about 6,000 registrants. This register continued into the early 1960s, ending with the establishment of CPSM.

As well as using historical information like this to show how far we have come, we are looking into how we can use our current, generalised data (we will not use any personal data) to give a better picture of the nature of our registrants and our work. This should help us better analyse where we are now and indicate where we are likely to be heading in the future. We have already found some interesting results. The most obvious is that the number of registrants continues to grow – as it has every year since statutory registration began. In 1965, the CPSM registered just under 26,000 health professionals. At the handover from CPSM in 2002, this figure had risen to almost 138,000. When the operating department practitioners (ODPs) joined us in 2004, there was a jump in number to just over 160,000. Our registrant total now stands at nearly 178,000. The recent Government 'White Paper' has proposed that other professions should be joining us, which would of course result in further increases.

We have also begun to look at other trends within each profession; for example, we have analysed our registrants by gender. Currently, 76% of our registrants are women and 24% are men. Indeed, the large majority of our professions are overwhelmingly female. For example, 81% of physiotherapists, 72% of chiropodists/podiatrists and 82% of radiographers are women. Some professions, like orthoptists, dietitians and speech and language therapists, are almost entirely women (94%, 96% and 97%). Only clinical scientists, paramedics and prosthetists/orthotists have a male majority (53%, 76% and 66%). Shortly, we hope to produce a similar analysis of registrants by age and geographical distribution.

***(2 x graphs to be inserted – see attachments)***

## **Council member biographies**

### **Ozan Altay**

Ozan is a practising prosthetist working for the contractor to the National Health Service (NHS) in Wolverhampton. He qualified via Paddington College and the London School of Prosthetics, Roehampton. Ozan's voluntary work has included raising resources for amputee victims of the conflict in Sri Lanka and working there in a lower limb field clinic. Having won a travel fellowship to Hong Kong in 2004, he attended the International Society for Prosthetics and Orthotics World Congress. He also reported on orthotic and prosthetic education and training at the University and visited the Prosthetic Department at Kowloon Hospital.

### **Patricia Blackburn**

Patricia is the Commissioner for the Allied Health Professions at Southern Health and Social Services Board, based in Armagh in Northern Ireland. She is Chair of the newly-formed Irish Branch of the British and Irish Orthoptic Society, Chair of the Advisory Committee for the Allied Health Professions to the Department of Health and Social Services and Public Safety in Northern Ireland (DHSSPSNI) and Vice-Chair of the Northern Ireland (NI) Health Professions Forum.

### **Karen Bryan**

Karen is Professor of Clinical Practice at the European Institute of Health and Medical Sciences, University of Surrey. She is a speech and language therapist with particular interests in mental health of adult populations, rehabilitation and older people's access to effective healthcare interventions. Karen has extensive experience of healthcare education and course development. She continues to work in practice as a consultant speech and language therapist in forensic mental health at the West London Mental Health Trust. Karen is the Director of the multidisciplinary Healthcare Workforce Research Centre at the University of Surrey. The Centre has investigated many aspects of workforce development, including the experiences of internationally recruited nurses, care sector development, healthcare evaluation, patient safety and education and practice development for the healthcare workforce.

### **Paul Acres**

Paul was a police officer for 36 years, serving in a number of specialist and senior management positions. He was a detective, senior complaints investigator and for five years Deputy Chief Constable of Merseyside before his appointment as Chief Constable of Hertfordshire. He developed national policing policy on professional standards, community and race relations, personnel management, conflict management and police use of force and firearms. He retired from policing in 2004 and now holds several public appointments concerned with the development of professional standards. He was recently appointed as Chairman of Sefton NHS Primary Care Trust.

**Mary Clark-Glass**

Mary was formerly a lecturer in law and broadcaster in Belfast; she has been involved in equality and human rights issues since the 1970s. Head of the Equal Opportunities Commission (EOC) for Northern Ireland 1984-92, a Human Rights Commissioner 1984-1990 and former member of the Probation Board for Northern Ireland, she also served as a Commissioner on the Commission for Racial Equality (CRE) for Northern Ireland. Mary is currently a General Medical Council (GMC) associate, a member of the General Dental Council's Fitness to Practice Committee and a non-executive member of the Board of Royal Group of Hospitals Belfast until 31 March 2007.

**Robert Clegg**

Robert retired as Chief Executive of the Rochdale Healthcare NHS Trust in 2002 after 32 years in the NHS. He is Chairman of Springhill Hospice Rochdale, a member of the Corporation of Hopwood Hall College, Rochdale and a member (and past president) of the Rotary Club of Rochdale East. He is also Chairman of the Rochdale Life Education Unit and Acting Chairman of the Rochdale Cultural and Leisure Trust. A member of the Conservative Party he represents Wardle and West Littleborough Ward on the Rochdale Metropolitan Borough Council (MBC).

**Morgwn Davies**

Morgwn has worked for the Scottish National Blood Transfusion Service (SNBTS) for over twenty years as a biomedical scientist (BMS). At present he works as a BMS 2 in the Histocompatibility and Platelet Immunohaematology Laboratory, which is part of the Edinburgh Clinical Blood Transfusion Service, based at the Royal Infirmary of Edinburgh.

**Helen Davis**

Helen is Head of the Orthoptic Section of the Academic Unit of Ophthalmology and Orthoptics at the University of Sheffield. She is Programme Leader of the BMedSci in orthoptics and joint author of the textbook, *Diagnosis and Management of Ocular Motility Disorders* (a core text for the undergraduate programme). She was involved in setting the initial benchmark statements and standards of proficiency for orthoptists. She sits on disciplinary and student review panels at the University, and continues her clinical practice at the Sheffield Teaching Hospitals NHS Foundation Trust.

**Peter Douglas**

Peter is the former National Managing Partner of HLB Kidsons, Chartered Accountants, and was for ten years a Council member of the Institute of Chartered Accountants in England and Wales. He has been Director of Professional Standards at the Chartered Institute of Management Accountants, a governor of two independent schools and a higher education college. He is a member of the steering board of the National Weights and Measures Laboratory,

a Department of Trade and Industry (DTI) agency, Chairman of its audit committee and a member of the audit committee of Ashridge Business School.

### **Sheila Drayton**

Sheila is an independent consultant with a background in health service education and management, and was an Executive Director in an NHS trust. Her main areas of interest are clinical leadership and the development of effective clinical teams. Sheila was formerly a member of the United Kingdom Central Council for Nursing, Midwifery and Health Visiting, and is currently a member of the General Teaching Council (Wales) and a member of the Nursing and Midwifery Council's Fitness to Practise Panel.

### **Elizabeth Ellis**

Elizabeth is currently employed as a Mobile MRI Radiographer in the South of England. She has recently completed a postgraduate diploma (PGD) in computed tomography (CT) at City University, London. Previously, she held the post of Society of Radiographers (CoR) representative for Portsmouth QA Hospital, during which time she was involved in the introduction of Advanced Practitioner roles and oversaw the implementation of 'Agenda for Change'.

### **Christine Farrell**

Christine is a freelance consultant in health policy. She has worked in research and service development, latterly at the King's Fund in London, and also as an advisor to the Department of Health Research and Development Division. She has worked in a voluntary role in the NHS since 1974 and was a trustee and chair of a national charity providing health services from 1979 to 1995. For the past ten years her work has focused on involving patients and the public in the NHS, and patient and professional views about cancer services. Her most recent work is with an 'international task group' developing initiatives and curricula for the involvement of patients in health professional education.

### **Sue Griffiths**

Sue undertook a career as a clinical therapy radiographer (radiotherapist) and from 1991 to 2007 was the Professional Head of Radiotherapy at Leeds Teaching Hospitals. In the early 1990s Sue worked with the Faculty of Oncology of the Royal College of Radiologists (RCR) to identify and quantify the national shortage of radiotherapy equipment and radiographers, which by 2000, influenced national resourcing policy and equipment provision in England. With strong interests in safety and standards, her work has encompassed returner staff training, student recruitment initiatives, and the development of National (CoR/DH) Workforce Planning and staffing models. Sue was more recently on the Radiotherapy Advisory Group (CoR), and the project board for the curriculum framework for the new career structure. Sue has made a significant contribution as a highly regarded author within the radiotherapy world, with numerous peer reviewed papers and books.

### **Daisy Haggerty**

Daisy is Principal Clinical Scientist and Service Manager at the Northern Molecular Genetics Service and has many years of experience in the field of human genetics. She was involved in setting up the Molecular Genetics Unit, Newcastle, and was instrumental in the development of various tests for the group which has a world-wide reputation in the field of neuromuscular disorders. She has an ongoing interest in the wider implications and ethical considerations involved in the use of genetic testing. Her wish to ensure that high standards are maintained within the profession led her to becoming a registrant 'partner' with the HPC in 2003, taking on the role of Registration Assessor and becoming a member of Conduct and Competence panels. She was also a member of the 'professional liaison group' (PLG) that looked at updating the standards of proficiency. Currently, in her role as the alternate clinical science registrant member of the Health Professions Council, she sits on the Investigating Committee and the Communications Committee.

### **John Harper**

John is Senior Vice-Principal and Deputy Vice-Chancellor at The Robert Gordon University, Aberdeen, with particular responsibility for Academic Development and Quality. He is the former Dean of the Faculty of Health and Social Care and also a former member of the Scottish Executive NHS Modernisation Forum and of the CPSM. He is currently a member of several Scottish committees associated with teaching and learning and quality assurance.

### **Tony Hazell**

Tony began his career as a Probation Officer, before moving into higher education, where he remained for almost 30 years. He retired from the post of Assistant Principal at the University of Wales Institute Cardiff in 2004. He is currently Chair of the Velindre NHS Trust (NHS Wales), a large organisation providing a wide range of services across the whole of Wales, and is a member of the Learning and Teaching Committee of the Higher Education Funding Council for Wales (HEFCW).

### **Carol Lloyd**

Carol is Emeritus Professor of Occupational Therapy in the Faculty of Education, Health and Sciences at the University of Derby, where she was previously Subject Manager. She has been an external examiner at various universities and also a Quality Assurance Agency (QAA) reviewer. As a partner of HPC she is a 'visitor' and has been a member of various education programme approval teams. She has been involved with the Trent Workforce Development Confederation and is a member of her local Foundation Hospital Trust.

### **Jeff Lucas**

Jeff is Deputy Vice-Chancellor at the University of Bradford and Professor of Health Studies. He took up office as DVC in September 2004 having previously served as Pro-Vice-Chancellor Learning and Teaching and prior to that, Dean of

the School of Health Studies. He graduated from the University of London in zoology and physiology and has a PhD in medicine from the Royal London Hospital. In 1996 he became the inaugural Dean of Health Studies at Bradford and has served as the evaluator of the Bradford Health Action Zone, external assessor of the Common Learning pilots at the NHS and independent evaluator of the QAA work with the Department of Health. In the region he served as a Non-Executive Director of the West Yorkshire Strategic Health Authority, where he represented the interests of West Yorkshire universities. He served as interim Non-Executive on the new Yorkshire and Humber SHA. Jeff also edits the International Journal of Clinical Governance.

### **Morag MacKellar**

Morag is Head of Nutrition and Dietetics, Forth Valley Primary Care and Public Health Nutritionist for NHS Forth Valley. She is also a member of the Stirling Community Health Partnership Committee, and Chair of the national multi-agency steering group Scottish Nutrition and Diet Resource Initiative. Morag contributes to a number of departmental and policy groups for the Scottish Executive, including the Scottish Food and Health Council. She is a former Chair of the Dietitians Board at CPSM and previously Chair of the British Dietetic Association. In addition she has been made a Fellow of the Association in recognition of her services to the dietetic profession.

### **Pat McFadden**

Pat is currently employed as an operational Clinical Practice Supervisor, based at Sharston Ambulance Station in South Manchester – now merged into newly-established North West Ambulance Service NHS Trust. He has been employed within the NHS for 29 years and qualified as a paramedic with the Greater Manchester Ambulance Service (GMAS) in 1987. In recent years he has had extensive involvement in the committees and partnership forums at every level of the Ambulance Service. Most recently he was involved in the introduction of 'Agenda for Change' within the Ambulance Service. Presently he is the Staff Side Lead for the Knowledge and Skills Framework. He is involved in the delivery of awareness and embedding the process, working closely with the Education, Training and Development Team in Manchester. Pat has extensive staff representation experience and until recently served as a UNISON representative in various roles spanning 20 years.

### **Alan Mount**

Alan is Professional Lead for Operating Department Practice within the Faculty of Health and Social Care at Canterbury Christ Church University. Alan has a long history within the peri-operative field, both as a practitioner and as an educator. He was appointed in February 2002 to the former Association of Operating Department Practitioners (AODP) Board. He was involved with the development of the new standards of proficiency, scope of practice and subject benchmarks for ODPs in accordance with the transfer of the profession to the HPC in October 2004. In May 2004 he was awarded the Association of Operating Department

Practitioners Fellowship for outstanding service to the ODP profession. More recently he has been involved with the PLG looking at the development of the standards for continuing professional development (CPD) and the guidance document for the standards of education and training. Alan is also a 'visitor' partner for ODP education programme approvals.

### **William Munro**

Willie is Orthotic Director of Munro Bolton, Orthotics Ltd, a practice which supplies orthoses to hospitals in Scotland. He was a founding member of the British Association of Prosthetists and Orthotists (BAPO) and is Clinical Associate at the National Centre for Training and Education in Prosthetics and Orthotics at the University of Strathclyde. Willie is involved in community work in Glasgow and he is the former Vice-Chairman of the Prosthetists and Orthotists Board at CPSM.

