

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

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018



**INDEPENDENT SCHOOLS COUNCIL
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

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**INDEPENDENT SCHOOLS COUNCIL
ANNUAL REPORT AND FINANCIAL STATEMENTS
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Board of Directors during the year

Name:	Nominated by:	Appointed/resigned:
Barnaby Lenon (Chair)	Independent	
Lorna Cocking (F)	AGBIS	Resigned 14 March 2019
Mark Taylor (F)	AGBIS	Appointed 13 May 2019
Richard Harman	AGBIS	
Vivienne Durham (F)	GSA	
Caroline Jordan (R)	GSA	Appointed 1 January 2018
Stephen Holliday (F)	HMC	
William Richardson (R)	HMC	Resigned 31 October 2018
Michael Buchanan (R)	HMC	Appointed 1 November 2018
Christopher Davies	IAPS	
David Hanson	IAPS	Resigned 31 August 2018
Christopher King	IAPS	Appointed 1 September 2018
Alex Gear	ISA	Resigned 30 August 2018
Neil Roskilly	ISA	
Matthew Adshead	ISA	Appointed 31 August 2018
John Pratten	ISBA	Appointed 17 May 2018
Alison Shakespeare	ISBA	Resigned 11 May 2018
David Woodgate (F) (R)	ISBA	
Clive Rickart (F)	Society of Heads	
Adrian Meadows	Society of Heads	

(F) denotes membership of Finance Committee

(R) denotes membership of Remuneration Committee

The Company's Articles of Association provide that the Board comprise of the Chairman; the Vice Chairman; two persons nominated by each member association (AGBIS, GSA, HMC, IAPS, ISA, ISBA and the Society of Heads); and no more than three persons appointed by decision of the Board.

**INDEPENDENT SCHOOLS COUNCIL
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Board of Directors as at 13 May 2019

Name:	Nominated by:
Barnaby Lenon (Chair)	Independent
Mark Taylor (F)	AGBIS
Richard Harman	AGBIS
Vivienne Durham (F)	GSA
Caroline Jordan (R)	GSA
Stephen Holliday (F)	HMC
Michael Buchanan (R)	HMC
Christopher Davies	IAPS
Christopher King	IAPS
Neil Roskilly	ISA
Matthew Adshead	ISA
John Pratten	ISBA
David Woodgate (F) (R)	ISBA
Clive Rickart (F)	Society of Heads
Adrian Meadows	Society of Heads

Company officer

Name:	Title:
Julie Robinson	Chief Executive Officer

Registered Office First Floor
27 Queen Anne's Gate
London SW1H 9BU

Auditors Haysmacintyre LLP
10 Queen Street Place
London EC4R 1AG

**INDEPENDENT SCHOOLS COUNCIL
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DIRECTORS' REPORT

The Directors present their report and audited financial statements for the year ended 31 December 2018.

PRINCIPAL ACTIVITIES

The aim of the Independent Schools Council (ISC) is to be a service organisation promoting and protecting the independent education sector. The six principal activities of ISC are to:

- Promote public affairs and parliamentary engagement on behalf of the sector
- Provide authoritative research and intelligence about the sector
- Provide legal and regulatory information/guidance
- Provide online access and support informing parental decisions
- Promote the sector through agreed national messaging and communications
- Provide a meeting place in central London for members

ISC CONSTITUENT ASSOCIATIONS

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

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

AFFILIATE MEMBERSHIPS of ISC

Council of British International Schools
Boarding Schools Association
Scottish Council of Independent Schools
Welsh Independent Schools Council

Each affiliate member has the right to attend but not to vote at general meetings.

CHIEF EXECUTIVE'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

In 2018, ISC continued to serve its membership by protecting and promoting the independent education sector. There are six stated functions:

1 Promote public affairs and parliamentary engagement on behalf of the sector

ISC's work continues to involve a political focus with increasing meetings with policy-formers and civil servants as well as MPs. This year, ISC appointed a Head of Public Affairs to lead the function for the sector, developing public affairs policy and raising awareness.

The Secretary of State for Education, Damian Hinds, signed a ground breaking Joint Understanding with our sector in March confirming that we undertake to encourage collaboration between independent and state-maintained schools.

