

*Association  
of  
Optometrists*

***Annual Report and Financial  
statements***

31 December 2008

BUZZACOTT

Company Registration Number  
404790 (England and Wales)

<b><i>Directors</i></b>	R Banks M E Bickerstaffe V G Bush M N Charlton (Chairman) M R George Ms A M McClune Miss T Sivapalan Dr D M Shannon L R Taylor K Thompson T J Warburton
<b><i>Company secretary</i></b>	S A King
<b><i>Chief executive</i></b>	R G Hughes
<b><i>Registered office</i></b>	61 Southwark Street London SE1 0HL
<b><i>Registered number</i></b>	404790 (England and Wales)
<b><i>Auditors</i></b>	Buzzacott LLP 12 New Fetter Lane London EC4A 1AG

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The Board of Directors presents its report with the financial statements of the Association for the year ended 31 December 2008.

The Association is a company limited by guarantee, having no share capital. In the event of the Association being wound up, every member has undertaken to contribute to its assets a sum not exceeding £5.

*Principal activities*

The principal activities of the Association are to:

- ◆ represent individual optometrists, whatever their mode of practice. The Association also represents a small number of dispensing opticians;
- ◆ promote the professional and clinical independence of its members and the profession;
- ◆ encourage and assist in the development and promotion of high standards of practice;
- ◆ establish suitable arrangements for the defence, in disciplinary and professional matters, of all members, whether in practice as principals, assistants, employers or employees;
- ◆ advise on commercial, economic, legal and administrative aspects of practice;
- ◆ represent the interest of all of its members in negotiations for fees, other remuneration, conditions and terms of service, where appropriate; and
- ◆ represent and promote the interests of all of its members to Parliament, Government and other institutions in the United Kingdom and the European Union.

*Review of business*

A summary of the year's activities is given on page 10 of the financial statements.

The Association reports an operating surplus for the year of £194,149 compared to a deficit in the previous year of £26,587. After adjustments for investment income and a charge for corporation tax, there was a surplus of £261,990 (2007 - £106,579).

We have managed to contain the cost of buying clinical malpractice insurance for members, and our policies were renewed well below the general level of growth in insurance costs for 2008. Whilst the cost of this insurance remains high we believe that the security and service provided by our brokers and underwriters in the management of claims justifies this expenditure. We are committed to meeting the cost of insurance as well as the rising costs associated with defending our members, which are reflected in increased staff and legal defence costs.

Income from subscriptions increased by approximately £439,000 during the year. Ordinary members' subscriptions increased to £559 from £532, and total subscribing members increased by 654 to 9,882.

*Review of business* (continued)

The Association's investment portfolio comprises unit trust and money market funds and these are managed by Merrill Lynch Investment Managers. During the year the Finance Committee benchmarked their performance against other selected Fund Managers and also requested Merrill Lynch to review and report upon its strategy for managing the portfolio. Following the review the Committee elected to remain with Merrill Lynch.

The Association reports a fall of £279,026 in the value of its investments from £1,312,333 to £1,033,307 at 31 December 2008, including current asset investments of £261,000 (2007 - £261,000). The current asset investment represents units in a money market fund managed by Merrill Lynch. The Finance Committee has continued its policy of maintaining a conservative attitude towards the management of the Association's funds and whilst the fall in equity values is regretted, this policy is believed to be the most appropriate for the long term benefit of the Association.

Interest earned in the year amounted to £57,209 (2007 - £54,169) and investment income from the managed portfolio was £21,854 (2007 - £21,241).

The Directors are once again grateful for the continuing support of the Central (LOC) Fund whose financial assistance of the Association's activities particularly in the field of primary care has benefited the whole profession.

*Future developments*

The establishment of joint committees between the representative optical bodies last November represented a significant move towards further joined-up working. This development will help us to deliver a coherent national strategy, and has the capacity to improve the delivery of the services and support our members need in this increasingly complex world.