### **Helen Patey**

Helen is Deputy Managing Director and Head of Clinical Services at the Nordoff-Robbins Music Therapy Centre in London. Her career in music therapy includes clinical practice, lecturing, writing, research and promoting music therapy. Helen has been involved in all aspects of the music therapy profession, chairing the British Society for Music Therapy and the Courses Liaison Committee. She also represents the UK on the Education Commission of the World Federation of Music Therapy.

### **Jacki Pearce**

Jacki has managed speech and language therapy services for all client groups in Hertfordshire and Essex PCTs for some years, but is now working independently, and currently undertaking some SLT development work for Social Services. She has served as a Magistrate for 15 years, and took time out to undertake a Master's degree in health law to underpin her interest in professional regulation and fitness to practise. She is the SLT alternate on Council, Vice-Chair of the Health Committee, chairs registration appeals, and currently represents the HPC on the NHS Information Standards Board.

### **Gill Pearson**

Gill currently works as the Programme Manager of Nutrition Programmes at the University of Surrey. She has experience of working in both the NHS and higher education, teaching on both undergraduate and postgraduate courses. She has been a dietetic manager of both community and acute hospital dietetic departments, both in England and Scotland.

### **Doug Proctor**

Doug's career as a biomedical scientist in the NHS spans 32 years. He is currently employed as the Laboratory Manager (BMS Grade 4) in the Clinical Biochemistry Department at Prince Charles Hospital in Merthyr Tydfil. He is a

Chartered Scientist and fellow of the IBMS and is trained and accredited as a HPC panel partner. Doug is also a Committee Member of the South East Wales branch of the IBMS and has previously been Branch Secretary of the Cardiff and Wales NHS Branch of Amicus. In addition, he has represented Wales at the Pathology Occupational Advisory Committee of Amicus. He was previously elected as the alternate member to the MLT Board of the CPSM.

### **Keith Ross**

Keith is a self-employed personnel and management consultant. He concentrates on human resources assignments and management roles mainly in the public sector – specifically in the health and education fields. Before becoming self employed, Keith had a 20-year career in human resources roles in the Scottish Health Service and latterly was Director of Personnel for a Scottish Health Board and an acute NHS trust. Keith is a 'Fitness to Practise' panel member of the Nursing and Midwifery Council, and Chair of the Royal Pharmaceutical Society of Great Britain Code of Conduct Panel.

### **Pam Sabine**

Pam is Head of Podiatry and Podiatric Surgery Services at South East Essex Primary Care Trust, combining management of the service with her clinical role as Consultant Podiatric Surgeon. She is a past Chair of the Society of Chiropodists and Podiatrists and a former member of the Chiropodists' Board at CPSM. Pam is actively involved in professional groups such as the Association for Extended Prescribers. Pam is a member of the South East Essex Diabetes Network and the Trust Professional Executive Committee. She is an Independent Reviewer for second stage complaints with the Healthcare Commission.

### **Jackie Sheridan**

Jackie graduated from Salford University in 1997 with a degree in podiatric medicine. She has been editor of 'ThatFootSite.com', an online journal for the podiatry profession, since its creation in 1998 and a director of its sister company Professional Events Management. Professional Events Management provides CPD courses for chiropodists and podiatrists. She has worked for East Cheshire PCT and in private practice within the profession. She is a member of the Manchester and District Branch of the Society of Chiropodists and Podiatrists.

### **Graham Smith**

Graham qualified as a physiotherapist in the Royal Air Force in 1977 and as a teacher of physiotherapy in 1982. He is currently an Independent Rehabilitation and Sports Injury Consultant based in Glasgow. He has extensive experience in the treatment, management and rehabilitation of injuries at all levels of the sporting spectrum and has worked with Glasgow Rangers FC, the British Olympic team in Nagano and numerous national representative sports teams. He is a Fellow of the Chartered Society of Physiotherapy and a Visiting Professor at the University of Teesside. He combines his clinical and consultancy roles with lecturing commitments both nationally and internationally.

**Barbara Stuart**

Barbara works as a Business Careers Advisor. She has previously worked in the private sector but more recently in the voluntary sector as Director of Operations of Lakeland Community Care Ltd. She is a Lay Magistrate in the Youth and Family Courts in Northern Ireland and in March 2007 was appointed as a Non-Executive Director with the Western Health and Social Care Trust. A former carer, she is Vice-Chair of the Management Committee of the local Alzheimer's Society.

**Simon Taylor**

Simon is currently the Lead Practitioner/Theatre Manager at the Day Case Surgery Theatres at Clayton Hospital Wakefield, which is part of the Mid Yorkshire NHS Trust. He has been a qualified operating department practitioner since 1984 and has worked in the NHS ever since. His main areas of interest are training and development, and health and safety. He has been very active within the Trade Union Movement as a Health and Safety Representative. He is a qualified Health and Safety Practitioner and a member of the Trust's Health and Safety Committee.

**Eileen Thornton**

Eileen is Head of the School of Health Sciences at the University of Liverpool. She has been in health care education for a number of years, particularly physiotherapy. She has been actively involved with her professional body, serving on and chairing many committees relating to pre- and post-registration education, registration and professional conduct. She has been the alternate member for physiotherapy on the Health Professions Council since it began in its shadow form. During this time she has sat on committees and professional liaison groups involved in developing the standards, processes and procedures concerning registration, approval and monitoring, continuing professional development and wider education policy.

**Annie Turner**

Annie is Professor of Occupational Therapy at The University of Northampton and is an experienced external examiner and programme validator. She has acted as lead editor of five editions of 'Occupational Therapy and Physical Dysfunction' and is author of the current College of Occupational Therapists pre-registration curriculum framework. She has also been a member of the Quality Assurance Agency occupational therapy panel, which developed the profession's benchmark statements, as well as a member of the COT's Council and the Education and Practice Board. Currently she is developing a foundation degree for allied health professionals (AHPs) with the Open University.

**Anna van der Gaag**

Anna is a self-employed consultant and Honorary Research Fellow in the Faculty of Medicine, University of Glasgow. She has been actively involved in research

and development initiatives in speech and language therapy for more than two decades. She works within the NHS on organisational learning and development projects. Her current research work includes user involvement in decision making, e-learning in postgraduate education and improving communication between primary care practitioners and people with communication disabilities. Anna has been a member of various advisory groups for the Medical Research Council, Department of Health, Kings Fund and the Royal College of Speech and Language Therapists.

### **Diane Waller**

Diane is Professor of Art Psychotherapy at Goldsmiths College, University of London. She is Vice-President of the International Society for Expression and Art Therapy, a council member of the World Psychiatric Association's Section on Art and Psychiatry and Honorary President of the British Association of Art Therapists. Diane is a UKCP registered group analyst, and her research interests are in sociology of professions in the UK and Europe, art and group psychotherapy, intercultural therapy, addiction and progressive illness. She has written several books on these subjects. Diane was formerly Chair of the Arts Therapists Board at CPSM, and of our Education and Training Committee.

### **Mark Woolcock**

Mark has worked for the South Western Ambulance Service and its predecessors for 16 years in a variety of operational, training and managerial roles. Mark became a paramedic in 1996 and still works in a range of operational settings, including the Air Ambulance in Cornwall. For the past five years Mark has been involved with the delivery of education and training, both within his service and also to national and international audiences. Mark serves on the Governing Council of the British Paramedic Association, where he is also Treasurer and is a member of the Resuscitation Council (UK) Sub-Committee for EPLS as well as other Paediatric Course Steering Committees across the UK.

## **Council and committee meetings**

5 April 2006	Registration
6 April 2006	Approvals Panel
11 April 2006	Education and Training Committee
12 April 2006	Health
19 April 2006	Investigating
20 April 2006	Conduct and Competence
27 April 2006	Remuneration Committee and Finance and Resources
2 May 2006	Audit
11 May 2006	Council
17 May 2006	Approvals Committee and Approvals Panel
24 May 2006	Communications
12 June 2006	Audit
13 June 2006	Education and Training Committee and Approvals Panel
22 June 2006	Finance and Resources
28 June 2006	Audit
6 July 2006	Council (last meeting of 2005-6 Council)
7 July 2006	Annual Meeting (first meeting of 2006-7 Council)
11 July 2006	Council and Approvals Panel
28 July 2006	Finance and Resources
3 August 2006	Approvals Panel (cancelled)
5 September 2006	Approvals Committee and Approvals Panel
7 September 2006	Health

12 September 2006	Council
14 September 2006	Investigating
18 September 2006	Finance and Resources
19 September 2006	Conduct and Competence
26 September 2006	Audit
28 September 2006	Education and Training Committee
4/5 October 2006	Council and away day
10 October 2006	Approvals Panel
27 October 2006	Communications
2 November 2006	Approvals Committee and Approvals Panel
7 November 2006	Health
16 November 2006	Investigating
20 November 2006	Finance and Resources
22 November 2006	Conduct and Competence
5 December 2006	Education and Training Committee and Approvals Panel
6 December 2006	Audit
14 December 2006	Council
16 January 2007	Health
23 January 2007	Investigating
30 January 2007	Conduct and Competence
1 February 2007	Education and Training Panel
7 February 2007	Finance and Resources
27 February 2007	Communications

28 February 2007	Audit
8 March 2007	Remuneration
21 March 2007	Finance and Resources
27 March 2007	Audit
28 March 2007	Education and Training Committee and Education and Training Panel
29 March 2007	Council

### Council meeting attendance

Member	May	July*	July**	Sept	Oct	Dec	Mar
	2006	2006	2006	2006	2006 ✧	2006	2007
Mr Paul Acres	✓	✓	✓	✓	✓	✓	x
Professor N Brook (1)	x	✓					
Professor Karen Bryan (2)							x
Mrs Jacki Pearce (A)				x	✓	✓	✓
Mr John Camp (3)	✓	✓	✓	✓	✓	✓	
Mrs Shaheen Chaundhry(4)	✓	✓	x	✓	✓	✓	
Mrs Mary Clark-Glass	✓	✓	✓	✓	✓	✓	✓
Mr Robert Clegg	✓	✓	✓	x	✓	✓	✓
Mr Morgwn C Davies	x	✓	✓	✓	✓	✓	✓
Mr Douglas Proctor (A)	x				✓		
Ms Helen Davis	✓	✓	✓	✓	✓	✓	✓
Mrs Patricia Blackburn (A)					✓		
Miss Gail Darwent(5)	✓	x					
Mr Peter Douglas (6)						✓	✓
Mrs Sheila Drayton	x	✓	x	x	✓	✓	✓
Miss Elizabeth Ellis (7)			✓	✓	✓	✓	✓
Mrs Sue Griffiths (A) (8)					✓		
Ms Christine Farrell	✓	✓	✓	✓	x	✓	✓
Dr Christopher H Green (9)	x	✓	✓	✓	✓	✓	
Mrs Daisy Haggerty (A)	✓				✓		x
Professor John Harper	x	✓	x	x	✓	x	✓
Professor Tony Hazell	✓	✓	✓	✓	✓	✓	✓
Dr Robert Jones (10)	x	x					
Mrs Ros Levenson	✓	✓					
Professor Jeff Lucas	x	✓	✓	✓	✓	✓	✓
Miss Morag MacKellar	✓	✓	✓	✓	✓	✓	✓
Miss Gill Pearson (A)					x		
Mr Pat McFadden	✓	✓	x	✓	✓	✓	✓
Mr Mark Woolcock (A)					✓		
Mr William Munro	x	✓	x	x	x	✓	✓
Mr Ozan Altay (A)			x	x	✓		
Mr Keith Ross	✓	✓	✓	✓	✓	✓	x
Miss Pam Sabine	x	✓	x	✓	✓	✓	✓
Mrs Jacqueline Sheridan (A)	✓				✓		
Professor Graham N Smith (11)						✓	x
Miss Eileen Thornton (A)	✓	x	✓	x	✓		✓
Mrs Barbara Stuart	✓	✓	✓	✓	✓	✓	✓
Mr Simon Taylor	✓	✓	✓	x	x	✓	x
Mr Alan Mount (A)				x	✓		
Mrs Annie Turner	✓	✓	✓	x	✓	✓	✓

Professor Carol Lloyd (A)				✓	✓		
Professor Diane Waller	✓	✘	✓	✓	✘	✓	✓
Ms Helen Patey (A)					✘		
Dr A van der Gaag	✘	✓	✓	✓	✓	✓	✓

### Key

- ✓ Attended
- ✘ Apologies received for absence
- (A) Alternate Member
- ✧ Council Meeting and Away Day
- \* Final meeting of 2005-6 Council
- \*\* First meeting of 2006-7 Council
- (1) Until 8 July 2006
- (2) Appointed 12 March 2007
- (3) Resigned 8 January 2007
- (4) Resigned 25 January 2007
- (5) Until 8 July 2006
- (6) Appointed 17 October 2006
- (7) Appointed 9 July 2006
- (8) Appointed 9 July 2006
- (9) Resigned 19 March 2007
- (10) Until 8 July 2006
- (11) Appointed 27 October 2006

## Committee meeting attendance

### Education and Training Committee

Member	April 2006	June 2006	September 2006	December 2006	March 2007
Eileen Thornton	√	X	√	√	√
Shaheen Chaudhry (1)	√	√	√	√	
Gail Darwent (2)	√	√ (part)			
Helen Davis	√	√ (part)	√	√	√
Sheila Drayton	√	√ (part)	√	√	√
Elizabeth Ellis (3)			√	X	√
Christine Farrell	√	√	X	√	√
Christopher H Green (4)	X	√ (part)	√	√	
John Harper	X	√	X	X	√
Tony Hazell	√	√	√	√	X
Stephen Hutchins	X	√	√	√	√
Carol Lloyd	√	√	X	√	√
Jeff Lucas	X	X	X	√	X
Patrick McFadden	√	X	√	√	X
Alan Mount	√	√	X	√	X
Gill Pearson	X	X	√	√	√
Doug Proctor	X	√	X	√	X
Pam Sabine	√	√	√	√	√
Barbara Stuart	√	√	√	√	√
Anna van der Gaag (5)	√	√			
Diane Waller	X	X	√	X	√

