

INDEPENDENT SCHOOLS COUNCIL
(A Company Limited by Guarantee)

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 2000



haysmacintyre
Chartered Accountants
Registered Auditors

Registered Company No: 1103760

INDEPENDENT SCHOOLS COUNCIL
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2000

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GOVERNING COUNCIL	Mr I D S Beer (Chairman) Mrs D A Burgess (Resigned February 2000) Lady Doris Butterworth Dr Jennifer Carter (Appointed May 2000) Mrs M Carter-Pegg (Resigned February 2000) Mr H Davies-Jones* (Appointed May 2000) Professor M Edwards Mr E J H Gould* (Appointed January 2000) Mr J R Hawkins (Resigned September 2000) Commander R Jackson* (Appointed September 2000) Mrs G M Lumsdon (Appointed October 2000) Mr S J W McArthur (Resigned December 2000) Mr G Marsh Mr W G F Organ Mr C C Robinson (Appointed January 2000) Mr J P Sabben Clare (Resigned December 2000) Mrs S H Singer (Appointed January 2000) Mrs J S Sischy* Mr R G Tovey (Resigned September 2000) Mr R Trafford Mr D N S Vellacott* (Resigned June 2000) Mr J L Wade (Resigned December 2000) Mrs L J Warrington (Resigned December 2000) Mr T D Wheare (Appointed January 2000) Mr D S Williamson Mr D E Wood (Appointed January 2000)
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* These Council members are not directors of the company.

SECRETARY	Dr A B Cooke OBE
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REGISTERED OFFICE	Grosvenor Gardens House 35-37 Grosvenor Gardens London SW1W 0BS
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REGISTERED NUMBER	1103760
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AUDITORS	haysmacintyre Chartered Accountants Southampton House 317 High Holborn London WC1V 7NL
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REPORT OF THE GOVERNING COUNCIL

The Governing Council presents its report and audited financial statements for the year ended 31 December 2000.

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 member associations.

RESULTS

The income and expenditure on Page 5 shows a surplus for the year of £20,308 (1999: £(55,005)).

FIXED ASSETS

Changes in fixed assets during the year are set out in note 8 to the financial statements.


GOVERNING COUNCIL

The members of the Governing Council as at 31 December 2000 are listed on Page 1 of these financial statements.

AUDITORS

The company's auditors, MacIntyre & Co, merged with Hays Allan on 1 January 2001 creating a new firm, haysmacintyre. The Council have confirmed the appointment can extend to the new firm of haysmacintyre following the merger.

Signed on Behalf of the Governing Council:



Dr A B Cooke OBE
Secretary

Approved by the Governing Council on 25 June 2001.

STATEMENT OF GOVERNING COUNCIL'S RESPONSIBILITIES

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.

INDEPENDENT SCHOOLS COUNCIL

We have audited the financial statements on pages 5 to 12 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

RESPECTIVE RESPONSIBILITIES OF GOVERNING COUNCIL AND AUDITORS

As described on page 3 the Governing Council is responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

BASIS OF OPINION

We conducted our audit in accordance with 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 company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

OPINION

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 2000 and of its surplus for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



haysmacintyre
Chartered Accountants
Registered Auditors

Southampton House
317 High Holborn
London
WC1V 7NL

25 June, 2001

INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2000

	Notes	£	2000 £	£	1999 £
TURNOVER	2				
- Continuing		1,414,422		1,501,026	
- ISIS L & SE		308,908		146,591	
			1,723,330		1,647,617
Staff costs	4	696,409		546,914	
Depreciation of fixed assets		44,719		55,332	
Other operating charges		995,112		1,151,831	
			(1,736,240)		(1,754,077)
OPERATING SURPLUS/(DEFICIT)	3				
- Continuing		6,961		(125,963)	
- ISIS L & SE		(19,871)		19,503	
			(12,910)		(106,460)
Investment income	5		46,096		29,546
Interest payable	6		(770)		(737)
Realised gain on investments			-		6,820
Unrealised (loss)/gain on investments			(3,543)		22,032
SURPLUS/(DEFICIT) ON ORDINARY ACTIVITIES BEFORE TAXATION			28,873		(48,799)
Taxation	7		(8,565)		(6,206)
SURPLUS/(DEFICIT) FOR THE FINANCIAL YEAR			£ 20,308		£(55,005)
Transfer to reserves comprising of:					
Accumulated Fund					
Ordinary surplus/(deficit) for the year			63,845		(99,863)
FIS Reserves					
Ordinary (deficit)/surplus for the year			(37,332)		18,210
ISIS L & SE Reserves					
Ordinary (deficit)/surplus for the year			(6,205)		26,648
	12		£ 20,308		£(55,005)

There are no recognised gains or losses other than the surplus/(deficit) for the year. The historical cost results for 2000 are £23,851 (1999: £(77,037)).