2 Provide authoritative research and intelligence about the sector

ISC conducted its annual census (a comprehensive survey of trends in the sector) and public examinations analysis which showed that the sector is in good heart with another increase in pupil numbers overall at 529,164 which is the highest level since records began in 1974. £398 million is provided in means-tested fees assistance and nearly half of those pupils on means-tested bursaries have more than half their fees remitted. Half the sector's schools are not academically selective, the proportion of BAME students is roughly the same as the state-funded sector and the typical ISC school is small, with on average of just under 400 pupils and typically just under 200 pupils. 79,281 pupils with SEND were educated at ISC member schools in 2018.

There was much interest in public examination reform this year, reported through ISC's survey and analysis of GCSE and A Level results, with sector results remaining strong. 91% of Year 13 leavers went on to Higher Education and 54% of those went to Russell Group universities (5% to Oxbridge).

ISC published an impact evaluation toolkit to help schools measure the effectiveness of collaborative work.

In October, a report was published detailing the economic value of the independent education sector to the country. This analysis demonstrated that ISC schools save the taxpayer £3 billion and between them pay £3.5 billion in tax annually. The sector as a whole supports over 300,000 jobs (257,000 supported by ISC schools) and provided in 2018 an estimated £73 billion supply-side boost to annual GDP (£73 billion from ISC schools alone). This ISC-commissioned report "The Impact of Independent Schools on the UK Economy" thus provides important data demonstrating the value of independent schools. Given the economic uncertainties of Brexit, the report provides a useful representation of our sector which is also a valuable export.

3 Provide legal and regulatory information/guidance

ISC informed schools of legal and regulatory policy changes for member schools and associations through online and hard copy publications.

ISC's Legal Counsel responded to numerous government consultations across 2018 on behalf of the sector as well as calls for evidence. ISC was present at meetings held by the Department for Education, Home Office, HMRC, DIT, Charity Commission and others with a view towards monitoring developments and raising awareness as appropriate.

Priority issues included GDPR, child visas and immigration processes; teacher recruitment, training and retention; sex and relationships education; diamond schools; child protection and safeguarding - with particular reference to IICSA - and at the end of the year, proposed increases to employer contributions for the Teachers Pensions scheme.

ISC's Legal Counsel left in August and Veale Wasbrough Vizards LLP provided cover whilst we appointed a new head of Policy to start in January 2019.

4 Provide online access and support informing parental decisions

The ISC main website provides information for members and signposts schools to parents through a school search function. The Schools Together partnerships website www.schoolstogether.org showcases over three thousand cross-sector projects across the country. ISC has established a jobs zone for association schools' job vacancies.

5 Promote the sector through agreed communications

ISC has a broad base of media contacts to help develop understanding of the sector and its value in providing flexibility, capacity and diversity across the educational landscape.

Several expert groups meet at ISC for discussion purposes and this helps to air and progress important themes such as special educational needs and disabilities, child welfare, digital strategy and communications.

ISC's Media and Communications team continues to ensure that members are well-informed through a twice-yearly bulletin, monthly e-reports and a daily news summary. ISC was a positive voice in the national media in 2018 including various quotes in national press, broadcast and online news media. ISC has also provided comment pieces for magazines across and beyond the sector, for stakeholder associations, unions and local news outlets.

ISC published its third partnerships booklet in 2018, detailing cross-sector working between independent and state-maintained schools.

6 Provide a meeting place in central London for members

The ISC meeting rooms have been busy with association meetings, board and secretaries' meetings, expert groups and individual schools as well as by linked and external organisations.

Financial results and reserves

A planned deficit budget resulted in a deficit before tax of £166,126, in line with expectations. This arose from priority projects approved by the ISC Board at the end of 2017 including research and political campaigning as priorities. Substantial accumulated reserves remain in excess of the ISC reserves policy:

'The Board determined that ISC's reserves (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 levels to meet peak forecast monthly operational cash flow requirements.'

It is recognised that schools in membership of ISC heads'/schools' associations can receive a maximum of one year's grace through AGBIS membership. During this grace period, schools must rejoin another association in order to remain in membership of ISC after it expires.

ISC investment policy objective: the financial objective of the ISC is to generate a stable, regular income plus capital growth. This should be effected by means of a discretionary balanced multi-asset portfolio investing in a range of UK and overseas equities, fixed income, alternatives and cash, the proportions thereof to be determined by the investment managers, Smith & Williamson after discussion with the Directors, but within given ranges, restrictions and constraints. The overall objective is to target a gross income yield of 2.5 % to 3.0% per annum, with a minimum income of £25,000 per annum.