√ Attended

X Apologies for absence received

(1) Member of Council until 25 January 2007

(2) Member of Council until 8 July 2006

(3) Appointed to Council from 9 July 2006

(4) Member of Council until 19 March 2007

(5) Elected as President 11 July 2006 and therefore ceased to be a Committee member



## Investigating Committee

Member	April 2006	September 2006	November 2006	January 2007
Nigel Callaghan	√	√	√	√
Shaheen Chaudhry	√	x	√	x
Robert Clegg	x	x	√	√
Christine Farrell	√	part	√	√
Daisy Haggerty	√	√	x	√
Morag MacKellar	√	√	x	√
William Munro	√	√	x	√
Simon Taylor	√	√	x	x
Diane Waller	√	x	√	x
Mark Woolcock (1)				√

√ Attended

X Apologies for absence received

(1) Member of Council from 9 July 2005; appointed to Committee 14 December 2006

## Conduct and Competence Committee

Member	April 2006	September 2006	November 2006	January 2007
Mary Clark-Glass	√	√	x	√
Helen Davis	x	√	√	√
Carol Lloyd	√	√	√	√
Pat McFadden	√	√	√	√
Helen Patey	x	x	√	√
Doug Proctor	√	√	√	x
Keith Ross	√	√	√	√
Pam Sabine	√	√	√	√
Gopal Sharma	√	√	x	√

√ Attended

X Apologies for absence received

## Health Committee

Member	April 2006	September 2006	November 2006	January 2007
Ozan Altay	√	√	x	x
Patricia Blackburn	x	x	√	x
Morgwn Davies	√	√	√	√
Peter Douglas (1)				√
Sheila Drayton	√	√	√	√
Tony Hazell	√	√	√	√
Christina Kenny	√	√	x	√
Ros Levenson (2)	√			
Jacki Pearce	√	√	√	√
Annie Turner (3)		√	x	√

√ Attended

X Apologies for absence received

(1) Appointed to Council 17 October 2006; appointed to Committee 14 December 2006

(2) Member of Council until 8 July 2006

(3) Member of Council from 9 July 2006; appointed to Committee 14 September 2006

## Registration Committee

Member	April 2006
Ozan Altay	√
Patricia Blackburn	x
John Camp	x
Christopher H Green	√
Helen Patey	√
Doug Proctor	√
Simon Taylor	√
Annie Turner	√
Anna van der Gaag	x
Mark Woolcock	x

√ Attended

X Apologies for absence received

## Communications Committee

Member	May 2006	October 2006	February 2007
Paul Acres	√	√	X
Ozan Altay (1)		X	√
Mary Clark-Glass	√	X	√
Christine Farrell	X	√ (part)	√
Daisy Haggerty (2)		√	√
Ros Levenson (3)	√		
Morag MacKellar	√	√	√
Pat McFadden	√	√	√
Annie Turner (4)		√	√
Anna van der Gaag (5)	√		

√ Attended

X Apologies for absence received

(1) Member of Council from 9 July 2005; appointed to Committee 12 September 2006

(2) Member of Council from 9 July 2005; appointed to Committee 12 September 2006

(3) Member of Council until 8 July 2006

(4) Member of Council from 9 July 2006; appointed to Committee 12 September 2006

(5) Member of Council from 9 July 2005; member of Committee until 8 July 2006

## Finance and Resources Committee

Member	April 2006	June 2006	July 2006	September 2006	November 2006	February 2007	March 2007
Robert Clegg	√	√	√	√	√	√	√
Patricia Blackburn (1)				X	√	X	X
Norma Brook (2)	√	√					
John Camp (3)	√	√	√	X	√		
Mary Clark-Glass	X	√	√	√	√	√	√
Morgwn C Davies	√	√	√	√	√	√	√
Peter Douglas (4)						X	√
Sheila Drayton	X	√ (part)	√	X	√	√ (part)	X
Robert Jones (5)	X	√					
William Munro	X	√	X	√	√	√	X
Daniel Ross	√	X	√	√	√	X	√
Keith Ross	√	X	X	√	√ (part)	√	X
Jacqueline Sheridan	√	√	√	√ (part)	X	√ (part)	X
Barbara Stuart	√	√	√	√	√	√	√

√ Attended

X Apologies for absence received

(1) Member of Council from 9 July 2005; appointed to Committee 12 September 2006

(2) Member of Council until 8 July 2006

(3) Member of Council until 8 January 2007

(4) Appointed to Council 17 October 2006

(5) Member of Council until 8 July 2006

## Audit Committee

Member	May 2006	12 June 2006	28 June 2006	September 2006	December 2006	February 2007	March 2007
Paul Acres	√	√	√ (part)	√	√	√	√
Tony Hazell	√	√	√	√	√	√	√
Richard Kennett	√	√	X	√	√	√	√
Carol Lloyd	√	√	√	X	√	√	√
Doug Proctor	√	√	√	√	√	X	X
Graham Smith (1)						√	X

√ Attended

X Apologies for absence received

(1) Appointed to Committee 9 January 2007

## Approvals Committee

Member	May 2006	September 2006	November 2006
John Harper	√	X	√
Shaheen Chaudhry	√	√	X
Helen Davis	√	√	√
Sue Griffiths (1)		X	√
Tony Hazell	X	X	X
Jeff Lucas (2)	X		
Alan Mount	X	√	√
Gill Pearson	√	√	√
Eileen Thornton	X	√	X
Annie Turner	X	√	√
Diane Waller	√	X	√
Mark Woolcock	√	√	√

√ Attended

X Apologies for absence received

(1) Appointed to Council 9 July 2006

(2) Resigned from Committee 11 July 2006

## **The five principles of good regulation**

### **Proportionality**

Regulators should only intervene when necessary. Remedies should be appropriate to the risks posed, and costs identified and minimised.

### **Accountability**

Regulators must be able to justify decisions, and be subject to public scrutiny.

### **Consistency**

Government rules and standards must be joined up and implemented fairly.

### **Transparency**

Regulators should be open, and keep regulations simple and user friendly.

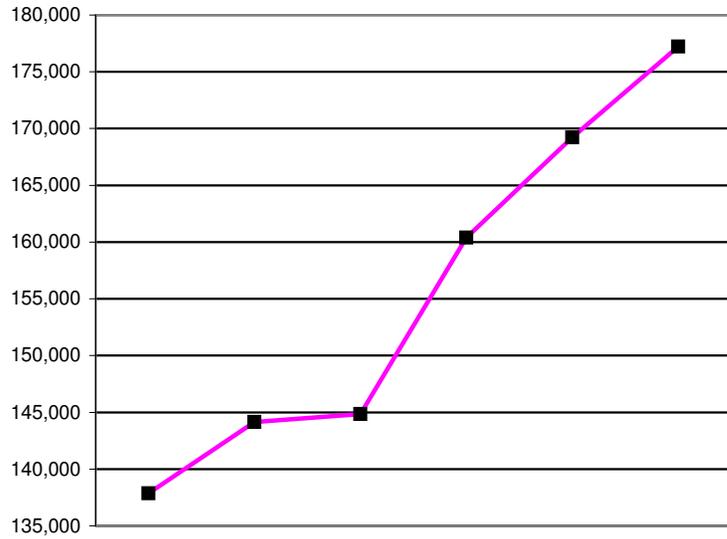
### **Targeting**

Regulation should be focused on the problem, and minimise side effects.

The Better Regulation Task Force is an independent body that advises Government on action to ensure that regulation and its enforcement agree with the five principles of good regulation. Their publication 'Principles of Good Regulation' was last revised in February 2003 and is available on their website at [www.brtf.gov.uk](http://www.brtf.gov.uk)

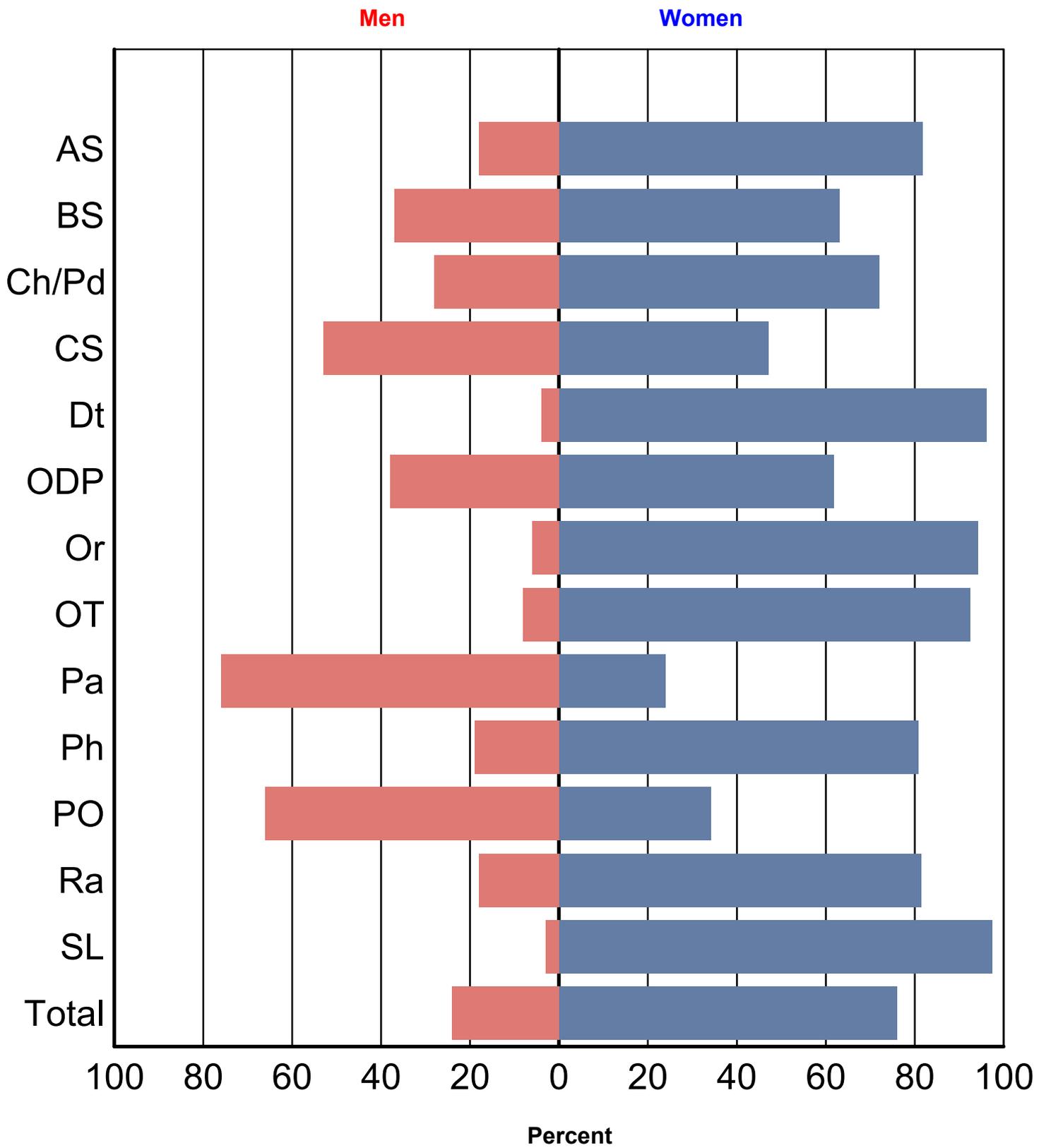
Government departments and independent regulators should use them when considering new proposals and evaluating existing regulations.

**Number of registrants 2001-2007**



	2001/2	2002/3	2003/4	2004/5	2005/6	2006/7
<b>Total</b>	137,857	144,141	144,834	160,381	169,235	177,230

# Percentage of men and women in each profession 2007

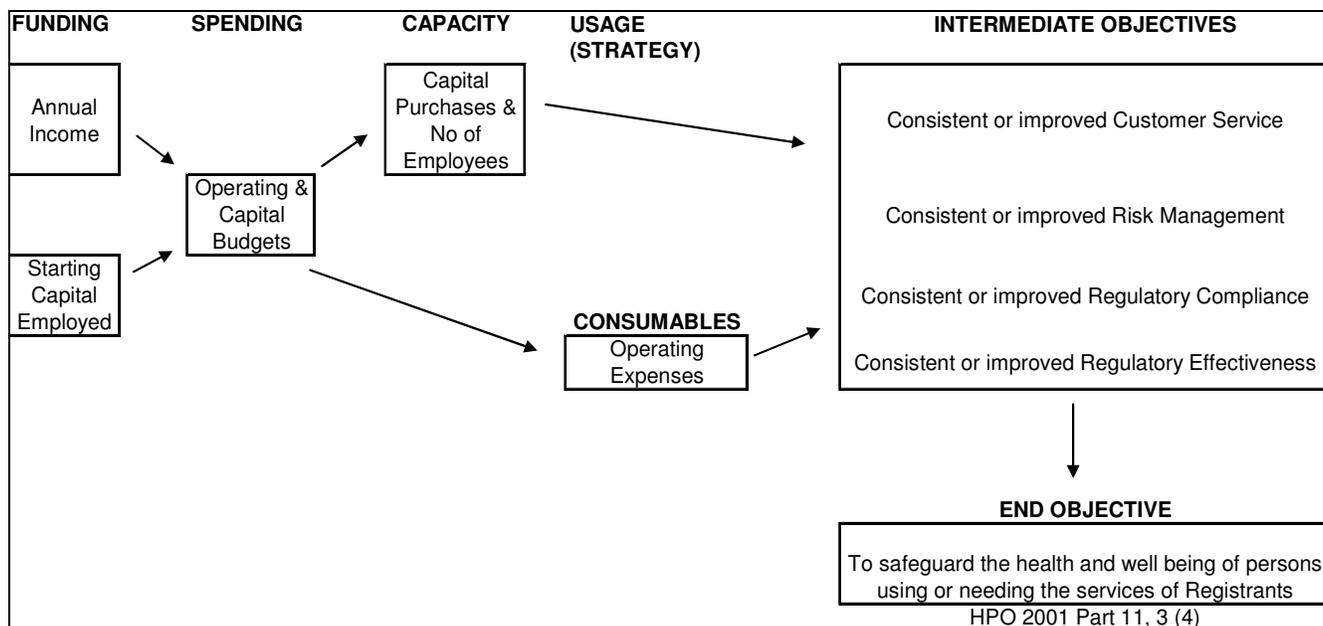


## MANAGEMENT COMMENTARY

The objectives, functions and legislative background of the Health Professions Council are outlined on PXX under "The Council".

