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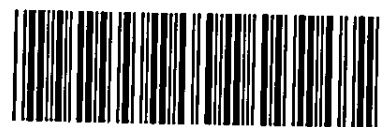
INDEPENDENT SCHOOLS COUNCIL

A company limited by guarantee - Company Number 1103760

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2009

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INDEPENDENT SCHOOLS COUNCIL

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009

CONTENTS	Page
Company information	2 - 4
Directors' & Chairman's Report	5 - 9
Independent auditors' report	10
Profit and Loss Account	11 - 12
Statement of total recognised gains and losses	13
Balance Sheet	14 - 15
Cash flow statement	16 - 17
Notes to the financial statements	18 - 25

INDEPENDENT SCHOOLS COUNCIL

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009

Board of Directors		Nominated by -
	Dame Judith Mayhew Jonas	Chairman - Independent
	Mrs Anne Tuck	Vice Chairman - Independent (GSA until 26 February 2009)
	Mr George Marsh	IAPS (resigned 31 August 2009)
	Mr Nicholas Marten	ISBA (resigned 13 May 2009)
	Mr Sam Alder	AGBIS
	Ms Clarissa Farr	GSA (appointed 31 January 2010)
	Mrs Alison Martin	ISBA (appointed 13 May 2010)
	Mr Roger Fry	COBIS
	Mr David Vanstone	ISA
	Mr Richard Tovey	IAPS (appointed 1 September 2009)
	Mr Nicholas Dorey	SHMIS
	Mr Andrew Grant	HMC
	Mr Paul Maynard	ISBA (appointed 13 May 2009, resigned 13 May 2010)
	Mr Michael Fowle	Independent (appointed 26 February 2009)

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

Company Secretary Mr Matthew Burgess

Chief Executive Mr David Lyscom

Deputy Chief Executive Mr Matthew Burgess

INDEPENDENT SCHOOLS COUNCIL

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009

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

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009

Advisory Council Members	Dame Judith Mayhew Jonas
	Mrs Anne Tuck
	Mr Richard Green
	Mr Shane Rutter-Jerome (term ended September 2009)
	Mr Stuart Westley (term began September 2009)
	Mr Trevor Rowell
	Mrs Fiona Rogers
	Mrs Jill Berry (term ended December 2009)
	Mrs Gillian Low (term began January 2010)
	Mrs Sheila Cooper
	Mr Geoff Lucas
	Mr Ian Power (term ended September 2009)
	Mrs Diana Watkins (term ended September 2009)
	Mr David Hanson
	Mr John Gibson (term ended December 2009)
	Mrs Jane Le Poidevin (term ended September 2009)
	Mr Neil Roskilly (term began September 2009)
	Mrs Alison Martin (term began May 2009, term ended May 2010)
	Mr Paul Maynard (term ended May 2009)
	Mr Stephen Taylor (term began May 2010)
	Mr Jonathan Cook
	Mr Toby Mullins
	Mr David Richardson
	Mrs Hilary Moriarty
	Mrs Judith Sischy
	Mr David Levin (term began September 2009)
	Mr John Tranmer (term began September 2009)
	Mr Graham Gorton (term began January 2010)

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

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

INDEPENDENT SCHOOLS COUNCIL

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009

The Directors present their report and audited financial statements for the year ended 31 December 2009

PRINCIPAL ACTIVITY

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

Independent Schools Inspectorate (ISI) carries out inspections for schools affiliated with ISC.

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

In 2005 ISC set up a wholly owned subsidiary company, ISC Educational Services Limited, (the single shareholder being Independent Schools Council) from which to operate research consultancy and development projects. This company commenced operations in 2006 and its operating results are consolidated in the 2009 accounts of ISC Group. ISC is funding this trading company and at the year end 31 December 2009 the subsidiary owed £747,035 (2008: £422,616) to ISC.

