

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

**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2013**

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FOR THE YEAR ENDED 31 DECEMBER 2013**

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**Board of Directors**

<b>Name:</b>	<b>Nominated by:</b>	<b>Appointed/resigned:</b>
Barnaby Lenon (Chair)	Independent	
Sam Alder	AGBIS	Resigned 31 March 2014
Richard Green	AGBIS	Appointed 20 May 2014
Trevor Rowell	COBIS	
Louise Robinson (Vice-Chair) (R)	GSA	Appointed 28 February 2013
Charlotte Vere (F)	GSA	Appointed 28 February 2013
Stephen Holliday (F)	HMC	Appointed 19 September 2013
Barry Martin	HMC	Resigned 23 September 2013
William Richardson (R)	HMC	
Nicholas Allen	IAPS	Resigned 19 September 2013
David Hanson	IAPS	
Eddy Newton	IAPS	Appointed 19 September 2013
Neil Roskilly (F)	ISA	
John Wood	ISA	Appointed 28 February 2013
Mark Taylor (R)	ISBA	Appointed 20 May 2013
Peter Bodkin	Society of Heads	
Philip Cottam (F)	Society of Heads	

(F) denotes member of Finance Committee

(R) denotes member of Remuneration Committee

The Company's Articles of Association were amended with effect from 19 September 2013 and 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**

<b>Name:</b>	<b>Title:</b>	<b>Appointed/resigned</b>
Matthew Burgess	General Secretary	
Rudolf Elliott Lockhart	Deputy General Secretary	

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**Registered Office**

St Vincent House  
30 Orange Street  
London WC2H 7HH

**Auditors**

haysmacintyre  
26 Red Lion Square  
London WC1R 4AG

**Stockbrokers**

Vartan & Son  
The Singing Men's Chambers  
19 Minster Precincts  
Peterborough PE1 1XX

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**DIRECTORS' REPORT**

The Directors present their report and audited financial statements for the year ended 31 December 2013.

**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 work with its members to protect and promote the sector through targeted, focused and effective campaigns with policy makers and opinion formers
- To provide 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 2012 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 for that year.

**ISC CONSTITUENT ASSOCIATIONS**

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

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.

## GENERAL SECRETARY'S REPORT

ISC continued to work hard in 2013 on behalf of our member associations and all schools to provide the best possible service for the sector whilst holding subscription rates unchanged for the second year in succession. This brief survey of the year considers our work under the five strategic objectives determined by our membership:

- Supporting the aims and objectives of our members and providing a place where they might choose to meet
- Working with members to protect and promote the independent education sector through targeted, focused and effective campaigns with policy makers and opinion formers
- Providing legal and regulatory guidance for the independent education sector
- Conducting and compiling authoritative sector research and intelligence
- Providing online access to sector and school information to inform parental decisions

### ***Supporting the aims and objectives of our members and providing a place where they might choose to meet***

In 2013 two member associations polled their membership with questions including, amongst other things, priority areas for ISC. This is an excellent way for us to ensure that we are aligned with the aims and objectives of our members. We were encouraged by the results. For example, one association's annual poll of members told us that top priorities for ISC included the following: ensuring that reform of the public examinations system is fit for purpose; equal promotion of all schools under the banner of diversity and choice; pressure on the cost and burden of inspection; removing independent schools from EYFS legislation and dealing with Local Authority bias against the sector. Actions taken in 2013 to support these priorities included:

- Pursuing successful action against Local Authorities where they have set admissions criteria for publicly funded schools which discriminate against feeder independent schools.
- Working with member associations to overturn the mandatory learning and development goals of the EYFS for good independent schools, who can now opt out, whilst ensuring that DfE guidance on the free entitlement prevents Local Authorities from discriminating against opted-out settings.
- Maintaining pressure on the regulatory burden of inspection, negotiating directly with DfE on the content of the Independent Schools Standards and the raft of additional guidance against which ISI inspects. Notably, various documents which used to have the force of law as 'statutory guidance' have now been removed or downgraded to 'advice', returning autonomy and discretion to schools.
- Feeding views on exam reform directly back to Ofqual and providing opportunities for all our member associations to talk collectively and with great force to DfE officials tasked with undertaking exam and curriculum reform.
- Working to improve relationships across the national media, ensuring that ISC is a hub of news and comment on sector issues. We actively work to represent the sector, highlighting key issues and placing high profile articles, comment pieces and interviews, most recently with BBC News, The Daily Telegraph, The TES and The Times.