### Key operating statistics and commentary

The Key Operating Statistics have been re-grouped according to the following high level model linking HPC's objectives with funding, spending, capacity and usage in order to help readers understand the broad relationships between the Key Operating Statistics themselves.



Year End figures unless otherwise indicated	2002/03	2003/04	2004/05	2005/06	2006/07
<b>FUNDING</b>					
Total Operating Income	£5,818,606	£6,965,174	£10,037,615	£10,988,027	£10,511,525
Starting Capital Employed*		£1,761,795	£1,050,853	£743,706	£2,347,750
<b>CAPACITY</b>					
Capital Purchases	£1,294,917	£513,618	£98,843	£1,040,355	£543,699
Average number of FTE** permanent employees	51	55	66	76	80
<b>USAGE</b>					
Total Operating Expenditure	£6,800,711	£8,299,075	£10,367,125	£10,105,549	£10,502,421
<b>INTERMEDIATE OBJECTIVES</b>					
Registrant Numbers	144,141	144,834	160,381	169,235	177,230
No of professions regulated	12	12	13	13	13
Number of Fitness to Practise allegations	70	134	172	316	322
Number of Fitness to Practise cases			102	140	222

\* Assumes asset book value equals realisable value.

\*\* FTE is full time equivalent employees. Temporary/Agency contractors are not included.

Number of Fitness to Practise cases not recorded for years 2002/03 and 2003/04.

The number of permanent and fixed temp (non agency) contractors at 31 March was 79.2.

In the four years since March 2003, net registrant numbers have risen 23%. This includes taking on one new Health Profession (Operating Dept Practitioners). During that time, the average number of registrants per profession regulated has also risen from about 12,000 to 13,600. Income growth during that time has not come from fee changes, but instead from growth within each profession in the number of applicants,

registrants, renewals and from regulating an additional profession. The largest income growth contributions have come from biomedical scientists, chiropodists/podiatrists, occupational therapists, physiotherapists and radiographers.

Over the same four year period, Operating Income per Permanent Employee FTE has risen from about £114,000 to £131,000, highlighting income rising at a faster rate than permanent employee FTE growth. However outsourced professional costs including legal costs have also been steadily rising and need to be funded adequately for HPC to perform its fitness to practise obligations.

Although the accounting “bottom line” has moved from deficit to surplus during this period, some costs such as investment to improve Registration systems and building refurbishment costs are incurred unevenly over time.

### **Fee Rise**

In late March 2007, following an extensive consultation process with stakeholders, the Council approved a fee rise to take effect from June 2007. This is the first fee rise proposed since mid 2003. In the interim, operating costs, particularly in the Fitness to Practise area, have been steadily rising. Under the HPC Fees Order legislation, the HPC is limited in the type of services it can charge for. Apart from a small amount of investment income, the HPC derives its funding solely from the fees charged to Registrants and those applying to join the HPC Register.

### **Risks and Uncertainties affecting HPC’s long term position**

HPC maintains an organisation wide Risk Register, cataloguing what the Council perceive to be the key risks facing the organisation in the short to medium term – refer the Accounting Officer’s Statement on Internal Control under “The Risk and Control Framework” for more information.

Over the longer term (4 years plus), regarding funding, there is uncertainty in several areas. These include;

- a) Accurately forecasting the volumes for the number of new health graduates applying to join the HPC Register, the number of International applicants, the number of Readmissions and the rate of Deregistration of Registrants (retirement etc) by profession.
- b) Accurately forecasting the magnitude of future fee changes.
- c) Accurately forecasting the list and timing of aspirant groups wanting to become regulated by the HPC.

Regarding spending, there is uncertainty in several areas. These include:

- a) Accurately forecasting the cost impacts (timing and magnitude) of compliance with the Government paper published in early 2007 titled “Trust, Assurance and Safety”. The White Paper indicated that Revalidation of “Non medical specialists” including the existing professions currently regulated by the HPC, would need to be in place by 2011. The White paper also referred to the need for the existing health care regulators to consider the regulation of Health Care Assistants. Other potential costs for Health care regulators include; those relating to selective language testing, student/trainee registrations, post registration qualification record-keeping, harmonisation of regulation between the regulators and annual Equality and Diversity reporting to Parliament.
- b) Accurately forecasting the increase in Fitness to Practise allegations and the total cost of Fitness to Practise hearings.
- c) Accurately forecasting the cost impacts (timing and magnitude) of some capital infrastructure projects, including software enhancements, software upgrades and building works. These are dependant on the timing of some of the White Paper changes implemented.

Regarding key relationships with stakeholders that might affect the HPC’s long term position, refer earlier sections on “Communications Committee” and “Communicating with the Public”. Two of the HPC’s key stakeholder groups are the fee-paying Registrants themselves and central Government. In order to achieve the principles of good regulation, the HPC invests much time and effort in maintaining close links with its stakeholders, including holding regular listening events, running consultations, writing letters to Registrants, updating the HPC website and attending Government led meetings to provide input and be briefed on forthcoming changes. The main issues impacting the HPC’s long term position, arising from contact with the HPC’s stakeholders are outlined above.

### **Financial review**

There was a retained surplus of income over expenditure after tax of £235,063 (2005/06 surplus of £984,601) for the year, which is set out in these financial statements. Total recognised gains for the year totalled £235,083 (2005/06 gains of £1,604,044). At 31 March 2007 reserves had increased to £2,582,813 (2005/06 £2,347,750).

Net Investment income, including gains or losses on sale of investments, totalled £264,503 (2005/06 £429,241).

The balance sheet of the organisation shows fixed assets totalling £3,713,947 (2005/06 £3,578,960). Of this tangible fixed assets continue to be mostly freehold land and buildings. The investment portfolio is managed by professional fund managers with a market value at 31 March 2007 of £1,848,268 (2005/06 £1,714,190). Cash at bank and on deposit rose to £4,049,524 (2005/06 £4,001,928). There was deferred income of £5,428,607 (2005/06 £5,477,771) being registration and renewal fees received in advance.

### **22/26 Stannary Street Limited**

The financial information relating to the property subsidiary company 22-26 Stannary Street Ltd can be found in Note 16 of these financial statements for the year ending 31 March 2007. The Fixed Assets valuation at 31 March 2007 includes building refurbishment costs incurred in the year ending 31 March 2007. Planning approval was obtained in April 2007 to proceed with the building refurbishment.

### **Remuneration Report**

The remuneration levels for the Chief Executive and Executive Management Team (EMT) are reviewed annually by the Remuneration Committee after due consideration for annual performance and changes in the London labour markets. None of the HPC employee roles require the employee to have a health practitioner's background. Regarding labour market benchmarking of HPC employee roles, external labour market rating agencies are routinely used to assess remuneration levels, based on the job description outlined for each type of role.

In the HPC remuneration package, for employees passing their three month probationary period, they can elect to join the contributory pension scheme. The contribution levels in the current employment contract at 31 March were 16.5% basic salary, employer contribution rate and a minimum of 3% basic salary, employee contribution rate. No performance bonuses are payable to any employees.

The employment contract for senior (departmental) managers requires a termination notice period of three months to be given by the employee after successfully completing their three month probationary period. At 31 March 2007, there were no provisions relating to compensation for early termination of any employees and no significant awards were made in respect of early termination made to past senior managers.

The Chief Executive and Registrar's total remuneration was £144,124 (2005/06 £141,743). This includes basic pay as well as pension contributions paid by the Council of 20,412 (2005/06 £22,330). The Chief Executive and Registrar is an ordinary member of the FlexiPlan 1 Pension Scheme (see note 15). His total pensions capital excluding additional voluntary contributions is £113,394 (2005/06: £85,517). His age is 53. The Chief Executive and Registrar does not receive any bonuses. No other senior staff salaries are disclosed, as decision making is vested in the Council members.

Council members do not receive any remuneration for their services but receive an attendance allowance when they attend Council Committee meetings or carry out Partner work. Such allowances, totalling £216,644 (2005/06 £185,719), were accrued and paid to 45 (2005/06 - 45) members. Attendance allowances over £5,000 accrued and paid direct or via their employer were as follows:

<b>Council Member</b>	<b>Role</b>	<b>Paid direct to Council Member or via employer</b>	
Anna Van Der Gaag	President	£	31,200.00
Tony Hazel	Lay council member	£	12,837.00
Robert Clegg	Lay council member	£	11,974.00
Carol Lloyd	Alternate council member	£	10,860.00
Mary Clark-Glass	Lay council member	£	10,566.00
Keith Ross	Lay council member	£	9,800.00
Annie Turner	Registrant council member	£	9,340.00
Helen Davis	Registrant council member	£	9,330.00
Babara Stuart	Lay council member	£	9,170.00
Morgwn Davies	Registrant council member	£	8,840.00
Christine Farrell	Lay council member	£	8,220.00

Diane Waller	Registrant council member	£	7,520.00
Jacqueline Pearce	Alternate council member	£	7,248.66
Sheila Drayton	Lay council member	£	7,212.00
Paul Acres	Lay council member	£	6,780.00
Pam Sabine	Registrant council member	£	6,460.00
Shaheen Chaudhry	Former lay council member	£	6,440.00
Morag MacKellar	Registrant council member	£	5,526.00
Richard Kennett	Accountant	£	5,320.00
Jacqueline Sheridan	Alternate council member	£	5,320.00

### **Council and committee member expenses and fees**

Following a review of how the HPC reimburses Council and Committee member allowance fees and expenses, it was found that the council would have an obligation to pay the associated PAYE and National Insurance on expenses and National Insurance contribution on attendance allowance fees paid. On review of the expenses and fees paid in the last four years to March 2006, it was noted that a total of £407,624 should have been paid as PAYE and Employer's National Insurance. A financial provision for this amount was recognised in previous years accounts. This provision is still included in the accounts, within the creditors section.

### **Key Supplier Contracts and the better payment practice code**

The HPC has key supplier contracts relating to services that are a key part of fulfilling its function as a Regulator. These include instructing a legal firm to provide legal services relating to conducting Fitness to Practise hearings, obtaining ongoing legal advice from an external Parliamentary Agent, ensuring IT system support contracts and nightly data back up procedures are in place. A further key contract relates to outsourcing the 22-26 Stannary St building refurbishment work.

It is Council policy to observe the principles of the better payment practice code by settling all undisputed invoices within 30 days. By the end of the financial year this was being attained in most cases. No interest was paid during the year under the Late Payment of Commercial Debts (Interest) Act 1998.

### **Disabled employees and equal opportunities**

The Council is an equal opportunities employer and provides employment opportunities and advancement of all suitably qualified persons regardless of age, sex, religion, ethnic origin, marital status, dependants, disability or political beliefs. The Council does not regard disablement as a bar to recruitment or advancement; selection is based upon the ability of the individual to do the job.

### **Employee involvement**

The Council places considerable reliance on the involvement of its employees in achieving organisational objectives. It also makes considerable effort to ensure that all staff are kept informed of the Council's plans and developments.

Typical channels of employee communication include but are not limited to; weekly meetings of the Executive Management Team, Management Review meetings, all-staff meetings, all-staff e-mail broadcasts, employee induction training and employee attendance of public meetings of the Council.

### **Corporate, Social and Environmental Initiatives**

Work on developing appropriate policies relating to Corporate, Social and Environmental responsibilities is underway. In the meantime, the HPC has undertaken a number of initiatives including the following; conducting a departmental team-building exercise to improve the facilities and play ground at a local youth centre, encouraging employees to switch off electrical appliances overnight to save power, using recycled printer cartridges and recycling old ones, eliminating legacy car parks to encourage greater use of public transport and installing bike racks in front of HPC premises, space permitting, to enable bicycle commuting by employees. For the period April 2006 to March 2007, 32.9 tonnes, (equivalent to 559 trees) of confidential waste paper material has been recycled,

### **Health and safety**

The Council is committed to adhering to the Health and Safety at Work Act 1974 and other related UK and European requirements to ensure that employees, Partners, Council members, Committee members and external visitors to HPC work premises enjoy the benefits of a safe work environment.

**Audit Information**

The Council confirms that there is no relevant audit information of which the auditors are unaware, and have taken steps to ensure that they are aware of relevant audit information. The Council have established that the company's auditors are aware of the information.

**Auditors**

The Council Members, having been notified of the cessation of the partnership known as Baker Tilly, resolved that Baker Tilly UK Audit LLP be appointed as successor auditor with effect from 1 April 2007, in accordance with the provisions of the Companies Act 1989, s26(5). Baker Tilly UK Audit LLP has indicated its willingness to continue in office.

