

INDEPENDENT SCHOOLS COUNCIL
A company limited by guarantee - Company Number 1103760

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

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**INDEPENDENT SCHOOLS COUNCIL
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010**

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**INDEPENDENT SCHOOLS COUNCIL
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		Nominated by:-
Board of Directors	Dame Judith Mayhew Jonas	Chairman - Independent
	Mrs Anne Tuck	Vice Chairman - Independent (resigned 25 November 2010)
	Mr Sam Alder	AGBIS
	Mr Philip Cottam	SHMIS (appointed 28 March 2011)
	Mr Nicholas Dorey	SHMIS (resigned 20 September 2010)
	Ms Clarissa Farr	GSA (appointed 31 January 2010)
	Mr Michael Fowle	Independent
	Mr Roger Fry	COBIS
	Mr Andrew Grant	HMC (resigned 3 February 2011)
	Mrs Alison Martin	ISBA (appointed 18 May 2010)
	Mr Paul Maynard	ISBA (resigned 13 May 2010)
	Mr Toby Mullins	SHMIS (appointed 20 September 2010) Vice Chairman - Independent - 20 January 2011
	Mr Richard Tovey	IAPS
	Mr David Vanstone	ISA

Under the Company's Articles of Association, the Board comprises the Chairman; the Vice Chairman; one person nominated by each Member for appointment as a Director; and no more than three additional Directors. In each case, Directors are appointed either by an ordinary resolution of the Company or by a decision of the Directors. The term of appointment for each Director is a non-renewable term of no more than three years, although the Board may vary this for individual Directors on such terms as they see fit

Company Secretary	Mr Matthew Burgess
Chief Executive	Mr David Lyscom
Deputy Chief Executive	Mr Matthew Burgess

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Registered Office	St Vincent House
	30 Orange Street
	London WC2H 7HH
Auditors	haysmacintyre
	Fairfax House
	15 Fulwood Place
	London WC1V 6AY
Stockbrokers	Vartan & Son
	The Singing Men's Chambers
	19 Minster Precincts
	Peterborough PE1 1XX

**INDEPENDENT SCHOOLS COUNCIL
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Advisory Council Members

Dame Judith Mayhew Jonas	Chair
Mrs Anne Tuck	(term ended November 2010) - Vice Chair
Mr Toby Mullins	(term began January 2011) - Vice Chair
Mr Colin Bell	(term began September 2010)
Dr Peter Bodkin	(term began September 2010)
Mr Arthur Bray	(term began January 2011)
Mrs Sheila Cooper	
Mr Jonathan Cook	(term ended December 2010)
Mr Phillip Cottam	(term began September 2010)
Mr Kenneth Durham	(term began September 2010)
Mr John Edward	(term began June 2010)
Mr Andrew Falconer	(term began September 2010)
Mr Richard Green	
Mr Graham Gorton	(term began January 2010, term ended December 2010)
Mr David Hanson	
Mr David Levin	(term ended September 2010)
Mrs Gillian Low	(term began January 2010, term ended December 2010)
Mr Mike Lower	(term began January 2011)
Mr Geoff Lucas	(term ended September 2010)
Mrs Alison Martin	(term ended May 2010)
Mrs Hilary Moriarty	
Mr Toby Mullins	(term ended September 2010)
Mr Ian Power	(term began September 2010)
Mr David Richardson	(term ended September 2010)
Mrs Fiona Rogers	(term ended September 2010)
Mr Neil Roskilly	
Mr Trevor Rowell	
Mrs Judith Sischy	(term ended June 2010)
Mr Stephen Taylor	(term began May 2010)
Mr John Tranmer	(term ended September 2010)
Mr Stuart Westley	
Dr Helen Wright	(term began January 2011)

The members of the Advisory Council act in an advisory capacity to the Board on the strategic direction of the Independent Schools Council.

Under the Company's Articles of Association, the Advisory Council comprises the Chairman; the Vice Chairman; two persons appointed by each Member, and one person appointed by each Affiliate Member. Any appointment or removal of a Councillor (other than the Chairman or the Vice Chairman) is effected by notice to the Company signed by the Member or Affiliate Member, as the case may be.