We have built on the success, last year, of redesigning our office premises and reducing the overhead, by continuing to make ISC the meeting place of choice for member associations with meeting room bookings up more than 300% this year. We are encouraged that schools have started to use our facilities also.

### ***Working with members to protect and promote the independent education sector through targeted, focused and effective campaigns with policy makers and opinion formers***

In 2013, as well as continuing 'business as usual' across all legal and regulatory lobbying issues (public benefit, immigration, regulatory compliance, safeguarding, discrimination against independent school pupils, SEN

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changes, Government consultation responses and Parliamentary calls for evidence) we have focused attention on longer term strategic initiatives on behalf of the sector.

- We initiated and developed the concept of assessing the economic contribution of the sector to Britain, commissioning the work in 2013 with publication slated for early 2014.
- We initiated and developed the idea of a cross-sector political working group to pull together a strategic and communications plan in the run up to the 2015 election, widening the franchise of the Oxford Group meeting of Chairmen and Presidents of five associations and including top-level external representatives to provide challenge and validation.
- We developed the concept of a sector prospectus, which we hope to publish in 2014.
- We have established a communications working group to encourage greater coordination of external work across all associations.
- We have established a cross-sector child welfare group and produced guidance materials for schools and the media on safeguarding in English schools.
- We organised the first ever meeting of national independent sector representative bodies. In December, the General Secretary/Executive Director of each of ISC, SCIS (Scotland), ISASA (South Africa), ISNZ (New Zealand), ISCA (Australia), NAIS (North America) and CAIS (Canada) met to discuss areas of common interest where experiences and strategies are most likely to be transferable, including: attitudes towards the sector; strategies employed to influence perceptions; approach to elections; experience of public funding of independent sector pupils; and organisation and structure of national representative bodies.

Major achievements in the year on specific campaigns have included:

- Publication of revised public benefit guidance in September 2013 in line with the favourable judgment obtained by our judicial review of the former guidance. Public benefit has been under regular scrutiny, with both Lord Hodgson and the Public Administration Select Committee producing written reports in 2012 and 2013. ISC took an active part in both reports, and support the Government's current position: "Whilst we recognise the frustrations of those who have been caught up in the sometimes long and difficult legal arguments, we support Lord Hodgson's conclusion that, despite the shortcomings, public benefit is best left to case law rather than Parliament attempt to define it in statute."
- Gaining recognition for the significance of the education exports of British independent schools. The Department of Business, Innovation and Skills published "International Education Strategy: Global Growth and Prosperity" in July setting out how the government and education sector will build on UK strengths to take advantage of global opportunities. We contributed towards the analysis of independent schools' contribution to the wider education sector and the UK economy. The Government assesses the annual value of international pupils attending British schools in the UK to be £620 million, and the value of pupils studying at English-medium schools worldwide at £960 million. Each contributes to a total assessed value of education exports of £17.5 billion annually.
- Pursuing successful action against Sheffield Local Authority in respect of discriminatory admissions criteria for 18 publicly-funded schools.
- Persuading the Education Select Committee to support our proposal for the reintroduction of funding for Independent State School Partnerships. The Committee quoted extensively from our submission in their November 2013 report, concluding that "Independent schools and state schools have much they can do for and usefully learn from one another. We welcome the Government's steps to promote closer links between the independent and maintained education sectors, but consider that academy sponsorship is not always the right engagement model for such partnerships. We recommend that the

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- Government re-introduce targeted seed corn funding to encourage the establishment of sustainable Independent State School Partnerships.”
- Negotiating with the Home Office to clarify expectations of independent school sponsors under Tier 4 in the light of changes to the sponsor guidance framework in October. Publication of a joint statement is expected in early 2014.