ISC CONSTITUENT ASSOCIATIONS

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

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

AFFILIATE MEMBERSHIP

Scottish Council of Independent Schools
Boarding Schools Association

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

INDEPENDENT SCHOOLS COUNCIL

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009

CHAIRMAN'S REPORT

In 2009 the independent sector was under challenge from several directions. We had a government that continued to tighten up the way children are treated across society, but without understanding how this impacts on the independent sector. Schools therefore had to deal with new laws and regulations that make their work increasingly difficult. The Charity Commission decided to judge charitable schools using a definition of public benefit that many of our schools will find difficult to meet. We were in the middle of a recession that presented challenges to schools in terms of increased costs and reduced enrolment. And we faced the usual prejudice and hostility from sections of the press and political establishment.

The role of ISC at the centre of the independent schools sector was strengthened in 2009, reflecting the need to project sector-wide views and messages in this increasingly challenging environment. The member Associations retained an important role in representing the particular interests of their members. But it was widely accepted that those efforts need to be coordinated more effectively, and that on many issues the sector needed to speak with a single voice. ISC strengthened its role as the interlocutor of choice for DCSF and others on cross-cutting legal and policy issues. Evidence-based policy advice was provided to ministers, officials and the media based on rigorous, tailored research and legal analysis. Here too the Associations looked to ISC to take the lead in generating the material required. Finally ISC continued to improve its services for the sector where it made sense to join together and offer common solutions. Teacher induction, specialist conferences/seminars, recruitment services, and a common national entry point for parents and schools seeking information or advice, are all examples of where ISC was able to pull efforts together and provide cost-effective solutions.

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

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

In a year of budget restraint and cost control ISC was able to report widespread completion of the objectives in the 2009 Business Plan. Notable successes in 2009 were:

- A high impact campaign against the Charity Commission approach to public benefit. The establishment of a legal fund and preparations for a possible legal challenge to the Commission
- An effective public campaign against ContactPoint leading to hesitation by the government to introduce the scheme formally and a commitment by opposition parties to abolish it. In parallel a comprehensive information exercise was conducted for schools, and an IT scheme developed to simplify compliance as and when introduced

INDEPENDENT SCHOOLS COUNCIL

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009

- Changes in government policy as a direct result of detailed lobbying activities on Vetting and Barring, Safer Recruitment guidance and training and boarding CRB checks
- Changes to the implementation arrangements of the Tier 4 visa regime to make it easier for schools, and practical help for schools on individual issues and problems
- The launch by the government of its overseas inspection scheme, in response to ISC and COBIS pressure
- Successful events on partnerships, legal issues, marketing, SEN and ICT, plus a sell-out Annual Conference, contributing a financial surplus towards ISC overheads
- High quality research projects, including the Annual Census, Exam Results Survey, University Admissions Survey, Prep School Survey (with IAPS), visa survey and alumni survey
- An effective Teacher Induction operation, successfully inducting some 1100 new teachers within budget
- Creation of an article database for the regional press, helping to promote the sector and individual schools locally
- Production of the celebrated Daily News Service, with improvements to its coverage to include political monitoring
- Development of the ISC website to include improved parental and schools information and the introduction of new services such as the Job Zone, Cross Leadership hub and ICT advice zone, underpinned by record usage (over 5 million individual page views)
- High levels of usage of the individual parental search facility on the website

The ISC Board has been fully informed throughout the year via quarterly reports on the outturn of the 2009 Business Plan, and Board members have been able to question the Chief Executive and staff at their meetings. The Advisory Council has discussed key issues and offered advice and guidance to the Board and Executive. The Association Secretaries have been informed about developments in ISC at the regular meetings chaired by the Chief Executive, and have been able to make inputs into decisions by the Chief Executive and his Senior Management Team. The Chief Executive has also attended annual conferences of the Associations and has been invited at most to report on developments and take questions about particular issues.