A signal of this growing approach was the decision by FODO to ask our President, Don Grocott, to be their President as well. We were, of course, consulted about this move and gave it our enthusiastic endorsement.

The UK Vision Strategy was launched in 2008, and the process continues to improve our working relationship with the wider sector, notable the vision loss charities. The grand coalition achieved for the UK is now being carried forward into all four nations and in some cases more locally. This unity will be central to our political lobbying activities as we run up to the next general election.

Defending our members at tribunals and against other attacks remains our core purpose and activity, and it accounts for the majority of AOP expenditure. Over-zealous regulation has become a dominant feature of the NHS with so many bodies having an interest in regulating the profession, and insisting that their boxes be ticked, it is questionable whether the system of regulation is now effective at protecting patients, and it represents a threat to the viability of delivering the service.

*Future developments* (continued)

Countering these varied threats is increasingly expensive but, however the cost of defending our members may escalate, the AOP Board is committed to ensuring that this support service is properly resourced.

During 2008, the new GOS contract was introduced. At face value this written contract should be no more rigorous than the GOS Terms of Service it replaced. However before the ink was dry, PCTs set about producing an avalanche of compliance paperwork that too often goes beyond both the scope of the contract and the Ministerial assurances we have received. Along with our partners in the LOC Support Unit we are advising LOCs and our members.

The LOC Support Unit has only been in existence for a short time, but they are already providing significant advice and guidance to LOCs on how to engage more successfully with PCTs, and they have assisted Optometry Wales with their work to achieve a new GOS contract. A successful and powerful Support Unit is a vital building block if we are to advance the profession with one coherent national message delivered across the UK, rather than retreat into a cacophony of competing interests and agendas.

In Wales, we hope that there will soon be further improvements to primary eyecare delivery and that a new GOS contract will be agreed. In Scotland the SNP government is discussing improvements to eyecare provision with the profession, and Optometry Northern Ireland is confident that optometry and optics will advance in the province following a review of eyecare.

Modern communications methods move rapidly, and our web based TV station was launched in late 2008. Optometrytoday.tv, combined with our websites and the magazine, will improve our ability to deliver news, CET and other services straight to members in the formats that are attractive and convenient to them. We expect the stable of OT publications, under the control of our Editor David Challinor, and assisted by our publishers, to continue to grow in authority and accessibility.

*Councillors*

The names of the Councillors, including those who were Directors during the year, appear on page 7 of the annual report.

*Directors' indemnity arrangements*

The Association provides directors' and officers' liability insurance giving appropriate cover for legal action brought against its Directors and has also agreed to indemnify Directors in circumstances where they are not considered to be culpable. The indemnity, which is a qualifying third party indemnity provision for the purpose of the Companies Act 1985, is for the benefit of all of the Association's current Directors. Details of the premiums paid in respect of these arrangements are recorded in note 4 to the financial statements.

***Directors' responsibilities***

The Directors are responsible for preparing the Annual report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the Directors to prepare the financial statements for each financial year which give a true and fair view of the state of the affairs of the Association and of the surplus or deficit of the Association for the period. In preparing those financial statements, the Directors are required to:

- ◆ 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 financial statements; and
- ◆ 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 Association and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Association's website.

Each of the Directors confirms that:

- ◆ so far as the Director is aware, there is no relevant audit information of which the Association's auditors are unaware; and
- ◆ the Director has taken all steps that he/she ought to have taken as a Director in order to make himself/herself aware of any relevant audit information and to establish that the Association's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985.

***Fixed assets***

Acquisitions and disposals of fixed assets are recorded in the notes to the financial statements.

***Corporate governance***

The Board of Directors has established two sub-committees with written terms of reference.

The Finance Sub-Committee, which is chaired by the Chairman of Finance, functions as an audit committee and reviews the quarterly management financial statements of the Association, reporting on them to the Board. It reviews the annual financial statements with the external auditors, reviews their management letter and discusses any issues arising from the audit with them.

