

Registration No: 1103760

**INDEPENDENT SCHOOLS COUNCIL  
(A Company Limited By Guarantee)  
REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2004**



**INDEPENDENT SCHOOLS COUNCIL  
FOR THE YEAR ENDED 31 DECEMBER 2004**

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**INDEPENDENT SCHOOLS COUNCIL  
COMPANY INFORMATION  
FOR THE YEAR ENDED 31 DECEMBER 2004**

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**GOVERNING COUNCIL**

Mrs Jean Scott (Chairman)  
Mr Richard Beauchamp  
Mr Chris Brown (Deputy Chairman)  
Mr Simon Carder (resigned 21 June 2004)  
Dr Jennifer Carter (resigned 23 February 2004)  
Dr Priscilla Chadwick  
Mr Danny Cooper (appointed 1 September 2004)  
Professor Michael Edwards  
Ms Clarissa Farr  
Mrs Cynthia Hall (resigned 1 January 2005)  
Dr Helen Harvey  
Dr David Hemsall (appointed 1 June 2004)  
Mr Michael Hewett (appointed 1 September 2004)  
Commander Rory Jackson (resigned 21 June 2004)  
Mr Michael James  
Mr David Kidd  
Rt Hon Lord MacGregor (resigned 21 June 2004)  
Mr Paul Moss (resigned 1 January 2005)  
Mr Joe Peake  
Dame Angela Rumbold  
Mrs Judith Sischy (resigned 21 June 2004)  
Dr G Martin Stephen (resigned 1 January 2005)  
Mr Stuart Thackrah (appointed 1 September 2004)  
Mr David Vanstone

**SECRETARY**

Dr A B Cooke (to 15 March 2004)  
Mr J Shephard (from 15 March 2004)

**REGISTERED OFFICE**

St Vincent House  
30 Orange Street  
London  
WC2H 7HH

**AUDITORS**

Horwath Clark Whitehill LLP  
St Bride's House  
10 Salisbury Square  
London  
EC4Y 8EH

**INDEPENDENT SCHOOLS COUNCIL  
REPORT OF THE GOVERNING COUNCIL  
FOR THE YEAR ENDED 31 DECEMBER 2004**

The Governing Council presents its report and audited financial statements for the year ended 31 December 2004.

**PRINCIPAL ACTIVITY**

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

Independent Schools Inspectorate (ISI), an operationally independent division of ISC, carries out inspections for schools affiliated to ISC. The results of ISI are included in these financial statements.

The Governing Council decided to de-merge the London and South East regional operation of ISCis from ISC and this took place on 31 December 2004. The operation of the International department was licenced to ISCis L&SE with effect from 31 December 2004, with operational management being transferred on 1 July 2004.

**RESULTS**

Results for the year are as follows:

	2004 Continuing operations £	2004 Discontinued operations £	2004 Total £	2003 Total £
Independent Schools Council	30,836		30,836	80,644
International		(793)	(793)	42,007
Teacher Induction Panel	125,109		125,109	63,426
London and South East ISCis		(179,115)	(179,115)	2,163
Independent Schools Inspectorate	<u>(18,915)</u>		<u>(18,915)</u>	<u>79,678</u>
(Deficit)/surplus for the year	<u>137,030</u>	<u>(179,908)</u>	<u>(42,878)</u>	<u>267,918</u>

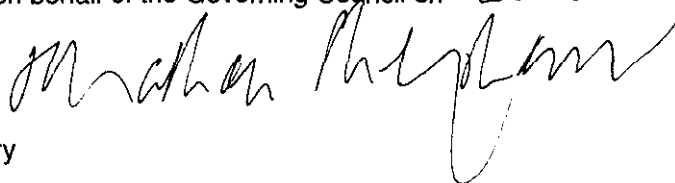
**GOVERNING COUNCIL**

The members of the Governing Council are listed on Page 1 of these financial statements.

**AUDITORS**

A resolution proposing the appointment of haysmacintyre as auditors to the company will be put to the Annual General Meeting.

