

Health Professions Council - Audit Committee
28 June 2006

2005/2006 DRAFT ANNUAL REPORT

Executive Summary and Recommendations

Introduction

The Health Professions Council Annual Report and financial statements for the financial year 1 April 2005 to 31 March 2006 are attached.

The letter of representation is also attached. This will be signed by Baker Tilly (HPC auditors) following the Council meeting.

Decision

The Council is asked to approve the document. Council approved the front half of the document at the Council meeting on 11 May 2006 (not the financial statements).

Background information

The Annual Report has been verified by Jonathan Bracken on 25 April 2006.

Letters of representation: Audit of Financial Statements – 31 March 2006

Resource implications

None

Financial implications

None

Appendices

None

Date of paper

27 June 2006.

HPC Annual Report and Accounts

| Date | Ver. | Dept/Cmte | Doc Type | Title | Status | Int. Aud. |
|------------|------|-----------|----------|--|-------------------|--------------------|
| 2006-07-04 | a | CNL | AGD | AnnualReport2005and6executivesu mmary | Final DD: None | Public RD: None |

1 April 2005 to 31 March 2006

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Advisers

BANKERS

National Westminster Bank Plc
Walworth Road Branch
PO Box 3171
290 Walworth Road
London
SE17 3RQ

INVESTMENT ADVISORS

Rensburg Sheppards Limited
2 Gresham Street
London
EC2V 7QN

CHIEF EXECUTIVE, ACCOUNTING OFFICER AND REGISTRAR

Marc J Seale
Park House
184 Kennington Park Road
London
SW11 4BU

AUDITORS

Baker Tilly
Chartered Accountants
2 Bloomsbury Street
London WC1B 3ST

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

SOLICITORS

Kingsley Napley
Knight's Quarter
14 Sate John's Lane
London
EC1M 4AJ

Bircham Dyson Bell
50 Broadway
London
SW1H 0BL

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The Council submits its fourth annual report together with the audited financial statements for the year ended 31 March 2006.

THE COUNCIL

Members during the year

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

Professor Norma Brook
Mr John Camp

President
Vice President

Registrant members:

Miss Mary Crawford (until 8 July 2005)

Mr Morgwn Davies (Appointed 9 July 2005)
Ms Gail Darwent (Appointed 9 July 2005)
Dr Christopher H Green (Appointed 9 July 2005)
Dr Robert Jones
Miss Morag MacKellar
Mr Pat McFadden (Appointed 9 July 2005)
Ms Joanna Manning (until 8 July 2005)

Mrs Clare McGartland (until 8 July 2005)
Mr William Munro
Professor Rosemary Klem (until 8 July 2005)
Dr John Old (until 8 July 2005)
Miss Pam Sabine
Mr Simon Taylor (Appointed 9 July 2005)
Mrs Annie Turner (Appointed 9 July 2005)
Dr Anna Van Der Gaag

Professor Diane Waller

Mr Neil Willis (until 8 July 2005)

Dr Alexander Yule OBE (until 8 July 2005)
Mr Stephen Wordsworth (until 8 July 2005)

Alternate members:

Mr Ozan Altay (Appointed 9 July 2005)
Mr Michael Barham (until 8 July 2005)
Mrs Patricia Blackburn (Appointed 9 July 2005)

Dr Graham Beastall (until 8 July 2005)

Ms Helen Davis (until 8 July 2005 – registrant member as of 9 July 2005)
Mr Paul Frowen (until 8 July 2005)
Ms Daisy Haggerty (Appointed 9 July 2005)

Professor Carol Lloyd
Mr Ian Massey (until 8 July 2005)

Ms Helen Patey (Appointed 9 July 2005)
Mrs Jacqueline Pearce (until 8 July 2005)
Mr Doug Proctor (Appointed 9 July 2005)
Miss Gillian Pearson
Mrs Jacqueline Sheridon (Appointed 9 July 2005)
Mr Gordon Sutehall (until 8 July 2005)
Mrs Fiona Taylor (Appointed 9 July 2005, resigned 8 November 2005)
Miss Eileen Thornton
Mr Alan Mount
Mr Mark Woolcock (Appointed 9 July 2005)
Mr David Whitmore (until 8 July 2005)

Lay members:

Mr Paul Acres (Appointed 9 July 2005)
Mr John Camp
Mrs Shaheen Chaudry
Mr Robert Clegg
Mrs Sheila Drayton (Appointed 9 July 2005)
Ms Christine Farrell
Mrs Mary Clark-Glass
Professor John Harper
Professor Anthony Hazell
Mr Colin Lea (until 8 July 2005)
Ms Ros Levenson
Professor Jeff Lucas
Mr Keith Ross
Mrs Jackie Stark (resigned 4 May 2005)
Mrs Barbara Stuart

A Register of Interests in respect of all Council members is maintained. Access is available on the Council's internet site.

Method of appointment or election of Council members

The Council currently comprises 39 members (the President and 13 other practitioner members, 12 lay members and 12 alternate members - there is currently a vacancy for the alternate Radiographer member) appointed by the Privy Council in accordance with the transitional provisions in Schedule 2 to the Health Professions Order 2001. As of May 2006, the Council consists of 13 registrant members who are appointed on being elected under the Council's election scheme, 13 lay members who are appointed by the Privy Council and 13 alternate members appointed on being elected under the Council's election scheme. The numbers of registrant and alternate members (i.e. 13) is linked to the number of professions currently regulated by the Council. There is an alternate member for every registrant member, alternate members having the same functions as registrant members but are only able to vote if registrant members are not present. There must be at least one lay and registrant or alternate member for each home country within the United Kingdom.

Legislative and regulatory background to the Council

The Council, a Body Corporate, was set up on 1 April 2002 by the Health Professions Order 2001 replacing the old Council for Professions Supplementary to Medicine (CPSM). The Council is one of nine UK statutory regulators of healthcare professionals. The Council currently regulates 169,235 individuals, known as registrants, from 13 professions. It is an independent organisation with all its financial costs funded by fees from registrants under the Health Professions Council (Registration & Fees) Rules Order in Council 2003. Although not part of the Department of Health or the NHS, it is a public organisation and not a commercial or private company.

Council objectives

The principal functions of the Council are to establish standards of education, training, conduct and performance for members of the relevant health professions and to ensure the maintenance of those standards. As part of its functions the Council maintains the register of members of the relevant health professions and its main objective in the exercise of its functions is to safeguard the health and well-being of persons using or needing the services of registrants.

Corporate governance arrangements and organisational structure

Four statutory committees exist to deal with the fitness to practise of professionals registered with the Council, investigating complaints and the establishment and monitoring of training and education standards: Education and Training Committee, Investigating Committee, Conduct and Competence Committee and Health Committee. In addition, there are four non-statutory committees; the Finance and Resources Committee, Audit Committee, Registrations Committee and Communications Committee. All committees are chaired by a member of the Council. There are also six non Council Committee members, bringing additional professional skills and expertise to Committee decision-making.

The Council has a number of Executive departments operating under the leadership of the Chief Executive who is the Accounting Officer and Registrar. These departments are: Fitness to Practise, Registration (International and Grand parenting), Registration (UK), Policy and Standards, Approvals and Monitoring, Communications, Finance, Facilities Management, Human Resources, Corporate Services (Information/IT), and the Secretariat.

Form of financial statements

In accordance with Section 46(1)(b) of the Health Professions Order 2001, the Financial Statements have been prepared in a form directed by the Privy Council in its Accounts Direction, which complies with the HM Treasury Guidance on the preparation of accounts for non-Departmental Public Bodies, as if the Council was a non-Departmental Public Body (NDPB) of the Department of Health.

President's Statement
April 2005 – March 2006

This is the Council's fourth year of operation under our new rules. The Health Professions Council (HPC) has grown in size by around 20% in the last financial year, which reflects the wider range of the departments, functions and responsibilities we now have. This financial year has seen the culmination of many years of work when twelve of our thirteen professions closed their titles in July 2005. This has meant that finally our registrants have legally protected titles and we have the power to prosecute those individuals who are falsely claiming to be a registered health professional. July 9th also saw the end of the two year grandparenting window, and I would like to thank the International Department and our Partners for their hard work and dedication in making the process such a success.

This has been a busy year for the Approvals Committee; they have overseen the development of a monitoring process which will ensure all approved programmes meet the Standards of Education and Training. Annual monitoring began in early 2006 and, at the time of writing, HPC had carried out 33 visits to UK education providers. The Committee also agreed further refinements to procedures for approval of programmes including those of a part-time mode.

The Education & Training Committee set up a Professional Liaison Group (PLG) to draft further information about Continuing Professional Development (CPD) following the publication of the key decisions document in August 2005. I would like to thank the PLG and the Committee for all their hard work and dedication and I would like to take this opportunity to extend my thanks to the professional bodies who took the time to send us sample profiles and share their expertise. As I write, two CPD publications are being finalised and will be available on the HPC website by the beginning of May 2006. These documents will hopefully prove to be useful and informative to registrants, prospective registrants and employers.

Unfortunately, last year dealt an unexpected blow to HPC. I hope that while you may share the shock and anger that we have felt over Paul Baker's theft from the HPC, you feel reassured that everything that can be done has and is being done to ensure that a theft like this cannot and will not happen again. He abused his position of trust by deliberately setting out to deceive HPC. Thankfully, the theft has not damaged the overall financial wellbeing of HPC and I can assure you that the organisation has continued to operate fully during this difficult period.

On a more positive note, this year has seen an improvement in the way in which we listen to registrants' feedback and, therefore the quality of service we offer. We commissioned the research company, Mori, to carry out an extensive piece of research with both registrants and members of the public. The registrant's focus groups highlighted a number of issues that we are including into our future strategies. The key issue arising from the research was a lack of knowledge amongst the public. Whilst this is to be expected for such a young organisation, we are committed to raising our profile through advertisements, public relations campaigns, promotional material and increasing awareness amongst the referrer's network such as doctors and Citizen's Advice Bureaus.

Health regulation is changing and evolving at a rapid pace and the HPC is at the forefront of these changes. Two Government reviews of regulation due out later this year; Andrew Foster's review of non-medical regulation and Liam Donaldson's review of medical regulation are likely to have far reaching consequences for the HPC.

We are perceived to be a flexible organisation with modern legislation, for this reason we continue to be approached by a number of organisations operating voluntary registers and we anticipate HPC will be taking on at least three more professions by 2008 including applied psychologists. This is a testament to the HPC's success.

Finally, I will conclude by saying what an honour and joy it has been working so closely with both the Council and Executive. Unfortunately, this will be my last foreword in the HPC annual report as I will be stepping down as President in July this year. I would like to take this opportunity to say a heart-felt thank you to everyone who has worked so hard to make the HPC the success it is today including our Partners, Council members, HPC employees and professional bodies, I sincerely hope the organisation continues to go from strength-to-strength and I shall look forward to seeing HPC continue to grow and develop over the coming years.

Norma Brook
President, Health Professions Council

Chief Executive and Registrar's report

April 2005 – March 2006

The 2005-2006 financial year has been one of rapid growth and change. July 9th 2005 saw the closure of title for twelve of the thirteen professions regulated by the Health Professions Council (HPC). The Council have been at the forefront of our development as an organisation with each Committee playing a vital role in constructing and delivering a regulator that can protect the public and maintain standards among the professions.

Our three practice committees; Investigating, Health and Conduct and Competence have seen the number of allegations received rise to over three hundred in the last year. This year has seen the first performance and development appraisal system developed for panel members, ensuring consistent, impartial and robust decisions are reached at every hearing. Another significant change is that Council members no longer sit on fitness to practise panels; allowing a clear separation between policy making and its implementation.

The Communications Committee have overseen the second successful phase of our public advertising campaign. Following the success of the 2004-2005 campaign, advertisements were placed on the London underground network and on buses in various parts of the UK. A month long campaign also aired on Classic FM. Market research conducted by Mori in September 2005 on behalf of HPC revealed a relatively low awareness of HPC, although this was not unexpected, it allows the Committee to continue their work in raising our profile. The Committee also oversaw the launch of a new microsite aimed solely at members of the public – www.HPCcheck.org with the focus on encouraging the public to check their health professional is registered.

HPC also launched a new website in May 2005. The previous website was inherited from CPSM; it was slow, had limited capability and wasn't very accessible. The new website was developed following research with registrants and members of the public. It is compliant with the Web Accessibility Initiative. The feedback we have received has been extremely positive and we continue to welcome your comments.

Another key focus of this year has been our customer service delivery, improving our operations functions and processes. This includes the development of online renewals, change of address and application functions to be implemented early in the next financial year. Communication with registrants has been improved by continuing to gather feedback at our listening events and through market research. The figures to date indicate that the renewals process is now resulting in only 4% of each profession lapsing unintentionally, last year this figure stood at around 16%.

It has been a busy and productive year for the Education and Training Committee, who have overseen the analysis of the 2004 consultation on Continuing Professional Development (CPD). The Committee supervised the publication of the key decisions document and later produced two information publications and worked collaboratively with professional bodies to produce sample profiles. The documents were produced by a Professional Liaison Group (PLG) who formed to focus specifically on CPD.

HPC also created a Policy and Standards department whose remit is to focus on Standards, guidance, PLGs, consultations and policy development. The department will work closely with Council and relevant committees to set clear policies and standards for registrants and potential registrants. As well as CPD, the department consulted on a revised, more flexible approach to our return to practise requirements that will be implemented from July 2006.

With the rapid growth in our remit and functions, HPC has now exceeded the capacity at Park House. The number of employees has risen from 40 in March 2004 to 90 in March 2006. For this reason we have purchased the building adjacent Park House that will be developed into a registration centre and Fitness to Practise hearing suites over the coming years.

HPC is an organisation that has achieved a lot in a relatively short space of time. We continue to remain open to and welcome opinions, comments, praise and criticism. We use this where we can to improve our services and deliver modern regulation in the most efficient manner possible. Your interaction is a key part of this and we would be interested in any feedback you have about the content of these accounts or any other aspect of the organisation. Thank you for reading this document and I hope you find it of interest.

Marc Seale
Chief Executive and Registrar

Statutory Committee Reports

1 April 2005 to 31 March 2006

Education and Training Committee

Principles

The Education and Training Committee is one of the Council's four statutory committees. Article 14 of the Health Professions Order, 2001 states that the purpose of the Committee is to advise the Council in relation to the 'establishing of standards of proficiency.....(and) the establishing of standards and requirements in respect of education and training or continuing professional development.

Objectives

The Education and Training Committee is comprised of 20 members and has met four times during the year.

For the year from April 2005 to April 2006 the Committee delivered a number of key objectives:

- Analysis and publication of the responses to the consultation on continuing professional development (CPD), which was undertaken in late 2004, and recommendation to Council regarding the key decisions from the consultation;
- Setting up a Professional Liaison Group (PLG) to draft further information relating to CPD;
- Setting up of a Professional Liaison Group (PLG) to review the Standards of Proficiency (SOPs); and
- Setting up a PLG to draft guidance on the Standards of Education and Training which were agreed by Council in 2004.

Achievements

In 2002 the Health Professions Council agreed in principle to link CPD to renewal of registration. A consultation on the Council's proposals for CPD was undertaken in autumn 2004. The responses to the consultation were analysed in early 2005 and the Education and Training Committee agreed a key decisions document for ratification by Council. 'Continuing Professional Development – Key Decisions Document' was published in August 2005.

The Council is committed to publishing more information about how CPD will be linked to registration and in particular to provide more information about the audit process. In September 2005 a PLG was established to draft two documents, a very short guide to CPD, suitable for distribution to all registrants, and a longer document which is aimed at those registrants who are the subject of an audit and also for other parties with a particular interest in CPD. The Group has worked collaboratively with the professional bodies towards producing some example profiles. The PLG has completed its work and at the time of writing the documents were awaiting ratification by Council. Both publications and the example profiles will be available on the HPC website from April 2006. The short guide 'Your guide to CPD Standards' will be sent to all registrants.

The PLG for Standards of Proficiency has met 3 times since its first meeting in October 2005. At the time of writing the PLG was on schedule to report to Council in July 2006. It is envisaged that a consultation on the revised Standards will be held over the autumn of 2006. The results of the consultation will be analysed, and the decisions and the revised Standards (if required) will be published, later in the year.

The PLG for Standards of Education and Training Guidance for Education Providers has met 3 times and has completed its work in drafting a consultation document. At the time of writing a consultation was being undertaken with a reply date of end of April 2006. It is envisaged that the results will be analysed and the decisions and the guidance will be published later in the year.

On-going work

Approval of Supplementary Prescribing Courses

In February 2005 the Committee agreed criteria for the approval of Supplementary Prescribing courses.

Over the past year 5 supplementary prescribing courses have been approved by the Education and Training Committee and 5 further courses are awaiting final approval.

Self Referrals of Health and Character by Registrants

In February 2005 the Committee agreed in principle to establish appropriate procedures by which a panel of the Education and Training Committee can consider and report upon self referrals of health or character by registrants. In June 2005 the process by which self-referrals would be considered by the Committee was agreed. At the time of writing 354 declarations on renewal, readmission or self-referral have been received.

Eileen Thornton
Chairman

Niamh O'Sullivan
Secretary

1 April 2005 to 31 March 2006

Investigating Committee

Principles

The Investigating Committee is a statutory committee of Council and with the Conduct and Competence and Health Committees is one of the three practice committees.

Objectives

The Committee's main function is to set the strategy and policy which determine how Council deals with complaints and/or fraudulent or incorrect entry onto the Register. If the HPC receives a complaint about a registrant, the Investigating Committee will assemble a panel to determine whether there is a case to answer. If the complaint is about fraudulent or incorrect entry onto the Register, this may be considered at a hearing by a panel of the Investigating Committee.

Achievements

The Investigating Committee has nine members and met five times during this year. A registered medical practitioner was appointed to the Committee following a public recruitment process.