**INDEPENDENT SCHOOLS COUNCIL
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The Directors present their report and audited financial statements for the year ended 31 December 2010.

PRINCIPAL ACTIVITY

The principal activity of the company throughout the year was that of the advancement, representation and support of ISC schools in the UK in conjunction with ISC's constituent associations as shown below. ISC provides common services for its member Associations and their schools and represents their collective interests to Ministers, their government departments, other public bodies and to the media and general public.

Independent Schools Inspectorate (ISI) carries out inspections for schools affiliated with ISC. ISI have incorporated a trading company, ISI Consultancy Ltd, which has been trading since 1 January 2011.

The ISC Teacher Induction Panel (ISCTip) is designated by the Secretary of State for Education as the Appropriate Body for the induction of newly qualified teachers in schools in England and Wales which are in membership of one of the Associations within ISC.

In 2005 ISC set up a wholly owned subsidiary company, ISC Educational Services Limited, (the single shareholder being Independent Schools Council) from which to operate research consultancy and development projects. This company commenced operations in 2006 and its operating results are consolidated in the 2010 accounts of ISC Group. ISC is funding this trading company and at the year end 31 December 2010 the subsidiary owed £917,222 (2009: £747,035) to ISC. As at 31 December 2010 ISC has provided for £569,865 of this debt.

ISC CONSTITUENT ASSOCIATIONS

Association of Governing Bodies of Independent Schools (AGBIS)
Girls' Schools Association (GSA)
Headmasters' & Headmistresses' Conference (HMC)
IAPS
Independent Schools Association (ISA)
Independent Schools' Bursars Association (ISBA)
Society of Headmasters & Headmistresses of Independent Schools (SHMIS)
Council of British International Schools (COBIS)

In the event of the company being wound up the liability of each member association is limited to £1.

AFFILIATE MEMBERSHIP

Scottish Council of Independent Schools
Boarding Schools Association

Each affiliate member has the right to attend but not to vote at general meetings, and has the right to appoint one member of the Advisory Council, see page 4.

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CHAIRMAN'S REPORT

In 2010 the independent sector faced the challenge of an outgoing government that continued to micromanage the way children are treated across society, but without understanding how this would impact on the independent sector. It also faced the challenge of a new government intent on reform across the board on education and other key areas of law that affect our schools. ISC therefore had to monitor developments very closely and respond to raft of new laws, regulations and guidance. ISC also took issue with the Charity Commission on its definition of public benefit. The UK economy was suffering the after-effects of the recession that squeezed parental incomes and threatened enrolment. And increasingly we faced the threat of government interference in university admissions on the grounds of social mobility.

The role of ISC at the centre of the independent schools sector reflected these challenges. ISC worked closely with the member Associations, who retained their role of representing the particular interests of their members. Together we coordinated our efforts effectively, in particular through the ISC Manifesto published in March. ISC continued its role as the main interlocutor with the Education Department and other organisations on cross-cutting legal and policy issues. Evidence-based policy advice was provided to ministers, officials and the media based on rigorous, tailored research and legal analysis.

ISC continued to improve its services for the sector where it made sense to join together and offer common solutions. Teacher induction, specialist conferences/seminars, recruitment services, and a common national entry point for parents and schools seeking information or advice, were examples of where ISC was able pull efforts together and provide cost-effective solutions.

The Business Plan for 2010 focused ISC on its traditional core activities, based on the Long Term Strategy for 2009-11, namely

- ❖ To promote the independent schools sector through targeted, focused and effective political and public campaigns, in particular developing the ISC's reputation as the independent sector's main interlocutor with the government.
- ❖ To provide first class services to member associations, schools, parents and pupils, in particular through ISI, ISCtip, ISCias and events
- ❖ To conduct high quality and timely research, underpinning the public affairs and press output of ISC.
- ❖ To produce high quality events aimed at promoting the independent sector to external stakeholders, politicians, the media and public
- ❖ To manage resources effectively, through realistic, balanced budgets, accurate accounting and expenditure control, and best practice HR policies.