Signed on behalf of the Governing Council on 20 June 2005



Secretary

**INDEPENDENT SCHOOLS COUNCIL**  
**STATEMENT OF GOVERNING COUNCIL'S RESPONSIBILITIES**  
**FOR THE YEAR ENDED 31 DECEMBER 2004**

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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 AUDITORS' REPORT TO THE MEMBERS OF INDEPENDENT SCHOOLS COUNCIL

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We have audited the financial statements of Independent Schools Council for the year ended 31 December 2004 set out on pages 5 to 13. These financial statements have been prepared under the historical cost convention, as modified by the revaluation of investments to market value, and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 opinion we have formed.

### **Respective Responsibilities of Governing Council and Auditors**

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

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

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Governing Council's Report is not consistent with the financial statements, if the Council has not kept proper accounting records, if we have not received all the information and explanations we require for the audit, or if information specified by law regarding Council Members' remuneration and transactions with the Council is not disclosed.

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

### **Basis of Opinion**

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

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

### **Unqualified Opinion**

In our opinion the financial statements give a true and fair view of the state of the Council's affairs as at 31 December 2004 and of its surplus for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Horwath Clark Whitehill LLP  
Registered Auditors

20 June 2005

**INDEPENDENT SCHOOLS COUNCIL  
INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 31 DECEMBER 2004**

	Notes	Continuing operations £	2004 Discontinued Operations £	2004 Total £	2003 Total £
<b>TURNOVER</b>	1	<u>3,544,093</u>	<u>781,513</u>	<u>4,325,606</u>	<u>4,163,651</u>
Staff costs	3	802,600	386,181	1,188,781	1,126,744
Depreciation of fixed assets	7	27,609	8,206	35,815	31,853
Other operating charges		2,597,644	412,622	3,010,266	2,772,191
LSE de-merger cost		38,183	(7,222)	30,961	39,429
		<u>3,466,036</u>	<u>799,787</u>	<u>4,265,823</u>	<u>(3,970,217)</u>
<b>OPERATING SURPLUS</b>	2	<u>78,057</u>	<u>(18,274)</u>	<u>59,783</u>	<u>193,434</u>
Loss on discontinuing activities		-	(177,109)	(177,109)	-
<b>(DEFICIT)/SURPLUS ON ORDINARY ACTIVITIES BEFORE INTEREST</b>		<u>78,057</u>	<u>(195,383)</u>	<u>(117,326)</u>	<u>193,434</u>
Investment income	4			46,070	39,321
Interest payable	5			-	(755)
Realised/unrealised gain on investments	8			35,243	43,813
<b>(DEFICIT)/SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>				<u>(36,013)</u>	<u>275,813</u>
Taxation	6			(6,865)	(7,895)
<b>(DEFICIT)/SURPLUS FOR THE FINANCIAL YEAR</b>				<u>(42,878)</u>	<u>267,918</u>

There are no recognised gains and losses other than those included in the income and expenditure account.

The notes on pages 9 to 13 form part of these financial statements.

**INDEPENDENT SCHOOLS COUNCIL  
MOVEMENT ON FUNDS  
FOR THE YEAR ENDED 31 DECEMBER 2004**

<b>ANALYSIS OF RESULTS</b>	Notes	<b>2004 Continuing Operations £</b>	<b>2004 Discontinued operations £</b>	<b>2004 Total £</b>	<b>2003 Total £</b>
Independent Schools Council Surplus for the year		30,836		30,836	80,644
International (deficit)/surplus for the year			(793)	(793)	42,007
Teacher Induction Panel surplus for the year		<u>125,109</u>		<u>125,109</u>	<u>63,426</u>
Accumulated fund Surplus for the year	10	155,945	(793)	155,152	186,077
London and South East ISCs (deficit)/surplus for the year	10		(179,115)	(179,115)	2,163
Independent Schools Inspectorate (deficit)/ surplus for the year	10	<u>(18,915)</u>		<u>(18,915)</u>	<u>79,678</u>
		<u>137,030</u>	<u>(179,908)</u>	<u>(42,878)</u>	<u>267,918</u>

The notes on pages 9 to 13 form part of these financial statements.