The Committee has considered and approved a number of guidance documents and procedural processes for the effective functioning of operations within the fitness to practise department. These documents included guidance on 'Making a Complaint' and 'Reporting a Concern'; guidance on the role of panel Chairmen and panel members, the implementation of a case management strategy and standardised directions for the effective management of caseloads..

The Committee approved an appraisal system for panel Chairmen and panel members and agreed that the system was a good way in which to define standards. It also provided the opportunity to clarify procedures whilst encouraging open communication between peers.

The Committee was happy to note that a mutual protocol had been established between the HPC and the NHS Counter Fraud and Security Management Service. This was designed to ensure the effective and timely deployment of information between both organisations.

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

Morag MacKellar
Chairman

Sophie Butcher
Secretary

1 April 2005 to 31 March 2006

Conduct & Competence Committee

Principles

The Conduct and Competence Committee is a statutory committee of the Council and with the Investigating and Health Committees is one of the three practice committees.

Objectives

The Committee's main function 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 assesses their performance.

Achievements

The Conduct & Competence Committee is comprised of nine members and has met four times during this past year. A registered medical practitioner was appointed to the Committee following a public recruitment process.

The Committee has considered and approved a number of guidance documents and procedural processes for the effective functioning of operations within the fitness to practice department. Such documents included guidance on 'Making a Complaint' and 'Reporting a Concern'; guidance on the role of panel Chairmen and panel members', the implementation of a case management strategy; and standard directions for the effective functioning of caseloads as a whole.

The Committee agreed to recommend to Council that Council members should no longer chair Fitness to Practise panels so that there was a clear separation between policy making and its implementation. Council approved this recommendation and a team of panel Chairmen for fitness to practise cases was recruited. Additionally, a performance and development appraisal system for panel members and Chairmen was approved by the Committee. This will provide the opportunity for feedback by all involved and assist in the progression of process and development of expertise in fundamental roles.

One case heard by HPC had been referred to the High Courts by the Council for Healthcare Regulatory Excellence (CHRE).

The Committee has considered and kept under review, the number, type, complexity and costs, of fitness to practise cases. This is an ongoing process and is becoming increasingly necessary with the expansion of the organisation and the fitness to practise cases as a whole. As the number of cases dealt with by the HPC have increased, costs in turn are anticipated to escalate.

The Committee is committed to ensuring the implementation of an equality and diversity scheme which has been initiated and will be undertaken in the long term. The Committee has begun to analyse fitness to practise trends which has been initiated via the introduction of a fitness to practise tracking system. The Committee has also commissioned a review of the 'Standards of Conduct, Performance and Ethics' (SCPE) which will be undertaken in the next financial year.

The Committee would like to commend the fitness to practise department for all of their hard work and look forward to the year ahead.

Keith Ross
Chairman

Sophie Butcher
Secretary

1 April 2005 to 31 March 2006

Health Committee

Principles

The Health Committee is a statutory committee of the Council and with the Conduct and Competence and Investigating Committees is one of the three practice committees.

Objectives

The Committee's main function is to set the strategy and policy which determine how Council will deal with allegations of ill health. If the HPC receives a complaint where the registrant's health appears to be relevant, the Committee may assemble a panel to hear the evidence at a hearing. The panels are made up of registered health professionals and members of the public. Members of the Health Committee do not sit on Panels.

Achievements

The Health Committee is comprised of nine members and has met four times during this year. A registered medical practitioner was appointed to the Committee following a public recruitment process.

One of the Committee's main considerations has been related to the effective operation of 'fitness to practice' procedures relating to health matters. This has assisted in the implementation of a successful case management strategy.

A key achievement for the Committee has been the consideration of the work of a Professional Liaison Group on Health, Disability and Registration. The Group produced guidance on health, disability and registration. Membership of the PLG comprised of members of Council together with a wide range of other stakeholders, including academic institutions and representatives of national bodies concerned with issues of health and disability. Following the work of the Group, two documents were produced; 'A disabled person's guide to becoming a health professional' and 'Information about the health reference' which were submitted for consultation in the autumn of 2005. The consultation has now concluded and both documents are available via the HPC website.

Members of the Committee were very much aware of the continuing public debate concerning issues relating to sex offenders and employment within public services. Reports were received on this complex issue from the Director of Fitness to Practise, in particular on the work of the Bichard Committee, which is addressing the sharing and dissemination of information regarding registered sex offenders.

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

Professor Tony Hazell
Chairman

Sophie Butcher
Secretary

Non-Statutory Committee Reports

1 April 2005 to 31 March 2006

Registration Committee

Principles

The Registration Committee is a non-statutory sub-committee of the Education and Training Committee. The Committee reports to Council via the Education and Training Committee.

Objectives

The Committee's primary function is to have oversight of the operation of the registration and grandparenting processes. The Committee receives regular reports from the Registration departments.

Achievements

The Registration Committee comprises eleven members and met four times during this year.

The Committee was kept abreast of developments regarding the return to practice consultation which was held from 1st July – 9th September 2005. This was undertaken following Council's recommendation that a review was required of the Return to Practice process. Council have approved the revised process and agreed to its implementation as of July 2006.

The Committee initiated the implementation of a review of the registration renewal process for the renewal cycle in 2005-06. This was devised following the feedback from a range of sources in relation to the issues arising during this process, including a significant increase in workload experienced in the last six months of grandparenting in 2004-05. This included an analysis of the reasons for registrants lapsing from the register. An interim report arising from this review, which will be concluded on the completion of the current renewal cycle, has been received by the committee.

The electronic processing of pass lists is being considered for the future.

The Committee considered an appraisal system for registration assessors' performance. The system was designed to incorporate aspects of self-assessment, peer assessment and HPC assessment of the performance of each partner. The Committee agreed that it was a 360 degree process that would provide the opportunity for feedback from both parties and welcomed the benefits that such a process would afford for all involved. The process is due to be implemented in April 2006.

The committee recognises the continued need to address issues arising around the registration process. The Committee would like to recognise the significant work that has been undertaken in the improvement and continued refinement of the registration and renewal processes.

Annie Turner
Chairman

Sophie Butcher
Secretary

1 April 2005 to 31 March 2006

Communications Committee

Principles

The Communications Committee is a non-statutory committee of the Council. The Committee advises the Council on all aspects of its work that relate to communications. This includes how the Council communicates with registrants, the public and employers. The Committee also develops the Communications strategy.

Objectives

One of the key objectives of the Committee is to set the communications strategy so that it meets the needs of HPC's stakeholders.

Achievements

The Communications Committee has seven members and has met four times during the year.

The Committee endorsed the implementation of several aspects of the strategy aimed at the short term and long-term promotion of HPC's activities.

One of the key achievements of the Committee in the last two to three years has been the successful promotion of what HPC is and what the organisation does. This has been achieved through the hosting of Listening Events in each of the four home countries. Throughout each year the communications team run a number of these events which are designed to give registrants and the public the opportunity to learn more about the HPC and to provide feedback to the organisation. One of the innovations in communication this year was the first HPC video-conference Listening Event in Scotland in November 2005. This extended our reach to people living and working in remote parts of the UK. The event was broadcast live from Inverness and linked with three smaller venues in Orkney, Shetland and the Outer Hebrides.

A second achievement has been the development of the HPC microsite www.HPCcheck.org which enables people to check that their health professional is registered and genuine. This campaign has also involved developing a variety of promotional activities such as the production of car stickers, advertisements placed on buses and trains and also via the provision of posters in General Practitioner surgeries and hospitals.

The Committee agreed to the utilisation of the services of a company called 'Language Line' who now provide interpretation of over 120 languages, specifically catering for stakeholders whose first language was not English.

The Committee have also recently considered the results of a research campaign conducted by MORI on behalf of HPC. This campaign explored the public experience of health professionals and the services which they offered and their understanding of the HPC. Professionals' views of the HPC, and regulation in general, were also explored. Some of the findings from this work have been incorporated into the wider communications strategy.

The Committee have also been involved in developing the communications campaign on the new rules and standards on continuing professional development (CPD).

The Committee are currently in discussion over the work plan to be implemented for the public patient involvement strategy and will work towards putting in place a systematic approach to public and patient involvement across the whole organisation over the coming year.

The Committee worked closely with the Executive on ensuring that the communications regarding the criminal proceedings against Paul Baker, former Director of Finance at HPC, were dealt with in a timely and transparent way, ensuring that stakeholders were informed on this issue.

Anna van der Gaag
Chairman

Sophie Butcher
Secretary

1 April 2005 to 31 March 2006

Finance and Resources Committee

Principles

The Finance and Resources Committee is a non-statutory Committee of the Council. It has been set up to make recommendations to the Council regarding the budget, and other issues relating to the finances of the Council.

Objectives

The primary function of the Committee is to monitor the finances of the organisation on behalf of the Council but its remit also covers Human Resources, Partner Management and Corporate Services. The Committee is responsible for ensuring that appropriate and robust financial and accounting systems are in place.

Achievements

The Finance and Resources Committee is comprised of twelve members, including an accountant member who was appointed to the Committee following a public recruitment process. The Committee met seven times during the year. The Committee also sat once as the Remuneration Committee.

During the year, the Committee:

- reviewed the draft financial statements for the year ending 31st March 2005, which were approved by the Council on the 30th March 2006;
- reviewed regular management accounts which reported performance against budget;
- considered the prospective budget for the year 2006/7;
- received a report on the performance of HPC's investments from our investment manager at Carr Sheppard Crosthwaite Limited;
- agreed a revised investment policy and a revised reserves policy and received an updated version of the HPC's risk assessment strategy;
- reviewed the progress reports on the recommendations received from the forensic investigation carried out by Baker Tilly. The Investigation was commissioned as a result of the theft by HPC's former Finance Director;
- approved an Equality and Diversity Scheme and recommended this to the Council for approval;
- reviewed payroll recommendations when it sat as the Remuneration Committee in March;
- oversaw the purchase of adjacent premises to accommodate the expansion of the HPC's activities; and
- approved expenditure to complete the development of systems for on-line applications for registration and renewal.

The financial results for the year and comments thereon are shown elsewhere in this Annual Report. The Finance and Resources Committee has had a busy and challenging year and looks forward to continuing its work.

Robert Clegg
Chairman

Colin Bendall
Secretary

1 April 2005 to 31 March 2006

Audit Committee

Principles:

The Audit Committee is a non-statutory committee of the Council. Its aims are to ensure that all the financial and operating systems of HPC are properly audited and that risks are identified and controlled.

Objectives

The Committee has been set up to act as the primary link between the HPC, the internal auditors and the joint external auditors, Baker Tilly and the National Audit Office. It will review the work plans and reports from the external and internal auditors and institutes internal reviews with the view to ensuring that financial, operating and risk management systems are effective. It supports the drive for continuous improvement in the way HPC operates.

Achievements:

During the year the Council agreed that the Audit Committee should report directly to it rather than being a sub-committee of the Finance and Resources Committee. The new Committee has been reconstituted with a separate membership from the Finance and Resources Committee, to ensure a clear distinction of membership and function between the two committees.

The Committee comprises five members, including an accountant member who was appointed to the Committee following a public recruitment process. None of the members of the new Committee served on the previous Committee. The new Committee met for the first time in January 2006 and met a second time in March. A schedule of four meetings has been planned for the 2006-2007 financial year.

The two meetings of the new Committee were attended by representatives of the HPC's joint external auditors. Committee members interviewed candidate firms for the role of internal auditor in March and have made a recommendation for consideration by the Council. The new Committee will work with both the external and internal auditors to prepare an internal audit plan driven by recent audit findings and risk management processes.

On 19 May 2005, BDO Stoy Hayward resigned as auditors. Following the Committee's recommendation to the Council, the Council appointed Baker Tilly as external auditors and PKF (UK LLP) as internal auditors in May 2006. In the interim period, Baker Tilly Financial Accountants conducted a full investigation into HPC's accounts and finances. Baker Tilly were responsible for substantial work carried out on internal systems of control. The Committee ensured that appropriate steps were taken to fully review HPC's financial systems.

The new Committee has received an updated version of the HPC's risk assessment strategy and considered the timetable for the audit of the accounts for the year ended March 2006.

Paul Acres
Chairman

Colin Bendall
Secretary

1 April 2005 to 31 March 2006

Approvals Committee

Principles

The Approvals Committee is a non-statutory sub-committee of the Education and Training Committee. It deals with aspects of programme approvals, including considering Visitors' reports.

Objectives

The primary purpose of the Committee is to oversee the development, implementation and ongoing review of the Council's procedures for the approval and monitoring of programmes and providers.

Achievements

The Approvals Committee is comprised of eleven members and met four times during the year.

During the year the Committee oversaw the development of a monitoring process which will ensure that programmes continue to meet the Standards of Education and Training (and therefore ensuring that students qualifying from those programmes meet the Standards of Proficiency). The Committee also approved a process for identifying and considering major and minor changes to programmes. Detailed information on these processes was published during the year. Annual monitoring began in early 2006.

The Committee agreed in November 2005 to hold monthly meetings to consider Visitors' reports, monitoring reports and major and minor changes to programmes. Monthly meetings were held from January 2006. The Committee will continue to meet to consider policy and procedural issues four times a year.

The Committee agreed further refinements to procedures for approval of programmes. These included a procedure for considering part-time programmes and a procedure for considering requests for deferral of approvals visits.

The Committee also approved a questionnaire for use by education providers, as one of our stakeholder groups, to give feedback on their experiences of visits.

The Committee would like to recognise the large number of visits which have been successfully completed to date and the substantial number already arranged for 2006-7.

Professor John Harper
Chairman

Colin Bendall
Secretary

Communicating with the Public

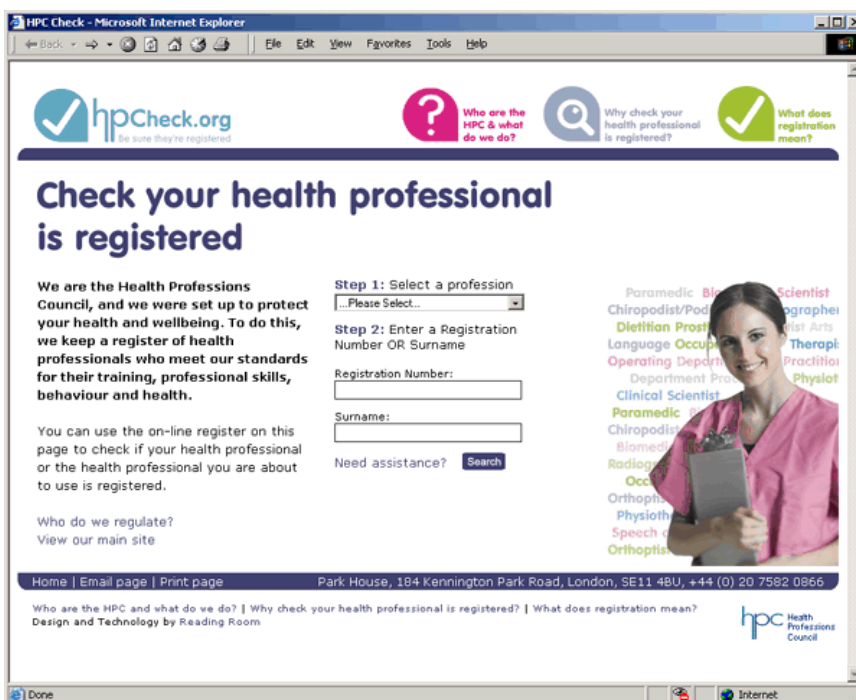
As part of our communications strategy to increase awareness amongst the public, and to keep registrants informed, we have mailed out to 2500 NHS hospitals across England, Northern Ireland, Scotland and Wales. The campaign included posters targeted at registrants to encourage them to 'stay in touch' as well as posters aimed at the public to ensure they check their health professional is genuine.

The campaign was started as a direct result of some market research we did with Mori with both registrants and the public. The findings from the research amongst the public were that over 8 in 10 people did not check their health professional was qualified, and only 2% had checked their health professional's relevant regulatory organisation. From this feedback it was decided that a mail out to hospitals was the best way of targeting a large number of people in an environment where they were likely to take on board information about a health regulator. With this in mind, it was also felt that a mail out to Doctor's surgeries would be an equally good way of targeting user groups. Using 'representatives to restock public information leaflets, and to put the posters up in the surgeries, we can ensure that the surgery staff are briefed about the information, and that the message is clear – check your health professional is registered.

The main message from registrants was that 'communications' should be the key focus of the HPC. Specifically better communications with the general public about the importance of going to a registered health professional. Another finding that came out of the research was that registrants felt that the HPC should concentrate its efforts on making the public aware of the difference between health professional's operating under titles that are HPC-regulated and those using titles that are not, in certain cases to avoid registration. It was also felt that the HPC should establish better credibility and meaning to the phrase 'HPC Registered' in the general public's consciousness.

By mailing out to such a large number of NHS hospitals, we hope to on one hand increase awareness of the HPC and the titles we protect; but also to encourage the public to think more carefully about the health professionals they visit, and check whether they are in fact genuine and registered. With regards to registrants, we hope this campaign will encourage them to 'stay in touch' so that we can always contact them if necessary, and more importantly, so that they will receive any important documentation that we send out regarding registration.

Another aspect of our communications strategy is the 'HPCheck' campaign. This involved setting up a new microsite aimed solely at the public as a way of encouraging them to check their health professional is registered. The microsite contains 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.



The 'www.HPCheck.org' address is now being used in our various advertisements as the site has relevant information for the public, however if anyone wishes to find out more about the HPC, the site has a direct link to our main website.

Our website www.hpc-uk.org

Over the past twelve months the Communications department has been involved in further developing HPC's web presence. The main website has been completely redesigned, and a microsite specifically aimed at the public has been launched.

The website remains the most cost-effective and efficient way of making large amounts of information available to large numbers of people, and we have consistently utilised the website as a tool to communicate news quickly and effectively to our registrants and stakeholders. The website is the best way of keeping up to date with our work, and what we are doing.