As always, authoritative data on the sector underpins our policy work and we have been particularly gratified by the continued high regard for our research outputs, with our Census and other research materials regularly cited in Parliamentary debate and answers to Parliamentary Questions.

***Providing legal and regulatory guidance for the independent education sector***

Schools understand that ISC cannot provide tailored legal advice or represent them on specific matters, but we have no shortage of enquiries on legal and regulatory matters. Our monthly bulletin for the sector, ISC Report, contains guidance on topical issues. We also issue ‘web alerts’ which members who have expressed interest receive automatically. We can track how many times articles and alerts are accessed which helps us ensure that our material is relevant: for example, the most clicked on item in November’s ISC Report related to security issues for schools with porous boundaries, receiving almost 300 hits, and an alert on registration checks on overseas pupils received more than 350 views. Below is a sample of general guidance that we produced for schools during 2013:

- Renewing Tier 4 sponsor licences
- Reasonable adjustments and disability
- Registration of overseas pupils
- A summary of the safeguarding framework that applies to independent schools in England
- Handling a media crisis
- Security considerations for schools with porous boundaries
- The proposed tax free childcare scheme

***Conducting and compiling authoritative sector research and intelligence***

The work that ISC undertakes promoting the sector, whether through policy work or through the media, is underpinned by the comprehensive research programme that we carry out each year. At the heart of this is the Census of schools in membership of ISC associations. As in previous years, 2013 saw all ISC schools complete the Census. Based on data collected in the Census, our schools database offers a wealth of opportunity for detailed analysis of the sector and the way that it has changed over time. Our Census provides the most authoritative source of quantitative information on the sector and is widely cited in Parliament and the media and is held in the UK’s legal deposit libraries.

Beyond the Census, ISC has undertaken research in a range of areas. In 2013 these included:

- **Exam results:** In August 2013 we collected Year 11 and Year 13 public exam results from member schools. While this survey is optional, 90% of eligible schools completed it. As in previous years, the findings of this survey attracted significant media interest and formed the basis of a number of the league tables of results published in the national and regional press.
- **Attitudes towards independent schools:** In September we commissioned research on public attitudes towards independent schools from Populus. This added to a time series of data collected over the past twenty five years and has proved vital for understanding the political and public relations challenges and opportunities that the sector faces.
- **The impact of independent schools on the economy:** We worked with Oxford Economics through the second half of 2013 on a project researching the impact of the independent sector on the British economy. This report is scheduled for release in April 2014.



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***Providing online access to sector and school information to inform parental decisions***

Our website is designed to help parents find schools. We provide a simple map search and a more detailed search tool, which produces a printable list of schools meeting criteria chosen by parents. In addition, schools can log into their member's area of our website to see which parents are searching for them (provided that the parents have given the necessary data protection consents). In a recent online survey we carried out amongst schools, this was cited as the most useful feature of ISC's website with 92% of respondents telling us that this parental data is useful.

Web analytics enables us to see how popular the different pages of our website are. In 2013, our website received over two million page views from 378,087 unique visitors. Our 'Find a School' pages and tools accounted for more than 10% of this, at 267,182 page views, 111,380 map searches and 26,033 personalised school searches.

All this is, regrettably, against a background of decreasing service levels and website stability provided by our external web development company, something that we are looking to address in 2014.