**INDEPENDENT SCHOOLS COUNCIL  
BALANCE SHEET  
AS AT 31 DECEMBER 2004**

	Notes	£	2004 £	2003 £
<b>FIXED ASSETS</b>				
Tangible assets	7		16,616	53,458
Investments	8		<u>578,581</u>	<u>447,882</u>
			595,197	501,340
<b>CURRENT ASSETS</b>				
Stock		-		7,820
Trade debtors		438,476		624,431
Other debtors		62,363		30,901
Prepayments		45,750		63,854
Cash at bank and in hand		<u>696,277</u>		<u>878,172</u>
		1,242,866		1,605,178
<b>CREDITORS: amounts falling due within one year</b>				
Trade creditors		314,628		96,717
Other taxes and social security		20,065		30,120
Corporation tax	6	5,370		5,725
Other creditors		10,912		20,735
Accruals and deferred income	9	<u>227,171</u>		<u>650,426</u>
		578,146		803,723
<b>NET CURRENT ASSETS</b>			<u>664,720</u>	<u>801,455</u>
<b>NET ASSETS</b>			<u>1,259,917</u>	<u>1,302,795</u>
<b>REPRESENTED BY:</b>				
Independent Schools Council			832,784	653,015
International			-	149,726
Teacher Induction			<u>246,938</u>	<u>121,829</u>
Accumulated fund	10		1,079,722	924,570
London and South East ISCis	10		-	179,115
Independent Schools Inspectorate	10		<u>180,195</u>	<u>199,110</u>
			<u>1,259,917</u>	<u>1,302,795</u>

Approved by the Governing Council on  
and signed on its behalf by

20 June 2005  
Jean C. Scott.

The notes on pages 9 to 13 form part of these financial statements.

**INDEPENDENT SCHOOLS COUNCIL  
CASHFLOW STATEMENT  
AS AT 31 DECEMBER 2004**

		2004		2003
	£	£	£	£
<b>Cash inflow/(outflow) from operating Activities</b>		<b>307,736</b>		<b>(93,445)</b>
<b>Returns on investments and servicing of finance</b>				
Investment income	46,070		39,321	
Interest paid	-		(755)	
<b>Net cash inflow on investments and Servicing of finance</b>		<b>46,070</b>		<b>38,566</b>
<b>Taxation paid</b>		<b>(5,570)</b>		<b>(6,668)</b>
<b>Capital expenditure and financial investment</b>				
Purchase of fixed assets	(30,647)		(16,820)	
Purchase of long-term investments	(364,845)		(56,454)	
Realisation of long-term investments	115,040		115,815	
<b>Net cash (outflow)/inflow for capital Expenditure and financial investment</b>		<b>(280,452)</b>		<b>42,541</b>
<b>Acquisitions and disposals</b>				
Cash outflow on demerger		(249,679)		-
<b>Net increase/(decrease) in cash in the year</b>		<b>(181,895)</b>		<b>(19,006)</b>
Cash at bank at 1 January 2004		<u>878,172</u>		<u>897,178</u>
<b>Cash at bank at 31 December 2004</b>		<u><b>696,277</b></u>		<u><b>878,172</b></u>

**NOTE**

	Continuing Activities	Discontinuing Activities	2004 Total	2003 Total
	£	£	£	£
<b>Reconciliation of operating surplus to cash flow from operating activities</b>				
Operating surplus	78,057	(18,274)	<b>59,783</b>	193,434
Depreciation	28,590	7,225	<b>35,815</b>	31,853
Loss on disposal of fixed assets	4,748	-	<b>4,748</b>	-
Decrease/(increase) in stock	7,820	-	<b>7,820</b>	(1,180)
Decrease/(increase) in debtors	172,597	(46,249)	<b>126,348</b>	(199,648)
Increase/(decrease) in creditors	(225,222)	298,444	<b>73,222</b>	(117,904)
<b>Cash inflow/(outflow) from operating activities</b>			<u><b>307,736</b></u>	<u><b>(93,445)</b></u>

The notes on pages 9 to 13 form part of these financial statements.