New website



The new website has been designed based on feedback received during market research conducted with registrants and members of the public. The new site is more user friendly, contain more information and is easier to maintain through a new content management system.

We have also ensured that the new design is fully compliant with external measures of accessibility, including accessibility for people with disabilities.

- **Design**

The new site is designed to fit within our corporate image, so will have a familiar look & feel (much like our brochures, advertising and promotional material).

- **User friendly**

Based on feedback we received including specific market research, we have tried to make the site as easy to use as possible. Meaning that whether you're a registrant or a member of the public it should be easy to find the information you're looking for.

- **Accessibility**

The new website has been designed to be as accessible as possible. To make the website easy to view, we have designed it in accordance with guidelines laid down by the Web Accessibility Initiative (WAI) and the Royal National Institute for the Blind (RNIB).

- **Content management**

A new content management system has been implemented to allow all of HPC's departments to be able to contribute to the website. This ensures that information is kept as up to date and accurate as possible.

- **Content**

We want to make sure that all the information stakeholders require is available on-line so people don't have to wait until our office opens to find the information they require. We also want to make public information about what we do, and who we are available outside office hours.

Microsite



www.HPCheck.org was launched in conjunction with a public awareness campaign encouraging people to check their health professional is registered.

The look and feel of the microsite has been designed to reflect our public focused advertising, and is easy to navigate and fully accessible. It's a small site consisting of the online register on the home page, and a few other pages of essential information and HPC's key messages.

Health regulation worldwide



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. This is an ambitious and ongoing piece of work, which depends as much on visitors to the site emailing in information as it does on HPC Council members' information, and staff research.

This database is designed and maintained by the HPC and lists the website addresses of regulators and professional bodies

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 to know whether their applicant has ever been struck off by another regulator. We hope that this area of the site will continue to grow, and to be a source of useful information to visitors to our website.

Future developments

We are currently developing a secure extranet site for registrants which would allow them to renew their registration and update their contact details online. A facility for potential registrants to apply online is also in development.

The main HPC website will also continue to be improved; we are extending the content management of the site as well as improving the way that information is searched for and displayed.

Your input

If you have any comments to make about the HPC website, either good or bad, please get in contact with us at webmaster@hpc-uk.org

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

Events

Events provide the opportunity for us to interact face to face with our stakeholders. They play a vital role in raising awareness of HPC and the work that we do. Events allow HPC to communicate key messages to our target audiences and to obtain important feedback on the organisation's activities. Over the past year we have continued to run our Listening Event programme and have attended a variety of external conferences and exhibitions; plans are also well under way for HPC's Partner Conference, due to take place in November 2006.

Listening Events

These events are designed to give registrants – and the public – an opportunity to see and hear first-hand how HPC is progressing, and to provide feedback on how we can improve. Where possible, this feedback is incorporated into HPC strategy and future regulation of health professionals.

Each meeting consists of a 30 minute presentation on HPC, followed by a 90 minute question and answer session. Attendees are given the opportunity to put questions and comments to a panel of HPC Council members. In every location a meeting is held from 2-4pm and is then repeated from 6-8pm.

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| <p>Where we've been...</p> <p>May 2005 Newquay – Wednesday 4th Torquay – Thursday 5th</p> <p>September 2005 Hull – Wednesday 14th York – Thursday 15th</p> <p>November 2005 Inverness – Tuesday 8th With video-conference links to: Kirkwall (Orkney) Lerwick (Shetland) Stornoway (Isle of Lewis) Stirling – Thursday 10th</p> <p>January 2006 Chelmsford – Tuesday 24th Kettering – Thursday 26th</p> | |
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|--|--|
| <p>Where we're going...</p> <p>June 2006 Bangor (NI) – Tuesday 13th Ayr – Thursday 15th</p> <p>September 2006 Newcastle – Tuesday 5th Burnley – Thursday 7th</p> <p>January 2007 Aberystwyth – tbc Worcester – tbc</p> | |
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External Conferences and exhibitions

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

19th – 21st April 2005

AODP (Association of Operating Department Practitioners) Conference & Exhibition 2005 – Manchester

11th-13th May 2005

HR in the NHS – Birmingham

21st – 23rd June 2005

The Trading Standards Institute's Annual Conference & Exhibition – Brighton

26th – 28th September 2005

The Biomedical Science Congress – Birmingham

1st – 2nd February 2006

Patient Safety 2006 (National Patient Safety Agency)

Over the next twelve months HPC will be exhibiting at the following conferences:

25th – 27th April 2006

HR in the NHS – Birmingham

4th – 5th May 2006

Primary Care 2006 – Birmingham

20th – 22nd June 2006

The Trading Standards Institute's Annual Conference & Exhibition – London

(One further conference/exhibition – tbc)

If you would like to make a general enquiry about HPC events – or would like to book a place at one of our upcoming Listening Events – please email: events@hpc-uk.org or telephone: 020 7840 9788.

More information is available under the 'events' section of our main website:

www.hpc-uk.org

Policy & Standards

In July 2005, a separate Policy & Standards department was created for the first time at HPC. Policy & Standards has responsibility for standards, guidance, professional liaison groups (working groups), consultations, and other areas of policy development.

The focus of this financial year has been on collaborative working (particularly with the professional bodies on education and CPD), on improvement, and on the production of clear guidance for registrants on our processes. This brief report gives you an overview of our work; but more is available on the HPC website, www.hpc-uk.org where you can download minutes of meetings and full documents for more detailed information.

This year we began the process of reviewing the Standards of Proficiency for the original 12 professions. The Council agreed to convene a professional liaison group to assess whether the standards need to be amended. The group includes representatives from professional bodies as well as Council members, and has been considering information from independent research, approved programmes, fitness to practise cases, and others in reviewing the standards. It is expected to make its recommendations to Council later in 2006.

Consultations are also an important part of the work of Policy & Standards. Whenever we set standards or guidance, we hold a consultation and ask our stakeholders for their views. This allows us to take account of the views of a wide variety of individuals and organisations, all of whom can comment on our proposals and influence our decisions.

A new process for returners to practice was consulted on during 2005. Our new returners to practice process, which we believe offers a flexible way for people to ensure they meet our standards before they come back onto the Register, will come into force from July 06. It requires returners to undertake a 'period of updating', the length of which will depend on the length of time out of practice, before applying for readmission. More information about this new process is available on our website.

Our health, disability and registration consultation was the culmination of an important piece of work around this issue, tackling for the first time how a health regulator can treat disabled people fairly while upholding its standards in order to protect the public. We set up a professional liaison group which included representatives from education, professional bodies and disability groups. This group drafted two documents, 'A disabled person's guide to becoming a health professional', and 'Information about the health reference'. These are expected to be published in their final form later in 2006.

We were also pleased to work with key stakeholders on our work in drafting the Standards of Education and Training guidance for Education providers, and on producing additional information for registrants about the CPD audit process. Each professional body was invited to attend meetings and to comment on early drafts of these documents, as well as drafting example CPD profiles for their respective professions. We are very grateful for the time that professional bodies have dedicated to these projects, and the input they have given.

Finally, to respond to increasing queries from registrants, we are publishing a document entitled 'Managing fitness to practise'. This has been written to provide information about how fitness to practise can change, and how registrants and employers can take steps to manage this, and to ensure that registrants continue to meet our standards, and can remain registered.

Rachel Tripp
Policy Manager

The Council

Recruitment

In 2005 the HPC held its first elections for all registrant and alternate members, who were elected by registrants from their own profession. All registrants working or living in any of the four home countries in the United Kingdom and who were on the HPC register on 2 March 2005 were eligible to stand for election. The Health Professions Order 2001 states that a member may not serve more than three consecutive terms.

The President was elected by Council members at the first meeting of the new Council on 12 July 2005.

The NHS Appointments Commission oversees the appointments process for lay members. They may be reappointed following their initial term of office, however, this is not automatic. Vacancies are advertised in the national press. The appointments procedure follows 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

Election in 2005 to hold office until 2007 (two years)

Biomedical scientists, paramedics, chiropodists and podiatrists

Election in 2005 to hold office until 2008 (three years)

Speech and language therapists, operating department practitioners and dietitians

Election in 2005 to hold office until 2009 (four years)

Clinical scientists, arts therapists, orthoptists, prosthetists and orthotists

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

Alternate Council Members

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

Thereafter the term of office of all Council members will be four years.

Council member biographies

Norma Brook President of the Council

Norma is currently a self-employed consultant in physiotherapy, other professions allied to medicine and multiprofessional education. She was previously Head of Division of Professions Allied to Medicine in the School of Health and Social Care at Sheffield Hallam University. Her experience in physiotherapy education has been utilised in her role as a Quality Assurance Agency (QAA) assessor and she has taken a consultative role in Benchmarking for Physiotherapy and multiprofessional education. She is currently Physiotherapy education advisor to the Royal College of Surgeons in Ireland and has recently been external examiner in Physiotherapy at the University of Coventry. She was previously Chair of the Physiotherapists Board and a member Council of the Council for Professions Supplementary to Medicine (CPSM). She was awarded a Fellowship of the Chartered Society of Physiotherapy in 1995 for her contribution to the development of physiotherapy education and her expertise in connective tissue manipulation. Recently she has been awarded honorary doctorates, by Robert Gordon University, the University of East Anglia, Sheffield Hallam University, the University of Brighton and the University of Central England.

John Camp Lay member and Vice-President of Council

John Camp is a barrister. He gave up his legal practice to become an Anglican priest and served for 13 years as a psychiatric hospital chaplain. He has a qualification in forensic psychotherapy. He has held part-time judicial appointments since 1983 and is currently an immigration judge. He is a non-executive director of Northamptonshire Healthcare NHS Trust, having earlier chaired Wycombe Health Authority and been a member of the Oxford Regional Health Authority and the Mental Health Act Commission. He has taught clinical ethics and is an honorary member of the British Medical Acupuncture Society.

Lay Members

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 the 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 deputy Chairman of the Liverpool Cardiothoracic Centre NHS trust.

Shaheen Chaudhry

Shaheen Chaudhry is a freelance trainer and advisor, specialising as a Race and Cultural consultant. She is a Lay Member of the Healthcare Commission, the Fitness to Practice Panel of the General Medical Council and of the General Optical Council. Shaheen has a great deal of experience of working in health, voluntary and public sectors, particularly working with the Black and Minority and Ethnic communities .

Mary Clark-Glass

Mary Clark-Glass was formerly a lecturer in law and broadcaster in Belfast, she has been involved in equality/human rights issues since the 1970's. Head of the EOC for N. Ireland 1984-92, a Human Rights Commissioner 1984-1990, former member of the Probation Board for Northern Ireland, she also served as a Commissioner on the CRE for N.I. Mary is currently a GMC associate, a member of the GDC's Fitness to Practice Committee and a non-executive director of the Royal Group of Hospitals, Belfast.

Robert Clegg

Robert Clegg retired as Chief Executive of the Rochdale Healthcare NHS Trust in 2002 after 32 years in the NHS.

He is Vice Chairman of Springhill Hospice, Rochdale, a member of the corporation of Hopwood Hall College, Rochdale, a member and past president of the Rotary Club of Rochdale East and currently Chair of the Rochdale Life Education Unit.

A member of the Conservative Party he represents Wardle and West Littleborough ward on the Rochdale MBC and is currently the portfolio holder for Finance.

Sheila Drayton

Sheila is an independent consultant with a background in health service education and management. Her main areas of interest are organisational development and supporting the development of clinical leadership and 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.

Christine Farrell

Christine Farrell 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 10 years her work has focused on involving patients and the public in the NHS, and patient and professional views about cancer services.

John Harper

John Harper is Vice-Principal at The Robert Gordon University, Aberdeen, and former Dean of the Faculty of Health and Social Care. He is also a former member of the Scottish Executive NHS Modernisation Forum and of the CPSM.

Tony Hazell

Tony Hazell began his career as a Probation Officer before moving into higher education, where he spent 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) and is a member of the 'Teaching Quality Assessment Committee' of the Higher Education Funding Council for Wales (HEFCW).

Ros Levenson

Ros Levenson is an independent policy consultant and researcher. She has worked on a range of health and social care issues for the King's Fund and a number of statutory and voluntary organisations and has published widely. Her particular interests are older people, health inequalities and patient and public involvement. Ros's early career was in social work and social services training. Her interest in health service issues developed during 10 years as a community health council member and she later became Director of the Greater London Association of Community Health Councils - a post she held for 5 years. Ros is a non-executive director of an NHS Trust and a member of the Patient Information Advisory Group, which advises the Department of Health on issues of national significance involving the use of patient information.

Jeff Lucas

Jeff Lucas 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 Quality Assurance Agency work with the Department of Health. In the region he serves as a Non-Executive Director of the West Yorkshire Strategic Health Authority where he represents the interests of West Yorkshire Universities. Jeff also edits the International Journal of Clinical Governance.

Keith Ross

Keith Ross 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 Chairman of the Royal Pharmaceutical Society of Great Britain Code of Conduct Panel.

Barbara Stuart

Barbara Stuart 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 has worked as a Lay Assessor with the Social Services Inspectorate of the DHPSS. A former carer, she is a member of the Management Committee of the local Alzheimer's Society and a helper with the Riding for Disabled Association.

Registrant Members

Gail Darwent Radiographer

Gail Darwent has worked as a radiographer since 1976 and has been a Superintendent Radiographer in Magnetic Resonance Imaging for the University of Sheffield since 1991. She is an active member of the British Association of MR Radiographers (BAMRR), having previously held the post of President and currently holding the post of President for a second term. She is very interested in education and training for MR radiographers and has organised and participated in annual BAMRR short courses in MRI. She is also a validator and external assessor for the College of Radiographers.

Morgwn Davies Biomedical scientist

Morgwn Davies 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. Last year he was a member of the SNBTS Knowledge and Skills Framework (KSF) project team looking at the development of KSF outlines for posts in SNBTS. He has been trained as an Agenda for Change job matcher, evaluator, and analyst and has been participating on matching and evaluation panels which is an ongoing process.

Helen Davis Orthoptist

Helen Davis is a Senior Lecturer at the University of Sheffield, and programme leader of the BMedSci in Orthoptics. She is joint author of the Diagnosis and Management of Ocular Motility Disorders text book a core text for the undergraduate programme. She also has an honorary contract with the Sheffield Teaching Hospitals Trust where she continues her clinical work.

Christopher Green Clinical scientist

Christopher Green is current employed at the Department of Medical Physics, Northwick Park Hospital, Harrow as Consultant Physicist and Head of Department. His career has included some 18 years in physicist's posts at a number of hospitals, including the Royal London Hospital; CMC Hospital, Vellore, India; the Pilgrim Hospital, Boston; Aberdeen Royal Infirmary and Northwick Park Hospital as well as several locums. His university teaching has included two and a half years as a physics lecturer at the University of East Anglia, and lecturing to doctors, medical and MSc students at Vellore and Aberdeen Royal Infirmary. Positions of Responsibility include being appointed University Examiner (1987-90) and Chairman of University Radiation Safety Sub-committee at the University of East Anglia (1988-90), and being elected to the Board of UK Charity "Friends of Vellore" (September 1990 to date). Awards include a British Nuclear Medicine Society Travelling Fellowship (1989).

Robert Jones Physiotherapist

Dr. Robert Jones PhD. MPhil. BA. FCSP, Grad Dip Phys, MHSM, MMACP. Head of Therapy Services, East Sussex Hospitals NHS Trust. Robert has management responsibility for therapy services in one of the largest Trusts in the country. He manages a large team of therapy and support staff in acute services, primary care, external contracts and the independent sector. He is a former Chair and Vice-president of the Chartered Society of Physiotherapy. Robert was seconded to the Commission for Health Improvement for a year as the AHP consultant/advisor, he has represented AHPs on an NHS Information Authority project board and QAA steering group. He has lectured both nationally and internationally on management topics, IM&T in Allied Health Professions and service modernisation. His PhD is in Management. He is an Honorary Fellow of the University of Brighton and co-author/editor of a series of books on "Management, Leadership and Development in the Allied Health Professions". Robert is also a Governor of Moorfields Eye Hospital, London.

Morag MacKellar Dietitian

Morag MacKellar is Head of Nutrition and Dietetics, Forth Valley Primary Care and Public Health Nutritionist for NHS Forth Valley. She is also a member of 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 Chairman of the Dietitians Board at CPSM and previously Chair of the British Dietetic Association.

Pat McFadden Paramedic

Pat McFadden lives in South Manchester with his partner and their two sons. He has been employed by the Health Service for 27 years and has been a Technician and a Paramedic with the Greater Manchester Ambulance Service (GMAS) since 1983. He was proud to be a member of the pilot scheme which preceded Paramedics in Greater Manchester, being one of three staff who gained the IHCD qualification by a combination of evening study and practical placements, building upon previous Registered Emergency Medical Technician qualifications. In recent years he has had extensive involvement in the crucial

committees and partnership forums at every level of GMAS. Presently he is the Staff Side lead for the Knowledge and Skills Framework and is involved in the delivery of awareness and roll out, working closely with the Education Training and Development Team.

Pat has extensive staff representation experience and has been a UNISON Steward for 20 years; he is committed to partnership involvement in the modernisation of the ambulance service and the movement towards a higher educated workforce.

William Munro Prosthetist & Orthotist

Willie Munro 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 and is Clinical Associate at the National Centre for Training & 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.

Pam Sabine Chiropodist/podiatrist

Pam Sabine is head of podiatry and podiatric surgery services at Castlepoint and Rochford Primary Care Trust and is past Chairman of the Society of Chiropodists and Podiatrists. Pam is actively involved in professional groups and is a former member of the Chiropodists Board at CPSM. She is a member of the South Essex diabetes strategy advisory group, diabetes leadership group, the trust clinical governance steering committee, and Executive committee. She is a Reviewer for the Healthcare Commission.

Simon Taylor Operating department practitioner

Simon Taylor 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 in Training and Development and Health and Safety. He has been very active within the Trade Union Movement as an Health and Safety Representative. He is a qualified Health and Safety Practitioner and a member of the Trust's Health and Safety committee.