The Remuneration Sub-Committee, which is chaired by the nominated Vice President, is responsible for approving remuneration levels of all staff of the Association and for making recommendations to the Board as to the level of fees to be paid to Councillors, Directors, Committee Chairmen and the AOP Chairman.

***Risk management***

The directors have assessed the major risks to which the Association is exposed, in particular those relating to the specific operational areas of the Association, its investments and its finances. The Directors believe that by ensuring controls exist over key financial systems, by monitoring reserve levels and by examining the operational and business risks faced by the Association, they have established effective systems to mitigate those risks.

***Reserves policy***

As explained above the Association carries out a diverse range of activities requiring significant ongoing financial commitment and investment. The Directors have instructed the Finance Sub-Committee to keep the reserves policy under review and have accepted the recommendation of this committee that the level of General Reserve should be within a range of 2-3 months' operating expenses after providing for a separate Strategic Defence Reserve. The purpose of this reserve is to enable the Association on behalf of its members, to conduct a defence against threats of a regulatory, fiscal or political nature. Such defence will be conducted up to the highest level of appeal permitted by law. The surplus for the year has enabled the Directors to increase this reserve to its targeted amount of £250,000. After adjusting for the net book value of fixed assets, the level of General Reserve at 31 December 2008 was within the target range.

***The Benevolent Fund of the College of Optometrists and Association of Optometrists***

The Association now appoints three trustees to The Benevolent Fund of the College of Optometrists and Association of Optometrists. The Fund exists to provide charitable benefit to members of the profession and their dependants facing financial hardship. The Board of Directors encourages members of the Association to contribute to the Fund to help their less fortunate colleagues and their dependants. The financial statements of the Benevolent Fund are consolidated in the financial statements of the College of Optometrists and a copy of the financial statements of the College of Optometrists can be obtained from the College's Secretary.

The Association made a donation of £17,910 to the Benevolent Fund in 2008. The Board has decided that the Association will continue with its policy of an annual donation to the Benevolent Fund based upon its level of full membership.

***Auditors***

A resolution proposing that Buzzacott LLP be reappointed as auditor of the company will be put to the Annual General Meeting.

Signed by order of the Board of Directors by:

R Banks  
Director

Date of approval: 11 March 2009

*Councillors* 31 December 2008

The Councillors who served in the year ended 31 December 2008 were as follows:

Banks R*	Merry A* (retired 21 May 2008)
Bardolia K	O'Connor Miss V
Bell Mrs J	Pope Mrs V
Bickerstaffe M E*	Poptani Mrs A
Bradford P	Radhakrishnan Dr H
Bush V G *	Rath K A
Cadman E J	Rodger R
Campbell H M	Rudduck Dr G
Charlton M N *	Shah Miss D
Clark S P	Shannon Dr D M*
Curran B J	Shaw I W
Cuthbert Mrs R	Sivapalan Miss T * (appointed 21 May 2008)
Dean-Perrin J	Taylor L R*
Frost Mrs EC	Thompson K * (appointed 21 May 2008)
George M R *	Tilley Mrs H
Glass Mrs S	Wallace K
Goacher J H	Warburton T J*
Hansford Mrs L S* (retired 21 May 2008)	Ward R
Leaning Mrs P	Warren P J
Leighter Mrs S B	Wass C R
Leslie Mrs G	Waugh J
Little Dr J-A	White Ms L
Lucas I P	Wilkes R D
Marchetti Miss F	Wingate N
McCaughy Miss A	
McClune Ms A M *	
McGregor A	

\* Indicates the Directors of the Association who served during the period and, in order to comply with Companies Acts, only the appointment and resignation of the Directors are shown above.

***Independent auditors' report to the members of Association of Optometrists***

We have audited the financial statements of Association of Optometrists for the year ended 31 December 2008 on pages 10 to 21. These financial statements have been prepared under the accounting policies set out therein.