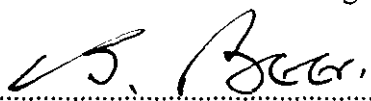
The notes on pages 7 to 12 form part of these financial statements.

BALANCE SHEET

AS AT 31 DECEMBER 2000

	Notes	£	2000 £	£	1999 £
FIXED ASSETS					
Tangible Assets	8		70,283		89,615
Investments	9		351,850		355,393
			<hr/>		<hr/>
			422,133		445,008
CURRENT ASSETS					
Stock of vouchers and stationery		8,377		8,225	
Trade and other debtors		162,538		165,624	
Prepayments and accrued income		32,634		53,020	
Cash at bank and in hand		818,454		662,035	
		<hr/>		<hr/>	
		1,022,003		888,904	
CREDITORS: Amounts falling due within one year					
Corporation tax		7,922		7,758	
Hire purchase obligations		4,023		1,245	
Income for 2001 received in advance	10	468,272		438,320	
Other creditors and accruals	11	200,132		151,081	
		<hr/>		<hr/>	
		680,349		598,404	
NET CURRENT ASSETS					
			341,654		290,500
TOTAL ASSETS LESS CURRENT LIABILITIES					
			<hr/>		<hr/>
			763,787		735,508
CREDITORS: Amounts falling due after one year					
Hire purchase obligations			(7,971)		-
			<hr/>		<hr/>
			£755,816		£735,508
REPRESENTED BY:					
Accumulated Fund	12		386,260		322,415
FIS Reserves	12		187,700		225,032
ISIS L & SE Reserves	12		181,856		188,061
			<hr/>		<hr/>
			£755,816		£735,508

Signed on Behalf of the Governing Council



Mr I D S Beer - Chairman

Approved by the Governing Council on 25 June 2001.

The notes on pages 7 to 12 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2000

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.

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

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
Computers and Association Equipment	- 33.3% on cost
Other Office Equipment	- 15% on cost
Motor Vehicles	- 20% on cost

d) Fixed Asset Investments

These are included within the balance sheet at market values.

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 into account in arriving at the operating surplus.

g) Equipment Leased Assets

Assets held under finance leases and hire purchase contractors are capitalised at the 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 allocated over the primary period of the lease in proportion to the capital element outstanding.

h) Pensions

The company operates defined contribution, externally funded pension schemes covering certain of its employees. Contributions are normally charged against surpluses as the contributions are made.

i) Cash Flow Statement

The company has taken advantage of the exemption provided by Financial Reporting Standard No. 1 and has not prepared a Cash Flow Statement for the year.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2000

2. TURNOVER

The turnover and surplus before taxation is attributable to the principal activity of the company.

3. OPERATING SURPLUS	2000 £	1999 £
Operating surplus is stated after charging:		
Depreciation	44,719	55,332
Auditors' remuneration - Audit	11,000	10,275
- Other	4,044	3,490
Operating leases, land and buildings	82,000	75,000
Operating leases, equipment	52,679	31,605
(Loss) on sale of fixed asset	(2,618)	-

4. STAFF COSTS	2000 No.	1999 No.
The average number employed by the company within each category of persons was:		
Office and Management - ISC	18	17
- ISIS L & SE	6	6

The costs incurred in respect of these employees were:	2000 £	1999 £
Wages and salaries	586,873	451,446
Social Security costs	59,258	44,205
Pension costs	50,278	51,263
	<u>£696,409</u>	<u>£546,914</u>

The 1999 staff costs are lower as they include only six months of ISIS L & SE salaries.

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

5. INVESTMENT INCOME	2000 £	1999 £
Bank deposit interest	26,785	27,644
Investment income	19,311	1,902
	<u>£ 46,096</u>	<u>£ 29,546</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2000