Annie Turner Occupational therapist

Annie Turner is professional lead for 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 AHPs with the Open University.

Anna van der Gaag Speech and language therapist

Anna Van der Gaag 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. Her current research work includes user involvement in decision making, e-learning in post graduate 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 Arts therapist

Diane Waller 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, Hon. 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 UK and Europe, art and group psychotherapy, addiction and progressive illness. She has written several books on these subjects. Formerly Chair of the Arts Therapists Board at CPSM, and of our Education and Training Committee.

Alternate Members

Ozan Altay

Ozan is a practicing Prosthetist working for the contractor to the 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 in a lower limb field clinic there. Having won a travel fellowship to Hong Kong in 2004, he attended the International Society for Prosthetics & Orthotics World Congress. He also reported on Orthotic & Prosthetic Education & Training at the University and visited the Prosthetic Department at Kowloon Hospital

Patricia Blackburn Orthoptist

Patricia Blackburn is the Commissioner for the Allied Health Professions at Southern Health and Social Services Board, based in Armagh in Northern Ireland. She is the current 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 DHSSPSNI and Vice – Chair of the N.I. Health Professions Forum. She is married with two sons and twin daughters.

Daisy Haggerty Clinical scientist

Daisy Haggerty, Principal Clinical Scientist and Service Manager at the Northern Molecular Genetics Service, has had many years of experience in the field of Human Genetics. She was involved in the setting up of the Molecular Genetics Unit at Newcastle and 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. She feels that good communication and open and accountable behaviour by all concerned, should reduce the widespread misconceptions held by the general public regarding these activities. 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 roles of Registration Assessor and membership of Conduct and Competence Panels. Currently, in her role as an alternate registrant member of the Health Professions Council, she sits on the Investigating Committee and the Standards of Proficiency Professional Liaison Group.

Carol Lloyd Occupational therapist

Carol Lloyd is Emeritus Professor of Occupational Therapy in the Faculty of Education, Health and Sciences at the University of Derby. She is an external examiner at Canterbury Christchurch University and is a QAA reviewer. As a partner of HPC she is a visitor and has been a member of various programme approval teams. She has been involved with the Trent Workforce Development Confederation and is a member of her local Foundation Hospital Trust.

Alan Mount Operating department practitioner

Alan Mount is Professional Lead for Operating Department Practice & Critical Care, based within the Faculty of Health & 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 Association of Operating Department Practitioners (AODP) Board. He has been involved with the development of the new standards of proficiency, scope of practice and subject benchmarks for ODP 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's in the development of the Standards for CPD and the guidance document for Standards of Education and training. Alan is also a visitor partner for ODP Approvals.

Helen Patey Arts therapist

Helen Patey has been involved with the CPSM and the HPC over the past ten years. She qualified as a music therapist in 1989, after ten years in teaching, and her current post is Assistant Director and Head of Clinical Services at the Nordoff-Robbins Music Therapy Centre in London. She is a tutor on the Masters training programme and also a committed clinician. She has lectured extensively and been published widely under her former name, Helen Tyler. In 2003 she co-authored 'Music Therapy' (Darley- Smith and Patey, Sage Publications). She takes an active part in her professional association, the APMT, and from 1997 to 2004 she was the Chairperson of the Courses Liaison Committee. She also represents the UK on the Education Commission of the World Federation of Music Therapy. In 2002-2004 she was part of the group working first on the HPC Standards of Proficiency and then on the QAA Subject Benchmark Statements.

Jacki Pearce Speech and language therapist

Jacki Pearce is the Paediatric Speech and Language Therapy Manager with Havering Primary Care Trust, and has previously also managed SLT services to Adults, Adults with a learning disability and clients with mental health problems. She has also been an NHS Locality Manager, organising many other professional groups on a day to day basis. She was a Magistrate for over 15 years, with a special interest in family court

matters, and took time out to complete a Masters in Health Law. She is currently the Deputy Chair of the Health Committee, having previously sat on the Investigating Committee, and chaired Registration Appeals Hearings. She has a particular interest in supporting staff to return to practice, and in developing systems to help them understand and meet the HPC's standards of practice and CPD requirements.

Gillian Pearson Dietitian

Gillian Pearson currently works as the Programme Manager of Nutrition Programmes at the University of Surrey. She has experience of working in the 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 Biomedical scientist

Doug Proctor'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, prior to moving to his present post. In addition he has represented the Wales region at the Pathology Occupational Advisory Committee of Amicus. He was previously elected as the Alternate member to the MLT Board of the CPSM.

Jackie Sheridan Chiropodist/podiatrist

Jackie Sheridan graduated from Salford University in 1997 with a degree in Podiatric Medicine. She has been the editor of ThatFootSite.com, an online journal for the podiatry profession, since its conception in 1998 and a director of its sister company Professional Events Management. Professional Events Management provide 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.

Eileen Thornton Physiotherapist

Eileen Thornton is the 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 HPC 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.

Mark Woolcock Paramedic

Mark Woolcock has worked for the Westcountry Ambulance Service and its predecessors for 15 years and is currently the Assistant Chief Ambulance Officer – West Division. Mark became a paramedic in 1996 and still works in a range of operational settings, including the Air Ambulance in Cornwall. Before taking up his current position, for the past 5 years Mark has been involved with the delivery of education and training both with 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 sits on the Resuscitation Council (UK) sub committee for Paediatrics as the paramedic representative.

Council and Committee meetings 2005 to 2006

| Date | Meeting |
|---------------------------------|----------------------------------|
| 12 th April 2005 | Registration Committee |
| 14 th April 2005 | Health Committee |
| 18 th April 2005 | Investigating Committee |
| 19 th April 2005 | Conduct and Competence Committee |
| 28 th April 2005 | Finance and Resources Committee |
| 4 th May 2005 | Communications Committee |
| 12 th May 2005 | Council |
| 17 th May 2005 | Approvals Committee |
| 24 th May 2005 | Communications |
| 14 th June 2005 | Education and Training Committee |
| 23 rd June 2005 | Audit Committee |
| 23 rd June 2005 | Finance and Resources Committee |
| 7 th July 2005 | Council (last meeting) |
| 12 th July 2005 | Council (first meeting) |
| 18 th July 2005 | Council |
| 29 th July 2005 | Finance and Resources Committee |
| 5 th September 2005 | Registration Committee |
| 7 th September 2005 | Health Committee |
| 8 th September 2005 | Investigating Committee |
| 9 th September 2005 | Approvals Committee |
| 13 th September 2005 | Council |
| 19 th September 2005 | Conduct and Competence Committee |
| 20 th September 2005 | Finance and Resources Committee |
| 29 th September 2005 | Education and Training Committee |
| 5 th October 2005 | Council |
| 27 th October 2005 | Communications Committee |
| 7 th November 2005 | Health Committee |
| 11 th November 2005 | Investigating Committee |
| 16 th November 2005 | Conduct and Competence Committee |
| 21 st November 2005 | Audit Committee |
| 21 st November 2005 | Finance and Resources Committee |
| 22 nd November 2005 | Approvals Committee |
| 28 th November 2005 | Registration Committee |
| 6 th December 2005 | Council |
| 6 th December 2005 | Annual Meeting |
| 15 th December 2005 | Education and Training Committee |
| 16 th January 2006 | Health Committee |
| 23 rd January 2006 | Investigating Committee |
| 25 th January 2006 | Conduct and Competence Committee |
| 8 th February 2006 | Finance and Resources Committee |
| 22 nd February 2006 | Registration Committee |
| 27 th February 2006 | Communications Committee |
| 1 st March 2006 | Council |
| 2 nd March 2006 | Approvals Committee |
| 22 nd March 2006 | Audit Committee |
| 22 nd March 2006 | Finance and Resources Committee |
| 29 th March 2006 | Education and Training Committee |

Council and Committee attendance tables 2005-2006

Council meeting attendance table

| Member | 12 May 05 | 26 May 05***** | 7 July 05** | 12 July 05 | 18 July 05 | 13 Sept 05 | 5 Oct 05***** * |
|----------------------------------|-----------|----------------|-------------|------------|------------|------------|--------------------|
| Professor Norma Brook, President | Y | Y | | Y | Y | Y | Y |
| Mr Paul Acres** | | | | Y | A | Y | Y |
| Mr Ozan Altay (A) ** | | | | A | Y | A | Y |
| Mr Michael Barham (A)* | | A | | | | | |
| Mr Graham Beastall (A)* | | | | | | | |
| Ms Patricia Blackburn (A)** | | | | | | | Y |
| Mr John Camp | Y | Y | | Y | Y | Y | Y |
| Mrs Shaheen Chaudhry | Y | Y | | Y | A | Y | A |
| Mrs Mary Clark- Glass | A | Y | | A | Y | Y | A |
| Mr Robert Clegg | Y | A | | Y | Y | A | Y |
| Mrs Mary Crawford** | Y | | | | | | |
| Mrs Clare McGartland | A | | | | | | |
| Mrs Gail Darwent | | | | A | Y | Y | Y |
| Mr Morgwn C Davies | | | | Y | Y | Y | Y |
| Ms Helen Davies***** | A | | | Y | A | Y | Y |
| Mrs Sheila Drayton** | | | | Y | Y | A | Y |
| Ms Christine Farrell | Y | A | | Y | Y | Y | Y |
| Mr Paul Frowen (A)* | | | | | | | |
| Dr Christopher C Green** | | | | Y | Y | Y | Y |
| Ms Daisy Haggerty (A)** | | | | | | | Y |
| Professor John Harper | A | A | | Y | Y | Y | Y |
| Professor Tony Hazell | Y | Y | | Y | Y | Y | Y |
| Dr Robert Jones | Y | Y | | | | Y | Y |
| Ms Rosemary Klem (A)* | | | | | | | |
| Mr Colin Lea | A | Y | | | | | |
| Mrs Ros Levenson | Y | Y | | Y | Y | Y | A |
| Professor Carol Lloyd (A) | | | | A | Y | | Y |
| Professor Jeff Lucas | Y | A | | Y | Y | Y | A |

| | | | | | | | |
|--------------------------|---|---|--|---|---|---|---|
| Miss Morag MacKeller | Y | A | | Y | Y | Y | Y |
| Mr Pat McFadden | | | | Y | Y | Y | Y |
| Ms Joanna Manning* | A | A | | | | | |
| Mr Ian Massey (A)* | A | A | | | | | |
| Mr Alan Mount (A) | | Y | | | | | Y |
| Mr William Munro | A | A | | A | A | A | Y |
| Dr John Old* | Y | | | A | | | |
| Ms Helen Patey (A)** | | | | | | | Y |
| Mrs Jacqueline Pearce | | | | | | | Y |
| Miss Gillian Pearson (A) | | Y | | | | | A |
| Mr Douglas Proctor (A)** | | | | | | | Y |
| Mr Keith Ross | Y | Y | | Y | Y | Y | Y |
| Miss Pamela Sabine | Y | Y | | Y | Y | Y | Y |
| Ms Jackie Sheridan (A)** | | | | | | | Y |
| Mrs Jackie Stark***** | | | | | | | |
| Mrs Barbara Stuart | Y | A | | Y | Y | Y | Y |
| Mr Gordon Stutehall (A)* | | | | | | | |
| Ms Fiona Taylor (A)*** | | | | A | | | A |
| Mr Simon Taylor** | | | | Y | Y | Y | Y |
| Miss Eileen Thornton (A) | | | | | | | A |
| Ms Annie Turner** | | | | A | | Y | Y |
| Dr Anna van der Gaag | Y | Y | | Y | Y | Y | Y |
| Professor Diane Walker | Y | A | | | Y | Y | Y |
| Mr David Whitmore (A)* | A | Y | | | | | |
| Mr Mark Woolcock** | | | | | | | A |
| Mr Stephen Wordsworth | | A | | | | | |
| Mr Neil Willis* | Y | Y | | | | | |
| Dr Sandy Yule* | Y | Y | | | | | |

Y: Attended
A: Apologies

(A): Alternate
* Until 9 July 2006
** From 10 July 2006
*** From 10 July 2006 until 8 November 2006
**** 7 July 2005 meeting cancelled due to terrorist incident
***** Alternate until 9 July 2005, registrant thereafter
***** Special Meeting
***** Resigned 4 May 2005
***** October meeting all members invited to attend

Committee Attendance Tables

Approvals Committee Attendance

| Member | May 2005 | September 2005 | November 2005 | March 2006 |
|------------------|----------|----------------|---------------|------------|
| John Harper | √ | √ | X | √ |
| Norma Brook | √ | | | |
| Shaheen Chaudhry | X | | √ | √ |
| Helen Davis | | √ | √ | √ |
| Paul Frowen | X | | | |
| Tony Hazell | √ | X | √ | √ |
| Carol Lloyd | √ | | | |
| Jeff Lucas | | | X | |
| Alan Mount | | √ | X | √ |
| Gill Pearson | X | √ | √ | √ |
| Pam Sabine | X | | | |
| Barbara Stuart | √ | | | |
| Fiona Taylor | | √ | | |
| Eileen Thornton | √ | √ | X | √ |
| Annie Turner | | √ | √ | √ |
| Diane Waller | √ | √ | √ | √ |
| David Whitmore | √ | | | |
| Mark Woolcock | | X | X | X |

√ Attended

X Apologies for absence received

Norma Brook, Paul Frowen, Carol Lloyd, Pam Sabine, Barbara Stuart, David Whitmore: until May 2005

Helen Davis, Jeff Lucas, Alan Mount, Annie Turner, Mark Woolcock: from September 2005

Fiona Taylor: September 2005 only

Audit Committee Attendance

| Member | January 2006 | March 2006 |
|-----------------|--------------|------------|
| Paul Acres | √ | √ |
| Tony Hazell | √ | √ |
| Richard Kennett | √ | √ |
| Carol Lloyd | | √ |
| Doug Proctor | √ | √ |

√ Attended

X Apologies for absence received

Paul Acres, Tony Hazell, Richard Kennett, Doug Proctor: from January 2006

Carol Lloyd: from March 2006

Health Committee Attendance

| Members | April 2005 | September 2005 | November 2005 | January 2006 |
|------------------------|------------|----------------|---------------|--------------|
| Mr Ozan Altay | | √ | √ | √ |
| Mrs Patricia Blackburn | | x | √ | √ |
| Miss Mary Crawford | √ | | | |
| Mr John Camp | √ | | | |
| Mr Morgwn Davies | | √ | √ | √ |
| Mrs Sheila Drayton | | x | √ | x |
| Professor Tony Hazell | √ | √ | √ | √ |
| Dr Christina Kenny | √ | √ | √ | x |
| Ms Ros Levenson | x | √ | √ | √ |
| Mrs Clare McGartland | x | | | |
| Mr John Old | √ | | | |
| Mrs Jacqueline Pearce | | √ | √ | √ |
| Mrs Jackie Stark | x | | | |
| Mrs Annie Turner | | √ | x | √ |
| Dr Anna van der Gaag | x | | | |
| Professor Diane Waller | x | | | |

√ Attended

x Apologies received for absence

Miss Mary Crawford, Mr John Camp, Mrs Claire McGartland, Dr John Old, Mrs Jackie Stark, Professor Diane Waller and Dr Anna van der Gaag: until April 2005

Mr Ozan Altay, Mrs Patricia Blackburn, Mr Morgwn Davies, Mrs Sheila Drayton, Professor Tony Hazell, Mrs Ros Levenson, Mrs Jacqueline Pearce, Mrs Annie Turner: from September 2005

Dr Christine Kenny Registered Medical Professional: from January 2005

Investigating Committee Attendance

| Members | April 2005 | September 2005 | November 2005 | December 2005 | January 2006 |
|------------------------|------------|----------------|---------------|---------------|--------------|
| Mr Michael Barham | x | | | | |
| Dr Nigel Callaghan | √ | √ | √ | x | √ |
| Mrs Shaheen Chaudhry | √ | x | x | √ | x |
| Mr Robert Clegg | | x | x | √ | √ |
| Ms Christine Farrell | √ | √ | x | √ | x |
| Mr Paul Frowen | √ | | | | |
| Mrs Daisy Haggerty | | √ | √ | √ | √ |
| Mr Colin Lea | √ | | | | |
| Professor Jeff Lucas | x | | | | |
| Miss Morag MacKellar | √ | √ | √ | √ | √ |
| Mr William Munro | x | x | x | √ | √ |
| Mrs Jacki Pearce | √ | | | | |
| Mr Simon Taylor | | x | √ | √ | x |
| Professor Diane Waller | | x | x | √(part) | √ |
| Mr Neil Willis | √ | | | | |

√ Attended

x Apologies for absence received

Mrs Shaheen Chaudhry and Professor Jeff Lucas: from March 2005

Mr Michael Barham, Mr Paul Frowen, Mr Colin Lea, Professor Jeff Lucas, Mrs Jacki Pearce and Mr Neil Willis: until April 2005

Dr Nigel Callaghan Registered Medical Professional: from January 2005

Mr Robert Clegg, Ms Christine Farrell, Mrs Daisy Haggerty, Miss Morag MacKellar, Mr William Munro, Mr Simon Taylor and Professor Diane Waller: from September 2005

Conduct and Competence Committee Attendance

| Members | April 2005 | September 2005 | November 2005 | January 2006 |
|-----------------------|------------|----------------|---------------|--------------|
| Mrs Mary Clark-Glass | √ | √ | √ | √ |
| Mr Robert Clegg | √ | | | |
| Ms Helen Davis | √ | √ | √ | √ |
| Professor Carol Lloyd | √ | √ | √ | √ |
| Mrs Joanna Manning | x | | | |
| Mr Pat McFadden | | √ | √ | √ |
| Ms Helen Patey | | √ | √ | √ |
| Mr Doug Proctor | | √ | √ | x |
| Mr Keith Ross | √ | √ | √ | √ |
| Miss Pam Sabine | √ | √ | √ | √ |
| Dr Gopal Sharma | √ | √ | x | x |
| Mrs Barbara Stuart | √ | | | |
| Mr Gordon Sutehall | √ | | | |
| Mr Sandy Yule | √ | | | |

√ Attended

x Apologies for absence received

Mary Clark-Glass: from December 2004

Mr Robert Clegg, Mrs Joanna Manning, Mrs Barbara Stuart, Mr Gordon Sutehall and Mr Sandy Yule until April 2005.