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 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 opinions we have formed.

***Respective responsibilities of Directors and independent auditors***

As described in the Statement of Directors' Responsibilities on page 4, the company's Directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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. We also report to you if, in our opinion, the Directors' Report is consistent with the financial statements.

In addition, we report to you if the company has not kept proper accounting records, if we have not received all of the information and explanations we require for our audit, or if information specified by law regarding Directors' remuneration and transactions with the company is not disclosed.

We read the Directors' report and consider the implications for our report, if we become aware of any apparent misstatements within it.

***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 an 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 as at 31 December 2008 and of its surplus for the year then ended;
- ◆ the financial statements 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.

Buzzacott LLP  
Chartered Accountants and Registered Auditors  
12 New Fetter Lane  
London  
EC4A 1AG

12 March 2009

**Income and expenditure account** Year to 31 December 2008

	Notes	2008 £	2008 £	2007 £	2007 £
<b>Income</b>					
Members' subscriptions	1		4,775,671		4,336,182
Contributions in respect of services rendered	2		<u>309,354</u>		<u>311,945</u>
			<b>5,085,025</b>		<b>4,648,127</b>
<b>Expenditure</b>					
Direct professional services	3		<u>2,184,090</u>		<u>2,090,879</u>
			<b>2,900,935</b>		<b>2,557,248</b>
Staff costs	4	1,688,129		1,483,589	
Depreciation	5	202,718		157,158	
Other operating charges	6	<u>815,939</u>		<u>943,088</u>	
			<b>2,706,786</b>		<b>2,583,835</b>
<b>Operating surplus/(deficit) for the year</b>			<b>194,149</b>		<b>(26,587)</b>
<b>Surplus on sale of listed investments</b>			—		117,986
Interest payable and other charges		(447)		(532)	
Income from listed investments		21,854		21,241	
Other interest receivable		<u>57,209</u>		<u>54,169</u>	
			<b>78,616</b>		<b>74,878</b>
<b>Surplus on ordinary activities before taxation</b>			<b>272,765</b>		<b>166,277</b>
Provision for losses in Joint Venture	11		—		(48,760)
			<b>272,765</b>		<b>117,517</b>
<b>Taxation</b>	7		<b>(10,775)</b>		<b>(10,938)</b>
<b>Surplus for the financial year</b>	16		<b>261,990</b>		<b>106,579</b>

The Association has no recognised gains or losses other than those shown above and therefore no separate statement of total recognised gains and losses has been presented.

None of the Association's activities were acquired or permanently discontinued during the above two financial periods.

There is no difference between the surplus on ordinary activities before taxation and the surplus for the financial year stated above, and their historical cost equivalents.

**Balance sheet** Year to 31 December 2008

	Notes	2008 £	2008 £	2007 £	2007 £
<b>Fixed assets</b>					
Tangible assets	8		<b>396,826</b>		443,491
Investments	9		<b>867,089</b>		856,659
			<b>1,263,915</b>		1,300,150
<b>Current assets</b>					
Stocks		<b>65,446</b>		95,740	
Debtors	12	<b>616,320</b>		828,442	
Investments	9	<b>261,000</b>		261,000	
Cash at bank and in hand		<b>806,182</b>		246,651	
		<b>1,748,948</b>		1,431,833	
<b>Creditors:</b> amounts falling due within one year	13	<b>(1,274,893)</b>		(1,274,617)	
<b>Net current assets</b>			<b>474,055</b>		157,216
<b>Total assets less current liabilities</b>			<b>1,737,970</b>		1,457,366
<b>Provision for liabilities</b>	15		<b>(321,340)</b>		(302,726)
<b>Net assets</b>			<b>1,416,630</b>		1,154,640
<b>Reserves</b>					
Accumulated funds	16		<b>1,416,630</b>		1,154,640

The financial statements on pages 10 to 21 were approved by the Board of Directors and signed on their behalf by:

M N Charlton

R Banks

Directors

Date of approval: 11 March 2009

***Basis of accounting***

The financial statements have been prepared under the historical cost convention.