INDEPENDENT SCHOOLS COUNCIL

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009

2009 RESULTS

The results for the year are as follows

	2009 (£)	2008 (£)
Independent Schools Council general activities	365,479	(276,986)
ISC Teacher Induction Panel activities	9,682	(523)
Total activities of ISC company	375,161	(277,509)
ISC Educational Services Limited activities	(149,623)	(134,147)
Total activities of ISC company & ISC ESL	225,538	(411,656)
Independent Schools Inspectorate activities	39,984	55,624
Total activities of ISC Group	£265,522	(£356,032)

BOARD OF DIRECTORS

The members of the Board of Directors are listed on page 2 of these financial statements

INDEPENDENT SCHOOLS COUNCIL

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

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

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

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

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company and subsidiaries' transactions and disclose with reasonable accuracy at any time the financial position of the Company and subsidiaries and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

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

AUDITORS

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

Signed on behalf of the Board of Directors on 18th May 2010



Dame Judith Mayhew Jonas
Chairman

INDEPENDENT SCHOOLS COUNCIL

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009

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 2009 which comprise the Group Profit and Loss Account, the Group and Company Statement of Total Recognised Gains and Losses, the Group and Company Balance Sheets, the Group Cash Flow Statements and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Section 495 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 7, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 December 2009 and of the group's result for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

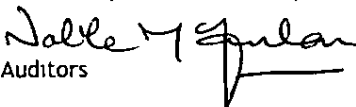
In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

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

Noble Hanlon (Senior Statutory Auditor)
for and on behalf of haysmacintyre, Statutory Auditors



Fairfax House
15 Fulwood Place
London, WC1V 6AY

18 May 2010

INDEPENDENT SCHOOLS COUNCIL

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009

CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2009

			2009		2008
	Notes	(£)	(£)	(£)	(£)
TURNOVER	2		5,040,425		5,022,224
Staff costs	4	1,626,727		1,979,011	
Depreciation of fixed assets	7	60,608		72,439	
Loss on disposal of fixed assets		29,866		-	
Other operating charges		<u>3,092,116</u>		<u>3,231,232</u>	
			<u>(4,809,317)</u>		<u>(5,282,682)</u>
SURPLUS / (DEFICIT) ON ORDINARY ACTIVITIES BEFORE INTEREST	3		231,108		(260,458)
Investment income					
Investment income	5	22,453		42,171	
Surplus on disposal of investment	8	13,751		8,403	
Unrealised losses on investments	8	-		(141,828)	
		<u></u>	<u>36,204</u>	<u></u>	<u>(91,254)</u>
SURPLUS / (DEFICIT) ON ORDINARY ACTIVITIES BEFORE TAXATION			267,312		(351,712)
Taxation	6		(1,790)		(4,320)
SURPLUS / (DEFICIT) FOR THE YEAR			<u>265,522</u>		<u>(356,032)</u>

INDEPENDENT SCHOOLS COUNCIL

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009

CONSOLIDATED PROFIT AND LOSS ACCOUNT (continued)

Arising from:	2009	2008
(£)	(£)	(£)
ISC general activities	365,479	(276,986)
ISC Teacher Induction Panel activities	9,682	(523)
Total activities of Independent Schools Council	375,161	(277,509)
ISC Educational Services Limited Activities	(149,623)	(134,147)
Total activities of ISC company & ISC ESL	225,538	(411,656)
Independent Schools Inspectorate activities	39,984	55,624
Total activities of Independent Schools Council Group	265,522	(356,032)

INDEPENDENT SCHOOLS COUNCIL

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

FOR THE YEAR ENDED 31 DECEMBER 2009

	Notes	2009 (£)	2008 (£)
Net surplus /(deficit) transferred to accumulated funds	11	265,522	(356,032)
Other investments			
Unrealised gains/(losses) taken to ISC revaluation reserve	11	118,396	(75,885)
Transfer from revaluation reserve to general reserve	11	-	-
Total gains and losses recognised in the year		383,918	(431,917)