Dr Gopal Sharma Registered Medical Professional: from January 2005

Mrs Mary Clark-Glass, Ms Helen Davis, Professor Carol Lloyd, Mr Pat McFadden, Ms Helen Patey, Mr Doug Proctor, Mr Keith Ross and Miss Pam Sabine: from September 2005.

Registration Committee Attendance

| Members | April 2005 | September 2005 | November 2005 | February 2006 |
|------------------------|------------|----------------|---------------|---------------|
| Mr Ozan Altay | | √ | √ | √ |
| Mrs Patricia Blackburn | | x | √ | √ |
| Mr John Camp | | x | √ (part) | x |
| Mrs Shaheen Chaudhry | x | | | |
| Ms Mary Crawford | √ | | | |
| Mr Paul Frowen | √ (part) | | | |
| Dr Christopher Green | | √ | √ (part) | x |
| Dr Robert Jones | x | | | |
| Mr Ian Massey | x | | | |
| Mr Alan Mount | √ | | | |
| Ms Helen Patey | | x | √ | √ |
| Mr Doug Proctor | | √ | √ | √ |
| Miss Pam Sabine | √ | | | |
| Mr Gordon Sutehall | √ | | | |
| Mrs Fiona Taylor | | √ | | |
| Mr Simon Taylor | | √ | √ | x |
| Miss Eileen Thornton | √ | | | |
| Ms Annie Turner | | √ | √ | √ |
| Dr Anna van der Gaag | √ | x | √ | √ |
| Mr Mark Woolcock | | x | x | x |

√ Attended

x Apologies for absence received

Mrs Shaheen Chaudhry, Mrs Mary Crawford, Mr Paul Frowen, Dr Robert Jones, Mr Ian Massey, Mr Alan Mount, Miss Pam Sabine, Mr Gordon Sutehall and Miss Eileen Thornton: until April 2005

Mr Ozan Altay, Mrs Patricia Blackburn, Mr John Camp, Dr Christopher Green, Ms Helen Patey, Mr Doug Proctor, Mr Simon Taylor, Ms Annie Turner, Dr Anna van der Gaag and Mr Mark Woolcock: from September 2005

Communications Committee Attendance

| Members | May 2005 | October 2005 | February 2006 |
|-----------------------|----------|--------------|---------------|
| Mr Paul Acres | | √ (part) | x |
| Mr John Camp | x | | |
| Mrs Mary Clark-Glass | | √ | √ |
| Ms Christine Farrell | | x | √ |
| Ms Ros Levenson | √ | x | √ |
| Miss Morag MacKellar | √ | x | √ |
| Mrs Joanna Manning | x | | |
| Mr Pat McFadden | | √ | √ |
| Mrs Claire McGartland | x | | |
| Mrs Jackie Stark | x | | |
| Dr Anna van der Gaag | | √ | √ |

√ Attended

x Apologies for absence received

Mr John Camp, Mrs Joanna Manning, Mrs Claire McGartland and Mrs Jackie Stark: until April 2005

Mr Paul Acres, Mrs Mary Clark-Glass, Ms Christine Farrell, Ms Ros Levenson, Miss Morag MacKellar, Mr Pat McFadden and Dr Anna van der Gaag: from September 2005

Education and Training Committee

| Member | 14 th June 05 | 29 Sept 05 | 15 Dec 05 | 29 March 05 |
|--------------------------------|--------------------------|------------|-----------|-------------|
| Miss Eileen Thornton, Chairman | Y | Y | Y | Y |
| Dr Graham Beastall* | A | | | |
| Mrs Shaheen Chaudhry | Y | Y | Y | Y |
| Ms Gail Darwent** | | Y | Y | Y |
| Ms Helen Davis | Y | Y | Y | Y |
| Mrs Sheila Drayton** | | Y | Y | A |
| Miss Christine Farrell | Y | Y | Y | A |
| Mr Paul Frowen* | A | | | |
| Dr Christopher H Green** | | A | Y | Y |
| Professor John Harper | Y | A | A | Y |
| Professor Tony Hazell | Y | Y | Y | A |
| Mr Steve Hutchins*** | | | | Y |
| Dr Ramen Kapur* | | | | |
| Professor Rosmary Klem* | A | | | |
| Professor Carol Lloyd | Y | Y | Y | Y |
| Professor Jeff Lucas | Y | A | A | Y |
| Mr Ian Massey* | A | | | |
| Mr Alan Mount** | | Y | Y | A |
| Mr Pat McFadden** | | Y | Y | Y |
| Miss Gill Pearson | Y | Y | Y | Y |
| Mr Doug Proctor | | A | Y | Y |
| Miss Pam Sabine** | Y | A | Y | Y |
| Mrs Barbara Stuart** | Y | A | Y | Y |
| Mr Gordon Stutehall* | Y | | | |
| Dr Anna van der Gaag | Y | A | Y | Y |
| Professor D Waller | A | Y | Y | Y |
| Dr David Whitmore* | Y | | | |
| Mr Stephen Wordsworth* | A | | | |

* Until 9 July 2005

**From 10 July 2005

***From 19th of January 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

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

1. Health Professions Council

**CONSOLIDATED REPORT AND FINANCIAL
STATEMENTS**

for the year ended
31 March 2006

MANAGEMENT COMMENTARY

Key operating statistics and commentary

| | 2002/03 | 2003/04 | 2004/05 | 2005/06 |
|---|-------------|-----------|------------|------------|
| Registrant Numbers | 144,141 | 144,834 | 160,381 | 169,235 |
| No of professions regulated | 12 | 12 | 13 | 13 |
| Number of allegations | 70 | 134 | 172 | 316 |
| No of Fitness to Practice cases | | | 102 | 140 |
| Average number of Employee FTE's* | 51 | 55 | 66 | 76 |
| Total Income | 5,467,675 | 7,734,620 | 10,315,797 | 11,668,385 |
| Retained Surplus/(Deficit) for the year | (1,408,173) | (564,455) | (56,031) | 1,235,718 |
| * FTE's are full time equivalent employees. Contractors not included. No of FTE's at 31st March 2006 was 78 | | | | |

In the three years since March 2003, net Registrant numbers have risen 17%. 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 12,000 to 13,000. Income growth during that time has not come from fee changes, but instead from growth within each profession in the number of 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 three year period, Income per Employee FTE has risen from £107,000 to £153,000 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 encouragingly from deficit to surplus during this period, some costs such as investment in Registration systems and building refurbishment costs are incurred unevenly over time.

Forward look and potential future developments

Looking to the future there are a range of external and internal developments that will directly effect the HPC.

The conclusion of the Foster and Donaldson reviews, the implementation of the Bichard vetting and barring scheme and the new EU Directive on professional recognition are examples of external drivers that the Council will have to be cognisant of.

Within the organisation itself, resources will have to be allocated to numerous projects including the new CPD scheme, newly regulated professions, post registration qualifications and the ever increasing number of fitness to practise tribunals.

Financial review

There was a retained surplus of income over expenditure of £1,235,718 (2005 deficit £56,031) for the year, which is set out in these financial statements. Total recognised gains for the year totalled £1,855,161 (2005 losses £56,031). At 31 March 2006 reserves had increased to £2,347,750 (2005 £743,706).

Investment income, including gains or losses on sale of investments, totalled £429,241 (2005 £278,182).

No grants were received from the Department of Health in the year. £251,117 (2005: £251,117) was withdrawn from the capital grant reserve of £355,750 to fund the depreciation of the new computerised registration system, leaving a balance of £104,633.

The balance sheet of the organisation shows fixed assets totalling £5,293,150 (2005 £3,959,464). Of this tangible fixed assets continue to be mostly the freehold land and buildings. The investment portfolio is managed by professional fund managers and was market valued at £1,714,190 (2005 £1,346,804) at 31 March 2006. Cash at bank and on deposit rose to £4,001,928 (2005 £2,821,797). There was deferred income of £5,477,771 (2005 £4,860,348), being registration and renewal fees received in advance.

22/26 Stannary Street Limited

In late May 2005, the Council acquired a new property in Stannary Street to meet future occupancy needs. To elaborate, the growth of Registrant numbers within each profession, addition of new professions to the Register, strong interest from aspirant groups seeking to be regulated, and growth in the number of Fitness to Practice cases have generated cautious but steady growth in the number of HPC employees.

In 2004, it was recognised that the existing space occupied by employees would not accommodate HPC's future space needs. Various options were considered about how to best meet existing and future occupancy needs of the organisation. In early 2005, following careful consideration and analysis of the various options, including potentially relocating HPC premises out of central London, the Council approved the acquisition of premises at 22-26 Stannary Street as being the most cost-effective option for acquiring essential additional space. These premises are located adjacent to Park House and 20 Stannary Street, the existing HPC premises. The additional premises acquired comprised an old printing works covering two storeys (approx 5,500 sq ft net internal space) which could be easily linked up to the existing premises via the creation of a linking doorway.

To acquire the new premises (land and buildings), HPC had to purchase the existing property company from the vendor. The property was not bought on the open market. Details of the acquisition can be found in Note 18 of these financial statements and in the separate set of financial statements for 22/26 Stannary Street Limited for the year ending 31 March 2006.

The 22-26 Stannary St land and buildings were revalued in May 2006 with an existing use valuation of £750,000. Drivers Jonas, the firm of Chartered Surveyors who provided the valuation, do not believe there is a material difference between the current Existing Use Value and the Market Value of the property. The premium paid, being the difference between what was paid (the purchase price of £930,000 plus transaction costs) in May 2005 and the market value in May 2006 was written off in the Income and Expenditure Statement as an impairment of freehold land and buildings. The amount of the write off was £293,279.

Remuneration Report

The Chief Executive and Registrar's total remuneration was £141,743 (2005: £134,480). This includes basic pay as well as pension contributions paid by the Council of £22,330 (2005: £21,186). The Chief Executive and Registrar is an ordinary member of the FlexiPlan 1 Pension Scheme (see note 16) and his total accrued target pension is £7,349 per annum (2005: £5,359 per annum). His total pensions capital is £85,517 (2005: £62,232). His age is 52. 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 £185,719 (2005: £173,907), were paid to 45 (2005 - 35) members during the year. Attendance allowances over £5,000 paid direct or via their employer were as follows:

| Council Member | Role | Paid direct to Council member or via employer (£) |
|-----------------------|-------------------|--|
| Norma Brook | President | 18,488 |
| Robert Clegg | Lay Member | 10,660 |
| Tony Hazel | Lay Member | 9,880 |
| Keith Ross | Lay Member | 9,100 |
| Diane Waller | Registrant Member | 8,840 |
| Anna Van Der Gaag | Registrant Member | 8,060 |
| Helen Davis | Registrant Member | 7,670 |
| Carol Lloyd | Alternate Member | 7,020 |
| Shaheen Chaudhry | Lay Member | 6,388 |
| Babara Stuart | Lay Member | 6,240 |
| Pat McFadden | Registrant Member | 5,980 |
| Annie Turner | Registrant Member | 5,720 |
| Mary Clark-Glass | Lay Member | 5,460 |
| Daisy Haggerty | Alternate Member | 5,200 |
| John Camp | Lay Member | 5,200 |

Identified Misappropriation of Funds

In May 2005, the Council identified that £133,263 had been misappropriated as a result of the misuse of corporate credit cards within its Finance Department. See Note 4 for more detail and the impact on these financial statements.

As a result of this occurrence, the Council engaged a firm of forensic accountants to undertake an investigation of accounting practices that resulted in the irregularities and to undertake a review of related internal systems to assess their vulnerability to fraud. The Council then set about addressing the identified weaknesses in financial control. See Statement on Internal Control at pages 50 to 51.

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 three years to March 2005, it was noted that a total of £304,000 should have been paid as PAYE and Employer's National Insurance. A financial provision for this amount was recognised in the March 2005 Consolidated financial accounts. A further provision of £103,624 was recognised in the March 2006 Consolidated financial accounts relating to PAYE and NI in that period.

The Professions Supplementary to Medicine Charitable Trust

The Professions Supplementary to Medicine Charitable Trust existed as a subsidiary to the Health Professions Council and income was distributed to the Charity under covenant to enable the charity to support its objectives. The charity ceased to operate on the 31 December 2004 and was deregistered with the Charity Commission in February 2006.

Better payment practice code

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.

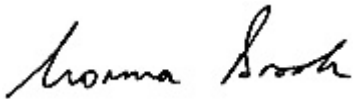
Health and safety

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.

By order of the Council



Professor Norma Brook
President



Marc J Seale
Chief Executive

[Date]

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 Government Accounting.

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.

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 procedures for the authorisation and control of revenue and expenditure;
- operating within the dictates of the 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 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.

Significant internal control problem

A theft of £133,263 by HPC's Finance Director, brought to my attention in May 2005 through the whistle-blowing procedures, cast doubt over the adequacy of the risk and internal financial control framework operated by the Council at that time. As a result of the occurrence, the Council and I sought the immediate resignation of the Council's internal and external auditors. I immediately commissioned an independent forensic investigation into the details of the criminal activities, together with a review of the robustness of internal financial systems. The Council and I received two reports from the forensic auditors and ensured implementation of the recommendations. I also appointed a replacement Finance Manager to run the Finance department, oversee the implementation of the recommendations and to develop improved financial processes.

As a result of the resignation of the internal auditors, there was no internal audit function in place however Baker Tilly Forensic Accountants carried out a review of management controls during the year.

Council and committee member expenses and fees

Following a recent review of how the HPC reimburses Council and Committee member allowance fees and expenses, it was found that the Council would likely have an obligation to pay the associated PAYE and National Insurance on travel and subsistence expenses and National Insurance contribution on Attendance allowance fees paid. On review of the expenses and fees paid in the last three years to March 2005, it was identified that a total of £304,000 should have been paid as PAYE and Employer's National Insurance. A financial provision for this amount was recognised in the March 2005 Consolidated financial accounts. A further provision of £103,624 was recognised in the March 2006 Consolidated financial accounts relating to PAYE and NI in that period.

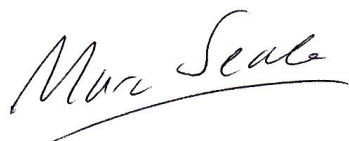
A new Head of Finance has been appointed and the Council have strengthened both its Finance and Resources Committee and Audit Committee by appointing persons with substantial financial experience to help them be more effective in critically reviewing and managing on behalf of the wider Council the work of the financial staff and auditors.

Internal Auditors

Following the resignation of the internal auditors in May 2005, HPC has been operating without an internal audit function. Reliance was placed on Baker Tilly's forensic work during the year which covered management controls. The Council and I recognise the need for a robust internal audit function and as such appointed PKF (UK) LLP as internal auditors in May 2006.

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

[Date]

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HEALTH PROFESSIONS COUNCIL

We have audited the financial statements on pages 56 to 73.

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 56 to 73 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 61 and 62.

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

As described on page 49, 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 50 and 51 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 Presidents Statement, the Chief Executive and Registrar's report and the reports on pages 2 to 43. 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 of the state of affairs of the Health Professions Council at 31 March 2006 and of the surplus, total recognised gains and losses and cash flows for the year then ended and have been properly prepared in accordance with Article 46(1)(b) of the Health Professions Order 2001 and directions made thereunder by the Privy Council; and
- 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.

Emphasis of Matter - misappropriation of funds

As disclosed in Note 4 of the financial statements, the Income and Expenditure account includes the write off of cash losses to expenditure of £13,627 arising from the misuse of corporate credit cards. The full circumstances of the misuse of corporate cards, which mostly occurred in 2004-05, were disclosed in the Health Professions Council Accounts for the year ending 31 March 2005 and accompanying Report of the Comptroller and Auditor General to the Houses of Parliament. Our opinion is not qualified in this respect.

Baker Tilly
Date

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

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 2006 under Article 46(5) of the Health Professions Order 2001. These comprise the consolidated Income and Expenditure Account, the consolidated Balance Sheet, the consolidated Cash flow Statement and consolidated 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.

Respective responsibilities of the Council, the Chief Executive and auditor

The Council and Chief Executive are responsible for preparing the Annual Report, the Remuneration Report and the financial statements in accordance with the Health Professions Order 2001 and directions made thereunder by the Privy Council for ensuring the regularity of financial transactions. These responsibilities are set out in the Statement of Responsibilities of the Council and its Chief Executive in respect of the accounts.

My responsibility is to audit the financial statements 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 directions made thereunder by the Privy Council. 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. I also report to you if, in my opinion, the Annual Report is not consistent with the financial statements, 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 relevant authorities regarding remuneration and other transactions is not disclosed.

I review whether the statement on pages 50 to 51 reflects the Health Professions Council compliance with HM Treasury's guidance on the Statement on Internal Control, and I report if it does not. I am not required to consider whether the Accounting Officer's statements on internal control cover all risks and controls, or form an opinion on the effectiveness of the Health Professions Council 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. This other information comprises all except the Remuneration Report on page 46. 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 Accounting Officer in the preparation of the financial statements, and of whether the accounting policies are most appropriate to the Health Professions Council 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.

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 Privy Council, of the state of the Health Professions Council's affairs as at 31 March 2006 and of its surplus, total recognised gains and losses and cash flows 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 directions made thereunder by Privy Council; and

- 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.

Emphasis of Matter - Misappropriation of Funds

As disclosed in Note 4 of the financial statements, the Income and Expenditure account includes the write off of cash losses to expenditure of £13,627 arising from the misuse of corporate credit cards. The full circumstances of the misuse of corporate cards, which mostly occurred in 2004-05, were disclosed in the Health Professions Council Accounts for the year ending 31 March 2005 and accompanying Report of the Comptroller and Auditor General to the Houses of Parliament. My opinion is not qualified in this respect. I have no observations to make on these financial statements.