***Consolidation***

The Association and its subsidiary companies comprise a small sized group. The Association has therefore taken advantage of the exemption provided by section 248 of the Companies Act 1985 not to prepare group financial statements. The financial statements present information about the Association as an individual undertaking.

***Cash flow***

The financial statements do not include a cash flow statement because the Association, as a small company, is exempt from the requirement to prepare such a statement under Financial Reporting Standard 1 (Cash Flow Statements).

***Income***

- ◆ Members' subscriptions are credited to the income and expenditure account in the year to which they relate. Subscriptions received in advance are carried forward to the following year.
- ◆ Contributions in respect of services rendered are credited to the income and expenditure account in the year to which they relate.
- ◆ Sundry donations are credited to the income and expenditure account in the year of receipt.

***Tangible fixed assets***

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

- |                                                        |                   |
|--------------------------------------------------------|-------------------|
| ◆ Leasehold property fittings                          | term of the lease |
| ◆ Computer equipment, websites and membership database | 33% on cost       |
| ◆ Office equipment                                     | 25% on cost       |
| ◆ Office furniture and fittings                        | 10% on cost       |
| ◆ Motor vehicles                                       | 25% on cost       |

***Investments***

Investments are included at cost, less provision for any permanent diminution in value.

***Joint Venture***

The Association's share of the results of the Joint Venture are accounted for using the equity method.

***Optometry Today***

Publication of the Association's journal, *Optometry Today*, is accounted for as a service to members.

The net costs of financing the journal are included in the charge "Direct professional services", and its turnover is stated in note 3.

***Stocks***

Stocks, which consist of finished goods, are valued at the lower of cost and estimated net realisable value.

***Leased assets***

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the income and expenditure account on a straight line basis over the lease term.

Assets obtained under finance lease are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives.

The finance element of rental payments under finance lease are charged to the income and expenditure account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

***Pension costs***

The Association operates a defined contribution scheme for employees where the contributions are charged to the income and expenditure account of the year in which they are payable to the scheme.

***Clinical malpractice insurance claims excess***

The Association arranges clinical malpractice insurance for its members under which any unrecovered costs which exceed the policy excess are borne in full by insurers. At the end of the financial year all expenses incurred are written off and provision is made, up to the limit of the excess, for all claims outstanding where it is thought probable that the Association will become liable for costs. The provision covers claims arising in the policy years to which the excess relates.

No provision is made in respect of claims notified where the possibility of costs arising in respect of the matter is considered remote.

**Notes to the financial statements** 31 December 2008

**1 Members' subscriptions**

	<b>2008</b>	2007
	<b>£</b>	£
Members' subscriptions earned in the year	<b>4,775,671</b>	4,336,182

**2 Contributions in respect of services rendered**

	<b>2008</b>	2007
	<b>£</b>	£
Central (Local Optical Committee) Fund	<b>77,400</b>	140,040
Other	<b>231,954</b>	171,905
	<b>309,354</b>	311,945

**3 Direct professional services**

	<b>2008</b>	<b>2008</b>	2007	2007
	<b>£</b>	<b>£</b>	£	£
Services to members		<b>1,622,597</b>		1,491,419
Defence of members' legal expenses		<b>104,159</b>		63,242
Insurance claims excess provision (note 15)		<b>77,828</b>		124,244
Councils and committees		<b>199,009</b>		178,331
Councillors' allowances/honoraria		<b>152,001</b>		132,599
Members' handbook and red book		<b>20</b>		56,393
Conferences and congresses (net )		<b>32,295</b>		49,473
Sales of forms	<b>(16,955)</b>		(17,154)	
Less: Cost of sales	<b>12,206</b>		12,294	
		<b>(4,749)</b>		(4,860)
CET Events (net)		<b>930</b>		38
		<b>2,184,090</b>		2,090,879

Services to members includes the Association's contribution towards the net cost of financing Optometry Today, whose turnover for the year ended 31 December 2008 was £928,724 (2007 - £989,742)

Conferences and congresses include contributions from delegates for meetings and conferences of £164,281 (2007 - £115,403).

