

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

**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2007**



**INDEPENDENT SCHOOLS COUNCIL**  
**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2007**

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# INDEPENDENT SCHOOLS COUNCIL

## COMPANY INFORMATION

FOR THE YEAR ENDED 31 DECEMBER 2007

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<b>Governing Council</b>	Mr Edward Gould	(Chairman, resigned 7 June 2007)
	Mr Danny Cooper	
	Mr Rowland Constantine	(resigned 1 September 2007)
	Miss Elizabeth Diggory	(Deputy Chairman , deceased 13 March 2007)
	Professor Michael Edwards	(resigned 25 February 2008)
	Mrs Carol Evans	
	Dr David Hemsall	(resigned 1 September 2007)
	Mr Michael Hewett	
	Mr George Marsh	
	Mr Nicholas Marten	
	Mr Joseph Peake	
	Dame Angela Rumbold	(appointed Chairman 7 June 2007 and resigned 27 November 2007)
	Michael Spinney	(appointed 1 September 2007)
	Mr Barry Martin	(appointed 17 February 2008)
	Mr Sam Alder	(appointed 7 June 2007)
	Miss Pat Langham	(appointed 1 January 2007 and resigned 31 December 2007)
	Mr Nigel Richardson	(appointed 1 January 2007 and resigned 1 September 2007)
	Mr Bernard Trafford	(appointed 1 September 2007)
	Miss Joan Mumby	(appointed 1 January 2007 and resigned 31 December 2007)
Mr Peter Bodkin	(appointed 1 January 2007 and resigned 31 December 2007)	
Dame Judith Mayhew Jonas	(Chairman, appointed 1 January 2008)	
Mrs Deborah Odysseas-Bailey	(appointed 1 January 2008)	
Mrs Anne Tuck	(appointed 1 January 2008)	
Mr Ian Power	(appointed 1 January 2008)	
Mr Richard Green	(appointed 25 February 2008)	
<b>Company Secretary</b>	Mr Jonathan Shephard	(resigned 19 March 2008)
	Mr Matthew Burgess	(appointed 19 March 2008)
<b>Registered Office</b>	St Vincent House 30 Orange Street London WC2H 7HH	
<b>Auditors</b>	haysmacintyre Fairfax House 15 Fulwood Place London WC1V 6AY	
<b>Stockbrokers</b>	Vartan & Son The Singing Men's Chambers 19 Minster Precincts Peterborough PE1 1XX	

**INDEPENDENT SCHOOLS COUNCIL**  
**REPORT OF THE GOVERNING COUNCIL**  
**FOR THE YEAR ENDED 31 DECEMBER 2007**

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The Governing Council presents its report and audited financial statements for the year ended 31 December 2007

**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. 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.

The ISC Teacher Induction Panel (ISCTip) is designated by the Secretary of State for Education and Skills 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 five Heads' 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 in future years. This company commenced operations in 2006 and its operating results are consolidated in the 2007 accounts of ISC. The ISC is funding this trading company and at the year end 31 December 2007 the subsidiary owed £306,239 (2006 £167,751) to the ISC.

Independent Schools Inspectorate (ISI) carries out inspections for schools affiliated with ISC. In 2007, ISI functioned as an operationally distinct division of ISC but was not a separate legal entity in its own right. From the 1 January 2008 the ISI became a subsidiary of the ISC and the results will no longer be consolidated into the company accounts but instead will be consolidated into the group accounts in a similar manner to ISC Educational Services Limited.

**RESULTS**

The results for the year are as follows

	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
Independent Schools Council general activities	11,754	83,129
ISC Teacher Induction Panel activities	(7,148)	57,724
Independent Schools Inspectorate activities	186,240	30,642
	<hr/>	<hr/>
Total activities of ISC	190,846	171,495
ISC Educational Services Limited activities	(165,492)	(91,281)
	<hr/>	<hr/>
	<b>£25,354</b>	<b>£80,214</b>
	<hr/>	<hr/>

**GOVERNING COUNCIL**

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

## INDEPENDENT SCHOOLS COUNCIL

### REPORT OF THE GOVERNING COUNCIL (council)

FOR THE YEAR ENDED 31 DECEMBER 2007

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#### STATEMENT OF GOVERNING COUNCIL RESPONSIBILITIES

Company law requires the Governing Council to prepare financial statements for each financial period 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 Board 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 it to ensure that the financial statements comply with the Companies Act 1985. It is 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.

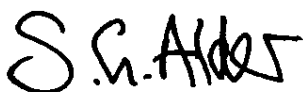
So far as each of the members of the governing council is aware at the time the report is approved

- there is no relevant audit information of which the company's auditors are unaware, and
- the council members 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 S385(2) of the Companies Act 1985.

Signed on behalf of the Governing Council on 6th June 2008



Sam Alder  
Governing Council member

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

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We have audited the group and parent company financial statements of Independent Schools Council for the year ended 31 December 2007 which comprise the Consolidated Income and Expenditure Account, the Group and Company Balance Sheet, the Group Cash Flow Statement, the Group Statement of Total Recognised Gains and Losses and the related notes. These financial statements have been prepared under 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 opinions we have formed.

