

INDEPENDENT SCHOOLS COUNCIL
(A Company Limited By Guarantee)
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2001



HORWATH
CLARK WHITEHILL
Chartered Accountants

A member of Horwath International

25 New Street Square London EC4A 3LN United Kingdom

Telephone: +44 (0)20 7353 1577

Facsimile: +44 (0)20 7583 1720

www.horwathcw.com

DX 0014 London Chancery Lane



**INDEPENDENT SCHOOLS COUNCIL
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FOR THE YEAR ENDED 31 DECEMBER 2001**

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INDEPENDENT SCHOOLS COUNCIL
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2001

GOVERNING COUNCIL

Mr I D S Beer (Chairman) (Resigned 25 June 2001)
Mrs J Scott (Chairman) (Appointed 25 June 2001)
Mr G G Able (Appointed 3 December 2001)
Mr C D Brown (Resigned 3 December 2001)
Lady Butterworth (Resigned 14 May 2001)
Dr Jennifer Carter
Mrs Pauline Davies (Appointed 3 December 2001)
Mrs Carole Evans (Appointed 26 February 2001)
Mrs Sue Freestone (Appointed 26 February 2001)
Mr H Davies-Jones*
Professor M Edwards
Mr E J H Gould
Mr Michael Hewett (Appointed 3 December 2001)
Commander R Jackson
Mrs G M Lumsdon
Mr G Marsh (Resigned 25 June 2001)
Rt Hon Lord MacGregor (Appointed 8 October 2001)
Mr Edward Mitchell (Appointed 3 December 2001)
Mr W G F Organ
Dame Angela Rumbold (Appointed 25 June 2001)
Mr C C Robinson (Resigned 3 December 2001)
Mrs S H Singer (Resigned 3 December 2001)
Mrs J S Sischy*
Mr S Thackrah (Appointed 8 October 2001)
Mr R Trafford
Mr J Wilding (Appointed 26 February 2001)
Mr D S Williamson (Resigned 14 May 2001)
Mr D E Wood (Resigned 3 December 2001)

*These Council members are not directors of the company.

SECRETARY

Dr A B Cooke OBE

REGISTERED OFFICE

Grosvenor Gardens House
35 – 37 Grosvenor Gardens
London
SW1W 0BS

AUDITORS

Horwath Clark Whitehill
25 New Street Square
London
EC4A 3LN

**INDEPENDENT SCHOOLS COUNCIL
REPORT OF THE GOVERNING COUNCIL
FOR THE YEAR ENDED 31 DECEMBER 2001**

The Governing Council presents its report and audited financial statements for the year ended 31 December 2001

PRINCIPAL ACTIVITY

The principal activity of the company throughout the year was that of the advancement, promotion and support of ISC schools in the UK in conjunction with the ISC's constituent associations. ISC provides common services for its member schools and represents their collective interests to Ministers, civil servants, government departments and other public bodies. It maintains, for the benefit of schools and parents, an extensive public information service (ISCis).

RESULTS

The income and expenditure account on Page 5 shows a surplus for the year of £170,724 (2000: £20,308).

GOVERNING COUNCIL

The members of the Governing Council as at 31 December 2001 are listed on Page 1 of these financial statements.

AUDITORS

The company's auditors, MacIntyre & Co. resigned with effect from 25 June 2001 and Horwath Clark Whitehill were appointed as auditors with effect from the same date.

Signed on Behalf of the Governing Council:

A.B. Cooke

Dr A B Cooke OBE
Secretary

INDEPENDENT SCHOOLS COUNCIL
STATEMENT OF GOVERNING COUNCIL'S RESPONSIBILITIES
FOR THE YEAR ENDED 31 DECEMBER 2001

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

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

The Governing Council is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**HORWATH
CLARK WHITEHILL**

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



We have audited the financial statements of Independent Schools Council for the year ended 31 December 2001 set out on pages 5 to 11. These financial statements have been prepared under the historical cost convention, as modified by the revaluation of investments to market value, and the accounting policies set out therein.