In a year of budget restraint and cost control ISC was able to report widespread completion of the objectives in the Business Plan. Notable successes in 2010 were

- A high profile campaign against the Charity Commission approach to public benefit, leading to the approval in the High Court of our application for a Judicial Review of the Charity Commission public benefit guidance
- An effective public campaign against ContactPoint leading to its abolition by the new government.
- The introduction of a review of EYFS.
- The suspension of new Vetting and Barring arrangements.

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- Changes to the implementation arrangements of the Tier 4 visa regime to make it easier for schools, and practical help for schools on individual issues and problems.
- The agreement in principle by the government to handing over the inspection of ISC boarding school inspections to ISI.
- Successful events on admissions, legal issues, marketing, SEN and ICT, plus a sell-out Annual Conference, making a substantial contribution towards ISC overheads.
- High quality research projects in support of our public affairs work, including the Annual Census, Exam Results Survey, Red Tape Survey, Teacher Survey, Visa Survey, Parental Attitudes Survey.
- An effective Teacher Induction operation, successfully inducting some 1200 new teachers within budget.
- Production of the celebrated Daily News Service, including strengthened political monitoring
- Further development of the ISC website including parental and schools information, the Job Zone, Cross Leadership hub and specialist legal and other advice, plus preparations for the development of a new website in 2011.
- High levels of usage of the individual parental search facility on the website.

The Financial Statements show that ISC was able to complete its full programme of work within budget, while contributing a significant sum to reserves. ESL's financial performance was well above plan. In particular the events component was able virtually to break even while contributing its full share of ISC central overheads. In light of the transformation of ESL's performance, including realistic plans for ESL to make a surplus in the short to medium term, the Board have reviewed the intra-group debt accumulated by ESL and agreed to make a provision as at 31st December 2010, with the view to waiving much of the debt in 2011, so that ESL has a healthy balance sheet going forward

It is now some three years since the restructuring of ISC started. In that time planned expenditure has been reduced significantly, staffing levels reduced and a new governance system introduced. Looking ahead ISC will continue to work with its members and schools to ensure it is providing the services they require in the right way and at the right cost. This work will be ongoing and the 2012 Business Plan will be adopted by early Autumn.

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2010 CONSOLIDATED RESULTS

The results for the year are as follows.

	2010 (£)	2009 (£)
Independent Schools Council general activities	285,960	365,479
ISC Teacher Induction Panel (TIP) activities	80,433	9,682
Total activities of ISC company	366,393	375,161
ISC Educational Services Limited activities	(29,322)	(149,623)
Total activities of ISC company & ISC ESL	337,071	225,538
Independent Schools Inspectorate activities	345,342	39,984
Total activities of ISC Group	£682,413	£265,522

**INDEPENDENT SCHOOLS COUNCIL
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STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and its subsidiaries ("the group"), and of the result of the group for that year.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently,
- make judgments and accounting estimates that are reasonable and prudent,
- 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 adequate accounting records that are sufficient to show and explain the Company and subsidiaries' transactions and disclose with reasonable accuracy at any time the financial position of the Company and subsidiaries and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

So far as each of the Directors is aware at the time the report is approved:

- there is no relevant audit information of which the group's auditors are unaware, and
- the Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

AUDITORS

A resolution appointing Haysmacintyre will be proposed at the AGM in accordance with s485 of the Companies Act 2006.

Signed on behalf of the Board of Directors on 28th March 2011



Dame Judith Mayhew Jonas
Chairman

**INDEPENDENT SCHOOLS COUNCIL
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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE INDEPENDENT SCHOOLS COUNCIL

We have audited the financial statements of the Independent Schools Council for the year ended 31 December 2010 which comprise the Consolidated Profit and Loss Account, the Consolidated Statement of Total Recognised Gains and Losses, the Group and Company Balance Sheets, the Consolidated Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Section 495 of the Companies Act 2006. 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

As explained more fully in the Directors' Responsibilities Statement set out on page 6, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 December 2010 and of the group's result for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

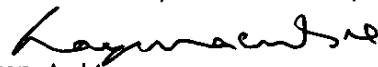
In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit.