By order of the Council

Dr Anna van der Gaag  
**President**

Marc J Seale  
**Chief Executive**

DRAFT

# **Health Professions Council**

## **CONSOLIDATED REPORT AND FINANCIAL STATEMENTS**

for the year ended  
31 March 2007

DRAFT

## **Statement of Responsibilities of the Council and its Chief Executive in Respect of the Accounts**

The accounts are prepared in accordance with the Accounts Direction from the Privy Council which requires the accounts to be prepared in accordance with HM Treasury Guidance on the keeping and preparation of accounts for non-Departmental Public Bodies.

The Health Professions Order 2001 requires that annual accounts are prepared and audited. The Council and the Chief Executive (as Accounting Officer) are responsible for the preparation and the approval of accounts. In preparing those accounts they are required to:

- observe the application accounts direction issued by the Treasury;
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- follow applicable accounting standards, subject to any material departures disclosed and explained in the accounts;
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the Council will continue in business.

The Council and its Chief Executive are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Council and to enable them to ensure that the financial statements comply with the provision of the Health Professions Order 2001. They are also responsible for safeguarding the assets of the Council and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Accounting Officer for the Privy Council has appointed the Chief Executive as the Accounting Officer for the Council. His relevant responsibilities as Accounting Officer, including his responsibility for the propriety and regularity of the public finances and for the keeping of proper accounting records, as set out in the non-Departmental Public Bodies' Accounting Officer Memorandum issued by the Treasury and published in the Government Financial Reporting Manual (FReM).

## **Accounting Officer's Statement on Internal Control**

### **Scope of responsibility**

As Accounting Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of the Council's policies, aims and objectives, whilst safeguarding the Council's assets for which I am personally responsible, in accordance with the responsibilities assigned to me by the Privy Council.

### **The purpose of the system of internal control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve, policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Council's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

### **Capacity to handle risk**

The Council vests the responsibility of its risk management process in its Executive Management Team, which is responsible for formulating methods of mitigating identified risks and for formulating a business continuity plan. The Executive Management Team are responsible for ensuring that employees and visitors to HPC premises are suitably briefed, and trained where necessary.

### **The risk and control framework**

Current risks have been identified and evaluated as to their significance and probability of occurrence. All such risks have been assigned a risk owner who is responsible for managing and mitigating the risk. Risk management is an ongoing process and the Audit Committee reviews the latest Risk Assessment Register twice a year. Risks identified in the Risk Register are also referred to in approved departmental work plans.

Risk mitigation occurs in a variety of ways. Examples include; monitoring regular management information (exception reporting), hedging risk through taking out suitable insurance cover, diversification, maintaining administrative procedures including the segregation of duties, providing employee training, monitoring legislative changes for their impact on HPC operations and maintaining a system of accountability. To elaborate, it includes:

- ensuring consideration of the Council's strategic objectives in reacting to change brought about by UK legislation and other external pressures;
- reviewing operating procedures particularly with regard to having the right infrastructure in place; including employees being properly briefed and trained in order to maintain and improve service standards,
- ensuring that corporate governance best practice, as appropriate to the Council, is maintained and updated to meet changing requirements;
- constructing comprehensive budgeting and forecasting models to compile an annual Budget and Five Year Plan which are reviewed and agreed by the Council;
- ensuring regular reviews by the Finance and Resources Committee of monthly and annual financial performance against forecasts;
- ensuring ongoing audits by the Internal & External Auditors, and specialist Information Technology/Service security providers;
- obtaining external specialist advice on legislative compliance in a range of areas;
- setting performance targets to measure financial and other performance, including individual goals and objectives for departments and managers;
- clearly defining and monitoring procedures for the authorisation and control of revenue and expenditure;
- operating within the dictates of the Financial Regulations (Standing Financial Instructions), financial policies & procedures; and
- ensuring clear documentation of operating procedures and processes to maintain ISO accreditation.

**Review of effectiveness**

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors, the external auditors and the executive managers within the organisation who have responsibility for the development and maintenance of the internal control framework, and comments made by the external auditors in their management letters and other reports.

**Internal Auditors**

Following the resignation of the internal auditors in May 2005, HPC tendered for new Internal Auditors and the Council appointed PKF (UK) LLP as HPC's new internal auditors in May 2006. During the financial year, Internal audits were carried out in a number of key areas including; the Human Resources dept, Finance dept, Fitness to Practise dept, Corporate Governance and Risk Management, Information Systems and Information Technology dept and the Stannary St building refurbishment project.

**Audit Information**

I confirm that there is no relevant audit information of which the auditors are unaware, and I have taken steps to ensure that they are aware of relevant audit information. I have established that the company's auditors are aware of the information.

**Marc J Seale**

Chief Executive and Registrar  
Accounting Officer

DRAFT

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HEALTH PROFESSIONS COUNCIL**

We have audited the financial statements on pages **XX to XX**.

This report is made solely to the 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 auditors' 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 company and the company's members as a body, for our audit work, for this report, or for the opinion we have formed.

We certify that we have examined the financial statements on pages **XX to XX** in accordance with Section 46(2) of the Health Professions Order 2001. These financial statements have been prepared under the historic cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out on pages **XX and XX**.

### **Respective responsibilities of the Council, the Chief Executive and the Auditor**

As described on page **XX**, the Council and the Chief Executive are responsible for the preparation of the financial statements in accordance with the Health Professions Order 2001 and Privy Council directions made thereunder, and for ensuring the regularity of financial transactions. The Council and its Chief Executive are also responsible for the preparation of the other contents of the Annual Report. Our responsibilities, as independent auditors, are established by statute and we have regard to the standards and guidance issued by the Auditing Practices Board and the ethical guidance applicable to the auditing profession.

We report our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with Section 46(1)(b) of the Health Professions Order 2001 and Privy Council directions made thereunder, and whether in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them. We also report if, in our opinion the Management Commentary is not consistent with the financial statements, if the Council has not kept proper accounting records, or if we have not received all the information and explanations we require for our audit.

We review whether the statement on pages **XX and XX** reflects the Council's compliance with Treasury's guidance on the Statement on Internal Control. We report if it does not meet the requirements specified by the Treasury or if the statement is misleading or inconsistent with other information we are aware of from our audit of the financial statements. We are not required to consider, nor have we considered, whether the Accounting Officer's Statement on Internal Control covers all risks and controls. We are also not required to form an opinion on the effectiveness of the Council's corporate governance procedures or its risk and control procedures.

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 President's Statement, the Chief Executive and Registrar's report and the reports on pages **X to XX (Front Section)**. 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 audit 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, disclosures and regularity of financial transactions included in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Council and Chief Executive 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 error, or by fraud or other irregularity and that, in all material respects, the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them. In forming our opinion we have 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 the Health Professions Order 2001 and directions made thereunder by the Privy Council, of the state of the Health Professions Council's affairs as at 31 March 2007 and of its surplus for the year then ended;
- the financial statements and the part of the Remuneration Report to be audited have been properly prepared in accordance with the Health Professions Order 2001 and the Privy Council directions made thereunder; and
- information given within the Annual Report, which comprises the Management Commentary and Remuneration Report, is consistent with the financial statements.

**Audit Opinion on Regularity**

In our opinion, in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions confirm to the authorities which govern them.

Baker Tilly UK Audit LLP  
Registered Auditor  
Chartered Accountants  
2 Bloomsbury Street  
London WC1B 3ST

DRAFT

## **THE CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE HOUSES OF PARLIAMENT**

I certify that I have audited the financial statements of the Health Professions Council for the year ended 31 March 2007 under the Article 46(5) of the Health Professions Order 2001. These comprise the Income and Expenditure Account, the Balance Sheet, the Cashflow Statement and Statement of Total Recognised Gains and Losses and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration Report that is described in that report as having being audited.

### **Respective responsibilities of the Council, the Chief Executive/ Accounting Officer and auditor**

The Council and Chief Executive as Accounting Officer are responsible for preparing the Annual Report, the Remuneration Report and the financial statements in accordance with the Health Professions Order 2001 and Privy Council directions made there under and for ensuring the regularity of financial transactions. These responsibilities are set out in the Statement of Responsibilities and Chief Executive's/Accounting Officer's Responsibilities.

My responsibility is to audit the financial statements and the part of the remuneration report to be audited in accordance with relevant legal and regulatory requirements, and with International Standards on Auditing (UK and Ireland).

I report to you my opinion as to whether the financial statements give a true and fair view and whether the financial statements and the part of the Remuneration Report to be audited have been properly prepared in accordance with the Health Professions Order 2001 and Privy Council directions made thereunder. I report to you whether, in my opinion, certain information given in the Annual Report, which comprises the Management Commentary and Remuneration Report is consistent with the financial statements. I also report whether in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

In addition, I report to you if the Health Professions Council has not kept proper accounting records, if I have not received all the information and explanations I require for my audit, or if information specified by HM Treasury regarding remuneration and other transactions is not disclosed.

I review whether the Statement on Internal control reflects the Health Professions Council's compliance with HM Treasury's guidance, and I report if it does not. I am not required to consider whether this statement covers all risks and controls, or form an opinion on the effectiveness of the Health Professions Council's corporate governance procedures or its risk and control procedures.

I read the other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. I consider the implications for my report if I become aware of any apparent misstatements or material inconsistencies with the financial statements. My responsibilities do not extend to any other information.

### **Basis of audit opinion**

I conducted my audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. My audit includes examination, on a test basis, of evidence relevant to the amounts, disclosures and regularity of financial transactions included in the financial statements and the part of the Remuneration Report to be audited. It also includes an assessment of the significant estimates and judgments made by the Chief Executive and Accounting Officer in the preparation of the financial statements, and of whether the accounting policies are most appropriate to the Health Professions Council's circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the financial statements and the part of the Remuneration Report to be audited are free from material misstatement, whether caused by fraud or error, and that in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them. In forming my opinion I also evaluated the overall adequacy of the presentation of information in the financial statements and the part of the Remuneration Report to be audited.

Opinions

### **Audit Opinion**

In my opinion:

the financial statements give a true and fair view, in accordance with the Health Professions Order 2001 and directions made thereunder by the Privy Council, of the state of the Health Professions Council's affairs as at 31 March 2007 and of its surplus for the year then ended;

the financial statements and the part of the Remuneration Report to be audited have been properly prepared in accordance with the Health Professions Order 2001 and Privy Council directions made thereunder; and

information given within the Annual Report, which comprises the Management Commentary and Remuneration Report, is consistent with the financial statements.

**Audit Opinion on Regularity**

In my opinion, in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

**Report**

I have no observations to make on these financial statements.

John Bourn  
Comptroller and Auditor General  
National Audit Office  
157-197 Buckingham Palace Road  
Victoria  
London  
SW1W 9SP

Date

DRAFT

## Consolidated Income and Expenditure for the year ended 31 March 2007

	Notes	2007 £	2006 (restated) £
<b>INCOME</b>			
Fee income			
Registration fees		395,529	457,569
Readmission fees		230,724	305,679
Renewal fees		9,172,297	9,053,659
Pre-registration fees		612,975	1,154,670
<b>Total fee income</b>	1	<u>10,411,525</u>	<u>10,971,577</u>
Other Income		100,000	16,450
<b>TOTAL OPERATING INCOME</b>		<u>10,511,525</u>	<u>10,988,027</u>
<b>EXPENDITURE</b>			
Payroll costs	3	3,491,065	3,163,045
Staff travelling and subsistence		127,340	124,969
Council and committee expenses		495,992	451,160
Property services		272,413	183,481
Office services		774,167	837,095
Computer services		654,390	942,672
Partners (assessors and other professionals)		1,237,956	1,283,368
Legal expenses		1,878,803	1,548,887
Communications		542,147	531,451
Project Costs		162,303	-
Other expenses		865,845	1,039,421
<b>TOTAL OPERATING EXPENDITURE</b>	4	<u>10,502,421</u>	<u>10,105,549</u>
<b>Surplus for the year after operational costs</b>		9,104	882,478
Interest payable		-	(12,955)
Investment income	2	212,636	157,103
Loss on disposal of investments	9	(7,888)	(2,604)
Write back of unrealised gains on investments	9	59,755	274,742
Impairment of freehold land and buildings	10	-	(293,279)
Notional credit	5	(90,045)	(54,100)
<b>Surplus after notional credit and investment income</b>		<u>183,562</u>	<u>951,385</u>
Reversal of notional credit	5	90,045	54,100
<b>SURPLUS ON ORDINARY ACTIVITY BEFORE TAXATION</b>	6	<u>273,607</u>	<u>1,005,485</u>
Taxation	7	(38,544)	(20,884)
<b>RETAINED SURPLUS FOR THE YEAR</b>		<u><u>235,063</u></u>	<u><u>984,601</u></u>

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

The notes on pages XX to XX form part of these financial statements.

**Consolidated Statement of Total Recognised Surpluses and Deficits for the year ended 31 March 2007**

	<i>Notes</i>	2007 £	2006 (restated) £
SURPLUS FOR THE YEAR		235,063	984,601
Unrealised surplus on revaluation of freehold land and buildings		-	619,443
TOTAL RECOGNISED SURPLUS FOR THE YEAR		<u>235,063</u>	<u>1,604,044</u>
Prior year adjustment		<u>104,633</u>	
TOTAL RECOGNISED SUPPLUS SINCE LAST ANNUAL REPORT		<u><u>339,696</u></u>	

NOTE OF HISTORICAL COST SURPLUSES AND DEFICITS

	<i>Notes</i>	2007 £	2006 (restated) £
SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION		273,607	1,005,485
Difference between historic costs depreciation charge and the depreciation charge calculated on the revalued amount	8	<u>(8,815)</u>	<u>(9,185)</u>
HISTORIC COST SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>264,792</u>	<u>996,300</u>
HISTORIC COST SURPLUS ON ORDINARY ACTIVITIES AFTER TAXATION		<u><u>226,248</u></u>	<u><u>975,416</u></u>

The notes on pages **XX to XX** form part of these financial statements.