Respective Responsibilities Of Governing Council And Auditors

The Governing Council's responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Governing Council's responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 Governing Council's Report is not consistent with the financial statements, if the Council has not kept proper accounting records, if we have not received all the information and explanations we require for the audit, or if information specified by law regarding Council Members' remuneration and transactions with the Council is not disclosed.

We read the Governing Council's Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis Of Opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Governing Council in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Council's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by 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.

Unqualified Opinion

In our opinion the financial statements give a true and fair view of the state of the Council's affairs as at 31 December 2001 and of its surplus for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Horwath Clark Whitehill

Chartered Accountants
And Registered Auditors

16 May 2002

**INDEPENDENT SCHOOLS COUNCIL
INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2001**

	Notes	£	2001 £	2000 £
TURNOVER	2		1,992,372	1,723,330
Staff costs	4	846,284		696,409
Depreciation of fixed assets	8	30,234		44,719
Other operating charges		<u>956,511</u>		<u>995,112</u>
			(1,833,029)	(1,736,240)
OPERATING SURPLUS/(DEFICIT)	3		159,343	(12,910)
Investment income	5	53,320		46,096
Interest payable	6	(755)		(770)
Unrealised (loss) on investments	9	<u>(31,871)</u>		<u>(3,543)</u>
			20,694	41,783
SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION			180,037	28,873
Taxation	7		(9,313)	(8,565)
SURPLUS FOR THE FINANCIAL YEAR			170,724	20,308
Transfer to reserves comprising of:				
Accumulated fund				
Ordinary surplus for the year	11		114,797	63,845
FIS Reserves				
Ordinary surplus/(deficit) for the year	11		32,954	(37,332)
ISIS L & SE Reserves				
Ordinary surplus/(deficit) for the year	11		22,973	(6,205)
			170,724	20,308

There are no recognised gains or losses other than the surplus for the year.

The notes on pages 7 to 11 form part of these financial statements.

INDEPENDENT SCHOOLS COUNCIL
BALANCE SHEET
AS AT 31 DECEMBER 2001

	Notes	£	2001 £	2000 £
FIXED ASSETS				
Tangible assets	8		53,772	70,283
Investments	9		568,373	351,850
			<u>622,145</u>	<u>422,133</u>
CURRENT ASSETS				
Stock		7,316		8,377
Trade debtors		123,689		154,638
Other debtors		57,446		7,900
Prepayments and accrued income		50,372		32,634
Cash at bank and in hand		603,055		818,454
		<u>841,878</u>		<u>1,022,003</u>
CREDITORS: amounts falling due within one year				
Trade creditors		47,166		89,498
Other taxes and social security		29,499		20,613
Corporation tax	7	9,500		7,922
Other creditors		57,853		59,635
Accruals and deferred income	10	390,461		502,681
		<u>534,479</u>		<u>680,349</u>
NET CURRENT ASSETS			<u>307,399</u>	<u>341,654</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>929,544</u>	<u>763,787</u>
CREDITORS: amounts falling due after more than one year				
Obligations under hire purchase contracts			<u>(3,004)</u>	<u>(7,971)</u>
			<u>926,540</u>	<u>755,816</u>
REPRESENTED BY:				
Accumulated fund	11		501,057	386,260
FIS reserves	11		220,654	187,700
ISIS L & SE Reserves	11		204,829	181,856
			<u>926,540</u>	<u>755,816</u>

Approved by the Governing Council on 13 May 2002
and signed on its behalf by *AB. Coine*

Governing Council

The notes on pages 7 to 11 form part of these financial statements.