***HR, finance and governance***

There have been a few staff changes through the year. Sarah McKimm (Principal Solicitor) left at the end of 2012 to join IPSEA, a charity assisting parents of children with special educational needs, and was replaced by Sunena Stoneham who joined us as Legal and Policy Adviser. Charles Hurtley, who had combined two part time roles, one as our Finance Manager and the other as bursar at an ISC school, went full time with his other employer and was replaced by Josie Phillips. And our Head of Press, Alex Beynon, left us after maternity leave, being replaced by Tracy Cook. We also consolidated two other roles to recruit Merry Arnold as our Communications Officer. The total staffing level at the year end was 9.4 FTE, compared to 9.8 FTE at the end of 2012.

The work of the Finance Committee was rationalised during the year, providing it with an annual cycle of review across three established meetings, regularising the subscriptions methodology and salary scales and removing overlap with the Audit Committee by abolishing the latter. We intend to work with the Finance Committee in 2014 to review each association's share of subscriptions and come up with a proposal to use future annual surpluses to reduce the cost of ISC to our members and schools.

Changes were adopted to ISC's Articles of Association during the year, and the Board also clarified the rules under which ISC recognises schools included within the ISC umbrella. Henceforth, 'ISC schools' will not include the following schools, whether or not they are admitted into any type of membership of one or more of the eight ISC associations:

- A school in Great Britain which is unable in law to levy tuition fees in respect of its core educational provision (excluding, for these purposes, any restrictions placed only on 'top up' fees for EYFS provision);
- A school in Great Britain which waives its right to raise tuition fees by becoming solely financed by the state in respect of its core educational provision (excluding, for these purposes, any restrictions placed only on 'top up' fees for EYFS provision); and
- A school in Great Britain which ceases to be in membership of, or whose Head ceases to be in membership of, one of the five ISC heads' associations but which remains in membership of a non-heads' association for more than 12 months.

Matthew Burgess  
General Secretary, 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 20 May 2014



.....  
Barnaby Lenon  
Chairman



.....  
Mark Taylor  
Director

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

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We have audited the financial statements of the Independent Schools Council for the year ended 31 December 2013 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the 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 9, 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 2013 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.

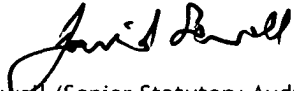
**Opinion on other matter prescribed by the Companies Act 2006**

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.

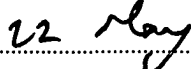
**Matters on which we are required to report by exception**

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

26 Red Lion Square  
London WC1R 4AG

 12 May 2014

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**PROFIT AND LOSS ACCOUNT**

		<b>2013</b>		<b>2012</b>	
	Notes	(£)	(£)	(£)	(£)
<b>TURNOVER</b>					
Continuing	2		1,012,605		1,020,978
Staff costs	4	507,611		544,004	
Depreciation of fixed assets	3/7	28,790		29,023	
Other operating charges- continuing operations		355,146		399,294	
Other operating charges- discontinuing operations		-		18,430	
			<u>(891,547)</u>		<u>(990,751)</u>
<b>SURPLUS ON ORDINARY ACTIVITIES BEFORE INTEREST</b>	3		121,058		30,227
Investment income	5	19,941		17,203	
Surplus on disposal of investment	8	20,932			
Unrealised gains on investments	8	11,915		2,321	
			<u>52,788</u>		<u>19,524</u>
<b>SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>			173,846		49,751
Taxation	6		(2,883)		(231)
<b>SURPLUS FOR THE YEAR</b>			<u>170,963</u>		<u>49,520</u>

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**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**

	Notes	2013 (£)	2012 (£)
Net surplus transferred to accumulated funds	11	170,963	49,520
Other investments:			
Unrealised gains taken to ISC revaluation reserve	8/11	65,152	53,641
<b>Total gains and losses recognised in the year</b>		<b>236,115</b>	<b>103,161</b>

The notes on pages 15 to 21 form part of these financial statements.

