

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

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012

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**INDEPENDENT SCHOOLS COUNCIL
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012**

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**INDEPENDENT SCHOOLS COUNCIL
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Board of Directors

Name:	Nominated by:	Appointed/resigned:
Barnaby Lenon	Independent	
Sam Alder	AGBIS	
Trevor Rowell	COBIS	
Philip Cottam	Society of Heads	
Peter Bodkin	Society of Heads	
Barry Martin	HMC	
William Richardson	HMC	
Neil Roskilly	ISA	
Arthur Bray	ISA	Resigned 31 December 2012
David Hanson	IAPS	
Tim Johns	IAPS	Resigned 1 September 2012
Nicholas Allen	IAPS	Appointed 1 September 2012
Alison Martin	ISBA	Resigned 16 May 2012
Stephen Taylor	ISBA	Appointed 16 May 2012
		Resigned 20 May 2013
Mark Taylor	ISBA	Appointed 20 May 2013
Sheila Cooper	GSA	Resigned 31 December 2012
Helen Wright	GSA	Resigned 31 December 2012
Louise Martin	GSA	Appointed 28 February 2013
Charlotte Vere	GSA	Appointed 28 February 2013
John Wood	ISA	Appointed 28 February 2013

The Company's Articles of Association were amended with effect from 29 March 2011 to provide that the Board comprises the Chairman; the Vice Chairman, two persons nominated by each of HMC, GSA, IAPS, ISA and The Society of Heads, one person nominated by each of ISBA, AGBIS and COBIS; and no more than three persons appointed by decision of the Board.

Company officers

Name:	Title:	Appointed/resigned
Matthew Burgess	General Secretary	Appointed 1 January 2012
Rudi Elliott Lockhart	Deputy General Secretary	Appointed 16 May 2012

**INDEPENDENT SCHOOLS COUNCIL
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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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The Directors present their report and audited financial statements for the year ended 31 December 2012.

PRINCIPAL ACTIVITIES

The principal activity of the company throughout the year was that of the advancement, representation and support of ISC schools in membership of constituent associations as shown below. The company's strategic objectives are

- To support the aims and objectives of its member associations, and provide a place where members from different associations might choose to meet
- To protect and promote the sector through targeted, focused and effective campaigns with policy makers and opinion formers
- To be a leading source of legal and regulatory guidance for the sector
- To conduct and compile authoritative sector research and intelligence
- To provide online access to sector and school information to inform parental decisions

ISC Educational Services Limited (ESL), (the single shareholder being Independent Schools Council) was wound up during the year and its remaining net liabilities were transferred to ISC this resulted in a £18,430 write off in ISC which is included within the profit and loss account

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 (The Society of Heads)
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

**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 of its results for that year.

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

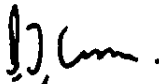
- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

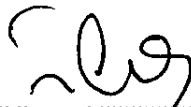
The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company 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 company'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.

Signed on behalf of the Board of Directors on 20th May 2013


.....
Barnaby Lenon
Chairman


.....
Mark Taylor
Chair of Finance Committee

**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 2012 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Company Balance Sheet, the 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 Chapter 3 of Part 16 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 5, 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 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. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2012 and of the 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 company, or returns adequate for our audit have not been received from branches not visited by us, or
- the company's 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

28 May 2013

Fairfax House
15 Fulwood Place
London, WC1V 6AY

**INDEPENDENT SCHOOLS COUNCIL
ANNUAL REPORT AND FINANCIAL STATEMENTS
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PROFIT AND LOSS ACCOUNT

		2012		2011	
	Notes	(£)	(£)	(£)	(£)
TURNOVER	2				
Continuing			1,020,978		1,362,764
Discontinuing			-		523,893
Total			<u>1,020,978</u>		<u>1,886,657</u>
Staff costs	4	544,004		1,008,810	
Depreciation of fixed assets	3/7	29,023		35,494	
Other operating charges- continuing operations		399,294		400,033	
Other operating charges- discontinuing operations		18,430		321,723	
			<u>(990,751)</u>		<u>(1,766,060)</u>
SURPLUS ON ORDINARY ACTIVITIES BEFORE INTEREST	3		30,227		120,597
Transfer to Independent Schools Teacher Induction Panel	15		-		(314,052)
Investment income	5	17,203		21,131	
Surplus on disposal of investment	8	-		43,899	
Unrealised gains/(losses) on investments	8	2,321		(15,776)	
			<u>19,524</u>		<u>49,254</u>
SURPLUS/(DEFICIT) ON ORDINARY ACTIVITIES BEFORE TAXATION			49,751		(144,201)
Taxation	6		(231)		(13,811)
SURPLUS/(DEFICIT) FOR THE YEAR			<u>49,520</u>		<u>(158,012)</u>