Julie Robinson, Chief Executive Officer
13 May 2019

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:

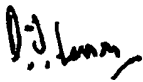
- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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.

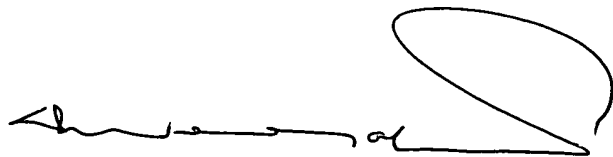
So far as each of the Directors is aware at the time the report is approved:

- 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.

The Annual report was approved by the Board of Directors on 13 May 2019 and signed on their behalf by:



.....
Barnaby Lenon
Chairman



.....
David Woodgate
Director

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

Opinion

We have audited the financial statements of Independent Schools Council (the 'company') for the year ended 31 December 2018 which comprise the Profit and Loss Account, Statement of Total Recognised Gains and Losses, Balance Sheet, Cashflow statement and related notes including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its surplus 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of directors

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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

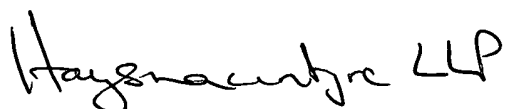
Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of report

The 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.



Ian Daniels (Senior Statutory Auditor)
For and on behalf of Haysmacintyre LLP, Statutory Auditors

10 Queen Street Place
London EC4R 1AG

Dated: 13 May 2019

**INDEPENDENT SCHOOLS COUNCIL
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PROFIT AND LOSS ACCOUNT

	Notes	2018 (£)	2017 (£)
TURNOVER			
Continuing	2	1,143,499	1,089,280
Staff costs	4	615,490	564,485
Depreciation of fixed assets	3/7	36,748	49,487
Other operating charges- continuing operations		709,344	473,929
		<u>(1,361,582)</u>	<u>(1,087,901)</u>
(DEFICIT) / SURPLUS ON ORDINARY ACTIVITIES BEFORE FINANCE INCOME	3	(218,083)	1,379
Investment income	5	40,377	34,095
(Loss)/Surplus on disposal of investments	8	(4,175)	2,897
Unrealised gains on investments	8	15,755	56,617
		<u>51,957</u>	<u>93,609</u>
(DEFICIT) / SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION		(166,126)	94,988
Taxation	6	10,037	(10,434)
(DEFICIT) / SURPLUS FOR THE YEAR		<u>(156,089)</u>	<u>84,554</u>

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STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

	Notes	2018 (£)	2017 (£)
Net (deficit) / surplus transferred to accumulated funds	13	(156,089)	84,554
Other investments:			
Unrealised (losses) / gains taken to ISC revaluation reserve	8/13	(98,828)	14,727
Total gains and losses recognised in the year		(254,917)	99,281

The notes on pages 14 to 20 form part of these financial statements.

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COMPANY NUMBER: 1103760

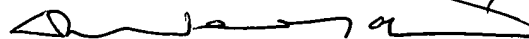
BALANCE SHEET AS AT 31 DECEMBER 2018

	Notes	2018 (£)	2017 (£)
FIXED ASSETS			
Tangible fixed assets	7	20,849	51,680
Investments	8	1,210,946	1,283,427
TOTAL FIXED ASSETS		1,231,795	1,335,107
CURRENT ASSETS			
Trade debtors		1,257	80
Other debtors	9	49,615	63,003
Prepayments		45,126	74,315
Cash at bank and in hand		276,630	347,367
		372,628	484,765
CREDITORS: amounts due within one year			
Trade creditors		80,841	23,154
Corporation tax		2,371	6,033
Other taxation and social security costs		16,906	17,217
Other creditors	11	4,301	4,752
Accruals and deferred income	10	68,160	71,953
		(172,579)	(123,109)
NET CURRENT ASSETS		200,049	361,656
PROVISIONS FOR LIABILITIES AND CHARGES	8/12	(27,681)	(37,683)
NET ASSETS		1,404,163	1,659,080
General Reserve		1,387,206	1,543,295
Revaluation Reserve		16,957	115,785
TOTAL RESERVES	13	1,404,163	1,659,080