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COMPANY NUMBER: 1103760

BALANCE SHEET AS AT 31 DECEMBER 2013

	Notes	2013 (£)	2012 (£)
<b>FIXED ASSETS</b>			
Tangible fixed assets	7	37,131	62,736
Investments	8	725,079	631,584
<b>TOTAL FIXED ASSETS</b>		<b>762,210</b>	<b>694,320</b>
<b>CURRENT ASSETS</b>			
Trade debtors		429	122
Other debtors	9	3,476	692
Prepayments		53,373	53,613
Cash at bank and in hand		662,689	474,813
		719,967	529,240
<b>CREDITORS: amounts due within one year</b>			
Trade creditors		7,035	19,448
Corporation tax		2,883	231
Other taxation and social security costs		14,257	12,439
Other creditors		3,706	3,255
Accruals and deferred income	10	52,115	22,121
		(79,996)	(57,494)
<b>NET CURRENT ASSETS</b>		<b>639,971</b>	<b>471,746</b>
<b>NET ASSETS</b>		<b>1,402,181</b>	<b>1,166,066</b>
General Reserve		1,283,388	1,112,425
Revaluation Reserve		118,793	53,641
<b>TOTAL RESERVES</b>	11	<b>1,402,181</b>	<b>1,166,066</b>

The notes on pages 15 to 21 form part of these financial statements. The financial statements were approved and authorised for issue by the Directors on 20 May 2014 and were signed below on its behalf by:

  
Barnaby Lenon, Chairman

  
Mark Taylor, Director

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**CASH FLOW STATEMENT**

	2013	2012
	(£)	(£)
Net cash inflow from operating activities	166,847	121,638
Returns on investments and servicing of finance		
Investment income	<u>19,941</u>	<u>17,203</u>
Net cash inflow on investments and servicing of finance	19,941	17,203
Taxation paid	(231)	(15,728)
Capital expenditure and financial investment		
Purchase of fixed assets	(3,185)	-
Acquisition of long-term investments	(204,427)	(97,425)
Realisation of long-term investments	<u>208,931</u>	<u>-</u>
Net cash inflow/(outflow) for capital expenditure and financial investment	1,319	(97,425)
Net increase in cash in the year	187,876	25,688
Cash at bank at 1 January 2013	<u>474,813</u>	<u>449,125</u>
Cash at bank at 31 December 2013	<u>662,689</u>	<u>474,813</u>

**RECONCILIATION OF OPERATING SURPLUS TO CASH FLOW FROM OPERATING ACTIVITIES**

	2013	2012
	(£)	(£)
Operating surplus	121,058	30,227
Depreciation	28,790	29,023
(Increase)/decrease in debtors	(2,851)	237,824
Increase/(decrease) in creditors	19,850	(175,436)
Cash inflow from operating activities	<u>166,847</u>	<u>121,638</u>

## 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.

#### 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.

#### Reserves

The Board determined that ISC's reserves (meaning cash and investments readily convertible into cash) should fall within the range of between 6 and 12 months of ordinary course operating expenditure (excluding depreciation) and believes that this range is appropriate to ensure that sufficient funds are available to meet current commitments if income streams were erratic or exceptional expenditure incurred. The Board determined that ISC's reserves should be split between cash and short term readily available investments, with cash comprising the greater of £250,000 and one third of the total reserves.



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**NOTES TO THE FINANCIAL STATEMENTS (continued)**

<b>2</b>	<b>ANALYSIS OF TURNOVER</b>	<b>2013</b>	<b>2012</b>
		<b>(£)</b>	<b>(£)</b>
	Independent Schools Council	1,012,605	1,020,978
		<u>1,012,605</u>	<u>1,020,978</u>
<b>3</b>	<b>OPERATING SURPLUS</b>	<b>2013</b>	<b>2012</b>
		<b>(£)</b>	<b>(£)</b>
	Operating surplus is stated after charging:		
	Depreciation	28,790	29,023
	Auditors' remuneration		
	Audit	8,880	8,640
	Other	3,120	3,240
	Operating leases, land and buildings	78,513	72,855
	Operating leases, equipment	1,008	1,008
<b>4</b>	<b>STAFF COSTS</b>	<b>2013</b>	<b>2012</b>
		<b>(£)</b>	<b>(£)</b>
	Wages and salaries	428,807	462,635
	Social security costs	45,248	42,676
	Pension costs	33,556	38,693
		<u>507,611</u>	<u>544,004</u>