**Respective responsibilities of Governing Councils and auditors**

As described in the Statement of Governing Councils' Responsibilities the company's Governing Councils are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 and whether the information given in the Governing Councils' Report is consistent with the financial statements. We also report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Governing Councils' remuneration and other transactions is not disclosed.

We read other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

**Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 Councils 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the group's and the parent company's affairs as at 31 December 2007 and of the group's results for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Governing Councils' report is consistent with the financial statements.

haysmacintyre  
Registered Auditors

6 June 2008



Fairfax House  
15 Fulwood Place  
London  
WC1V 6AY

INDEPENDENT SCHOOLS COUNCIL

CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2007

	Notes	2007		2006	
		£	£	£	£
<b>TURNOVER</b>	2		4,420,977		3,701,905
Staff costs	4	1,332,214		1,039,216	
Depreciation of fixed assets	7	59,242		43,774	
Loss on disposal of fixed assets		157		530	
Other operating charges		3,132,852		2,591,294	
			<u>4,524,465</u>		<u>3,674,814</u>
<b>(DEFICIT) / SURPLUS ON ORDINARY ACTIVITIES BEFORE INTEREST</b>	3		(103,488)		27,091
Investment income					
Investment income	5	62,663		46,930	
Surplus on disposal of investment	8	79,686		11,564	
Other net gains (losses) on investments	8	(38)		(95)	
			<u>142,311</u>		<u>58,399</u>
<b>SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>			38,823		85,490
Taxation	6		(13,469)		(5,276)
<b>SURPLUS FOR THE YEAR</b>			<u>£25,354</u>		<u>£80,214</u>
<b>Arising from</b>					
ISC general activities			11,754		83,129
ISC Teacher Induction Panel activities			(7,148)		57,724
Independent Schools Inspectorate activities			186,240		30,642
Total activities of Independent Schools Council			<u>190,846</u>		<u>171,495</u>
Activities of ISC Educational Services Limited			(165,492)		(91,281)
			<u>£25,354</u>		<u>£80,214</u>

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

FOR THE YEAR ENDED 31 DECEMBER 2007

		2007	2006
		£	£
Net surplus transferred to accumulated funds	11	25,354	80,214
Other investments			
Unrealised gains/(losses) taken to revaluation reserve	11	(21,724)	86,366
Transfer from revaluation reserve to general reserve	11	(81,823)	(8,076)
Total gains and losses recognised in the year		<u>(£78,193)</u>	<u>£158,504</u>

The notes on pages 8 to 14 form part of these financial statements

INDEPENDENT SCHOOLS COUNCIL

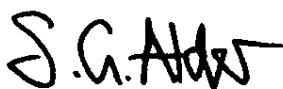
BALANCE SHEET

AT 31 DECEMBER 2007

	Notes	Company and subsidiary		Company	
		2007 £	2006 £	2007 £	2006 £
<b>FIXED ASSETS</b>					
Tangible fixed assets	7	328,284	219,816	327,095	217,584
Investments					
Shares in group undertaking	13	1	1	1	1
Other investments	8	644,814	760,649	644,814	760,649
		644,814	760,649	644,815	760,650
<b>TOTAL FIXED ASSETS</b>		<b>973,098</b>	<b>980,465</b>	<b>971,910</b>	<b>978,234</b>
<b>CURRENT ASSETS</b>					
Trade debtors		445,726	321,878	395,490	314,341
Other debtors	9	25,569	10,059	25,569	8,102
Prepayments		136,785	133,389	92,963	107,467
Amount due from subsidiary undertaking		-	-	306,239	167,751
Cash at bank and in hand		916,789	910,860	806,513	827,215
		1,524,869	1,376,186	1,626,774	1,424,876
<b>CREDITORS amounts due within one year</b>					
Trade creditors		145,245	70,721	114,135	68,604
Corporation tax		18,705	5,375	18,705	5,375
Other taxation and social security costs		45,329	31,232	45,329	31,232
Other creditors		35,337	6,392	18,202	2,300
Accruals and deferred income	10	897,847	809,234	790,036	770,621
		1,142,463	922,954	986,407	878,132
<b>NET CURRENT ASSETS</b>		<b>382,406</b>	<b>453,232</b>	<b>640,367</b>	<b>546,744</b>
<b>NET ASSETS</b>		<b>1,355,504</b>	<b>1,433,697</b>	<b>1,612,277</b>	<b>1,524,978</b>
<b>Represented by.</b>					
<b>Accumulated funds</b>					
Independent Schools Council general reserve	11	1,070,910	1,059,156	1,070,910	1,059,156
ISC Teacher Induction Panel reserve	11	175,576	182,724	175,576	182,724
Independent Schools Inspectorate reserve	11	289,906	103,666	289,906	103,666
ISC Educational Services Ltd deficit	11	(256,773)	(91,281)	-	-
Total accumulated funds		1,279,619	1,254,265	1,536,392	1,345,546
Revaluation reserve	11	75,885	179,432	75,885	179,432
<b>TOTAL RESERVES</b>		<b>1,355,504</b>	<b>1,433,697</b>	<b>1,612,277</b>	<b>1,524,978</b>