David Sewell (Senior Statutory Auditor)
for and on behalf of haysmacintyre, Statutory Auditors



Fairfax House
15 Fulwood Place
London, WC1V 6AY

30 March 2011

**INDEPENDENT SCHOOLS COUNCIL
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CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2010

	Notes	2010 (£)	2009 (£)
TURNOVER	2	6,058,644	5,040,425
Staff costs	4	1,803,276	1,626,727
Depreciation of fixed assets	7	57,130	60,608
Loss on disposal of fixed assets		-	29,866
Other operating charges		<u>3,566,827</u>	<u>3,092,116</u>
		<u>(5,427,233)</u>	<u>(4,809,317)</u>
SURPLUS ON ORDINARY ACTIVITIES BEFORE INTEREST	3	631,411	231,108
Investment income			
Investment income	5	23,332	22,453
Surplus on disposal of investment	8	41,341	13,751
Unrealised losses on investments	8	<u>(2,860)</u>	<u>-</u>
		<u>61,813</u>	<u>36,204</u>
SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION		693,224	267,312
Taxation	6	(10,811)	(1,790)
SURPLUS FOR THE YEAR		<u>682,413</u>	<u>265,522</u>

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CONSOLIDATED PROFIT AND LOSS ACCOUNT (continued)

Arising from:	2010	2009
(£)	(£)	(£)
ISC general activities	285,960	365,479
ISC Teacher Induction Panel activities	80,433	9,682
Total activities of Independent Schools Council	366,393	375,161
ISC Educational Services Limited Activities	(29,322)	(149,623)
Total activities of ISC company & ISC ESL	337,071	225,538
Independent Schools Inspectorate activities	345,342	39,984
Total activities of Independent Schools Council Group	682,413	265,522

**INDEPENDENT SCHOOLS COUNCIL
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**CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31 DECEMBER 2010**

	Notes	2010 (£)	2009 (£)
Net surplus transferred to accumulated funds	11	682,413	265,522
Other investments:			
Unrealised gains taken to ISC revaluation reserve	11	40,120	118,396
Transfer from revaluation reserve to general reserve	11	-	-
Total gains and losses recognised in the year		722,533	383,918

The notes on pages 16 to 24 form part of these financial statements.

INDEPENDENT SCHOOLS COUNCIL
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BALANCE SHEET AS AT 31 DECEMBER 2010

		ISC Group		ISC	
	Notes	2010 (£)	2009 (£)	2010 (£)	2009 (£)
FIXED ASSETS					
Tangible fixed assets	7	170,712	203,819	122,950	145,074
Investments	8,13	625,317	546,234	625,318	546,235
TOTAL FIXED ASSETS		796,029	750,053	748,268	691,309
CURRENT ASSETS					
Trade debtors		280,418	327,371	38,327	24,375
Other debtors	9	72,703	39,433	4,002	3,325
Prepayments		108,812	118,110	71,027	67,898
Amount due from subsidiary undertaking		-	-	347,357	747,035
Cash at bank and in hand		1,506,506	833,836	576,594	309,891
		1,968,439	1,318,750	1,037,307	1,152,524
CREDITORS: amounts due within one year					
Trade creditors		25,688	54,409	6,906	8,743
Corporation tax		15,304	4,497	14,560	4,493
Other taxation and social security costs		60,001	57,273	32,388	31,205
Other creditors		6,847	4,651	6,847	4,651
Accruals and deferred income	10	626,590	640,468	425,692	332,207
		(734,430)	(761,298)	(486,393)	(381,299)
NET CURRENT ASSETS		1,234,009	557,452	550,914	771,225
NET ASSETS		2,030,038	1,307,505	1,299,182	1,462,534
Total accumulated funds	11	1,871,522	1,189,109	1,140,666	1,344,138
Revaluation reserve	11	158,516	118,396	158,516	118,396
TOTAL RESERVES		2,030,038	1,307,505	1,299,182	1,462,534