**Consolidated Balance Sheet 31 March 2007**

	Notes	2007 £	2006 (restated) £
<b>FIXED ASSETS</b>			
Tangible assets	8	3,713,947	3,578,960
<b>INVESTMENTS</b>			
Financial investments	9	<u>1,848,268</u>	<u>1,714,190</u>
		<u>5,562,215</u>	<u>5,293,150</u>
<b>CURRENT ASSETS</b>			
Debtors	11	240,153	114,348
Cash at bank and in hand	20	<u>4,049,524</u>	<u>4,001,928</u>
		4,289,677	4,116,276
CREDITORS: Amounts falling due within one year	12	(1,840,472)	(1,583,905)
DEFERRED INCOME	13	(5,428,607)	(5,477,771)
<b>NET CURRENT LIABILITIES</b>		<u>(2,979,402)</u>	<u>(2,945,400)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>2,582,813</u>	<u>2,347,750</u>
<b>Represented by:</b>			
Accumulated funds			
Revaluation reserves	14	652,189	652,189
General funds	14	<u>1,930,624</u>	<u>1,695,561</u>
		<u>2,582,813</u>	<u>2,347,750</u>

The notes on pages **XX to XX** form part of these financial statements.

Approved and authorised for issue on behalf of the Council on and signed on its behalf:

**Dr Anna van der Gaag**  
President

**MARC J SEALE**  
Chief Executive and Registrar  
Accounting Officer

**Council Balance Sheet 31 March  
2007**

	Notes	2007 £	2006 (restated) £
<b>FIXED ASSETS</b>			
Tangible assets	8	2,749,791	2,828,960
<b>INVESTMENTS</b>			
Investments in subsidiary	10	750,000	750,000
Financial investments	9	1,848,268	1,714,190
		<u>5,348,059</u>	<u>5,293,150</u>
<b>CURRENT ASSETS</b>			
Debtors	11	420,623	114,348
Cash at bank and in hand	20	4,049,524	4,001,928
		<u>4,470,147</u>	<u>4,116,276</u>
CREDITORS: Amounts falling due within one year	12	(1,812,789)	(1,591,735)
DEFERRED INCOME	13	(5,428,607)	(5,477,771)
<b>NET CURRENT LIABILITIES</b>		<u>(2,771,250)</u>	<u>(2,953,230)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>2,576,810</u>	<u>2,339,920</u>
<b>Represented by:</b>			
Accumulated funds			
Revaluation reserves	14	638,746	638,746
General funds	14	1,938,064	1,701,174
		<u>2,576,810</u>	<u>2,339,920</u>

The notes on pages **XX to XX** form part of these financial statements.

Approved and authorised for issue on behalf of the Council on and signed on its behalf:

**Dr Anna van der Gaag**  
President

**Marc J Seale**  
Chief Executive and Registrar  
Accounting Officer

**Consolidated Cash Flow Statement for the year ended 31 March 2007**

	Notes	2007 £	2006 (restated) £
<b>NET CASH INFLOW FROM OPERATING ACTIVITIES</b>	19	<u>473,863</u>	<u>2,466,964</u>
<b>RETURNS ON INVESTMENT AND SERVICING OF FINANCE</b>			
Interest received		144,621	109,917
Income from investments		68,015	47,186
Interest payable		-	(12,955)
		<u>212,636</u>	<u>144,148</u>
<b>TAXATION</b>		<u>(20,884)</u>	<u>(4,703)</u>
<b>CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT</b>			
Purchase of investment in subsidiary	10	-	(1,043,279)
Purchase of tangible fixed assets	8	(543,699)	(290,355)
Purchase of investments	9	(284,679)	(393,390)
Sale of investments	9	210,358	300,746
		<u>(618,020)</u>	<u>(1,426,278)</u>
<b>NET CASH INFLOW BEFORE FINANCING</b>		<u>47,595</u>	<u>1,180,131</u>
<b>FINANCING</b>			
Loan		-	500,000
Loan repayment		-	(500,000)
		<u>-</u>	<u>-</u>
<b>INCREASE IN CASH</b>	20 & 21	<u>47,595</u>	<u>1,180,131</u>

The notes on pages **XX to XX** form part of these financial statements.

## **ACCOUNTING POLICIES**

### **BASIS OF PREPARATION**

These financial statements have been prepared under the historical cost convention modified to account for the revaluation of fixed assets at their value to the business by reference to their current costs and in accordance with applicable accounting standards.

### **CONSOLIDATION**

The Subsidiary acquired in the year ended 31 March 2006, has been consolidated using the acquisition method. The difference between the cost of acquisition of shares in subsidiaries and the fair value of the separable net assets acquired is capitalised and written off on a straight line basis over its estimated economic life. Provision is made for impairment all financial statements are made up to 31 March 2007

### **VALUE ADDED TAX**

The Council is not registered for Value Added Tax (VAT) and all VAT borne by the Council on expenditure incurred is treated as part of the cost of the goods or services supplied. The subsidiary company is registered for VAT and all income and expenses incurred in that company are shown net of VAT.

### **TANGIBLE ASSETS**

Individual assets costing £1,000 or more are capitalised and subsequently depreciated. Items costing less than £1,000, other than PC's and laptops are written off to the income and expenditure account in the year of acquisition.

Depreciation is provided to write off the cost or valuation, less estimated residual values, of all fixed assets over their expected useful lives. It is calculated at the following rates:

Freehold buildings	2% per annum (over 50 years)
Office furniture and equipment	25% per annum (over 4 years)
Computer equipment	25% per annum (over 4 years)
Registration system software	33 1/3 % per annum (over 3 years)

Freehold properties are revalued in accordance with FRS 15 with a full valuation carried by professionally qualified Chartered Surveyors on an existing use open market value basis, in accordance with the Statement of Assets Valuation Practice No. 4 and the Guidance Notes of the Royal Institution of Chartered Surveyors, every five years.

### **GRANT INCOME AND EXPENDITURE**

All revenue grants receivable are included in the income and expenditure account when they are received. Capital grants in aid for the purchase of fixed assets in general are credited directly to the income and expenditure reserve when received.

### **FEE INCOME**

Fee income (comprising registration fees, readmission fees, renewal fees and pre-registration fees) is recognised on an accruals basis according to the period to which it relates.

### **INVESTMENT INCOME**

Bank deposit interest is credited on a received basis. Dividends and interest on fixed interest securities are recognised when due.

### **INVESTMENTS**

There are two classes, property and financial investments (funds under professional funds management e.g. equities and bonds). Financial investments are listed on a recognised stock exchange and are included on the balance sheet at market value. Surplus funds in the current account are transferred to the

business reserve account at the end of each day and either invested in a special interest bearing account or the money market.

### **COMPUTER SOFTWARE**

Computer software developed as part of a defined project is capitalised the year of acquisition and depreciated over its useful life (3 years).

### **DEFERRED TAXATION**

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 Group'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.

### **PENSIONS**

Contributions to the FlexiPlan defined contribution pension scheme are charged to the income and expenditure accounts in the year in which they become payable. The assets of the scheme are held separately from those of the Council in an independently administered fund.

### **NOTIONAL CREDIT**

In accordance with Treasury guidance, a notional charge for the cost of capital employed in the period is included in the Income and Expenditure Account along with an equivalent reversing notional income to finance the charge. The charge for the period is calculated using the Treasury's discount rate of 3.5% applied to the average value of capital employed during the period. Because of the significance of Deferred Income in contributing to the value of capital employed, the charge is shown as a notional credit.

### **PRIOR YEAR ADJUSTMENTS**

Under new Government Financial Reporting Manual (FRM) and Treasury guidelines, there has been a change in how grants-in-aid balances are now recognised and reported. For both the 2007 and 2006 comparative year, the Government Grant Reserve is now reclassified as General Funds and none of the balance of Grant-in-aid reserves is taken to the Income and Expenditure account in those years. This has the effect of reducing Grant-in-aid income in the 2006 year by £251,117 from the figure reported in the 2006 Annual Report. The Government Grant Reserve as at 31 March 2006 of £104,633 which was stated in the 2006 accounts has been credited to General Funds. For the Grant-in-aid residual balance, as this relates to software asset purchases, there is no revalued element to recognise in the Revaluation Reserve.

**Notes to the Financial Statements for the year ended 31 March 2007**

<b>1 FEE INCOME (by profession)</b>	2007 £	2006 £
Arts Therapists	151,180	132,986
Biomedical Scientists	1,327,496	1,402,594
Chiropodists and Podiatrists	770,796	1,024,038
Clinical Scientists	249,077	317,421
Dieticians	359,924	371,167
Occupational Therapists	1,624,856	1,710,281
Operating Department Practitioners	510,080	466,885
Orthoptists	73,954	74,221
Paramedics	671,191	707,435
Physiotherapists	2,461,299	2,581,029
Prosthetists and Orthotists	48,425	48,900
Radiographers	1,512,262	1,474,449
Speech and Language Therapists	650,985	660,171
	<u>10,411,525</u>	<u>10,971,577</u>
 <b>2 INVESTMENT INCOME</b>	 2007 £	 2006 £
Bank deposit interest	144,621	93,736
Investment deposit interest	5,737	4,162
Fixed interest securities	11,644	12,019
Quoted equities	50,634	47,186
	<u>212,636</u>	<u>157,103</u>
 <b>3 PAYROLL COSTS</b>	 2007 £	 2006 £
Wages and salaries	2,318,756	2,153,154
Social security costs	245,523	226,518
Pension costs	211,463	191,679
Other payroll expense including recruitment and temporary staff	715,323	591,694
	<u>3,491,065</u>	<u>3,163,045</u>

The average number of full time equivalent (FTE) permanent employees, fixed term contractors (non agency staff) and temporary/agency contractors during the year was as follows:

Department FTE's	2007	2007	2006
	Temporary/Agency Contractors	Permanent & Fixed Term Contractors	Permanent & Fixed Term Contractors
Chief Executive's Office	0.1	2	3
Approvals & Monitoring	0.1	8	7
Communications	0.3	5	7
Facilities Management	0.9	5	5
Finance	0.8	6	4
Fitness to Practise	1.5	12	8
Human Resources & Partner Office	0.8	4	3
IT Department	1.0	4	4
Operations Office	2.6	2	3
Policy and Standards	0.3	3	1
Registrations	5.0	25	27
Secretariat	0	4	4
<b>Total</b>	<b>13.4</b>	<b>80</b>	<b>76</b>

4 OPERATING EXPENDITURE	Staff costs	Other costs	2007	2006
	£	£	£	£
President	-	48,758	48,758	37,536
Chief Executive's Office	205,890	54,583	260,473	307,549
Council & Committees	-	594,217	594,217	510,318
Approvals and Monitoring	263,605	214,678	478,283	564,400
Communications	237,494	595,663	833,157	928,214
Facilities Management	180,047	791,837	971,904	811,674
Finance	280,050	232,410	512,460	728,359
Fitness to Practise	443,294	2,496,897	2,940,191	2,431,661
Human Resources & Partners Office	211,143	273,958	485,101	238,972
IT Department	219,445	683,797	903,242	1,206,052
Operations Office	302,299	42,508	344,807	
Policy and Standards	143,645	50,841	194,486	
Registrations	856,965	663,100	1,520,065	2,025,166
Secretariat	147,188	105,784	252,972	315,648
Major Projects	-	162,305	162,305	
<b>TOTAL</b>	<b>3,491,065</b>	<b>7,011,356</b>	<b>10,502,421</b>	<b>10,105,549</b>

Operations Office expenditure includes quality management costs, project management and tracking costs. These were reported under Registrations in the 2006 year comparatives. Policy costs were reported under Communications in the 2006 year comparatives. Major Projects expenditure includes expenses for the Fee Change project, the Continuing Professional Development project and the Equality and Diversity project.

<b>5 NOTIONAL CREDIT</b>	2007 £	2006 £
Cost of Capital	<u>90,045</u>	<u>54,100</u>

Notional cost of capital is calculated as 3.5% (2006: 3.5%) of the average capital employed by the Council in the year.