6.	INTEREST PAYABLE		2000 £	1999 £
	Hire purchase interest		£ 770	£ 737
			<hr/>	<hr/>
7.	TAXATION		2000 £	1999 £
	Taxation is based on the interest received for the year and comprises:			
	UK Corporation tax at 20%/21%		7,922	6,206
	Under-provision of tax in the previous year		643	-
			<hr/>	<hr/>
			£ 8,565	£ 6,206
			<hr/>	<hr/>
8.	TANGIBLE FIXED ASSETS			
		Motor Vehicle £	Leasehold Fittings £	Office Furniture & Equipment £
				Total £
	COST			
	At 1 January 2000	20,525	46,867	229,819
	Additions	18,995	-	14,260
	Disposals	(20,525)	-	-
		<hr/>	<hr/>	<hr/>
	At 31 December 2000	18,995	46,867	244,079
		<hr/>	<hr/>	<hr/>
	DEPRECIATION			
	At 1 January 2000	10,263	16,697	180,636
	Charge for the year	3,978	8,488	32,253
	Disposals	(12,657)	-	-
		<hr/>	<hr/>	<hr/>
	At 31 December 2000	1,584	25,185	212,889
		<hr/>	<hr/>	<hr/>
	NET BOOK VALUE			
	At 31 December 2000	£ 17,411	£ 21,682	£ 31,190
		<hr/>	<hr/>	<hr/>
	At 31 December 1999	£ 10,262	£ 30,170	£ 49,183
		<hr/>	<hr/>	<hr/>

The net book value of fixed assets acquired under a hire purchase contract is £17,411 (1999 - £10,262).

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2000

9. FIXED ASSET INVESTMENTS	2000 £	1999 £
Market value at 1 January 2000	355,393	160,732
Purchases in year	-	200,000
Acquisitions on merger	-	73,046
Disposals in year	-	(100,417)
Net unrealised investment (losses)/gains	(3,543)	22,032
	<hr/>	<hr/>
Market value at 31 December 2000	£351,850	£355,393
	<hr/>	<hr/>
10. INCOME FOR 2001 RECEIVED IN ADVANCE	2000 £	1999 £
ISC		
GBA subscriptions	74,896	136,121
GBGSA subscriptions	17,812	59,495
Exhibition income	6,500	5,450
Teacher induction fees	62,041	45,900
Other	21,208	-
Promotion of boarding	37,900	-
	<hr/>	<hr/>
	220,357	246,966
ISIS L & SE		
Subscriptions	140,836	158,439
Exhibition income	-	32,915
Special promotion	107,079	-
	<hr/>	<hr/>
	£468,272	£438,320
	<hr/>	<hr/>
11. OTHER CREDITORS AND ACCRUALS	2000 £	1999 £
Trade creditors	89,498	36,693
Social security and other taxes	20,613	14,718
Other creditors	3,762	4,108
Accruals and deferred income	86,259	95,562
	<hr/>	<hr/>
	£200,132	£151,081
	<hr/>	<hr/>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2000

12. RESERVES	Accumulated Fund £	FIS Reserves £	ISIS L & SE Reserves £	Total £
Balance at 1 January 2000	322,415	225,032	188,061	735,508
Transfer	63,845	(37,332)	(6,205)	20,308
	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 31 December 2000	£386,260	£187,700	£181,856	£755,816
	<hr/>	<hr/>	<hr/>	<hr/>

13. FINANCIAL COMMITMENTS

At 31 December 2000 the company had annual commitments under operating leases as set out below:-

	2000		1999	
	Land and Buildings £	Other £	Land and Buildings £	Other £
Operating leases that expire:				
Within one year	17,850	-	17,850	281
In the second to fifth years	67,000	58,686	67,000	58,686
Over five years	-	1,100	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	£ 84,850	£ 59,786	£ 84,850	£ 58,967
	<hr/>	<hr/>	<hr/>	<hr/>

14 CAPITAL COMMITMENTS

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

	2000		1999	
Authorised and contracted for	£	Nil	£	Nil
	<hr/>		<hr/>	
Authorised but not contracted for	£	Nil	£	Nil
	<hr/>		<hr/>	

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2000

15 RELATED PARTY TRANSACTIONS

The company is the national body set up by eight independent schools' associations and their member schools to speak for them collectively. The directors of the company excluding Mrs J S Sischy and Mr D N S Vellacott represent the eight independent schools' associations.

The eight associations are:

Girls' Schools Association (GSA)
Governing Bodies Association (GBA)
Governing Bodies of Girls' Schools Association (GBGSA)
Headmasters' and Headmistresses' Conference (HMC)
Incorporated Association of Preparatory Schools (IAPS)
Independent Schools Association (ISA)
Independent Schools Bursars' Association (ISBA)
Society of Headmasters and Headmistresses of Independent Schools (SHMIS)

Transactions with these associations include:

GBA

Received contributions amounting to £274,641 (1999: £258,127)

GBGSA

Received contributions amounting to £167,249 (1999: £166,383)

IAPS

Received contributions amounting to £108,250 (1999: £104,712)

ISA

Received contributions amounting to £61,387 (1999: £59,384)