The notes on pages 16 to 24 form part of these financial statements. The financial statements were approved and authorised for issue by the Directors on the 28th March 2011 and were signed below on its behalf by



Dame Judith Mayhew Jonas
Chairman

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**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2010**

	2010		2009	
	(£)	(£)	(£)	(£)
Net cash inflow from operating activities		673,844		157,086
Returns on investments and servicing of finance				
Investment income		<u>23,332</u>		<u>22,453</u>
Net cash inflow on investments and servicing of finance		23,332		22,453
Taxation paid		-		(1,612)
Capital expenditure and financial investment				
Purchase of fixed assets	(24,023)		(6,096)	
Proceeds on disposal of fixed assets	-		7,165	
Acquisition of long-term investments	(185,352)		-	
Realisation of long-term investments	<u>184,869</u>		<u>73,177</u>	
Net cash outflow for capital expenditure and financial investment		(24,506)		74,248
Net increase in cash in the year		672,670		252,175
Cash at bank at 1 January 2010		<u>833,836</u>		<u>581,661</u>
Cash at bank at 31 December 2010		<u>1,506,506</u>		<u>833,836</u>

RECONCILIATION OF OPERATING SURPLUS TO CASH FLOW FROM OPERATING ACTIVITIES

	2010	2009
	(£)	(£)
Operating surplus	631,411	231,107
Depreciation	57,130	60,607
Loss on disposal of fixed assets	-	29,865
Decrease in debtors	22,981	111,299
(Decrease) in creditors	(37,678)	(275,792)
Cash inflow from operating activities	<u>673,844</u>	<u>157,086</u>

**INDEPENDENT SCHOOLS COUNCIL
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NOTES TO THE FINANCIAL STATEMENTS

1 ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention and are in accordance with the applicable accounting standards, as modified by the revaluation of investments to market value.

ISC has beneficial ownership of 100% of the share capital of ISC Educational Services Limited. On 1 January 2008, the Independent Schools Inspectorate (ISI) demerged from ISC and became a wholly-owned subsidiary. The group accounts consolidate the results of these two subsidiaries.

Turnover and income recognition

Turnover is the amount derived from the provision of goods and services falling within the Company's ordinary activities. In particular:

- i. Teacher induction fees are allocated to accounting periods in line with the school terms to which they relate. Teacher induction fees relating to school terms commencing after the balance sheet date are treated as deferred income and included in current liabilities.
- ii. Subscription revenue is allocated to the accounting period to which it relates. Subscription revenue relating to the period after the balance sheet date is treated as deferred income and included in current liabilities.

Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

Leasehold fittings	- The period of the lease
Office furniture and equipment	- 15% on cost
Computer equipment	- 33.3% on cost
Trailer	- 15% on cost

Fixed asset investments

Investments held for the purpose of generating long-term investment income are treated as fixed assets in the balance sheet and are valued at market value. Net gains on revaluation are taken to the revaluation reserve and shown in the statement of total recognised gains and losses. The profit or loss on disposal of an investment is measured by reference to its revalued amount, and any net gain previously credited to the revaluation reserve is transferred to the accumulated fund.

Operating leases

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 as incurred.

Pensions

The Company operates a defined contribution scheme covering all of its employees. The employer's contributions are charged to the income and expenditure account in the year in which they arise. No further liabilities accrue to the Company under this scheme.