<b>6 OPERATING SURPLUS / DEFICIT</b>	2007 £	2006 £
This is stated after charging:		
Depreciation	408,023	692,061
Loss on disposal of fixed asset	689	-
Auditors' remuneration :		
- External audit - Baker Tilly UK LLP	50,807	43,299
- External audit - National Audit Office	10,700	12,500
- Internal audit - PKF	21,853	-
- Pension administrator costs	24,334	27,794
- Service Costs Analysis (for fee rise project) – PKF Management Consultants	27,603	-
- Tax Advice - Baker Tilly Tax & Advisory Services LLP	17,178	22,560
- Other (includes Fraud investigation and review of associated controls)	-	266,318
	<u>                    </u>	<u>                    </u>

DRAFT

7 TAXATION	2007 £	2006 £
Current tax:		
UK corporation tax on profits of the period	36,866	20,884
Adjustment in respect of prior years	1,677	-
Total current tax	<u>38,543</u>	<u>20,884</u>
Deferred taxation:		
Origination and reversal of timing differences	-	-
Total deferred tax	-	-
Tax on profit on ordinary activities	<u>38,543</u>	<u>20,884</u>
Factors affecting tax charge for period: The tax assessed for the period is lower/ (higher) than the standard rate of corporation tax in the UK (30%). The differences are explained below:		
Surplus / (deficit) on ordinary activities before tax	<u>273,607</u>	<u>1,005,485</u>
Surplus/ (deficit) on ordinary activities multiplied by standard rate of corporation tax in the UK 30% (2006: 30%)	82,082	301,646
Effect of:		
Non-taxable income	(3,158,098)	(3,316,036)
Write back of unrealised gains on investments not taxed	(17,927)	(82,423)
Loss/(gains) on disposal of investments	2,366	782
Expenses not deductible for tax purposes	3,141,462	3,116,916
Benefits of small companies starting rate relief	(16,170)	-
Capital allowances in excess of depreciation	3,150	-
Adjustment in respect of prior years	1,677	-
Current tax charge for the period	<u>38,543</u>	<u>20,884</u>

## TANGIBLE FIXED ASSETS

8

	Freehold Properties £	Office furniture and equipment £	Computer equipment £	Registration system £	Total £
<b>GROUP</b>					
Cost or valuation :					
At 1 April 2006	3,000,000	353,370	477,592	1,612,829	5,443,791
Additions	224,656	41,879	57,015	220,149	543,699
Disposals	-	-	(13,461)	-	(13,461)
31 March 2007	<u>3,224,656</u>	<u>395,249</u>	<u>521,146</u>	<u>1,832,978</u>	<u>5,974,029</u>
Depreciation :					
At 1 April 2006	-	265,963	359,270	1,239,598	1,864,831
Charge for the year	42,000	66,860	60,598	238,564	408,023
Disposals	-	-	(12,772)	-	(12,772)
31 March 2007	<u>42,000</u>	<u>332,823</u>	<u>407,096</u>	<u>1,478,162</u>	<u>2,260,082</u>
Net book value :					
At 31 March 2007	<u>3,182,656</u>	<u>62,426</u>	<u>114,050</u>	<u>354,816</u>	<u>3,713,947</u>
At 31 March 2006	<u>3,000,000</u>	<u>87,407</u>	<u>118,322</u>	<u>373,231</u>	<u>3,578,960</u>

The valuations of freehold land and buildings were made in May 2006 by Drivers Jonas, Chartered Surveyors, on an Existing Use Value basis, in accordance with the Statement of Asset Valuation Practice No 4 and the Guidance Notes of the Royal Institution of Chartered Surveyors.

A charge is held over the Park House property by Natwest Bank. This relates to a loan fully repaid in 2005. The charge remains solely to reduce administration charges, should a further loan be required in the future.

Park House, comprising the premises of 184 Kennington Park Road, London, SE11 4BU and the adjoining premises of 20 Stannary Street was valued at the sum of £2,250,000. The historic cost of the Park House property was £1,659,254 (2006: £1,659,254) and accumulated depreciation based on cost was £345,263 (2006: £312,078). 22-26 Stannary Street was valued at £750,000. Some preliminary refurbishment work was carried out and capitalised, relating to the project to refurbish the 22-26 Stannary Street premises.

<b>8 TANGIBLE FIXED ASSETS (CONTINUED)</b>	Freehold Properties	Office furniture and equipment	Computer equipment	Registration system	Total
	£	£	£	£	£
<b>COUNCIL</b>					
Cost or valuation :					
At 1 April 2006	2,250,000	353,370	477,592	1,612,829	4,693,791
Additions	-	41,879	57,015	220,148	319,042
Disposals	-	-	(13,461)	-	(13,461)
31 March 2007	<u>2,250,000</u>	<u>395,249</u>	<u>521,146</u>	<u>1,832,977</u>	<u>4,999,372</u>
Depreciation :					
At 1 April 2006	-	265,963	359,270	1,239,598	1,864,831
Charge for the year	31,500	66,860	60,598	238,564	397,522
Disposals	-	-	(12,772)	-	(12,772)
31 March 2007	<u>31,500</u>	<u>332,823</u>	<u>407,096</u>	<u>1,478,162</u>	<u>2,249,581</u>
Net book value:					
At 31 March 2007	<u>2,218,500</u>	<u>62,426</u>	<u>114,050</u>	<u>354,815</u>	<u>2,749,791</u>
At 31 March 2006	<u>2,250,000</u>	<u>87,407</u>	<u>118,322</u>	<u>373,231</u>	<u>2,828,960</u>

#### Freehold Properties

The valuations of freehold land and buildings were made in May 2006 by Drivers Jonas, Chartered Surveyors, on an Existing Use Value basis, in accordance with the Statement of Asset Valuation Practice No 4 and the Guidance Notes of the Royal Institution of Chartered Surveyors.

Park House, comprising the premises of 184 Kennington Park Road, London, SE11 4BU and the adjoining premises of 20 Stannary Street was valued at the sum of £2,250,000. The historic cost of the property was £ 1,659,254 (2006: £1,659,254) and accumulated depreciation based on cost was £ 345,263 (2006: £312,078). At the time of valuation, Drivers Jonas did not believe that there was a material difference between Existing Use Value and the Market Value of the property.

#### Computer Equipment

Computer equipment disposals were primarily replacement of servers, copier/printers and a scanner.

#### Registration System

A number of software enhancements were implemented to the core Registration system to further improve business processes and enhance internal control.

<b>9 LISTED INVESTMENTS</b>	2007	2006
	£	£
<b>GROUP AND COUNCIL</b>		
Listed as at 1 April 2006	1,714,190	1,346,804
Additions	284,679	393,390
Disposals	<u>(210,358)</u>	<u>(300,746)</u>
	1,788,511	1,439,448
 Unrealised gains on investments	 59,757	 274,742
 At 31 March 2007	 <u>1,848,268</u>	 <u>1,714,190</u>
 Historical cost value at 31 March 2007	 1,589,038	 1,401,709

All listed investments are managed on a pooled basis by a professional manager on behalf of the Council and UK held investments are listed on the London Stock Exchange.

The following investment accounts for more than 5% of the investment portfolio:

	31 March 2007		31 March 2006	
	£	%	£	%
BP ordinary shares of US\$ 0.25	-	-	85,930	5.0%

<b>10 INVESTMENTS IN SUBSIDIARY</b>	2007	2006
	£	£
<b>COUNCIL</b>		
Cost		
1 April	750,000	-
Acquisitions	-	1,043,279
31 March	<u>750,000</u>	<u>1,043,279</u>
1 April		
Asset impairment write off	-	293,279
31 March	<u>-</u>	<u>293,279</u>
Net book value		
31 March	<u>750,000</u>	<u>750,000</u>

11 DEBTORS	GROUP		COUNCIL	
	2007 £	2006 £	2007 £	2006 £
Other debtors	42,692	29,740	24,322	29,740
Prepayments	197,461	84,608	197,461	84,608
Amounts due from subsidiary undertakings	-	-	198,840	-
	<u>240,153</u>	<u>114,348</u>	<u>420,623</u>	<u>114,348</u>

12 CREDITORS: Amounts falling due within one year	GROUP		COUNCIL	
	2007 £	2006 £	2007 £	2006 £
Corporation tax	36,867	20,884	32,430	20,884
Other taxation and social security	76,788	80,191	76,788	76,027
Amounts due to subsidiary undertakings	-	-	-	21,684
Other creditors	839,960	699,575	839,960	699,575
Accruals	886,857	783,255	863,611	773,565
	<u>1,840,472</u>	<u>1,583,905</u>	<u>1,812,789</u>	<u>1,591,735</u>

13 DEFERRED INCOME	GROUP		COUNCIL	
	2007 £	2006 £	2007 £	2006 £
Registration fees in advance	61,624	106,500	61,624	106,500
Renewal fees in advance	5,366,983	5,371,271	5,366,983	5,371,271
	<u>5,428,607</u>	<u>5,477,771</u>	<u>5,428,607</u>	<u>5,477,771</u>

14 ACCUMULATED FUNDS	GROUP		COUNCIL	
	Revaluation reserve £	General funds £	Total £	Total £
<b>GROUP</b>				
At 1 April 2006	652,189	1,590,928	2,243,117	
Prior year adjustment (see page XX)	-	104,633	104,633	
	<u>652,189</u>	<u>1,695,561</u>	<u>2,347,750</u>	
Movement in the year	-	235,063	235,063	
Prior Year Adjustment				
At 31 March 2007	<u>652,189</u>	<u>1,930,624</u>	<u>2,582,813</u>	
	Revaluation reserve £	General funds £	Total £	Total £
<b>COUNCIL</b>				
At 1 April 2006	638,746	1,596,541	2,235,287	
Prior year adjustment	-	104,633	104,633	
	<u>638,746</u>	<u>1,701,174</u>	<u>2,339,920</u>	

Movement in the year	-	236,890	236,890
At 31 March 2007	<u>638,746</u>	<u>1,938,064</u>	<u>2,576,810</u>

Under new Government Financial Reporting Manual (FReM) and Treasury guidelines, there has been a change in how grants-in-aid balances are now recognised and reported. For both the 2007 and 2006 comparative year, the Government Grant Reserve is now reclassified as General Funds. For the Grant-in-aid residual balance, as this relates to software asset purchases, there is no revalued element to recognise in the Revaluation Reserve.

## 15 PENSION FUNDING ARRANGEMENTS

The Council has pension obligations to both present and former employees. These are met by the operation of The Council for Professions Supplementary to Medicine Retirement Benefits Scheme, scheme no 2736 ("CPSM") and contributions to the FlexiPlan 1 Scheme, scheme no 1 6441 operated by Capita Hartshead, formerly FPS Trustee Company Limited ("FlexiPlan").

### The CPSM 2736 scheme

This final salary scheme was closed in June 1995 and has no active members. On 28 March 2002, all members of the CPSM Scheme were served with a statutory notice of closure. The benefits are secured by insurance policies issued by The Scottish Life Assurance Society ("Scottish Life"). The last actuarial valuation as at 23 April 2001 showed that the assets of the fund were sufficient to meet the future requirements of the scheme. A Disclosure of Information was provided by FPS Actuarial Services Ltd to HPC for the year ending 30 June 2005 that detailed the value of the fund at £1,146,945. However, it did not detail the liabilities of the scheme, nor the amount of any possible refund that may be applicable. FPS advised HPC that Scottish Life can only provide discontinuance figures once the fund trustees have agreed on how increases are to be applied to the pensioners in payment.

### The Capita FlexiPlan 1 6441 scheme

This scheme is a defined benefit, occupational pension scheme. It used to target to provide final salary benefits at retirement, but Capita notified HPC in January 2007 that with effect from 10 July 2006, the provision of target benefits was withdrawn due to difficulties in the funding position of the scheme. The scheme is now a money purchase arrangement with guaranteed rates of interest of 2% per annum for contributions received after 31 March 2003 and 4% for contributions received before that date. At retirement, a member's pension will be the annuity that can be purchased on the open market by the member's Capital Account. The FlexiPlan scheme is a multi-employer scheme comprising 96 active employers at 31 March 2007 and as such, is exempt from the full disclosure requirements of FRS 17, as each employer is unable to identify its share of the underlying pension assets and liabilities.

Following the notification from Capita in January 2007, HPC sought independent pension actuarial and legal advice and is in the process of setting up a new pension scheme for eligible employees and transferring current FlexiPlan members. The new scheme will not be one offered by Capita. HPC was advised by Capita that it needed to continue to pay ongoing employer contributions into the FlexiPlan scheme for at least one employee in order to avoid triggering a Section 75 (Pensions Act 1995) debt liability. Capita have not yet advised HPC of HPC's share of this debt, relating to the difference between pension fund assets and pension fund obligations. Capita confirmed in March 2007 that two specified HPC employees would remain in the scheme from 1 March 2007.

Capita notified HPC in October 2006 that the FlexiPlan scheme may have to participate in the Pension Protection Fund (PPF). The PPF is a new requirement to pay levies into a central fund so that under certain circumstances, benefits on the insolvency of a solvent participating employer may be funded. Capita notified HPC that if levies did have to be paid into the PPF, costs to scheme employers may increase to the extent of the PPF levy. Capita notified HPC in January 2007 that they had requested further information from The Pensions Regulator on the likely value of the levy.

## 16 22/26 STANNARY STREET LIMITED

The summary financial results for the period to 31 March 2007 for the subsidiary company 22-26 Stannary Street Ltd are as follows:

	2007 £	2006 £
<b>PROFIT AND LOSS ACCOUNT</b>		
Turnover	35,165	32,064
Operating expenses	(30,878)	(83,437)
Operating Profit/(Loss)	<u>4,287</u>	<u>(51,373)</u>
Operating Profit/(Loss) before Taxation	4,287	(51,373)
Taxation	(6,114)	(672)
Profit/(Loss) for the year	<u>(1,827)</u>	<u>(52,045)</u>
<b>BALANCE SHEET</b>		
Tangible fixed assets	964,156	750,000
Current assets	17,698	21,684
Current liabilities	(226,523)	(14,526)
Total assets less current liabilities	<u>755,331</u>	<u>757,158</u>
Represented by:		
Called up share capital	9,251	9,251
Share premium account	9,000	9,000
Revaluation reserve	615,969	615,969
Capital redemption reserve	3,500	3,500
Profit and loss account	117,611	119,438
Shareholders' Funds	<u>755,331</u>	<u>757,158</u>

## 17 RELATED PARTY TRANSACTIONS

The Council's Sponsoring Department is the Privy Council, with whom no transactions took place. The main entity with which the Council has dealt during the year was the Department of Health. Grants were received from the Department of Health in 2003 for the development of the Council's registration system. The system was capitalised and depreciated over 3 years.

There were various transactions with Council as they receive an attendance allowance when they attend Council Committee meetings or carry out Partner work. Such allowances, totalling £216,644 (2005/06 £185,719), were accrued and paid to 45 (2005/06 - 45) members.

Transactions with subsidiary companies which are greater than 90% owned by the Council are not disclosed, as consolidated financial statements of the Council are publicly available.