- | | | | |
|-------|------------------------------------|--------|-----------------------------------|
| (i) | John Bourn | (ii) | National Audit Office |
| (iii) | Comptroller and Auditor General | (iv) | 157-197 Buckingham Palace Road |
| (v) | | (vi) | Victoria |
| (vii) | | (viii) | London SW1W 9SP |
| (ix) | [Date] | (x) | |

Consolidated Income and Expenditure for the year ended 31 March 2006

| | Notes | 2006 £ | 2005 £ |
|---|-------|------------|------------|
| INCOME | | | |
| Fee income | | | |
| Registration fees | | 457,569 | 507,598 |
| Readmission fees | | 305,679 | 103,132 |
| Renewal fees | | 9,053,659 | 8,124,425 |
| Pre-registration fees | | 1,154,670 | 1,051,343 |
| Total fee income | 1 | 10,971,577 | 9,786,498 |
| Grant income - Department of Health | | 251,117 | 251,117 |
| Rental income | | 16,450 | - |
| TOTAL OPERATING INCOME | | 11,239,144 | 10,037,615 |
| EXPENDITURE | | | |
| Payroll costs | 3 | 3,163,045 | 2,744,387 |
| Staff travelling and subsistence | | 124,969 | 131,688 |
| Council and committee expenses | | 451,160 | 642,680 |
| Property services | | 183,481 | 336,400 |
| Office services | | 837,095 | 700,508 |
| Computer services | | 942,672 | 1,159,260 |
| Partners (assessors and other professionals) | | 1,283,368 | 1,331,062 |
| Legal expenses | | 1,548,887 | 1,191,717 |
| Communications | | 531,451 | 926,869 |
| Consultation events | | - | 455,899 |
| Other expenses | | 1,039,421 | 746,655 |
| TOTAL OPERATING EXPENDITURE | 4 | 10,105,549 | 10,367,125 |
| Surplus / (Deficit) for the year after operational costs | | 1,133,595 | (329,510) |
| Interest payable | | (12,955) | - |
| Investment income | 2 | 157,103 | 133,912 |
| Loss on disposal of investments | 9 | (2,604) | (6,474) |
| Write back of unrealised gains on investments | 9 | 274,742 | 150,744 |
| Impairment of freehold land and buildings | 10 | (293,279) | - |
| Notional costs | 5 | (54,100) | (28,328) |
| Surplus / (Deficit) after notional costs and investment income | | 1,202,502 | (79,656) |
| Reversal of notional costs | | 54,100 | 28,328 |
| SURPLUS / (DEFICIT) ON ORDINARY ACTIVITY BEFORE TAXATION | 6 | 1,256,602 | (51,328) |
| Taxation | 7 | (20,884) | (4,703) |
| RETAINED SURPLUS / (DEFICIT) FOR THE YEAR | | 1,235,718 | (56,031) |

All amounts relate to continuing activities.

The notes on pages 61 to 73 form part of these financial statements.

Consolidated Statement of Total Recognised Surpluses and Deficits for the year ended 31 March 2006

| | <i>Notes</i> | 2006 £ | 2005 £ |
|--|--------------|-------------------------|------------------------|
| SURPLUS/(DEFICIT) FOR THE YEAR | | 1,235,718 | (56,031) |
| Unrealised surplus on revaluation of freehold land and buildings | 8 | <u>619,443</u> | <u>-</u> |
| TOTAL RECOGNISED SURPLUSES /(DEFICITS) FOR THE YEAR | | <u><u>1,855,161</u></u> | <u><u>(56,031)</u></u> |

NOTE OF HISTORICAL COST SURPLUSES AND DEFICITS

| | <i>Notes</i> | 2006 £ | 2005 £ |
|---|--------------|-------------------------|----------------------|
| SURPLUS/(DEFICIT) ON ORDINARY ACTIVITIES BEFORE TAXATION | | 1,256,602 | (51,32 |
| Difference between historic costs depreciation charge and the depreciation charge calculated on the revalued amount | 8 | <u>(9,1£</u> | <u>(9,1£</u> |
| HISTORIC COST SURPLUS/(DEFICIT) ON ORDINARY ACTIVITIES BEFORE TAXATION | | <u><u>1,247,417</u></u> | <u><u>(60,51</u></u> |
| HISTORIC COST SURPLUS/(DEFICIT) ON ORDINARY ACTIVITIES AFTER TAXATION | | <u><u>1,226,53£</u></u> | <u><u>(65,21</u></u> |

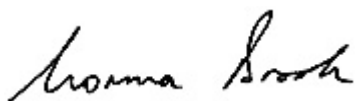
The notes on pages 61 to 73 form part of these financial statements.

Consolidated Balance Sheet 31 March 2006

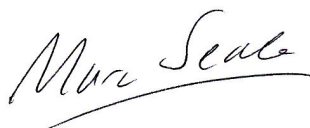
| | Notes | 2006 £ | 2005 £ |
|--|-------|--------------------|--------------------|
| FIXED ASSETS | | | |
| Tangible assets | 8 | 3,578,960 | 2,612,660 |
| INVESTMENTS | | | |
| Financial investments | 9 | <u>1,714,190</u> | <u>1,346,804</u> |
| | | <u>5,293,150</u> | <u>3,959,464</u> |
| CURRENT ASSETS | | | |
| Debtors | 11 | 114,348 | 185,113 |
| Cash at bank and in hand | 21b,c | <u>4,001,928</u> | <u>2,821,797</u> |
| | | 4,116,276 | 3,006,910 |
| CREDITORS: Amounts falling due within one year | 12 | (1,583,905) | (1,362,320) |
| DEFERRED INCOME | 13 | (5,477,771) | (4,860,348) |
| NET CURRENT LIABILITIES | | <u>(2,945,400)</u> | <u>(3,215,758)</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | <u>2,347,750</u> | <u>743,706</u> |
| Represented by: | | | |
| Government Grant Reserve | 14 | 104,633 | 355,750 |
| Accumulated funds | | | |
| Revaluation reserves | 15 | 652,189 | 32,746 |
| General funds | 15 | <u>1,590,928</u> | <u>355,210</u> |
| | | <u>2,347,750</u> | <u>743,706</u> |

The notes on pages 61 to 73 form part of these financial statements.

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



PROFESSOR NORMA BROOK
President Chief



MARC J SEALE
Executive and Registrar

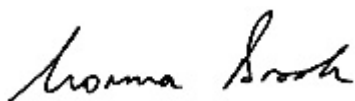
(1) Accounting Officer

**Council Balance Sheet 31 March
2006**

| | Notes | 2006 £ | 2005 £ |
|--|-------|--------------------|--------------------|
| FIXED ASSETS | | | |
| Tangible assets | 8 | 2,828,960 | 2,612,660 |
| INVESTMENTS | | | |
| Investments in subsidiary | 10 | 750,000 | - |
| Financial investments | 9 | 1,714,190 | 1,346,804 |
| | | <u>5,293,150</u> | <u>3,959,464</u> |
| CURRENT ASSETS | | | |
| Debtors | 11 | 114,348 | 185,113 |
| Cash at bank and in hand | 21b,c | 4,001,928 | 2,821,797 |
| | | <u>4,116,276</u> | <u>3,006,910</u> |
| CREDITORS: Amounts falling due within one year | 12 | (1,591,735) | (1,362,320) |
| DEFERRED INCOME | 13 | (5,477,771) | (4,860,348) |
| NET CURRENT LIABILITIES | | <u>(2,953,230)</u> | <u>(3,215,758)</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | <u>2,339,920</u> | <u>743,706</u> |
| Represented by: | | | |
| Government Grant Reserve | 14 | 104,633 | 355,750 |
| Accumulated funds | | | |
| Revaluation reserves | 15 | 638,746 | 32,746 |
| General funds | 15 | 1,596,541 | 355,210 |
| | | <u>2,339,920</u> | <u>743,706</u> |

The notes on pages 61 to 73 form part of these financial statements.

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



PROFESSOR NORMA BROOK
President



MARC J SEALE
Chief Executive and Registrar

(2) Accounting Officer

Consolidated Cash Flow Statement for the year ended 31 March 2006

| | Notes | 2006 £ | 2005 £ |
|---|-------|-------------------------|-----------------------|
| NET CASH INFLOW FROM OPERATING ACTIVITIES | 21a | <u>2,466,964</u> | <u>371,701</u> |
| RETURNS ON INVESTMENT AND SERVICING OF FINANCE | | | |
| Interest received | | 109,917 | 79,613 |
| Income from investments | | 47,186 | 54,299 |
| Interest payable | | <u>(12,955)</u> | <u>-</u> |
| | | <u>144,148</u> | <u>133,912</u> |
| TAXATION | | <u>(4,703)</u> | <u>-</u> |
| CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT | | | |
| Purchase of investment in subsidiary | | (1,043,279) | - |
| Purchase of tangible fixed assets | | (290,355) | (98,843) |
| Sale of investments | | <u>300,746</u> | <u>203,540</u> |
| | | <u>(1,426,278)</u> | <u>(91,796)</u> |
| NET CASH INFLOW BEFORE FINANCING | | <u>1,180,131</u> | <u>413,817</u> |
| FINANCING | | | |
| Loan | | 500,000 | - |
| Loan repayment | | <u>(500,000)</u> | <u>-</u> |
| | | <u>-</u> | <u>-</u> |
| INCREASE IN CASH | 21b,c | <u><u>1,180,131</u></u> | <u><u>413,817</u></u> |

The notes on pages 61 to 73 form part of these financial statements.

(I) ACCOUNTING POLICIES

(II)

(III) 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.

(IV)

(V) CONSOLIDATION

Until 31 December 2004 the financial statements consolidated the financial position and result of the Council and its wholly-owned subsidiary, the Professions Supplementary to Medicine Charitable Trust. The Trust ceased to operate on 31st December 2004. The income and expenditure account for the year ended 31 March 2005 provided on page 56 is for the Council alone. The financial results of the Charitable Trust are shown in Note 17.

In May 2005 the Council purchased a subsidiary, 22/26 Stannary Street Limited, to acquire the adjoining land and buildings of 22/26 Stannary Street.

The Subsidiary acquired during the year has been consolidated using the acquisition method. The results are incorporated from the date that control passes. 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 2006

(VI) VALUE ADDED TAX

(vii)

(viii) 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.

(IX) 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.

(X) GRANT INCOME AND EXPENDITURE

All revenue grants receivable are included in the income and expenditure account when they are received. All costs relating to the refurbishment of freehold buildings have been expensed in the income and expenditure account on the basis that these costs, to date, have not significantly increased the value of the

properties. Grants received in respect of the registration system software have been taken to the Capital Grant Reserve, which is applied over the useful life of the software.

(XI) 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.

(XII) INVESTMENT INCOME

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

(XIII) 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.

(XIV) 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).

(XV) 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.

(XVI) 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.

(XVII) NOTIONAL COSTS

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.

Notes to the Financial Statements for the year ended 31 March 2006

| 1 FEE INCOME (by profession) | 2006 £ | 2005 £ |
|---|-------------------|------------------|
| Arts Therapists | 132,986 | 110,553 |
| Biomedical Scientists | 1,402,594 | 1,322,501 |
| Chiroprodists and Podiatrists | 1,024,038 | 820,187 |
| Clinical Scientists | 317,421 | 256,448 |
| Dieticians | 371,167 | 329,487 |
| Occupational Therapists | 1,710,281 | 1,625,647 |
| Operating Department Practitioners | 466,885 | 160,490 |
| Orthoptists | 74,221 | 74,715 |
| Paramedics | 707,435 | 614,343 |
| Physiotherapists | 2,581,029 | 2,350,156 |
| Prosthetists and Orthotists | 48,900 | 48,049 |
| Radiographers | 1,474,449 | 1,437,449 |
| Speech and Language Therapists | 660,171 | 636,473 |
| | <u>10,971,577</u> | <u>9,786,498</u> |
| | | |
| 2 INVESTMENT INCOME | 2006 £ | 2005 £ |
| Bank deposit interest | 93,736 | 75,564 |
| Investment deposit interest | 4,162 | 4,049 |
| Fixed interest securities | 12,019 | 10,237 |
| Quoted UK equities | 47,186 | 44,062 |
| | <u>157,103</u> | <u>133,912</u> |
| | | |
| 3 PAYROLL COSTS | 2006 £ | 2005 £ |
| Wages and salaries | 2,153,154 | 1,797,115 |
| Social security costs | 226,518 | 199,150 |
| Pension costs | 191,679 | 194,060 |
| Other payroll expense including recruitment and temporary staff | 591,694 | 554,062 |
| | <u>3,163,045</u> | <u>2,744,387</u> |

The average number of employees (full time equivalents) during the year was as follows:

| | 2006 | 2005 |
|---|-----------|-----------|
| Chief Executive's Department | 3 | 3 |
| Communications | 7 | 6 |
| Approvals & Monitoring | 7 | 5 |
| Finance | 4 | 4 |
| Fitness to Practise | 8 | 5 |
| Human Resources | 3 | 3 |
| Information/IT | 4 | 5 |
| Office Services | 5 | 4 |
| Registration (International and Grandparenting) | 13 | 12 |
| Registration (UK) | 17 | 15 |
| Secretariat | 4 | 4 |
| Policy and Standards | 1 | - |
| | <u>76</u> | <u>66</u> |

| 4 OPERATING EXPENDITURE | Staff costs £ | Other costs £ | 2006 £ | 2005 £ |
|--------------------------------|------------------|------------------|-------------------|-------------------|
| President | - | 37,536 | 37,536 | 46,230 |
| Council | - | 510,318 | 510,318 | 502,627 |
| Secretariat | 145,404 | 170,244 | 315,648 | 170,238 |
| Chief Executive and Registrar | 258,234 | 49,315 | 307,549 | 240,806 |
| Education and Policy | 398,479 | 165,921 | 564,400 | 948,416 |
| Registration | 1,038,446 | 986,720 | 2,025,166 | 1,575,085 |
| IT Department | 240,892 | 965,160 | 1,206,052 | 1,478,009 |
| Finance | 224,502 | 503,857 | 728,359 | 507,539 |
| Administration | 173,810 | 637,864 | 811,674 | 1,237,166 |
| Fitness to Practise | 289,001 | 2,142,660 | 2,431,661 | 1,958,099 |
| Human Resources | 135,748 | 103,224 | 238,972 | 521,517 |
| Communications | 258,529 | 669,685 | 928,214 | 1,181,393 |
| TOTAL | <u>3,163,045</u> | <u>6,942,504</u> | <u>10,105,549</u> | <u>10,367,125</u> |

Included in Finance costs above is £13,627 (2005: £119,636) in relation to the misappropriation of funds which occurred in the year. Together these total £133,263 misappropriated.

The professional fees incurred during the year as a result of the fraud have amounted to £232,379 which are expensed in the year (2005: £nil). Details of the misappropriation are provided in the foreword to the financial statements.

Included in Council Operating expenditure is £103,624 (2005: £304,000) in relation to the provision of PAYE and National Insurance payable on council members' reimbursed expenses and Employer's National Insurance on Council members' attendance allowance fees. The 2005 charge was based on three years worth of charges to 31 March 2005.

| 5 NOTIONAL COSTS | 2006 £ | 2005 £ |
|--|-----------------------------|-----------------------------|
| Cost of Capital | <u>54,100</u> | <u>28,328</u> |
| Notional cost of capital is calculated as 3.5% (2005: 3.5%) of the average capital employed by the Council in the year. | | |
| 6 OPERATING SURPLUS / DEFICIT | 2006 £ | 2005 £ |
| This is stated after charging: | | |
| Depreciation | 692,061 | 671,898 |
| Auditors' remuneration | | |
| - External audit Baker Tilly | 43,299 | 38,365 |
| - External audit National Audit Office | 12,500 | 3,500 |
| - Internal audit | - | - |
| - Tax Advice | 22,560 | - |
| - Other (includes Fraud investigation and review of associated controls) | 266,318 | - |
| | <u> </u> | <u> </u> |
| 7 TAXATION | 2006 £ | 2005 £ |
| Current tax: | | |
| UK corporation tax on profits of the period | 20,884 | 4,703 |
| Total current tax | <u> </u> | <u> </u> |
| | 20,884 | 4,703 |
| Deferred taxation: | | |
| Origination and reversal of timing differences | <u> </u> | <u> </u> |
| Total deferred tax | <u> </u> | <u> </u> |
| | <u> </u> | <u> </u> |
| Tax on profit on ordinary activities | <u>20,884</u> | <u>4,703</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>1,256,602</u> | <u>(51,238)</u> |
| Surplus/ (deficit) on ordinary activities multiplied by standard rate of corporation tax in the UK 30% (2005: 30%) | 376,980 | (15,398) |
| Effect of: | | |
| Non-taxable income | (3,391,371) | (1,914,643) |
| Write back of unrealised gains on investments not taxed | (82,423) | (28,641) |
| Loss/(gains) on disposal of investments | 782 | 1,230 |
| Expenses not deductible for tax purposes | 3,116,916 | 1,963,114 |
| Benefits of small companies starting rate relief | - | (959) |
| Current tax charge for the period | <u>20,884</u> | <u>4,703</u> |

TANGIBLE FIXED ASSETS

8

| | Freehold Properties £ | Office furniture and equipment £ | Computer equipment £ | Registration system £ | Total £ |
|----------------------------|-----------------------------|---|----------------------------|-----------------------------|------------|
| GROUP | | | | | |
| Cost or valuation | | | | | |
| At 1 April 2005 | 1,700,000 | 369,740 | 563,943 | 1,412,195 | 4,045,878 |
| Additions | 750,000 | 13,903 | 75,818 | 200,634 | 1,040,355 |
| Disposals | - | (30,273) | (162,169) | - | (192,442) |
| Revaluation | 550,000 | - | - | - | 550,000 |
| 31 March 2006 | 3,000,000 | 353,370 | 477,592 | 1,612,829 | 5,443,791 |
| Depreciation | | | | | |
| At 1 April 2005 | 32,000 | 212,666 | 443,227 | 745,325 | 1,433,218 |
| Charge for the year | 37,443 | 83,570 | 76,775 | 494,273 | 692,061 |
| Reversal on revaluation | (69,443) | - | - | - | (69,443) |
| Disposals | - | (30,273) | (160,732) | - | (191,005) |
| 31 March 2006 | - | 265,963 | 359,270 | 1,239,598 | 1,864,831 |
| Net book value: | | | | | |
| At 31 March 2006 | 3,000,000 | 87,407 | 118,322 | 373,231 | 3,578,960 |
| At 31 March 2005 | 1,668,000 | 157,074 | 120,716 | 666,870 | 2,612,660 |

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, 184 Kennington Park Road, London, SE11 4BU and also comprising 20 Stannary Street was valued at the sum of £2,250,000. The historic cost of the property was £1,659,254 (2005: £1,659,254) and accumulated depreciation based on cost was £312,078 (2005: £278,893). 22-26 Stannary Street was valued at £750,000.