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NOTES TO THE FINANCIAL STATEMENTS (continued)

2	ANALYSIS OF TURNOVER - ISC Group	2010	2009
		(£)	(£)
	Independent Schools Council	1,528,167	1,431,717
	ISC Teacher Induction Panel	421,493	385,760
	ISC Educational Services Limited	253,943	447,033
	Independent Schools Inspectorate	3,855,041	2,775,915
		6,058,644	5,040,425
3	OPERATING SURPLUS - ISC Group	2010	2009
		(£)	(£)
	Operating surplus is stated after charging:		
	Depreciation	57,130	60,608
	Auditors' remuneration		
	Audit	17,385	16,565
	Operating leases, land and buildings	220,739	213,107
	Operating leases, equipment	1,950	2,185
4	STAFF COSTS	2010	2009
		(£)	(£)
	Wages and salaries	1,541,931	1,396,458
	Social security costs	148,194	148,009
	Pension costs	113,151	82,260
		1,803,276	1,626,727

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NOTES TO THE FINANCIAL STATEMENTS (continued)

4b. The average number of employees during the year was:

	2010 Number	2009 Number
Independent Schools Council	19	17
ISC Teacher Induction Panel	2	2
ISC Educational Services Limited	2	3
Independent Schools Inspectorate	17	14
	40	36

5 INVESTMENT INCOME

	2010 (£)	2009 (£)
Bank deposit interest	5,447	709
Investment income	17,885	21,775
Exchange Rate Loss	-	(31)
	23,332	22,453

6 TAXATION LIABILITY

	2010 (£)	2009 (£)
Taxation is paid on the interest and investment income received for the year and any realised investment gain. The charge comprises:		
UK corporation tax at 21%	15,304	4,490
Under (over) provision of tax in the previous years	(4,493)	(2,700)
	10,811	1,790

The subsidiary company- ISC Educational Services Limited is carrying forward £368,972 (2009: £368,972) of trading losses.

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NOTES TO THE FINANCIAL STATEMENTS (continued)

7 TANGIBLE FIXED ASSETS: ISC Group	Leasehold fittings	Office furniture and equipment	Computer equipment	Total
	(£)	(£)	(£)	(£)
Cost				
At 1 January 2010	186,222	129,320	92,543	408,085
Additions	-	1,975	22,048	24,023
Disposals	-	-	-	-
At 31 December 2010	186,222	131,295	114,591	432,108
Depreciation				
At 1 January 2010	68,970	60,158	75,138	204,266
Charge for the year	19,541	19,581	18,008	57,130
Eliminated on disposal	-	-	-	-
At 31 December 2010	88,511	79,739	93,146	261,396
Net book value				
At 31 December 2010	97,711	51,556	21,445	170,712
At 31 December 2009	117,252	69,162	17,405	203,819

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NOTES TO THE FINANCIAL STATEMENTS (continued)

7b	TANGIBLE FIXED ASSETS ISC	Leasehold fittings	Office furniture and equipment	Computer equipment	Total
		(£)	(£)	(£)	(£)
	Cost				
	At 1 January 2010	151,025	95,161	67,943	314,129
	Additions	-	747	15,013	15,760
	Disposals	-	-	-	-
	At 31 December 2010	<u>151,025</u>	<u>95,908</u>	<u>82,956</u>	<u>329,889</u>
	Depreciation				
	At 1 January 2010	60,408	50,132	58,515	169,055
	Charge for the year	15,102	14,274	8,508	37,884
	Eliminated on disposal	-	-	-	-
	At 31 December 2010	<u>75,510</u>	<u>64,406</u>	<u>67,023</u>	<u>206,939</u>
	Net book value				
	At 31 December 2010	<u>75,515</u>	<u>31,502</u>	<u>15,933</u>	<u>122,950</u>
	At 31 December 2009	<u>90,617</u>	<u>45,029</u>	<u>9,428</u>	<u>145,074</u>

The net book value of fixed assets acquired under a hire purchase contract is £Nil (2009: £Nil).
Depreciation for the year on these assets was £Nil (2009: £ Nil)

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8	FIXED ASSET INVESTMENTS ISC company & ISC Group	2010	2009
		(£)	(£)
	Quoted investments		
	Market value at 1 January 2010	546,234	487,265
	Additions at cost	185,352	-
	Disposals at market value	(143,529)	(59,427)
	Unrealised gains/(losses)	37,260	118,396
	Market value at 31 December 2010	625,317	546,234
	Historical cost	559,772	560,694

No provision has been made for the tax that would be payable if the investments were sold at their stated market value. The tax would amount to approximately £Nil (2009 £Nil).