INDEPENDENT SCHOOLS COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2001

1. ACCOUNTING POLICIES

a) Basis of Accounting

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

b) Turnover

Turnover is the amount derived from the provision of goods and services falling within the company's ordinary activities after deduction of Value Added Tax.

c) Tangible Fixed Assets

Tangible 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 & equipment	- 15% on cost
Computer equipment	- 33.3% on cost
Motor vehicles	- 20% on cost

d) Fixed Asset Investments

These are included within the balance sheet at market value.

e) Stocks

Stocks are valued at the lower of cost and net realisable value, after making allowance for obsolete and slow moving items.

f) Foreign Currencies

Assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Exchange differences are taken to reserves in the period in which they arise.

g) Finance and Hire Purchase Assets

Assets held under finance leases and hire purchase contracts are capitalised at their estimated fair value at date of inception of each lease or contract. The assets are depreciated over their expected useful lives. The finance charges are taken to the income and expenditure account over the period of the lease as they arise.

h) 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.

i) 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.

INDEPENDENT SCHOOLS COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2001

2. TURNOVER

The turnover and surplus before taxation is attributable to the principal activity of the company. The amounts included within turnover are shown net of VAT.

3. OPERATING SURPLUS

2001 **2000**
£ **£**

Operating surplus is stated after charging:

Depreciation	30,234	44,719
Auditors' remuneration - Audit	11,000	11,000
- Other	-	4,044
Operating leases, land and buildings	92,951	82,000
Operating leases, equipment	52,000	52,679
(Loss) on sale of fixed asset	-	(2,618)
	<u> </u>	<u> </u>

4. STAFF COSTS

No **No**

The average number employed by the company
Within each category of persons was:

Office and management	<u>28</u>	<u>23</u>
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The costs incurred in respect of these employees were:

£ **£**

Wages and salaries	714,594	586,873
Social security costs	69,260	59,258
Pension costs	62,430	50,278
	<u>846,284</u>	<u>696,409</u>

No member of the Governing Council received any remuneration in respect of services provided to the company.

5. INVESTMENT INCOME

2001 **2000**
£ **£**

Bank deposit interest	36,508	26,785
Investment income	16,812	19,311
	<u>53,320</u>	<u>46,096</u>

INDEPENDENT SCHOOLS COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2001

6. INTEREST PAYABLE	2001	2000
	£	£
Hire purchase interest	<u>755</u>	<u>770</u>

7. TAXATION

Taxation is based on the interest received for the year and comprises:

UK Corporation tax at 20%	9,500	7,922
(Over)/Under provision of tax in the previous year	<u>(187)</u>	<u>643</u>
	<u>9,313</u>	<u>8,565</u>

8. TANGIBLE FIXED ASSETS

	Leasehold Fittings £	Office Furniture & Equipment £	Computer Equipment £	Motor Vehicles £	Total £
Cost					
At 1 January 2001	46,867	149,682	94,397	18,995	309,941
Additions	-	2,384	11,433	-	13,817
Disposals	-	(94)	-	-	(94)
At 31 December 2001	<u>46,867</u>	<u>151,972</u>	<u>105,830</u>	<u>18,995</u>	<u>323,664</u>
Depreciation					
At 1 January 2001	25,185	123,643	89,246	1,584	239,658
Charge for the year	8,488	12,844	5,103	3,799	30,234
Disposals	-	-	-	-	-
At 31 December 2001	<u>33,673</u>	<u>136,487</u>	<u>94,349</u>	<u>5,383</u>	<u>269,892</u>
Net book value					
At 31 December 2001	<u>13,194</u>	<u>15,485</u>	<u>11,481</u>	<u>13,612</u>	<u>53,772</u>
<i>At 31 December 2000</i>	<u>21,682</u>	<u>26,039</u>	<u>5,151</u>	<u>17,411</u>	<u>70,283</u>

The net book value of fixed assets acquired under a hire purchase contract is £13,612 (2000: £17,411).