The notes on pages 18 to 25 form part of these financial statements

INDEPENDENT SCHOOLS COUNCIL

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009

BALANCE SHEET AS AT 31 DECEMBER 2009

	Notes	ISC Group		ISC	
		2009	2008	2009	2008
		(£)	(£)	(£)	(£)
FIXED ASSETS					
Tangible fixed assets	7	203,819	295,363	145,074	225,677
Investments					
Shares in group undertaking	13	-	-	1	1
Other investments	8	546,234	487,265	546,234	487,265
		546,234	487,265	546,235	487,266
TOTAL FIXED ASSETS		750,053	782,628	691,309	712,943
CURRENT ASSETS					
Trade debtors		327,371	371,091	24,375	1,145
Other debtors	9	39,433	20,210	3,325	6,094
Prepayments		118,110	204,912	67,898	62,565
Amount due from subsidiary undertaking		-	-	747,035	425,294
Cash at bank and in hand		833,836	581,661	309,891	150,129
		1,318,750	1,177,874	1,152,524	645,227
CREDITORS: amounts due within one year					
Trade creditors		54,409	201,540	8,743	66,812
Corporation tax		4,497	4,320	4,493	2,708
Other taxation and social security costs		57,273	56,900	31,205	40,964
Other creditors		4,651	20,265	4,651	7,569
Accruals and deferred income	10	640,468	753,890	332,207	271,140
		(761,298)	(1,036,915)	(381,299)	(389,193)
NET CURRENT ASSETS		557,452	140,959	771,225	256,034
NET ASSETS		1,307,505	923,587	1,462,534	968,977

INDEPENDENT SCHOOLS COUNCIL

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009

BALANCE SHEET AS AT 31 DECEMBER 2009 (continued)

Represented by:	ISC Group		ISC	
	2009 (£)	2008 (£)	2009 (£)	2008 (£)
Accumulated funds				
Independent Schools Council general reserve	11 1,344,138	968,977	1,344,138	968,977
ISC Educational Services Ltd deficit	11 (540,543)	(390,920)	-	-
Independent Schools Inspectorate reserve	11 385,514	345,530	-	-
Total accumulated funds	1,189,109	923,587	1,344,138	968,977
Revaluation reserve	11 118,396	-	118,396	-
TOTAL RESERVES	1,307,505	923,587	1,462,534	968,977

The notes on pages 18 to 25 form part of these financial statements.

The financial statements were approved and authorised for issue by the Directors on 18th May 2010 and were signed below on its behalf by



Dame Judith Mayhew Jonas
Chairman

INDEPENDENT SCHOOLS COUNCIL

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2009

	2009		2008	
	(£)	(£)	(£)	(£)
Net cash inflow from operating activities		157,086		(256,422)
Returns on investments and servicing of finance				
Investment income		<u>22,453</u>		<u>42,171</u>
Net cash inflow on investments and servicing of Finance		22,453		42,171
Taxation paid		(1,612)		(18,706)
Capital expenditure and financial investment				
Purchase of fixed assets	(6,096)		(50,409)	
Proceeds on disposal of fixed assets	7,165		-	
Acquisition of long-term investments	-		(144,840)	
Realisation of long-term investments		<u>73,177</u>		<u>93,078</u>
Net cash outflow for capital expenditure and financial investment		74,248		(102,171)
Net increase in cash in the year		252,175		(335,128)
Cash at bank at 1 January 2009		<u>581,661</u>		<u>916,789</u>
Cash at bank at 31 December 2009		833,836		581,661

INDEPENDENT SCHOOLS COUNCIL

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009

CASH FLOW STATEMENT (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2009

RECONCILIATION OF OPERATING SURPLUS / (DEFICIT) TO CASH FLOW FROM OPERATING ACTIVITIES

	2009 (£)	2008 (£)
Operating surplus / (deficit)	231,107	(260,458)
Depreciation	60,607	72,439
Loss on disposal of fixed assets	29,865	-
Assets written off as part of redundancy package	-	10,893
Decrease in debtors	111,299	11,867
(Decrease) in creditors	(275,792)	(91,163)
Cash inflow/ (outflow) from operating activities	157,086	(256,422)

INDEPENDENT SCHOOLS COUNCIL

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009

NOTES TO THE FINANCIAL STATEMENTS

1 ACCOUNTING POLICIES

Basis of accounting

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

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

Turnover and income recognition

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

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

Tangible fixed assets

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

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

Fixed asset investments

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

Operating leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the income and expenditure account as incurred.