**INDEPENDENT SCHOOLS COUNCIL
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STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

	Notes	2012 (£)	2011 (£)
Net surplus/(deficit) transferred to accumulated funds	11	49,520	(158,012)
Other investments:			
Unrealised gains/(losses) taken to ISC revaluation reserve	8/11	53,641	(78,265)
Total gains and losses recognised in the year		103,161	(236,277)

The notes on pages 11 to 17 form part of these financial statements

INDEPENDENT SCHOOLS COUNCIL
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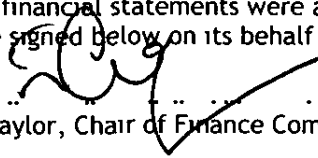
COMPANY NUMBER: 1103760

BALANCE SHEET AS AT 31 DECEMBER 2012

		ISC	
	Notes	2012 (£)	2011 (£)
FIXED ASSETS			
Tangible fixed assets	7	62,736	91,759
Investments	8,13	631,584	478,198
TOTAL FIXED ASSETS		694,320	569,957
CURRENT ASSETS			
Trade debtors		122	140,210
Other debtors	9	692	7,025
Prepayments		53,613	75,560
Amount due from subsidiary undertaking		-	69,456
Cash at bank and in hand		474,813	449,125
		529,240	741,376
CREDITORS: amounts due within one year			
Trade creditors		19,448	81,537
Corporation tax		231	15,728
Other taxation and social security costs		12,439	38,895
Other creditors		3,255	80,026
Accruals and deferred income	10	22,121	32,242
		(57,494)	(248,428)
NET CURRENT ASSETS		471,746	492,948
NET ASSETS		1,166,066	1,062,905
RESERVES			
General Reserve		1,112,425	1,062,905
Revaluation Reserve		53,641	-
TOTAL RESERVES	11	1,166,066	1,062,905

The notes on pages 11 to 17 form part of these financial statements. The financial statements were approved and authorised for issue by the Directors on ~~20.14~~ 20.14 May 2013 and were signed below on its behalf by:


Barnaby Lenon, Chairman


Mark Taylor, Chair of Finance Committee

**INDEPENDENT SCHOOLS COUNCIL
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CASH FLOW STATEMENT

	2012		2011	
	(£)	(£)	(£)	(£)
Net cash inflow from operating activities		121,638		86,588
Returns on investments and servicing of finance				
Investment income	<u>17,203</u>		<u>21,131</u>	
Net cash inflow on investments and servicing of finance		17,203		21,131
Taxation paid		(15,728)		(13,811)
Capital expenditure and financial investment				
Transfer to Independent Schools Teacher Induction Panel	-		(314,052)	
Purchase of fixed assets	-		(4,303)	
Acquisition of long-term investments	(97,425)		(52,477)	
Realisation of long-term investments	-		149,455	
Net cash (outflow) for capital expenditure and financial investment		(97,425)		(221,377)
Net increase/(decrease) in cash in the year		25,688		(127,469)
Cash at bank at 1 January 2012		449,125		576,594
Cash at bank at 31 December 2012		474,813		449,125

RECONCILIATION OF OPERATING SURPLUS TO CASH FLOW FROM OPERATING ACTIVITIES

	2012	2011
	(£)	(£)
Operating surplus	30,227	120,597
Depreciation	29,023	35,494
(Increase)/decrease in debtors	237,824	168,462
(Decrease) in creditors	(175,436)	(237,965)
Cash inflow from operating activities	121,638	86,588

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

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 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

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	2012	2011
		(£)	(£)
	Independent Schools Council	1,020,978	1,362,764
	ISC Teacher Induction Panel	-	523,893
		<u>1,020,978</u>	<u>1,886,657</u>
3	OPERATING SURPLUS	2012	2011
		(£)	(£)
	Operating surplus is stated after charging.		
	Depreciation	29,023	35,494
	Auditors' remuneration		
	Audit	8,640	8,400
	Other	3,240	3,240
	Operating leases, land and buildings	72,855	233,570
	Operating leases, equipment	1,008	1,524
4	STAFF COSTS	2012	2011
		(£)	(£)
	Wages and salaries	462,635	858,223
	Social security costs	42,676	81,978
	Pension costs	38,693	68,609
		<u>544,004</u>	<u>1,008,810</u>
	Split as follows		
	Continuing operations	544,004	885,589
	Discontinuing operations	-	123,221
		<u>544,004</u>	<u>1,008,810</u>