INDEPENDENT SCHOOLS COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2001

9. FIXED ASSET INVESTMENTS	2001 £	2000 £
Market value at 1 January 2001	351,850	355,393
Purchases in year	248,394	-
Net unrealised investment losses	(31,871)	(3,543)
Market value at 31 December 2001	<u>568,373</u>	<u>351,850</u>

10. ACCRUALS AND DEFERRED INCOME	2001 £	2000 £
Accruals	32,989	34,409
LSE Subscriptions	201,093	143,836
LSE Special Promotion	-	104,079
GBA Subscriptions	-	74,896
GBGSA Subscriptions	-	17,812
Exhibition income	5,400	6,500
Teacher induction fees	87,377	62,041
Other	10,623	21,208
Promotion of boarding	52,979	37,900
	<u>390,461</u>	<u>502,681</u>

11. RESERVES	Accumulated Fund £	FIS Reserves £	ISIS & LSE Reserves £	Total £
Balance at 1 January 2001	386,260	187,700	181,856	755,816
Surplus for the year	114,797	32,954	22,973	170,724
Balance at 31 December 2001	<u>501,057</u>	<u>220,654</u>	<u>204,829</u>	<u>926,540</u>

INDEPENDENT SCHOOLS COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2001

12. FINANCIAL COMMITMENTS

At 31 December 2001 the company had annual commitments under operating leases as set out below:

	2001		2000	
	Land and Buildings £	Other £	Land and Buildings £	Other £
Operating leases that expire:				
Within one year	-	-	17,850	-
In the second to fifth years	90,550	11,007	67,000	58,686
Over five years	-	621	-	1,100
	<u>90,550</u>	<u>11,628</u>	<u>84,850</u>	<u>59,786</u>

13. CAPITAL COMMITMENTS

Commitments for future capital expenditure not provided for in these accounts were as follows:

	2001 £	2000 £
Authorised and contracted for	<u>Nil</u>	<u>Nil</u>

INDEPENDENT SCHOOLS COUNCIL

DETAILED INCOME AND EXPENDITURE

FOR THE YEAR ENDED 31 DECEMBER 2001

	For the information of the Directors only						Promoting Boarding	Total 2001	Total 2000
	ISC National	FIS	International	Teacher Induction	London and South East				
	£	£	£	£	£	£	£	£	£
INCOME									
Contribution from Sponsors								308,103	274,641
GBA Schools	308,103	-	-	-	-	-	-	189,478	167,249
GBGSA Schools	189,478	-	-	-	-	-	-	121,369	108,250
IAPS	121,369	-	-	-	-	-	-	68,812	61,387
ISA	68,812	-	-	-	-	-	-	77,491	16,813
Donations	-	23,465	-	-	25	54,001	-	220,547	215,868
Membership subscriptions	-	31,254	-	-	189,293	-	-	123,108	122,963
Subscriptions to FIS (Method 1 + 2)	-	123,108	-	-	-	-	-	37,091	34,058
FIS Method 3	37,091	-	-	-	-	-	-	5,000	-
Millennium Scholarship Income	5,000	-	-	-	-	-	-	48,160	52,412
Advertising	22,558	-	-	-	25,602	-	-	11,822	13,769
Sale of publications and labels	10,102	1,287	-	-	433	-	-	8,371	3,125
Sales of database	8,371	-	-	-	-	-	-	72,465	70,877
Consultancy fees	-	-	42,963	-	29,502	-	-	50,592	36,711
Registration fees	-	-	5,417	-	-	-	45,175	5,315	5,040
EGAS	5,315	-	-	-	-	-	-	3,200	-
COBISSEC subs	3,200	-	-	-	-	-	-	132,329	143,811
Exhibition income	13,183	-	79,346	-	52,983	-	-	13,183	30,005
School fees funding plan	-	-	-	-	-	-	-	-	72
Contribution from nurseries	237	-	-	-	-	-	-	109,116	18,766
School marketing service Levy	-	-	-	81,187	108,879	-	-	81,187	66,724
School registration fees	-	-	-	-	13,786	-	-	42,261	31,116
Research/Schools services	28,475	-	-	-	-	-	-	229,257	206,254
Commissions	1,792	-	227,465	-	-	-	-	18,158	11,215
Miscellaneous income	15,829	1,666	663	-	-	-	-	2,150	2,060
Management charge – BSA	2,150	-	-	-	-	-	-	2,852	5,287
Management charge – PRO	2,852	-	-	-	-	-	-	41,453	-
Management charge – INTL	41,453	-	-	-	-	-	-	12,184	16,360
Management charge – TEA	12,184	-	-	-	-	-	-	28,077	-
Management charge – FIS	28,077	-	-	-	-	-	-	(84,566)	-
Elimination of Management Charge	(84,566)	-	-	-	-	-	-	684	(8,447)
Store discount vouchers – NET	-	684	-	-	-	-	-	8,259	8,350
Internet: Advertising and School entries	8,259	-	-	-	-	-	-	4,864	-
Training courses	-	-	-	-	-	-	-	-	8,594
Other income	-	-	-	-	-	-	-	1,992,372	1,723,330
	849,324	181,464	355,854	86,051	420,503	99,176	-	16,812	19,311
	4,649	3,704	-	-	8,459	-	-	36,508	26,785
	24,156	2,009	-	-	10,343	-	-	2,045,692	1,769,426
	878,129	187,177	355,854	86,051	439,305	99,176	-		
Total income									
Investment income									
Bank interest received									
Total income									