Drivers Jonas do not believe that there is a material difference between Existing Use Value and the Market Value of the property.

| 8 TANGIBLE FIXED ASSETS (CONTINUED) | Freehold Properties | Office furniture and equipment | Computer equipment | Registration system | Total |
|--|---------------------|--------------------------------|--------------------|---------------------|------------------|
| | £ | £ | £ | £ | £ |
| COUNCIL | | | | | |
| Cost or valuation | | | | | |
| At 1 April 2005 | 1,700,000 | 369,740 | 563,943 | 1,412,195 | 4,045,878 |
| Additions | - | 13,903 | 75,818 | 200,634 | 290,355 |
| Disposals | - | (30,273) | (162,169) | - | (192,442) |
| Revaluation | 550,000 | - | - | - | 550,000 |
| 31 March 2006 | <u>2,250,000</u> | <u>353,370</u> | <u>477,592</u> | <u>1,612,829</u> | <u>4,693,791</u> |
| Depreciation | | | | | |
| At 1 April 2005 | 32,000 | 212,666 | 443,227 | 745,325 | 1,433,218 |
| Charge for the year | 24,000 | 83,570 | 76,775 | 494,273 | 678,618 |
| Disposals | - | (30,273) | (160,732) | - | (191,005) |
| Reversal on revaluation | (56,000) | - | - | - | (56,000) |
| 31 March 2006 | <u>-</u> | <u>265,963</u> | <u>359,270</u> | <u>1,239,598</u> | <u>1,864,831</u> |
| Net book value: | | | | | |
| 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> |
| At 31 March 2005 | <u>1,668,000</u> | <u>157,074</u> | <u>120,716</u> | <u>666,870</u> | <u>2,612,660</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.

Park House, 184 Kennington Park Road, London, SE11 4BU and also comprising 20 Stannary Street was valued at the sum of £2,250,000. The historic cost of the property was £1,659,254 (2005: £1,659,254) and accumulated depreciation based on cost was £312,078 (2005: £278,893).

Drivers Jonas do not believe that there is a material difference between Existing Use Value and the Market Value of the property.

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

| | | |
|--|------------------|------------------|
| 9 LISTED INVESTMENTS | 2006 | 2005 |
| | £ | £ |
| GROUP AND COUNCIL | | |
| Listed as at 1 April 2005 | 1,346,804 | 1,203,107 |
| Additions | 393,390 | 196,493 |
| Disposals | <u>(300,746)</u> | <u>(203,540)</u> |
| | 1,439,448 | 1,196,060 |
| Unrealised gains on investments | 274,742 | 150,744 |
| At 31 March 2006 | <u>1,714,190</u> | <u>1,346,804</u> |
| Historical cost value at 31 March 2006 | 1,401,709 | 1,277,756 |

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 2006 % | £ | 31 March 2005 %£ |
|---------------------------------|---------------|-----------------------|----------|------------------------|
| BP ordinary shares of US\$ 0.25 | <u>85,930</u> | <u>5.0%</u> | <u>-</u> | <u>-</u> |

| | | |
|-------------------------------------|------------------|----------|
| 10 INVESTMENTS IN SUBSIDIARY | 2006 | 2005 |
| | £ | £ |
| COUNCIL | | |
| Cost | | |
| 1 April 2005 | - | - |
| Acquisitions | <u>1,043,279</u> | <u>-</u> |
| 31 March 2006 | <u>1,043,279</u> | <u>-</u> |
| 1 April 2005 | - | - |
| Asset impairment write off | <u>293,279</u> | <u>-</u> |
| 31 March 2006 | <u>293,279</u> | <u>-</u> |
| Net book value | | |
| 31 March 2006 | <u>750,000</u> | <u>-</u> |
| 31 March 2005 | <u>-</u> | <u>-</u> |

On 27 May 2005 the company acquired 100% of the issued share capital of 22/26 Stannary Street Limited. 22/26 Stannary Street Limited holds the freehold of 22/26 Stannary Street, a property neighbouring Park House.

The company was acquired for cash consideration of £1,043,279. A valuation of the freehold property was conducted in May 2006 which valued the property under HPC accounting policy at £750,000. An asset impairment write off has been made for £293,279.

At 31 March 2006 Health Professions Council owned 100% of the issued ordinary share capital of 22/26 Stannary Street Limited, a company incorporated in England and Wales. The principal activity of 22/26 Stannary Street is as a property holding company.

| 11 DEBTORS | GROUP | | COUNCIL | |
|---------------|----------------|----------------|----------------|----------------|
| | 2006 £ | 2005 £ | 2006 £ | 2005 £ |
| Other debtors | 29,740 | 27,182 | 29,740 | 27,182 |
| Prepayments | 84,608 | 157,931 | 84,608 | 157,931 |
| | <u>114,348</u> | <u>185,113</u> | <u>114,348</u> | <u>185,113</u> |

All amounts shown under debtors fall due for payment within one year.

| 12 CREDITORS: Amounts falling due within one year | GROUP | | COUNCIL | |
|---|------------------|------------------|------------------|------------------|
| | 2006 £ | 2005 £ | 2006 £ | 2005 £ |
| Corporation tax | 20,884 | 4,703 | 20,884 | 4,703 |
| Other taxation and social security | 80,191 | 59,252 | 76,027 | 59,252 |
| Amounts due to subsidiary undertakings | - | - | 21,684 | - |
| Other creditors | 699,575 | 742,668 | 699,575 | 742,668 |
| Accruals | 783,255 | 555,697 | 773,565 | 555,697 |
| | <u>1,583,905</u> | <u>1,362,320</u> | <u>1,591,735</u> | <u>1,362,320</u> |

During the year the overdraft facility of £1,000,000 secured on the freehold land and buildings was relinquished and the charge removed.

| 13 DEFERRED INCOME | GROUP | | COUNCIL | |
|------------------------------|------------------|------------------|------------------|------------------|
| | 2006 £ | 2005 £ | 2006 £ | 2005 £ |
| Registration fees in advance | 106,500 | 97,104 | 106,500 | 97,104 |
| Renewal fees in advance | 5,371,271 | 4,763,244 | 5,371,271 | 4,763,244 |
| | <u>5,477,771</u> | <u>4,860,348</u> | <u>5,477,771</u> | <u>4,860,348</u> |

| 14 GOVERNMENT GRANT RESERVE | GROUP | | COUNCIL | |
|-----------------------------|----------------|----------------|----------------|----------------|
| | 2006 £ | 2005 £ | 2006 £ | 2005 £ |
| At 1 April 2005 | 355,750 | 606,866 | 355,750 | 606,866 |
| Applied in the year | (251,117) | (251,116) | (251,117) | (251,116) |
| At 31 March 2006 | <u>104,633</u> | <u>355,750</u> | <u>104,633</u> | <u>355,750</u> |

| 15 ACCUMULATED FUNDS | Revaluation reserve | General funds | Total |
|----------------------|---------------------|------------------|------------------|
| | £ | £ | £ |
| GROUP | | | |
| At 1 April 2005 | 32,746 | 355,210 | 387,956 |
| Movement in the year | 619,443 | 1,235,718 | 1,855,161 |
| At 31 March 2006 | <u>652,189</u> | <u>1,590,928</u> | <u>2,243,117</u> |

| | Revaluation reserve £ | General funds £ | Total £ |
|----------------------|-----------------------------|-----------------------|------------------|
| COUNCIL | | | |
| At 1 April 2005 | 32,746 | 355,210 | 387,956 |
| Movement in the year | 606,000 | 1,241,331 | 1,847,331 |
| At 31 March 2006 | <u>638,746</u> | <u>1,596,541</u> | <u>2,235,287</u> |

16 PENSION FUNDING ARRANGEMENTS

The Council has pension obligations to both present and former staff. These are met by the operation of The Council for Professions Supplementary to Medicine Retirement Benefits Scheme and contributions to the FlexiPlan 1 Scheme operated by FPS Trustee Company Limited ("FlexiPlan").

The first scheme was closed in June 1995 and has no active members. On 28 March 2002, all members of the Scheme were served with a statutory notice of closure. The benefits are secured by insurance policies issued by The Scottish Life Assurance Society. 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.

FlexiPlan is a money purchase scheme which offers a targeted final salary benefit. It is a multi-employer scheme 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 assets and liabilities.

17 THE PROFESSIONS SUPPLEMENTARY TO MEDICINE CHARITABLE TRUST

The Council controlled the Professions Supplementary to Medicine Charitable Trust which is Registered Charity No. 313795 and which operated at the same premises as the Council until it ceased operating on 31st December 2004 and was deregistered by the Charities Commission in February 2006. The Trust's financial results for the period to 31 March 2006 are as follows:

| Statement of Financial Activities | 2006 £ | 2005 £ |
|-------------------------------------|-----------|--------------|
| Incoming Resources | - | 64,655 |
| Resources Expended | - | (64,755) |
| Net Outgoing Resources for the year | <u>-</u> | <u>(100)</u> |
| BALANCE SHEET | | |
| Current assets | <u>-</u> | <u>-</u> |
| Accumulated fund | <u>-</u> | <u>-</u> |

18 22/26 STANNARY STREET LIMITED

The Council purchased a company to acquire the adjoining land and buildings of 22/26 Stannary Street in May 2005.

The subsidiary's summary financial results for the period to 31 March 2006 are as follows:

| PROFIT AND LOSS ACCOUNT | 2006 £ |
|--------------------------------|-----------|
| Turnover | 32,064 |
| Operating expenses | (83,437) |

| | |
|--------------------------------|-----------------|
| Operating loss | (51,373) |
| Operating loss before Taxation | <u>(51,373)</u> |
| Taxation | (672) |
| Loss for the year | <u>(52,045)</u> |

BALANCE SHEET

| | |
|---------------------------------------|----------------|
| Tangible fixed assets | 750,000 |
| Current assets | 21,684 |
| Current liabilities | (14,526) |
| Total assets less current liabilities | <u>757,158</u> |
| Represented by: | |
| Called up share capital | 9,251 |
| Share premium account | 9,000 |
| Revaluation reserve | 615,969 |
| Capital redemption reserve | 3,500 |
| Profit and loss account | 119,438 |
| Shareholders' Funds | <u>757,158</u> |

19 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. The grant of £251,117 (2005: £251,117) represents the amount released from the balance sheet during the year. There have been no transactions with Council members except as disclosed in Note 3.

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.

20 POST BALANCE SHEET EVENTS

There are no items to note.

| | | |
|---|-----------|-----------|
| 21a RECONCILIATION OF SURPLUS/ DEFICIT OF EXPENDITURE OVER INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES | 2006 £ | 2005 £ |
| Surplus/(deficit) of expenditure over income | 1,133,595 | (329,510) |
| Depreciation of tangible fixed assets | 692,061 | 671,898 |
| Grant income released from reserves | (251,117) | (251,116) |
| Loss on disposal of investment | (2,604) | (6,474) |
| Loss on disposal of fixed asset | 1,437 | - |
| Decrease in debtors | 70,765 | 7,900 |
| Increase/(decrease) in creditors | 205,404 | 483,246 |
| Increase/(decrease) in deferred income | 617,423 | (204,243) |
| Net cash inflow from operating activities | 2,466,964 | 371,701 |

| | | |
|---|-----------|-----------|
| 21b RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS | 2006 £ | 2005 £ |
| Increase in cash in the year | 1,180,131 | 413,817 |
| Movement in net funds in the year | 1,180,131 | 413,817 |
| Opening net funds | 2,821,797 | 2,407,980 |
| Closing net funds | 4,001,928 | 2,821,797 |

| | | | |
|------------------------------|-------------------------|-------------------|-------------------------|
| 21c ANALYSIS OF FUNDS | Opening balance £ | Cash Flow £ | Closing balance £ |
| Cash at bank and on deposit | 2,821,797 | 1,180,131 | 4,001,928 |

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.

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.

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 2006 fixed interest investments accounted for 18.9% (2005: 16%) of the fund and generate a yield of 5.8% (2005: 6.1%). 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.

22/26 Stannary Street Limited
(formerly Purbrook & Eyres Limited)

Subsidiary company of the Health Professions Council

FINANCIAL STATEMENTS

for the year ended
31 March 2006

Company Registration No. 756409

Directors and Officers

DIRECTORS

N Brook
M Seale
R Clegg

SECRETARY

Niamh O'Sullivan

COMPANY NUMBER

756409 (England and Wales)

REGISTERED OFFICE

22-26 Stannary Street
Kennington
London SE11 4AA

AUDITORS

Baker Tilly
Chartered Accountants
2 Bloomsbury Street
London WC1B 3ST

SOLICITORS

Bircham Dyson Bell
50 Broadway
London
SW1H 0BL

Director's Report

The directors submit their report and the financial statements of 22/26 Stannary Street Limited for the year ended 31 March 2006.

CHANGE OF NAME

On 5th July 2005, the company's name was changed from Purbrook & Eyres Limited to 22/26 Stannary Street Limited.

PRINCIPAL ACTIVITIES

A property holding company.

ANNUAL FINANCIAL RESULTS

The loss for the year after taxation was (£52,045), 2005 (£25,841).

REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

Provide office accommodation for HPC employees

DIRECTORS

The following directors have held office since 1 April 2005:

M Stern – resigned 31 May 2005

DA Watts – resigned 31 May 2005

J Prokop – resigned 31 May 2005

S Yule – appointed 31 May 2005, resigned 24 November 2005

C Lea – appointed 31 May 2005, resigned 24 November 2005

N Brook – appointed 31 May 2005

M Seale – appointed 31 May 2005

R Clegg – appointed 24 November 2005

DIRECTORS' INTERESTS IN SHARES

Directors' interests in the shares of the company, including family interests, were as follows. Director's share interests are shown at year end.

| | <i>Ordinary shares of £1 each</i> | | <i>Ordinary 'A' shares of £1 each</i> | | <i>Ordinary 'B' shares of £1 each</i> | |
|----------|---------------------------------------|---------|---|---------|---|---------|
| | 31.3.06 | 31.3.05 | 31.3.06 | 31.3.05 | 31.3.06 | 31.3.05 |
| M Stern | - | - | - | 5,000 | - | 4,250 |
| DA Watts | - | - | - | - | - | - |
| J Prokop | - | - | - | - | - | 1 |
| S Yule | - | - | - | - | - | - |
| C Lea | - | - | - | - | - | - |
| N Brook | - | - | - | - | - | - |
| M Seale | - | - | - | - | - | - |
| R Clegg | - | - | - | - | - | - |

The current Directors have no shares in the company. All the share capital is owned by the Health Professions Council.

AUDITORS

At the meeting of the Board of Directors held at Park House on 24th 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.

By order of the board,

Marc Seale
Director

Niamh O'Sullivan
Secretary

Director's Responsibilities in the Preparation of Financial Statements

Company law requires the directors to prepare financial statements for each financial year which 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 year. In preparing those financial statements, the directors are required to:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and estimates that are reasonable and prudent;
- c. 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 1985. 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.

Report of the Independent Auditors

We have audited the financial statements on pages 80 to 89

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 judgements 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 2006 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
[Date]

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

Profit and Loss Account for the year ended 31 March 2006

| | <i>Notes</i> | Year to 31 March 2006 £ | *Seven months 31 March 2005 £ |
|---|--------------|----------------------------------|---|
| TURNOVER | 1 | 32,064 | 117,067 |
| Cost of sales | | - | (88,130) |
| Gross profit | | <u>32,064</u> | <u>28,937</u> |
| Other operating expenses | 2 | (83,437) | (53,522) |
| OPERATING LOSS | | <u>(51,373)</u> | <u>(24,585)</u> |
| Investment income | 4 | - | 824 |
| LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION | 2 | <u>(51,373)</u> | <u>(23,761)</u> |
| Taxation | 5 | (672) | (2,080) |
| LOSS FOR THE YEAR | 10 | <u><u>(52,045)</u></u> | <u><u>(25,841)</u></u> |

The 2005 turnover and operating loss resulted from the trading activities of Purbrook & Eyres Limited and were discontinued on 31 May 2005. The 2006 turnover resulted from the company's continuing operations. Included in Other operating expenses is £56,202 relating to discontinued activities of Purbrook & Eyes Limited. All other expenses result from the company's continuing operations since May 2005.

*Change in year end from 31 August to 31 March.