**INDEPENDENT SCHOOLS COUNCIL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2004**

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**STATEMENT OF ACCOUNTING POLICIES**

**a) Basis of Accounting**

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

**b) Turnover**

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

- i. Teacher induction fees are allocated to accounting periods in proportion to the number of terms covered by the fees received before and after the accounting date. Unappropriated teacher induction fees are included with current liabilities.
- ii. Subscription revenue is allocated to the accounting period to which it relates. Unappropriated subscription revenue is included within current liabilities.
- iii. Commissions are regarded as being earned upon placement of the pupil.

**c) 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 & equipment	- 15% on cost
Computer equipment	- 33.3% on cost

**d) Fixed Asset Investments**

These are included within the balance sheet at market value.

**e) Stocks**

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

**f) Foreign Currencies**

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

**g) Finance and Hire Purchase Assets**

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

**h) Operating leases**

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

**i) Pensions**

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

**INDEPENDENT SCHOOLS COUNCIL**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2004**

1. ANALYSIS OF TURNOVER	2004 Continuing operations £	2004 Discontinued operations £	2004 Total £	2003 Total £
Independent Schools Council	978,524	-	978,524	1,019,905
International	-	-	-	213,032
Teacher Induction	254,269	-	254,269	175,570
	<u>1,232,793</u>	-	<u>1,232,793</u>	<u>1,408,507</u>
London and South East ISCis		781,513	781,513	467,575
Independent Schools Inspectorate	2,311,300	-	2,311,300	2,287,569
	<u>3,544,093</u>	<u>781,513</u>	<u>4,325,606</u>	<u>4,163,651</u>

On 1 July 2004 ISCis London & South East took over the management of ISCis International from ISC.

**2. OPERATING SURPLUS**

Operating surplus is stated after charging:

Depreciation	27,609	8,206	35,815	31,853
Auditors' remuneration:				
Audit - current year	11,443	1,957	13,400	13,000
- prior year	3,686	-	3,686	-
Other	775	-	775	5,593
Operating leases, land and buildings	96,393	22,599	118,992	123,824
Operating leases, equipment	4,080	-	4,080	43,326

**3. STAFF COSTS**

	No.	No.	No.	No.
Independent Schools Council	11	-	11	11
International	-	1	1	3
Teacher Induction	2	-	2	2
London and South East ISCis	-	10	10	10
Independent Schools Inspectorate	9	-	9	9
	<u>22</u>	<u>11</u>	<u>33</u>	<u>35</u>

The costs incurred in respect of these employees were:

	£	£	£	£
Wages and salaries	660,439	331,960	992,399	926,593
Social security costs	69,318	33,262	102,580	99,447
Pension costs	72,843	20,959	93,802	100,704
	<u>802,600</u>	<u>386,181</u>	<u>1,188,781</u>	<u>1,126,744</u>

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

**INDEPENDENT SCHOOLS COUNCIL**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2004**

4. INVESTMENT INCOME	2004	2003
	£	£
Bank deposit interest	29,599	20,749
Investment income	<u>16,471</u>	<u>18,572</u>
	<u>46,070</u>	<u>39,321</u>
5. INTEREST PAYABLE		
Hire purchase interest	<u>-</u>	<u>755</u>
6. TAXATION		
Taxation is based on the interest and investment income received for the year and comprises:		
UK Corporation tax at 23.75%	7,020	5,725
(Over)/Under provision of tax in the previous year	<u>(155)</u>	<u>2,170</u>
	<u>6,865</u>	<u>7,895</u>
(Deficit)/surplus on ordinary activities before tax	<u>(36,013)</u>	<u>275,813</u>
Profit on ordinary activities multiplied by the lower marginal rate in the UK of 23.75%	Nil	65,506
Effects of:		
Surplus not chargeable to Corporation tax	Nil	(59,781)
Investment income subject to Corporation tax	7,020	-
Adjustment to tax charge in respect of previous year	<u>(155)</u>	<u>2,170</u>
Current tax charge for the year	<u>6,865</u>	<u>7,895</u>

Horwath Clark Whitehill LLP  
St Bride's House  
10 Salisbury Square  
London  
EC4Y 8EH

Tel: 020 7842 7100  
Fax: 020 7583 1720