The notes on pages 14 to 20 form part of these financial statements. The financial statements were approved and authorised for issue by the Directors on 13 May 2019 and were signed below on their behalf by:



Barnaby Lenon, Chairman



David Woodgate, Director

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CASH FLOW STATEMENT

	2018		2017	
	(£)	(£)	(£)	(£)
Cash (outflow)/inflow from operating activities		(88,646)		33,108
Cash flows from investing activities				
Purchase of fixed assets	(7,701)		(22,897)	
Realisation of long-term investments	200,562		595,613	
Acquisition of long-term investments	(215,329)		(1,009,272)	
Dividends and interest	40,377		34,095	
Net cash inflow/(outflow) on investments		17,909		(402,461)
Net (decrease)/increase in cash in the year		(70,737)		(369,353)
Cash at bank at 1 January 2018		347,367		716,720
Cash at bank at 31 December 2018		276,630		347,367

RECONCILIATION OF DEFICIT TO CASH FLOW FROM OPERATING ACTIVITIES

	2018	2017
	(£)	(£)
(Deficit)/Surplus	(156,089)	84,554
Depreciation	36,748	49,487
Loss/(Surplus) on disposal of investment	4,175	(2,897)
Loss on disposal of fixed asset	1,784	-
Unrealised gains on investments	(15,755)	(56,617)
Dividends and interest received	(40,377)	(34,095)
Taxation	(10,037)	10,434
Decrease in debtors	41,400	15,931
Increase/(Decrease) in creditors	53,132	(26,556)
Increase in lease dilapidation payment provision	4,000	-
Income taxes paid	(7,627)	(7,133)
Cash (outflow)/inflow from operating activities	(88,646)	33,108

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NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

Basis of preparation

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

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
Websites	- 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 through releasing such net gain to the profit and loss account in the year of disposal.

Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discount due.

Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Creditors and provisions

Creditors and provisions are recognised where the company has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

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.

Financial Instruments

The company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments, including trade and other debtors and creditors are initially recognised at transaction value and subsequently measured at their settlement value.

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NOTES TO THE FINANCIAL STATEMENTS (continued)

Taxation

Current tax, including UK corporation tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is provided in full on timing differences that exist at the balance sheet date and that result in an obligation to pay more tax, or a right to pay less tax in the future. The deferred tax is measured at the rate expected to apply in the periods in which the timing differences are expected to reverse, based on the tax rates and laws that are enacted or substantively enacted at the balance sheet date. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the company financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

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.

2 ANALYSIS OF TURNOVER	2018	2017
	(£)	(£)
Independent Schools Council - Subscriptions	1,120,451	1,080,947
Government Grant	6,944	8,333
Project contributions	16,104	-
	1,143,499	1,089,280
3 OPERATING (DEFICIT)/SURPLUS	2018	2017
	(£)	(£)
Operating (deficit)/surplus is stated after charging:		
Depreciation	36,748	49,487
Auditors' remuneration		
Audit	9,720	9,120
Other	2,960	3,192
Operating leases, land and buildings	145,039	138,670
Operating leases, equipment	4,860	1,128
Directors' remuneration	43,509	42,448

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NOTES TO THE FINANCIAL STATEMENTS (continued)

4 STAFF COSTS	2018	2017
	(£)	(£)
Wages and salaries	518,062	482,583
Social security costs	52,345	37,905
Pension costs	45,083	43,997
	<u>615,490</u>	<u>564,485</u>

The average number of employees during the year was 13, FTE 10 (2017: 13, FTE 11)

5 INVESTMENT INCOME	2018	2017
	(£)	(£)
Bank deposit interest	587	53
Investment income	39,790	34,042
	<u>40,377</u>	<u>34,095</u>

6 TAXATION	2018	2017
	(£)	(£)

Taxation is paid on the interest, investment and rental income received for the year and any realised investment gain. Provision has also made for any deferred tax anticipated to arise in the future from the revaluation of investments held.