The average number of employees during the year was 13 (2011: 17)

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NOTES TO THE FINANCIAL STATEMENTS (continued)

5	INVESTMENT INCOME	2012	2011
		(£)	(£)
	Bank deposit interest	236	2,314
	Investment income	16,967	18,817
		<u>17,203</u>	<u>21,131</u>
	Split as follows		
	Continuing operations	17,203	21,131
	Discontinuing operations	-	-
		<u>17,203</u>	<u>21,131</u>
6	TAXATION LIABILITY	2012	2011
		(£)	(£)
	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 20/21%	231	15,728
	Over provision of tax in previous years	-	(1,917)
		<u>231</u>	<u>13,811</u>
	Split as follows		
	Continuing operations	231	13,811
	Discontinuing operations	-	-
		<u>231</u>	<u>13,811</u>

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NOTES TO THE FINANCIAL STATEMENTS (continued)

7	TANGIBLE FIXED ASSETS	Leasehold fittings	Office furniture and equipment	Computer equipment	Total
		(£)	(£)	(£)	(£)
	Cost				
	At 1 January 2012	151,025	89,024	47,855	287,904
	Additions	-	-	-	-
	Disposals	-	(6,380)	-	(6,380)
	At 31 December 2012	151,025	82,644	47,855	281,524
	Depreciation				
	At 1 January 2012	90,613	71,287	34,245	196,145
	Charge for the year	15,102	7,724	6,197	29,023
	Eliminated on disposal	-	(6,380)	-	(6,380)
	At 31 December 2012	105,715	72,631	40,442	218,788
	Net book value				
	At 31 December 2012	45,310	10,013	7,413	62,736
	At 31 December 2011	60,412	17,737	13,610	91,759

The net book value of fixed assets acquired under a hire purchase contract is £Nil (2011. £Nil). Depreciation for the year on these assets was £Nil (2011 £ Nil).

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NOTES TO THE FINANCIAL STATEMENTS (continued)

8	FIXED ASSET INVESTMENTS	2012	2011
		(£)	(£)
	Quoted investments		
	Market value at 1 January	478,197	625,317
	Additions at cost	97,425	52,477
	Disposals at market value		(105,555)
	Unrealised gains/(losses)	55,962	(94,041)
	Market value at 31 December	631,584	478,198
	Historical cost	577,943	481,207

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 (2011 £Nil)

9	OTHER DEBTORS	2012	2011
		(£)	(£)
	Staff season ticket loans	692	2,762
	Other debtors	-	4,263
		692	7,025

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NOTES TO THE FINANCIAL STATEMENTS (continued)

10 ACCRUALS AND DEFERRED INCOME

	2012	2011
	(£)	(£)
Cost accruals	13,653	19,598
Benefit of rent-free period spread over term of lease	8,468	12,644
	<u>22,121</u>	<u>32,242</u>

11 RESERVES

	Brought forward	Surplus / (deficit) for the year	Other movements	Carried Forward
	(£)	(£)	(£)	(£)
Council General Reserves	1,062,905	49,520	-	1,112,425
Revaluation reserve	-	-	53,641	53,641
Total Reserves	1,062,905	49,520	53,641	1,166,066

12 FINANCIAL COMMITMENTS

At 31 December 2011 ISC had annual commitments under operating leases as set out below:

	2012		2011	
	Land and buildings	Other	Land and buildings	Other
	(£)	(£)	(£)	(£)
Operating leases that expire:				
Within one year	-	-	-	697
In the second to fifth years	54,000	1,008	282,372	1,008
Over five years	-	-	-	-

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NOTES TO THE FINANCIAL STATEMENTS (continued)

13 INVESTMENT IN GROUP UNDERTAKING

ISC had a wholly-owned subsidiary, ISC Educational Services Limited, which ceased trading on 31 December 2011 and has been struck off.

14 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, £11,220 in 2012 (2011 £11,220).

15 TEACHER INDUCTION PANEL

With effect from 31 December 2011, the Teacher Induction Panel (TIP) of the ISC was transferred to a new company, The Independent Schools Teacher Induction Panel. The accumulated profit of TIP as at that date totalled £314,052 and this was paid over to the new company.