Statement of Total Recognised Gains and Losses

| | | Year to 31 March 2006 £ | Seven months 31 March 2005 £ |
|--|---|----------------------------------|--|
| Profit/(Loss) for the financial year | | (52,045) | (25,841) |
| Unrealised surplus on revaluation of freehold land and buildings | 6 | 476,377 | - |
| TOTAL GAINS AND LOSSES RECOGNISED SINCE LAST ANNUAL REPORT | | <u>424,332</u> | <u>(25,841)</u> |

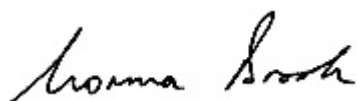
Note of Historical Cost Profits and Losses for the period ended March 2006

| | Year to 31 March 2006 £ | Seven months 31 March 2005 £ |
|--|----------------------------------|--|
| Profit/(Loss) on ordinary activities before taxation | (51,373) | (23,761) |
| Difference between an historical cost depreciation charge and the actual depreciation charge calculated on the revalued amount | 7,500 | 10 |
| Historical cost profit on ordinary activities before taxation | <u>(43,873)</u> | <u>(23,751)</u> |
| Historical cost profit/(loss) for the year retained after taxation and dividends | <u>(43,873)</u> | <u>(25,831)</u> |

Balance Sheet as at 31 March 2006

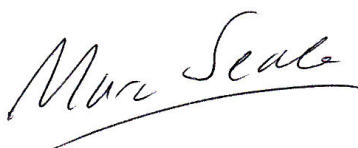
| | Notes | 2006 £ | 2005 £ |
|--|-------|----------------|----------------|
| FIXED ASSETS | | | |
| Tangible fixed assets | 6 | 750,000 | 276,623 |
| CURRENT ASSETS | | | |
| Debtors | 7 | 21,684 | 17,080 |
| Cash at bank and in hand | | - | 113,420 |
| | | <u>21,684</u> | <u>130,500</u> |
| CREDITORS: Amounts falling due within one year | 8 | (14,526) | (74,297) |
| NET CURRENT ASSETS | | <u>7,158</u> | <u>56,203</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | <u>757,158</u> | <u>332,826</u> |
| CAPITAL AND RESERVES | | | |
| Called up share capital | 9 | 9,251 | 9,251 |
| Share premium account | 10 | 9,000 | 9,000 |
| Revaluation reserve | 10 | 615,969 | 139,592 |
| Capital redemption reserve | 10 | 3,500 | 3,500 |
| Profit and loss account | 10 | 119,438 | 171,483 |
| SHAREHOLDERS' FUNDS | 11 | <u>757,158</u> | <u>332,826</u> |

The financial statements on pages 80 to 89 were approved by the board of directors and authorised for issue on 15 June 2006 and are signed on its behalf by:



Professor Norma Brook

Director



Marc Seale

Director

(I) ACCOUNTING POLICIES

(II)

(III) 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.

(IV) 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)

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.

(V) TURNOVER

Turnover represents the invoiced value, net Value Added Tax, of services provided.

COMPARATIVES

2005 figures show 7 months of trading activity as Purbrook & Eyres Limited.

Notes to the Financial Statements for the year ended 31 March 2006

1 **TURNOVER AND LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION**
The company's turnover (excluding VAT) and (loss)/profit before taxation were all derived from its principal activity wholly undertaken in the United Kingdom.

| | | | |
|---|---|----------------------------------|--|
| 2 | PROFIT / LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION | Year to 31 March 2006 £ | Seven months 31 March 2005 £ |
|---|---|----------------------------------|--|

Profit / Loss on ordinary activities before taxation is stated after charging:

Depreciation and amounts written off of tangible fixed assets:

| | | |
|------------------------|-------|-------|
| Charge for the period: | | |
| owned assets | 3,000 | 9,055 |
| Auditors' remuneration | 4,500 | 4,900 |

| | | | |
|---|------------------|---------------------|-----------------------|
| 3 | EMPLOYEES | Year 2006 No. | Period 2005 No. |
|---|------------------|---------------------|-----------------------|

The average monthly number of persons (including directors) employed by the company during the year was:

| | | |
|-----------------------|---|---|
| Office and management | 3 | 3 |
| Production | - | 3 |
| | - | 6 |

| | | |
|------------------------------------|----------------------------------|--|
| | Year to 31 March 2006 £ | Seven months 31 March 2005 £ |
| Staff costs for the above persons: | | |
| Wages and salaries | - | 66,870 |
| Social security costs | - | 7,211 |
| | - | 74,081 |

| | | |
|------------------------------------|----------------------------------|--|
| | Year to 31 March 2006 £ | Seven months 31 March 2005 £ |
| DIRECTORS' REMUNERATION | | |
| Emoluments for qualifying services | - | 17,500 |

| | | | |
|---|---------------------------|----------------------------------|--|
| 4 | INVESTMENT INCOME | Year to 31 March 2006 £ | Seven months 31 March 2005 £ |
| | Other interest receivable | - | 824 |

| | | | |
|---|--|-------------------|---------------------|
| 5 | TAXATION | Year 2005 £ | Period 2004 £ |
| | Current tax: | | |
| | UK corporation tax on profits of the period | 672 | - |
| | Adjustment to tax charge in respect of previous period | - | 2,080 |
| | Total current tax | 672 | 2,080 |
| | Deferred taxation: | | |
| | Origination and reversal of timing differences | - | - |
| | Total deferred tax | - | - |
| | Tax on (loss)/profit on ordinary activities | 672 | 2,080 |

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 | (51,373) | (23,761) |
| Loss on ordinary activities multiplied by standard rate of corporation tax in the UK 19% (2005: 19%) | (9,761) | (4,515) |
| Effects of: | | |
| Capital allowances less than/(in excess of) depreciation | - | 1,529 |
| Tax losses (utilised)/not utilised | - | 935 |
| Starting rate companies relief | (816) | - |
| Expenses not deductible for tax purposes | 10,679 | 2,051 |
| Adjustment to tax charge in respect of previous period | - | 2,080 |
| Income not taxable | 570 | - |
| Tax charge for period | 672 | 2,080 |

| | | |
|---|-------------------------|--|
| 6 | TANGIBLE FIXED ASSETS | <i>Land and buildings freehold £</i> |
| | Cost or valuation | |
| | 1 April 2005 | 313,420 |
| | Revaluation | 436,580 |
| | 31 March 2006 | <u>750,000</u> |
| | Depreciation | |
| | 1 April 2005 | 36,797 |
| | Charged in the period | 3,000 |
| | Reversal on revaluation | (39,797) |
| | 31 March 2006 | <u>-</u> |
| | Net book value | |
| | 31 March 2006 | <u>750,000</u> |
| | 31 March 2005 | <u><u>276,623</u></u> |

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 2005 and 31 March 2006 | 149,125 |
| | Depreciation based on cost | |
| | At 1 April 2005 | 33,251 |
| | Charge for the period | 3,000 |
| | At 31 March 2006 | <u>36,251</u> |
| | Net book values | |
| | 31 March 2006 | <u>112,874</u> |
| | 31 March 2005 | <u><u>115,874</u></u> |

| | | | |
|---|----------------------|---------------|---------------|
| 7 | DEBTORS | 2006 £ | 2005 £ |
| | Due within one year: | | |
| | Trade debtors | - | 10,051 |
| | Other debtors | 21,684 | 7,029 |
| | | <u>21,684</u> | <u>17,080</u> |

| | | | |
|---|--|---------------|---------------|
| 8 | CREDITORS: Amounts falling due within one year | 2006 £ | 2005 £ |
| | Trade creditors | - | 6,190 |
| | Corporation tax | 672 | 4,304 |
| | Other taxation and social security | 4,164 | 2,080 |
| | Other creditors | | 53,823 |
| | Accruals and deferred income | 9,690 | 7,900 |
| | | <u>14,526</u> | <u>74,297</u> |
| 9 | SHARE CAPITAL | 2006 £ | 2005 £ |
| | Authorised: | | |
| | Nil (2005: 5,000) 'A' shares of £1 each | - | 5,000 |
| | Nil (2005: 5,000) 'B' shares of £1 each | - | 5,000 |
| | 10,000 (2005: nil) Ordinary shares of £1 each | 10,000 | - |
| | | <u>10,000</u> | <u>10,000</u> |
| | Allotted, issued and fully paid: | | |
| | Nil (2005: 5,000) 'A' shares of £1 each | - | 5,000 |
| | Nil (2005: 4,251) 'B' shares of £1 each | - | 4,251 |
| | 10,000 (2005: Nil) Ordinary shares of £1 each | 9,251 | - |
| | | <u>9,251</u> | <u>9,251</u> |

On 27 June 2005 the company passed a resolution which converted the 5,000 'A' shares of £1 each and the 5,000 'B' shares of £1 each into 10,000 ordinary shares of £1 each.

Rights to Dividends

'A' shares are entitled to be paid out of the profits of the company derived solely from the property.

'B' shares are entitled to be paid out of the profits of the company derived solely from the business of the company.

Rights on Winding Up

'A' shares are entitled to repayment of the capital and assets relating solely to the property.

'B' shares are entitled to repayment of the capital and assets relating solely to the business of the company.

| 10 STATEMENT OF MOVEMENT ON RESERVES | Share Premium Account £ | Revaluation Reserve £ | Other Reserves £ | Profit and Loss Account £ |
|---------------------------------------|----------------------------------|-----------------------------|------------------------|------------------------------------|
| 1 April 2005 | 9,000 | 139,592 | 3,500 | 171,483 |
| Movements for the financial period | - | 476,377 | - | (52,045) |
| 31 March 2006 | <u>9,000</u> | <u>615,969</u> | <u>3,500</u> | <u>119,438</u> |

| 11 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS | 2006 £ | 2005 £ |
|--|----------------|-----------------|
| Profit / (Loss) for the financial year | (52,045) | (25,841) |
| Revaluation of land and buildings | 476,377 | - |
| Net increase / (decrease) in shareholders' funds | <u>424,332</u> | <u>(25,841)</u> |
| Opening shareholders' funds | 332,826 | 358,667 |
| Closing shareholders' funds | <u>757,158</u> | <u>332,826</u> |

12 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 recognized 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.

13 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.

14 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.

DB/MNH/246524/

Baker Tilly
2 Bloomsbury Street
London
WC1B 3ST

Dear Sirs

LETTER OF REPRESENTATION: AUDIT OF FINANCIAL STATEMENTS – 31 March 2006

We confirm, to the best of our knowledge and belief, and having made appropriate enquiries of other council members and officials of the company, the following representations given to you in connection with your audit of the Health Professions Council's financial statements for the year ended 31 March 2006.

- 1 We acknowledge as council members our responsibility for the fair presentation of the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice. All the accounting records have been made available to you for the purpose of your audit and all transactions undertaken by the company have been properly reflected and recorded in the accounting records. All other records and related information and explanations, including minutes of all meetings of directors, committees of directors, management and shareholders held between the beginning of the accounting period and the date of this letter, have been made available to you.
- 2 We confirm that:
 - a. We acknowledge responsibility for the design and implementation of internal control to prevent and detect fraud;
 - b. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud;
 - c. We have disclosed to you our knowledge of fraud and suspected fraud affecting the company involving:
 - i. Management;
 - ii. Employees who have significant roles in internal control; and
 - iii. Others where the fraud could have a material effect on the financial statements; and

-
- d. We have disclosed to you our knowledge of any allegations of fraud, or suspected fraud, affecting the council's financial statements communicated by employees, former employees, analysts, regulators or others.
- 3 There have been no misstatements drawn to our attention by the auditors.
- 4 We confirm that full disclosure is made in the financial statements of:**
- a. any arrangement, transaction or agreement to provide credit facilities (including loans, quasi-loans, or credit transactions) for Council Members or any guarantee or provision of security for Council Members;
 - b. the identity of the party which controls the Council, if any;
 - c. transactions and balances with related parties including:
 - i. the names of the transacting parties;
 - ii. a description of the relationship between the parties;
 - iii. a description of the transactions;
 - iv. the amounts involved (even if nil);
 - v. any other elements of the transactions necessary for an understanding of the financial statements;
 - vi. the amounts due to or from related parties at the balance sheet date and provisions for doubtful debts due from such parties at that date; and
 - vii. amounts written off in the period in respect of debts due to or from related parties;
 - d. outstanding capital commitments contracted for at the balance sheet date;
 - e. all contingent liabilities including details of pending litigation and material claims against the Council;
 - f. all guarantees or warranties or other financial commitments including those given to or on behalf of other group companies.
- 5 We have disclosed all events of which we are aware which involve possible non-compliance with those laws and regulations which provide a legal framework within which the Council conducts its business and which are central to its ability to conduct that business. We have also notified you of the actual or contingent consequences which may arise from such non-compliance.
- 6 We have no plans or intentions that may materially alter the carrying value or classification of assets and liabilities reflected in the financial statements.
- 7 There have been no events since the balance sheet date which necessitate revision of the figures in the financial statements or inclusion of a note thereto. Should such further material

events occur prior to your signature of the audit report we will advise you accordingly.

We confirm that the above representations are made on the basis of enquiries of management and staff with relevant knowledge and experience (and, where appropriate, of inspection of supporting documentation) sufficient to satisfy ourselves that we can properly make each of the above representations to you.

The contents of this letter were considered and approved by the Council at its meeting on the 6th of July 2006.

Signed on behalf of the board of Health Professions Council.

Yours faithfully

Norma Brook
President and Council Member

6th July 2006

The Comptroller and Auditor General
National Audit Office
157-197 Buckingham Palace Road
Victoria
LONDON
SW1W 9SP
FAO: STEVEN CORBISHLEY

LETTER OF REPRESENTATION: THE HEALTH PROFESSIONS COUNCIL 2005-06

I acknowledge, as Accounting Officer of the Health Professions Council (the Council), my responsibility for preparing accounts that give a true and fair view of the state of affairs, surplus, total recognised gains and losses and cash flows of the Council for the year ended 31 March 2006.

In preparing the accounts, I was required to:

- observe the accounts direction issued by the Privy Council, including the relevant accounting and disclosure requirements and apply appropriate accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis; and
- state whether applicable accounting standards have been followed and disclosed and explain any material departures in the accounts; and prepare the accounts on a going concern basis on the presumption that the Council will continue in operation.

I confirm that for the financial year ended 31 March 2006:

- neither I nor my staff authorised a course of action, the financial impact of which is that transactions infringe the requirements of regularity as set out in Government Accounting;
- having considered and enquired as to the Council's compliance with law and regulations, I am not aware of any actual or potential non-compliance that could have a material effect on the ability of the Council to conduct its business or on the results and financial position disclosed in the accounts;
- all accounting records have been provided to you for the purpose of your audit and all transactions undertaken by the Council have been properly reflected and recorded in the accounting records. All other records and related information, including minutes of all management meetings which you have requested have been supplied to you; and

-
- all Related Parties and Related Party Transactions involving Board Members and other senior staff of the Council have been properly disclosed.

I acknowledge as Accounting Officer my responsibility for ensuring the regularity of any expenditure incurred by the Council on preparations for possible entry to the single currency. I confirm that I have considered the regularity of all expenditure incurred in connection with such preparations and that I am not aware of any actual or potential non-compliance with regulations.

All material accounting policies as adopted are detailed in note 1 to the accounts.

INTERNAL CONTROL

I acknowledge as Accounting Officer my responsibility for the design and implementation of internal controls to prevent and detect error and I have disclosed to you the results of my assessment of the risk that the financial statements could be materially misstated.

I confirm that I have reviewed the effectiveness of the system of internal control and that the disclosures I have made are in accordance with HM Treasury guidance on Corporate Governance as set out in Corporate Governance: Statement on internal control.

FRAUD

I acknowledge as Accounting Officer my responsibility for the design and implementation of internal controls to prevent and detect fraud and I have disclosed to you the results of my assessment of the risk that the financial statements could be materially misstated as a result of fraud.

I am not aware of any fraud or suspected fraud affecting the Council and no allegations of fraud or suspected fraud affecting the financial statements has been communicated to me by employees, former employees, analysts, regulators or others.

ASSETS

General

All assets included in the balance sheet were in existence at the balance sheet date and owned by HPC, and free from any lien, encumbrance or charge, except as disclosed in the accounts. The balance sheet includes all tangible assets owned by the Council.

Fixed Assets

All assets over £1,000 are capitalised. Where material, they are revalued annually using historical cost valuation. Depreciation is calculated to reduce the net book amount of each asset to its estimated residual value by the end of its estimated useful life in the Council's operations. I believe all fixed assets to be valued fairly

and that no significant impairments are required on capitalised assets other than as disclosed in the financial statements and notes.

Other Current Assets

On realisation in the ordinary course of the Council's operations the other current assets in the balance sheet are expected to produce at least the amounts at which they are stated. Adequate provision has been made against all amounts owing to the Council which are known, or may be expected, to be irrecoverable.

LIABILITIES

General

All liabilities have been recorded in the balance sheet. There were no significant losses in the year and no provisions for losses were required at the year-end.

Provisions

No provision was required in the financial statements.

Contingent Liabilities

I am not aware of any pending litigation which may result in significant loss to the Council, and I am not aware of any action which is or may be brought against the Council under the Insolvency Act 1986.

OTHER DISCLOSURES

Results

Except as disclosed in the accounts, the results for the year were not materially affected by transactions of a sort not usually undertaken by the Council, or circumstances of an exceptional or non-recurring nature.

Unadjusted errors

The following unadjusted error has been brought to my attention:

- the 31 March 2006 balance on deferred income is overstated and income is understated by £25,967; and
- accruals are overstated by £11,113 and operating costs for 2005-06 are overstated by £11,113.

I consider the effect of this unadjusted error to be immaterial to the financial statements taken as a whole.

Post Balance Sheet Events

Except as disclosed in the accounts, there have been no material changes since the date of the balance sheet affecting liabilities and commitments, and no events or transactions have occurred which, though properly excluded from the accounts, are of such importance that they should have been brought to notice.

Completeness of Expenditure

I am not aware of any omissions from expenditure which would materially affect reported results for the period or financial position at 31 March 2006.

Letting of Contracts

I am also not aware of any contracts entered into by, or on behalf of, the Council during the year ended 31 March 2006 that were let in contravention of procurement law.

Non-contractual payments to staff

I am not aware of any non-contractual payments made to current or former staff of the Council that have not been notified to the National Audit Office and submitted for approval to H M Treasury.

Marc J Seale
Chief Executive
6th July 2006

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