The (credit)/charge comprises:

Deferred tax provision	(14,002)	3,499
UK corporation tax at 19%	3,965	6,935
	<u>(10,037)</u>	<u>10,434</u>

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NOTES TO THE FINANCIAL STATEMENTS (continued)

7 TANGIBLE FIXED ASSETS	Office furniture and equipment	Computer equipment	Websites	Total
	(£)	(£)	(£)	(£)
Cost				
At 1 January 2018	61,897	50,339	139,882	252,118
Additions	1,891	5,810	-	7,701
Disposals	(22,261)	(9,325)	-	(31,586)
At 31 December 2018	<u>41,527</u>	<u>46,824</u>	<u>139,882</u>	<u>228,233</u>
Depreciation				
At 1 January 2018	58,623	28,566	113,249	200,438
Charge for the year	638	9,477	26,633	36,748
Disposals	(20,477)	(9,325)	-	(29,802)
At 31 December 2018	<u>38,784</u>	<u>28,718</u>	<u>139,882</u>	<u>207,384</u>
Net book value				
At 31 December 2018	<u>2,743</u>	<u>18,106</u>	<u>-</u>	<u>20,849</u>
At 31 December 2017	<u>3,274</u>	<u>21,773</u>	<u>26,633</u>	<u>51,680</u>

The net book value of fixed assets acquired under a hire purchase contract is £Nil (2017: £Nil).
Depreciation for the year on these assets was £Nil (2017: £Nil).

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NOTES TO THE FINANCIAL STATEMENTS (continued)

8 FIXED ASSET INVESTMENTS	2018	2017
	(£)	(£)
Quoted investments		
Market value at 1 January	1,283,427	795,527
Additions at cost	215,329	1,009,272
Disposals at market value	(200,562)	(595,613)
Unrealised (losses)/gains	(87,248)	74,241
Market value at 31 December	<u>1,210,946</u>	<u>1,283,427</u>
Historical cost	1,193,988	1,167,642

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 £(319) (2017: £13,683) (note 12).

9 OTHER DEBTORS	2018	2017
	(£)	(£)
Rent deposit	38,750	38,750
Accrued Income	9,580	6,616
Season ticket loans	1,285	1,710
Investment bargains for later settlement	-	15,927
	<u>49,615</u>	<u>63,003</u>

10 ACCRUALS AND DEFERRED INCOME	2018	2017
	(£)	(£)
Cost accruals	68,160	65,009
Government grant	-	6,944
	<u>68,160</u>	<u>71,953</u>

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NOTES TO THE FINANCIAL STATEMENTS (continued)

11 OTHER CREDITORS

	2018	2017
	(£)	(£)
Payroll pension contributions	4,301	4,752
	<u>4,301</u>	<u>4,752</u>

12 PROVISIONS FOR LIABILITIES AND CHARGES

	2018	2017
	(£)	(£)
Deferred tax provision	(319)	13,683
Lease dilapidation payment provision	28,000	24,000
	<u>27,681</u>	<u>37,683</u>

13 RESERVES

	Brought forward	Loss for the year	Other movements	Carried Forward
	(£)	(£)	(£)	(£)
General Reserve	1,543,295	(156,089)	-	1,387,206
Revaluation Reserve	115,785	-	(98,828)	16,957
Total Reserves	<u>1,659,080</u>	<u>(156,089)</u>	<u>(98,828)</u>	<u>1,404,163</u>

• General reserve: All other net gains and losses and transactions with owners not recognised elsewhere.

• Revaluation reserve: Gains/losses arising on the revaluation of the company's fixed asset investments.

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NOTES TO THE FINANCIAL STATEMENTS (continued)

14 FINANCIAL COMMITMENTS

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

	2018		2017	
	Land and buildings (£)	Other (£)	Land and buildings (£)	Other (£)
Within one year	113,925	7,940	113,925	1,080
In the second to fifth years	455,700	26,134	455,700	2,700
Over five years	270,611	-	384,536	-

15 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, £12,500 in 2018 (2017: £12,500).

16 FINANCIAL INSTRUMENTS

	2018 (£)	2017 (£)
Financial Assets		
Financial assets measured at fair value	327,502	410,450
	<u>326,325</u>	<u>410,450</u>
Financial Liabilities		
Financial liabilities measured at amortised cost	85,142	27,906
	<u>85,142</u>	<u>27,906</u>

Financial assets measured at fair value through profit or loss comprise debtors and cash at the balance sheet date. Financial Liabilities measured at amortised cost comprise creditors at the balance sheet date.