*Notes to the financial statements* 31 December 2008

**4 Staff costs**

Staff costs were as follows:

	<i>2008</i>	2007
	<i>£</i>	£
Wages and salaries	<b>1,405,007</b>	1,231,052
Social security costs	<b>158,621</b>	140,783
Pension costs	<b>68,458</b>	69,537
Other staff costs	<b>56,043</b>	42,217
	<b>1,688,129</b>	1,483,589

Pension costs represent contributions of £68,458 (2007 - £69,537) to the defined contribution scheme.

The average number of employees during the year, excluding Councillors, was 31 (2007: 28).

The following Directors were paid the following amounts for consultancy services during the year:

	<i>2008</i>	2007
	<i>£</i>	£
L Taylor	<b>4,450</b>	Nil
T Warburton	<b>9,148</b>	Nil
K Thompson	<b>3,060</b>	Nil
	<b>16,658</b>	Nil

Members of the Council and the Board of Directors are entitled to an allowance for their services at the rate of £220 per day.

Allowances amounting to £132,709 (2007 - £114,224) have been paid to Councillors during the year, including allowances and honoraria paid to Directors of £74,708 (2007 - £64,349).

Certain senior officers of the Council received a total of £19,292 (2007 - £18,375) in honoraria towards expenses incurred in the carrying out of their duties.

A professional indemnity insurance premium of £15,094 (2007 - £14,648) was paid by the Association for Directors and certain staff members in respect of their services to the Association.

A personal accident policy premium of £6,510 (2007 - £6,300) was also paid on behalf of Directors, Officers and staff members of the Association.

**Notes to the financial statements** 31 December 2008

**5 Depreciation**

	<i>2008</i>	2007
	<i>£</i>	<i>£</i>
Leasehold property fittings	<b>45,656</b>	42,256
Office furniture, fittings and equipment/computer equipment	<b>151,794</b>	113,585
Motor vehicles	<b>5,268</b>	1,317
	<b>202,718</b>	157,158

**6 Other operating charges**

	<i>2008</i>	2007
	<i>£</i>	<i>£</i>
Rent, rates, light, heating, cleaning, telephone and general insurance	<b>269,426</b>	295,662
Printing, stationery and postage	<b>131,930</b>	137,417
Professional charges	<b>29,238</b>	27,617
Auditors' remuneration - Audit	<b>22,000</b>	22,000
Auditors' remuneration – Non-audit	<b>1,315</b>	3,732
Travelling and sundry expenses	<b>69,859</b>	70,319
Bank charges	<b>16,437</b>	17,202
Donations and subscriptions	<b>47,958</b>	42,748
Computer charges	<b>96,724</b>	109,791
Publicity and exhibitions	<b>9,013</b>	57,988
Staff training and recruitment costs	<b>40,423</b>	60,134
Irrecoverable Value Added Tax	<b>81,616</b>	98,288
Loss on disposal of fixed assets	<b>—</b>	190
	<b>815,939</b>	943,088

Included in rent, rates, light, heating, cleaning, telephone and general insurance is property rent of £157,460 (2007 - £157,460).

Included in computer charges are operating lease payments of £13,760 (2007 - £7,560).

Finance lease costs of £447 (2007 - £532) were incurred during the year.

**7 Taxation**

The tax charge for the year was as follows:

	<i>2008</i>	2007
	<i>£</i>	<i>£</i>
Corporation tax at 20.75% (2007 - 20%)	<b>10,775</b>	12,333
Adjustment in respect of previous years	<b>—</b>	(1,395)
	<b>10,775</b>	10,938

The Association is a mutual trade association and is accordingly only subject to taxation on its unfranked investment income, its untaxed interest, and any chargeable gains arising from the disposal of listed investments.