Pensions

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

INDEPENDENT SCHOOLS COUNCIL

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009

NOTES TO THE FINANCIAL STATEMENTS (continued)

2	ANALYSIS OF TURNOVER - ISC Group	2009	2008
		(£)	(£)
	Independent Schools Council	1,431,717	1,515,220
	ISC Teacher Induction Panel	385,760	373,900
	ISC Educational Services Limited	447,033	612,793
	Independent Schools Inspectorate	2,775,915	2,520,311
		<u>£5,040,425</u>	<u>£5,022,224</u>
3	OPERATING SURPLUS / (DEFICIT) - ISC Group	2009	2008
		(£)	(£)
	Operating surplus/ (deficit) is stated after charging		
	Depreciation	60,608	72,439
	Auditors' remuneration		
	Audit	16,565	14,085
	Other	-	-
	Operating leases, land and buildings	213,107	150,414
	Operating leases, equipment	2,185	2,232
4	STAFF COSTS	2009	2008
		(£)	(£)
	Wages and salaries	1,396,458	1,692,876
	Social security costs	148,009	186,241
	Pension costs	82,260	99,894
		<u>1,626,727</u>	<u>1,979,011</u>

INDEPENDENT SCHOOLS COUNCIL

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009

NOTES TO THE FINANCIAL STATEMENTS (continued)

4c. The average number of employees during the year was

	2009 Number	2008 Number
Independent Schools Council	17	25
ISC Teacher Induction Panel	2	3
ISC Educational Services Limited	3	4
Independent Schools Inspectorate	14	13
	<u>36</u>	<u>45</u>

5 INVESTMENT INCOME

	2009 (£)	2008 (£)
Bank deposit interest	709	20,538
Investment income	21,775	21,633
Exchange Rate Loss	(31)	-
	<u>22,453</u>	<u>42,171</u>

6 TAXATION LIABILITY

	2009 (£)	2008 (£)
Taxation is paid on the interest and investment income received for the year and any realised investment gain. The charge comprises		
UK corporation tax at 21% for the tax year 2008/09 & 2009/10 (20% in tax year 2007/08)	4,490	4,320
Under (over) provision of tax in the previous years	(2,700)	-
	<u>£1,790</u>	<u>£4,320</u>

The subsidiary company- ISC Educational Services Limited is carrying forward £439,290 (2008 £290,018) of trading losses

INDEPENDENT SCHOOLS COUNCIL

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009

NOTES TO THE FINANCIAL STATEMENTS (continued)

7 TANGIBLE FIXED ASSETS: ISC Group		Leasehold fittings	Office furniture and equipment	Computer equipment	Trailer	Total
		(£)	(£)	(£)	(£)	(£)
Cost						
At 1 January 2009		184,015	127,891	90,083	40,582	442,571
Additions		2,207	1,429	2,460	-	6,096
Disposals		-	-	-	(40,582)	(40,582)
At 31 December 2009		186,222	129,320	92,543	-	408,085
Depreciation						
At 1 January 2009		49,429	40,785	53,444	3,551	147,209
Charge for the year		19,541	19,373	21,694	-	60,608
Eliminated on disposal		-	-	-	(3,551)	(3,551)
At 31 December 2009		68,970	60,158	75,138	-	204,266
Net book value						
At 31 December 2009		117,252	69,162	17,405	-	203,819
At 31 December 2008		134,586	87,107	36,639	37,031	295,363

INDEPENDENT SCHOOLS COUNCIL

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009

NOTES TO THE FINANCIAL STATEMENTS (continued)

7b. TANGIBLE FIXED ASSETS: ISC	Leasehold fittings (£)	Office furniture and equipment (£)	Computer equipment (£)	Trailer (£)	Total (£)
Cost					
At 1 January 2009	151,025	94,989	67,943	40,582	354,539
Additions	-	172	-	-	172
Transfer to/(from) work in progress	-	-	-	-	-
Disposals	-	-	-	(40,582)	(40,582)
At 31 December 2009	151,025	95,161	67,943	-	314,129
Depreciation					
At 1 January 2009	45,305	35,884	44,122	3,551	128,862
Charge for the year	15,103	14,248	14,393	-	43,744
Eliminated on disposal	-	-	-	(3,551)	(3,551)
At 31 December 2009	60,408	50,132	58,515	-	169,055
Net book value					
At 31 December 2009	90,617	45,029	9,428	-	145,074
At 31 December 2008	105,720	59,105	23,821	37,031	225,677