INDEPENDENT SCHOOLS COUNCIL
DETAILED INCOME AND EXPENDITURE
FOR THE YEAR ENDED 31 DECEMBER 2001

	For the information of the Directors only						Promoting Boarding	Total 2001	Total 2000
	ISC National	FIS	International	ISIS	Teacher Induction	London and South East	£	£	£
EXPENDITURE									
Administrative costs	45,609	28,109	7,232		10,274	22,297	7,356	120,877	124,560
Shared office costs	138,708	24,697	29,714		1,024	42,137	7,867	244,147	220,985
Staff costs	495,860	58,982	113,045		19,185	239,924	38,249	965,245	784,599
Professional fees	16,689	12,045	4,923		40,267	5,851	6,493	86,268	89,419
Exhibition and show costs	-	-	75,213		-	26,803	-	102,016	124,974
School levy expenses	-	-	-		-	19,410	-	19,410	12,873
Publications costs	77,879	7,195	4,671		474	35,005	11,759	136,983	139,647
Information technology costs	6,928	1,184	1,120		1,078	4,092	571	14,973	5,862
Other products	15,046	-	-		-	6,921	-	6,921	3,514
EGAS	26,590	15,964	-		-	-	-	15,046	12,393
Research projects	24,866	689	-		-	3,161	-	42,554	76,726
Unrelieved VAT	-	-	-		-	-	-	28,716	28,437
Unrelieved VAT - Year 1999	20,686	154	-		-	-	-	-	(15,595)
Depreciation	-	-	1,556		1,515	6,262	60	30,233	44,719
Loss on disposal of fixed assets	-	-	18,312		-	1,328	-	-	2,618
Provision for doubtful debts	-	-	-		-	-	-	19,640	28,269
Provision for doubtful debts - 1999	-	-	-		-	-	-	-	52,240
Hire purchase interest	868,861	149,019	255,786		73,817	413,191	72,355	1,833,029	1,736,240
Taxation	755	-	-		-	-	-	755	770
	5,856	1,058	-		-	2,399	-	9,313	8,565
Total expenditure	875,472	150,077	255,786		73,817	415,590	72,355	1,843,097	1,745,575
Total income less expenditure	2,657	37,100	100,068		12,234	23,715	26,821	202,595	23,851
Unrealised/realised (loss) on investment	(26,983)	(4,146)	-		-	(742)	-	(31,871)	(3,543)
SURPLUS/(DEFICIT) FOR THE FINANCIAL YEAR	(24,326)	32,954	100,068		12,234	22,973	26,821	170,724	20,308
Balance brought forward	386,260	187,700	-		-	181,856	-	755,816	735,508
BALANCE CARRIED FORWARD	361,934	220,654	100,068		12,234	204,829	26,821	926,540	755,816