*Notes to the financial statements* 31 December 2008

**8 Tangible fixed assets**

	Short leasehold property fittings £	Office furniture, fittings & equipment & computers £	Motor vehicles £	<i>Total</i> £
<b>Cost</b>				
At 1 January 2008	391,759	690,565	21,070	<b>1,103,394</b>
Additions	13,602	142,451	—	<b>156,053</b>
Disposals	—	(91,016)	—	<b>(91,016)</b>
At 31 December 2008	<u>405,361</u>	<u>742,000</u>	<u>21,070</u>	<b>1,168,431</b>
<b>Depreciation</b>				
At 1 January 2008	188,776	469,810	1,317	<b>659,903</b>
Charge for year	45,656	151,794	5,268	<b>202,718</b>
On disposals	—	(91,016)	—	<b>(91,016)</b>
At 31 December 2008	<u>234,432</u>	<u>530,588</u>	<u>6,585</u>	<b>771,605</b>
<b>Net book values</b>				
At 31 December 2008	<u>170,929</u>	<u>211,412</u>	<u>14,485</u>	<b>396,826</b>
At 31 December 2007	<u>202,983</u>	<u>220,755</u>	<u>19,753</u>	<b>443,491</b>

The net book value of office furniture, fittings and equipment and computers includes an amount of £9,101 (2007 - £3,047) in respect of assets held under finance leases. Depreciation charged on these assets was £4,048 (2007 - £1,522).

**9 Investments**

	<i>2008</i> £	2007 £
Investment in Sight Care Services Limited	<b>2</b>	2
Investments in dormant subsidiary undertakings	<b>8</b>	8
Listed investments (Note 10)	<b>841,411</b>	841,411
Investment in Joint Venture (Note 11)	<b>25,668</b>	15,238
Investment in associated undertaking (see below)	<b>—</b>	—
	<u><b>867,089</b></u>	<u>856,659</u>

The Association has a special share of £2 in Sight Care Services Limited, the principal purpose of which is to maintain the requirement that all Sight Care Services Limited participants should be members of the Association of Optometrists.

The Association acquired a participating interest in LOC Central Support Unit, a company limited by guarantee, upon its incorporation in England and Wales on 27 June 2007.

*Notes to the financial statements* 31 December 2008

**9** *Investments* (continued)

The Association has a one third interest in LOC Central Support Unit, being one of three subscribing members. In the event of the LOC Central Support Unit being wound up, each member has undertaken to contribute to its assets a sum not exceeding £10. The surplus for the period from incorporation to 31 March 2008 and the company's total reserves as at 31 March 2008 were £26,023.

Current asset investments of £261,000 (2007 - £261,000) relate to investments in cash instruments.

**10** *Listed investments*

Investments listed on recognised stock exchanges in the United Kingdom and overseas:

	<i>2008</i>	2007
	£	£
Cost at 1 January	<b>841,411</b>	629,387
Additions	—	495,329
Disposals	—	(283,305)
Cost at 31 December	<b>841,411</b>	841,411
Represented by:		
UK listed investments	<b>735,492</b>	735,492
Overseas listed investments	<b>105,919</b>	105,919
	<b>841,411</b>	841,411
Market value at 31 December	<b>772,307</b>	1,051,333

**Notes to the financial statements** 31 December 2008

**11 Investment in Joint Venture**

During 1997 the Association entered into a partnership, the Vision Education Partnership, under English law with the Southern Council of Optometrists Inc. The Partnership Agreement was approved by the General Council in September 1997 and the Joint Venture is based at the Association's offices.

The aim of the partnership is to combine the expertise of the two partners in providing a biennial educational congress.