The net book value of fixed assets acquired under a hire purchase contract is £Nil (2008 £Nil) Depreciation for the year on these assets was £Nil (2008 £ Nil)

INDEPENDENT SCHOOLS COUNCIL

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009

NOTES TO THE FINANCIAL STATEMENTS (continued)

8	FIXED ASSET INVESTMENTS: ISC company & ISC Group	2009	2008
		(£)	(£)
	Quoted investments		
	Market value at 1 January 2009	487,265	644,814
	Additions at cost	-	144,840
	Disposals at market value	(59,427)	(84,675)
	Unrealised gains/(losses)	118,396	(217,714)
	Market value at 31 December 2009	546,234	487,265
	Historical cost	560,694	627,971

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 (2008 £Nil)

9	OTHER DEBTORS	Group		Company	
		2009	2008	2009	2008
		(£)	(£)	(£)	(£)
	Staff season ticket loans	5,970	5,462	3,211	5,462
	Accrued income	33,349	14,416	-	300
	Other debtors	114	332	114	332
		39,433	20,210	3,325	6,094

INDEPENDENT SCHOOLS COUNCIL

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009

NOTES TO THE FINANCIAL STATEMENTS (continued)

10 ACCRUALS AND DEFERRED INCOME	Group		Company	
	2009	2008	2009	2008
	(£)	(£)	(£)	(£)
Cost accruals	336,655	168,459	92,110	12,802
Teacher induction fees and other ISC deferred income	219,101	233,166	219,101	233,166
School inspection, seminar and training fees received in advance	35,613	312,000	-	-
Conference fees received in advance	22,105	2,567	-	-
Benefit of rent-free period spread over term of lease	26,994	37,698	20,996	25,172
	<u>640,468</u>	<u>753,890</u>	<u>332,207</u>	<u>271,140</u>

11 RESERVES

	Brought forward	Surplus / (deficit) for the year	Transfer from revaluation reserve to general reserve	Other recognised gains and losses	Carried Forward
	(£)	(£)	(£)	(£)	(£)
Independent Schools Council general reserve	793,924	365,479	-	-	1,159,403
ISC Teacher Induction Panel reserve	175,053	9,682	-	-	184,735
Total ISC Accumulated Funds	968,977	375,161	-	-	1,344,138
Revaluation reserve	-	-	-	118,396	118,396
Total ISC company reserves	968,977	375,161	-	118,396	1,462,534
ISC Educational Services Limited general reserve	(390,920)	(149,623)	-	-	(540,543)
Total ISC company & ISC ESL Reserves	578,057	225,538	-	118,396	921,991
Independent Schools Inspectorate reserve	345,530	39,984	-	-	385,514
Total ISC Group reserves	923,587	265,522	-	118,396	1,307,505

INDEPENDENT SCHOOLS COUNCIL

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009

NOTES TO THE FINANCIAL STATEMENTS (continued)

12 FINANCIAL COMMITMENTS

At 31 December 2009 ISC Group had annual commitments under operating leases as set out below

	2009		2008	
	Land and buildings (£)	Other (£)	Land and buildings (£)	Other (£)
Operating leases that expire				
Within one year	-	780	-	-
In the second to fifth years	-	1,170	-	2,185
Over five years	217,739	-	147,229	-

13 INVESTMENT IN GROUP UNDERTAKING

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

ISC owns 100% of the share capital (valued at £1) of ISC Educational Services Limited (ESL). ESL's activities are underwritten and financed by ISC and as a consequence at 31 December 2009 ESL owed ISC £747,035 (2008: £425,294). ISC has agreed that it will not seek to recover any amounts due to it by ESL unless ESL has sufficient funds available after satisfying all other creditors.

On 1 January 2008, the Independent Schools Inspectorate (ISI) demerged from ISC and became a wholly-owned subsidiary. ISI is now a company limited by guarantee with no share capital. ISI owed £Nil (2008: £2,678) to ISC at 31 December 2009.

14 CAPITAL COMMITMENTS

	2009	2008
	(£)	(£)
Authorised but not contracted for	-	-
Contracted for not provided in the financial statements	-	-
	-	-