## 18 POST BALANCE SHEET EVENTS

The financial statements are authorised to be issued from the date it is intended to send the certified financial statements to the Privy Council. For the HPC, this date is 18<sup>th</sup> July 2007. There are no other items to note.

<b>19 RECONCILIATION OF SURPLUS/ DEFICIT OF EXPENDITURE OVER INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES</b>	2007 £	2006 £
Surplus/(deficit) of expenditure over income	9,104	882,478
Depreciation of tangible fixed assets	408,023	692,061
Grant income released from reserves	-	-
Loss on disposal of investment	(7,888)	(2,604)
Loss on disposal of fixed asset	689	1,437
(Increase)/decrease in debtors	(125,805)	70,765
Increase/(decrease) in creditors	238,904	205,404
Increase/(decrease) in deferred income	(49,164)	617,423
<b>Net cash inflow from operating activities</b>	<b><u>473,863</u></b>	<b><u>2,466,964</u></b>

<b>20 RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS</b>	2007 £	2006 £
Increase in cash in the year	47,595	1,180,131
Movement in net funds in the year	<u>47,595</u>	<u>1,180,131</u>
Opening net funds	4,001,929	2,821,797
<b>Closing net funds</b>	<b><u>4,049,524</u></b>	<b><u>4,001,928</u></b>

<b>21 ANALYSIS OF FUNDS</b>	Opening balance £	Cash Flow £	Closing Balance £
Cash at bank and on deposit	<u>4,001,929</u>	<u>47,595</u>	<u>4,049,524</u>

## **22 FRS 13 FINANCIAL INSTRUMENTS**

FRS 13, Derivatives and Other Financial Instruments, requires disclosure of the role which financial instruments have had during the period in creating or changing the risks an entity faces in undertaking its activities. Because of the largely non-trading nature of its activities and the way in which it is financed, the Health Professions Council is not exposed to the degree of financial risk faced by business entities. Moreover, financial instruments play a much more limited role in creating or changing risk than would be typical of the listed companies to which FRS 13 mainly applies.

Financial assets and liabilities are generated by day-to-day operational activities and are not held to change the risks facing the Council in undertaking its activities.

As permitted by FRS 13, debtors and creditors which mature or become payable within twelve months from the balance sheet date have been omitted from the currency profile.

## **23 CURRENCY AND LIQUIDITY RISK**

The Council currently has no borrowings and relies primarily on fees and Department of Health grants for its cash requirements and is therefore not exposed to liquidity risk. All material assets and liabilities are denominated in sterling, so it is not exposed to currency risk.

## 24 INTEREST RATE RISK

Registrants pay fees in advance for up to two years. Surplus funds are held as follows to maximise returns:

Business reserve - all unused funds are transferred from the Council's current account to business reserve account every night to maximise interest.

Money market - surplus funds are held for fixed short-term periods earning a fixed interest rate.

Investment fund - at 31 March 2007 fixed interest investments accounted for 17.3% (2006: 18.9%) of the fund and generate a yield of 6.02% (2006: 5.8%). The remainder of the fund is invested in a diversified portfolio of equities, where there is always a risk of diminution in value.

The Finance and Resources Committee reviews interest rates on potential borrowings, although during the year the Council was not exposed to significant interest rate risk.

DRAFT

# 22/26 Stannary Street Limited

Subsidiary company of the Health Professions Council

## FINANCIAL STATEMENTS

for the year ended  
31 March 2007

DRAFT

**Directors and Officers****Directors**

M. Seale  
R. Clegg

**Secretary**

N. O'Sullivan

**Company Number**

756409 (England and Wales)

**Registered Office**

Park House  
184 Kennington Park Road  
London  
SE11 4BU

**Auditors**

Baker Tilly UK Audit LLP  
Chartered Accountants  
2 Bloomsbury Street  
London WC1B 3ST

**Solicitors**

Bircham Dyson Bell  
50 Broadway  
London  
SW1H 0BL

DRAFT

---

## Director's Report

The directors submit their report and the financial statements of 22/26 Stannary Street Limited for the year ended 31 March 2007.

### PRINCIPAL ACTIVITIES

22-26 Stannary Street Ltd is a property company located at 22-26 Stannary St. It was purchased to provide office space to the HPC, the parent and ultimate parent organisation of the property company. The HPC is located in adjoining premises at 184 Kennington Park Rd and 20 Stannary Street, Kennington, London SW11 4BU.

### ANNUAL FINANCIAL RESULTS

The loss for the year after taxation was £1,827, (2006 Loss £52,045).

### REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

Provide office accommodation for HPC employees

### DIRECTORS

The following directors have held office since 1 April 2006:

M. Seale  
R. Clegg

N. Brook resigned as a Director on 16 November 2006.

### STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

The directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditors are unaware. Each of the directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

### Director's Responsibilities in the Preparation of Financial Statements

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgments and estimates that are reasonable and prudent;
- c. state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- d. prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the requirements of the Companies Act. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

---

**AUDITORS**

At the meeting of the Board of Directors held at Park House on 24<sup>th</sup> November 2005, a resolution was accepted to dispense with the obligation to appoint auditors annually. At the same meeting further resolutions were accepted to dispense with the holding of Annual General Meetings and dispense with the laying of accounts and reports before the Company in general meeting.

The Board, having been notified of the cessation of the partnership known as Baker Tilly, resolved that Baker Tilly UK Audit LLP be appointed as successor auditor with effect from 1 April 2007, in accordance with the provisions of the Companies Act 1989, s26(5).

By order of the board,

Marc Seale  
Director

Niamh O'Sullivan  
Secretary

DRAFT

---

## Report of the Independent Auditors

We have audited the financial statements on pages **XX to XX**

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company'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 directors' responsibilities 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) are set out in the Statement of Directors' Responsibilities.

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 Companies Act 1985, and whether the information given in the Directors' Report is consistent with the financial statements. We also report to you if, in our opinion, the company 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 directors' remuneration and other transactions is not disclosed.

### Basis of audit 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 judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company'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 company's affairs at 31 March 2007 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

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

---

**Profit and Loss Account for the year ended 31 March 2007**

	<i>Notes</i>	Year to 31 March 2007 £	Year to 31 March 2006 £
TURNOVER	2	35,165	32,064
Cost of sales		-	-
Gross profit		<u>35,165</u>	<u>32,064</u>
Other operating expenses	3	(30,878)	(83,437)
OPERATING PROFIT/(LOSS)		<u>4,287</u>	<u>(51,373)</u>
Investment income		-	-
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION	3	<u>4,287</u>	<u>(51,373)</u>
Taxation	4	(6,114)	(672)
LOSS FOR THE YEAR	9	<u>(1,827)</u>	<u>(52,045)</u>

The operating profit for the year before taxation arose from the company's continuing operations.

**Statement of Total Recognised Gains and Losses**

	2007 £	2006 £
Loss for the financial year	(1,827)	(52,045)
Unrealised surplus on revaluation of freehold land and buildings	-	476,377
TOTAL GAINS AND LOSSES RECOGNISED SINCE LAST ANNUAL REPORT	<u>(1,827)</u>	<u>424,332</u>

**Note of Historical Cost Profits and Losses for the period ended March 2007**

	2007 £	2006 £
Profit/(Loss) on ordinary activities before taxation	4,287	(51,373)
Difference between an historical cost depreciation charge and the actual depreciation charge calculated on the revalued amount	(7,517)	7,500
Historical cost loss on ordinary activities before taxation	<u>(3,230)</u>	<u>(43,873)</u>
Historical cost loss for the year retained after taxation and dividends	<u>(9,344)</u>	<u>(43,873)</u>

**Balance Sheet as at 31 March 2007**

	<i>Notes</i>	2007 £	2006 £
<b>FIXED ASSETS</b>			
Tangible fixed assets	5	964,156	750,000
<b>CURRENT ASSETS</b>			
Debtors	6	17,698	21,684
Cash at bank and in hand		-	-
		<u>17,698</u>	<u>21,684</u>
CREDITORS: Amounts falling due within one year	7	(226,523)	(14,526)
<b>NET CURRENT ASSETS</b>		<u>(208,825)</u>	<u>7,158</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u><u>755,331</u></u>	<u><u>757,158</u></u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	8	9,251	9,251
Share premium account	9	9,000	9,000
Revaluation reserve	9	615,969	615,969
Capital redemption reserve	9	3,500	3,500
Profit and loss account	9	117,611	119,438
<b>SHAREHOLDERS' FUNDS</b>	10	<u><u>755,331</u></u>	<u><u>757,158</u></u>

The financial statements on pages **XX to XX** to be approved by the board of directors and authorised for issue on .....are signed on its behalf by:

Director

Mr Robert Clegg

Director

Mr Marc Seale



<b>4</b>	<b>TAXATION</b>	2007 £	2006 £
	Current tax:		
	UK corporation tax on profits of the period	4,436	672
	Adjustment to tax charge in respect of previous period	1,677	-
	Total current tax	6,113	672
	Deferred taxation:		
	Origination and reversal of timing differences	-	-
	Total deferred tax	-	-
	Tax on (loss)/profit on ordinary activities	6,113	672

Factors affecting tax charge for the period: The tax assessed for the period is higher than the standard rate of corporation tax in the UK. The differences are explained below:

Loss on ordinary activities before tax	4,287	(51,373)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK 30% (2006: 19%)	1,286	(9,761)
Effects of:		
Capital allowances less than/(in excess of) depreciation	3,150	-
Tax losses (utilised)/not utilised	-	-
Starting rate companies relief	-	(816)
Expenses not deductible for tax purposes	-	10,679
Adjustment to tax charge in respect of previous period	1,677	-
Income not taxable	-	570
Tax charge for period	6,113	672

**5 TANGIBLE FIXED ASSETS**

	<i>Land and buildings freehold</i>
	£
Cost or valuation 1 April 2006	750,000
Additions	224,656
31 March 2007	974,656
Depreciation 1 April 2006	-
Charged in the period	10,500
31 March 2007	10,500
Net book value	
31 March 2007	964,156
31 March 2006	750,000

The valuation of freehold land and buildings at £750,000 was made in May 2006 by Drivers Jonas, Chartered Surveyors, on an Existing Use value basis, in accordance with the Statement of Asset Valuation Practice No 4 and the Guidance Notes of the Royal Institution of Chartered Surveyors. Drivers Jonas do not believe that there is a material difference between Existing Use value and the Market Value of the property.

Comparable historical cost for the land and buildings included at valuation:

		£
Cost		
Historical cost at 31 March 2006 and 31 March 2007		149,125
Depreciation based on cost		<u>          </u>
At 1 April 2006		36,251
Charge for the period		2,983
At 31 March 2007		<u>39,234</u>
Net book values		
31 March 2007		<u>109,891</u>
31 March 2006		<u>112,874</u>
<b>6 DEBTORS</b>	<b>2007</b>	<b>2006</b>
	£	£
Due within one year:		
Other debtors	17,698	21,684
	<u>17,698</u>	<u>21,684</u>
	<u>          </u>	<u>          </u>
<b>7 CREDITORS: Amounts falling due within one year</b>	<b>2007</b>	<b>2006</b>
	£	£
Amts owing to HPC parent organisation	198,840	-
Corporation tax	4,437	672
Other Taxation & Social Security	-	4,164
Accruals and deferred income	23,246	9,690
	<u>226,523</u>	<u>14,526</u>
	<u>          </u>	<u>          </u>
<b>8 SHARE CAPITAL</b>	<b>2007</b>	<b>2006</b>
	£	£
Authorised:		
10,000 (2006: 10,000) Ordinary shares of £1 each	10,000	10,000
	<u>10,000</u>	<u>10,000</u>
	<u>          </u>	<u>          </u>
Allotted, issued and fully paid:		
9,251 (2006: 9,251) Ordinary shares of £1 each	9,251	9,251
	<u>9,251</u>	<u>9,251</u>
	<u>          </u>	<u>          </u>
<b>9 STATEMENT OF MOVEMENT ON RESERVES</b>		

	Share Premium Account £	Revaluation Reserve £	Other Reserves £	Profit and Loss Account £
At 1 April 2006	9,000	615,969	3,500	119,438
Movements for the financial period	-	-	-	(1,827)
Transfer to Profit & Loss account	-	-	-	-
At 31 March 2007	<u>9,000</u>	<u>615,969</u>	<u>3,500</u>	<u>117,611</u>

<b>10 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS</b>	2007 £	2006 £
Profit / (Loss) for the financial year	(1,827)	(52,045)
Revaluation of land and buildings	-	476,377
Net increase / (decrease) in shareholders' funds	<u>(1,827)</u>	<u>424,332</u>
Opening shareholders' funds	757,158	332,826
Closing shareholders' funds	<u><u>755,331</u></u>	<u><u>757,158</u></u>

#### **11 CONTINGENT LIABILITY**

There will be a potential capital gains tax liability if the assets are sold by the company in the future. The amount of the liability is contingent on the sale price exceeding the cost for tax purposes, irrespective of subsequent revaluations of the building. Under current UK generally accepted accounting practices, the liability is only recognised at the time of sale. No sale is anticipated in the foreseeable future. Assuming a sale price of £750,000, the tax liability would be in the region of £170,000. This potential liability is likely to decrease by approximately 3% per annum, assuming current inflation rates.

#### **12 RELATED PARTY TRANSACTIONS**

The company has taken advantage of the exemption available in paragraphs 3(e) of Financial Reporting Standard 8 not to disclose transactions with other group entities.

#### **13 CONTROLLING PARTIES**

The ultimate holding entity is Health Professions Council, a corporate body established under the Health Professions Order 2001. The ultimate control rests in the Council of Health Professions Council.