	<i>2008</i>	2007
	<i>£</i>	£
The movement on investment during the year was:		
At 1 January	<b>15,238</b>	22,283
Increase in funding	<b>10,430</b>	41,715
Provision	<b>—</b>	(48,760)
At 31 December	<b>25,668</b>	15,238

The Association has an interest of 66.67% in the results of the Joint Venture. The Joint Venture's surplus for the year to 31 December 2008 was £775 (2007 – deficit £57,514). The total net assets at 31 December 2008 of the Joint Venture available to the partners were £36,239 (2007 - £22,863).

Advantage has been taken of the exemption conferred under Regulation 7 of the Partnerships and Unlimited Companies (Financial statements) Regulations 1993.

**12 Debtors**

	<i>2008</i>	2007
	<i>£</i>	£
Trade debtors	<b>131,492</b>	247,728
Amounts owed by undertakings in which the company has a participating interest	<b>105,739</b>	178,201
Other debtors	<b>216,971</b>	173,644
Prepayments	<b>162,118</b>	228,869
	<b>616,320</b>	828,442

**13 Creditors: amounts falling due within one year**

	<i>2008</i>	2007
	<i>£</i>	£
Trade creditors	<b>168,076</b>	222,235
Obligations under finance leases	<b>9,900</b>	2,370
Social security and other taxes	<b>77,182</b>	72,587
Subscriptions prepaid	<b>916,165</b>	913,647
Accruals and deferred income	<b>103,570</b>	63,778
	<b>1,274,893</b>	1,274,617

*Notes to the financial statements* 31 December 2008

**14 Obligations under finance leases**

	<i>2008</i>	2007
	<i>£</i>	<i>£</i>
Due within one year	<b>3,960</b>	2,370
Due within two to five years	<b>5,940</b>	—
	<b>9,900</b>	2,370

**15 Provision for liabilities**

	<i>Professional insurance claims excess</i>
	<i>£</i>
Balance at 1 January 2008	<b>302,726</b>
Increase in provision	<b>149,049</b>
Provisions reversed during the year	<b>(71,221)</b>
Amount utilised in the year	<b>(59,214)</b>
Balance at 31 December 2008	<b>321,340</b>

Claims excess

The Association provides clinical malpractice insurance to its members. A provision of £321,340 has been made in respect of excesses on those claims where there is a probability that the Association will be required to meet the uninsured claim or costs.

**16 Reconciliation of movements on reserves**

	Strategic Defence Reserve	General Reserve	<i>Total</i>
			<i>£</i>
Opening reserves at 1 January 2008	175,000	979,640	<b>1,154,640</b>
Transfer to Strategic Defence Reserve	75,000	(75,000)	—
Surplus for the financial year	—	261,990	<b>261,990</b>
Closing reserves at 31 December 2008	250,000	1,166,630	<b>1,416,630</b>

**17 Commitments**

The Association has annual obligations under non-cancellable operating leases as follows:

	<i>2008</i>		2007	
	<i>Property</i>	<i>Other</i>	Property	Other
	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
Expiring within two to five years	<b>157,460</b>	<b>13,760</b>	157,460	7,560

**18** *Related party transactions*

Payments made to Councillors are disclosed in notes 3 and 4.

During the year under review, the Association incurred various expenses totalling £12,679 (2007 - £112,954) on behalf of the LOC Central Support Unit, a company limited by guarantee in which the Association has a participating interest.

Additionally, the Association charged LOC Central Support Unit £70,632 (2007 - £33,256) for administration and support services provided and recharged a total of £57,393 (2007 - £17,314) in respect of accommodation, telephone, printing, postage and stationery expenses.

As at the year end, the balance owed by LOC Central Support Unit was £105,739 (2007 - £178,201).

**19** *Contingent liabilities*

The Directors consider that the maximum liability of the Association for costs arising from claims made against members under the clinical malpractice and product liability insurance policies not provided for in these financial statements at 31 December 2008 amounted to £80,000 (2007 - £70,000).

**20** *Ultimate control*

For the two years ended 31 December 2008, there was no one controlling party.