9	OTHER DEBTORS	Group		Company	
		2010	2009	2010	2009
		(£)	(£)	(£)	(£)
	Staff season ticket loans	9,725	5,970	3,811	3,211
	Accrued income	62,787	33,349	-	-
	Other debtors	191	114	191	114
		72,703	39,433	4,002	3,325

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NOTES TO THE FINANCIAL STATEMENTS (continued)

10 ACCRUALS AND DEFERRED INCOME	Group		Company	
	2010 (£)	2009 (£)	2010 (£)	2009 (£)
Cost accruals	217,386	336,655	61,093	92,110
Teacher induction fees and other ISC deferred income	347,779	219,101	347,779	219,101
School inspection, seminar and training fees received in advance	3,675	35,613	-	-
Conference fees received in advance	40,930	22,105	-	-
Benefit of rent-free period spread over term of lease	16,820	26,994	16,820	20,996
	<u>626,590</u>	<u>640,468</u>	<u>425,692</u>	<u>332,207</u>
11 RESERVES				
	Brought forward	Surplus / (deficit) for the year	Other movements	Carried Forward
	(£)	(£)	(£)	(£)
Independent Schools Council general reserve	1,159,403	285,960	-	875,498
Provision for amount due from subsidiary (ESL)	-	-	(569,865)	
ISC Teacher Induction Panel reserve	184,735	80,433	-	265,168
Total ISC Accumulated Funds	1,344,138	366,393	(569,865)	1,140,666
Revaluation reserve	118,396	-	40,120	158,516
Total ISC company reserves	1,462,534	366,393	(529,745)	1,299,182
ISC Educational Services Limited general reserve	(540,543)	(29,322)	-	(569,865)
Elimination of intra-group provision	-	-	569,865	569,865
Total ISC company & ESL Reserves	921,991	337,071	40,120	1,299,182
Independent Schools Inspectorate reserve	385,514	345,342	-	730,856
Total ISC Group reserves	1,307,505	682,413	40,120	2,030,038

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12 FINANCIAL COMMITMENTS

At 31 December 2010 ISC Group had annual commitments under operating leases as set out below:

	2010		2009	
	Land and buildings (£)	Other (£)	Land and buildings (£)	Other (£)
Operating leases that expire				
Within one year	-	-	-	780
In the second to fifth years	222,372	-	-	1,170
Over five years	-	-	217,739	-

13 INVESTMENT IN GROUP UNDERTAKING

ISC has 2 wholly-owned subsidiaries- ISC Educational Services Limited and Independent Schools Inspectorate.

ISC owns 100% of the share capital (valued at £1) of ISC Educational Services Limited (ESL). ESL's activities are underwritten and financed by ISC and as a consequence at 31 December 2010 ESL owed ISC £917,222 (2009: £747,035). ISC has agreed that it will not seek to recover any amounts due to it by ESL unless ESL has sufficient funds available after satisfying all other creditors.

As at 31 December 2010 ISC has in its own accounts provided for £569,865 of the debt due from ESL. On the 28 March 2011 ISC waived under deed £570,000 of this debt. The provision and waiver do not impact on the Group Financial Statements.

On 1 January 2008, the Independent Schools Inspectorate (ISI) demerged from ISC and became a wholly-owned subsidiary. ISI is now a company limited by guarantee with no share capital. ISI owed £Nil to ISC at 31 December 2010 (2009: £Nil).

14 CAPITAL COMMITMENTS

	2010 (£)	2009 (£)
Authorised but not contracted for	-	-
Contracted for not provided in the financial statements	-	-

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15 RELATED PARTIES

The Welsh Independent Schools Council was incorporated on 10 November 2010 and ISC was a founder member. ISC is one of multiple members, and therefore is not considered to have dominant influence on or a controlling share of the organisation. ISC pays a contribution to WISC each year, £11,240 in 2010 (2009: £11,220).