The average number of employees during the year was 10 (2012: 13)

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**NOTES TO THE FINANCIAL STATEMENTS (continued)**

<b>5</b>	<b>INVESTMENT INCOME</b>	<b>2013 (£)</b>	<b>2012 (£)</b>
	Bank deposit interest	639	236
	Investment income	19,302	16,967
		<u>19,941</u>	<u>17,203</u>

<b>6</b>	<b>TAXATION LIABILITY</b>	<b>2013 (£)</b>	<b>2012 (£)</b>
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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%	<u>2,883</u>	<u>231</u>
	<u>2,883</u>	<u>231</u>

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**NOTES TO THE FINANCIAL STATEMENTS (continued)**

<b>7 TANGIBLE FIXED ASSETS</b>	<b>Leasehold fittings</b>	<b>Office furniture and equipment</b>	<b>Computer equipment</b>	<b>Total</b>
	<b>(£)</b>	<b>(£)</b>	<b>(£)</b>	<b>(£)</b>
<b>Cost</b>				
At 1 January 2013	151,025	82,644	47,855	281,524
Additions	-	-	3,185	3,185
Disposals	-	-	-	-
At 31 December 2013	151,025	82,644	51,040	284,709
<b>Depreciation</b>				
At 1 January 2013	105,715	72,631	40,442	218,788
Charge for the year	15,102	7,476	6,212	28,790
Eliminated on disposal	-	-	-	-
At 31 December 2013	120,817	80,107	46,654	247,578
<b>Net book value</b>				
At 31 December 2013	30,208	2,537	4,386	37,131
At 31 December 2012	45,310	10,013	7,413	62,736

The net book value of fixed assets acquired under a hire purchase contract is £Nil (2012: £Nil). Depreciation for the year on these assets was £Nil (2012: £ Nil).

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**NOTES TO THE FINANCIAL STATEMENTS (continued)**

<b>8</b>	<b>FIXED ASSET INVESTMENTS</b>	<b>2013</b>	<b>2012</b>
		<b>(£)</b>	<b>(£)</b>
	Quoted investments		
	Market value at 1 January	631,584	478,197
	Additions at cost	204,427	97,425
	Disposals at market value	(187,999)	-
	Unrealised gains	77,067	55,962
	<b>Market value at 31 December</b>	<b>725,079</b>	<b>631,584</b>
	Historical cost	606,286	577,943

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 £14,064 (2012: £5,085).

<b>9</b>	<b>OTHER DEBTORS</b>	<b>2013</b>	<b>2012</b>
		<b>(£)</b>	<b>(£)</b>
	Staff season ticket loans	3,476	692
		<b>3,476</b>	<b>692</b>

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**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**10 ACCRUALS AND DEFERRED INCOME**

	2013	2012
	(£)	(£)
Cost accruals	47,867	13,653
Benefit of rent-free period spread over term of lease	4,248	8,468
	<u>52,115</u>	<u>22,121</u>

**11 RESERVES**

	Brought forward	Surplus for the year	Other movements	Carried Forward
	(£)	(£)	(£)	(£)
Council General Reserves	1,112,425	170,963	-	1,283,388
Revaluation reserve	53,641	-	65,152	118,793
Total Reserves	<u>1,166,066</u>	<u>170,963</u>	<u>65,152</u>	<u>1,402,181</u>

**12 FINANCIAL COMMITMENTS**

At 31 December 2013 ISC had annual commitments under operating leases as set out below:

	2013		2012	
	Land and buildings	Other	Land and buildings	Other
	(£)	(£)	(£)	(£)
Operating leases that expire:				
Within one year	-	-	-	-
In the second to fifth years	54,000	1,008	54,000	1,008
Over five years	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS (continued)

**13 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 2013 (2012: £11,220).