The financial statements were approved and authorised for issue by the Governing Council on 6th June 2008 and were signed below on its behalf by

Sam Alder  
Governing Council member



The notes on pages 8 to 14 form part of these financial statements



**INDEPENDENT SCHOOLS COUNCIL**

**CASH FLOW STATEMENT**

**FOR THE YEAR ENDED 31 DECEMBER 2007**

	2007		2006	
	£	£	£	£
<b>Net cash inflow from operating activities</b>		19,335		222,902
<b>Returns on investments and servicing of finance</b>				
Investment income	62,663		46,930	
<b>Net cash inflow on investments and servicing of Finance</b>		62,663		46,930
<b>Taxation paid</b>		(138)		(3,851)
<b>Capital expenditure and financial investment</b>				
Purchase of fixed assets	(168,118)		(18,394)	
Proceeds on disposal of fixed assets	251		741	
Acquisition of long-term investments	(200,662)		(60,587)	
Realisation of long-term investments	292,598		61,110	
<b>Net cash outflow for capital expenditure and financial investment</b>		(75,931)		(17,130)
<b>Net increase in cash in the year</b>		5,929		248,851
Cash at bank at 1 January 2007		910,860		662,009
<b>Cash at bank at 31 December 2007</b>		<u>£916,789</u>		<u>£910,860</u>

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

	2007	2006
	£	£
Operating (deficit) /surplus	(103,488)	27,091
Depreciation	59,242	43,774
Loss on disposal of fixed assets	157	530
(Increase) / decrease in debtors	(142,754)	280,690
Increase / (decrease) in creditors	206,178	(129,183)
<b>Cash inflow from operating activities</b>	<u>£19,335</u>	<u>£222,902</u>

INDEPENDENT SCHOOLS COUNCIL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2007

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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

The ISC has beneficial ownership of 100% of the share capital of ISC Educational Services Limited. The group accounts consolidate the results of this subsidiary.

**Turnover and income recognition**

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 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

No depreciation will be provided on the fixed asset work in progress until the design and construction work on that asset is substantially complete.

**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.

Comparative figures have been restated to reflect the movements on revaluation reserve.

**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.

**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**

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

**FOR THE YEAR ENDED 31 DECEMBER 2007**

<b>2. ANALYSIS OF TURNOVER – group</b>	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
Independent Schools Council	1,056,998	870,544
ISC Teacher Induction Panel	341,780	312,604
Independent Schools Inspectorate	2,571,683	2,341,750
Sales from conferences and research (ISC Educational Services Limited)	450,516	177,007
	<u>£4,420,977</u>	<u>£3,701,905</u>
<b>3. OPERATING (DEFICIT)/ SURPLUS – group</b>	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
Operating (deficit)/surplus is stated after charging		
Depreciation	59,241	43,774
Auditors' remuneration		
Audit	12,045	11,460
Other	2,145	-
Operating leases, land and buildings	150,429	123,902
Operating leases, equipment	1,744	4,370
	<u>£1,332,214</u>	<u>£1,039,216</u>
<b>4. STAFF COSTS</b>	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
Wages and salaries	1,145,245	895,364
Social security costs	124,220	98,185
Pension costs	62,749	45,667
	<u>£1,332,214</u>	<u>£1,039,216</u>

The only member of the Governing Council to receive any remuneration in respect of services provided to the company was the chairman, who received £4,359 (2006 £5,833) His fee and associated social security costs are included in the above staff costs

The number of employees during the year was

	<b>Number</b>	<b>Number</b>
Independent Schools Council	15	11
ISC Teacher Induction Panel	2	2
Independent Schools Inspectorate	11	9
ISC Educational Services Limited	5	3
	<u>33</u>	<u>25</u>

INDEPENDENT SCHOOLS COUNCIL

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2007

5	INVESTMENT INCOME	2007 £	2006 £
	Bank deposit interest	36,215	28,000
	Investment income	26,448	18,930
		<u>£62,663</u>	<u>£46,930</u>
6.	TAXATION	2006 £	2005 £
	Taxation is based on the interest and investment income received for the year and realised investment gains and losses. The charge comprises		
	UK corporation tax at 19% for the tax year 2006/07 and 20% for the tax year 2007/08	13,471	5,235
	Under (over) provision of tax in the previous years	(2)	41
		<u>£13,469</u>	<u>£5,276</u>

The company is carrying forward £256,773 (2006 £91,281) of trading losses

**INDEPENDENT SCHOOLS COUNCIL**

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

**FOR THE YEAR ENDED 31 DECEMBER 2007**

<b>7. TANGIBLE FIXED ASSETS group</b>	<b>Leasehold fittings £</b>	<b>Office furniture and equipment £</b>	<b>Computer equipment £</b>	<b>Work in Progress £</b>	<b>Total £</b>
<b>Cost</b>					
At 1 January 2007	143,748	84,101	82,312	-	310,161
Additions	48,514	51,290	55,749	12,565	168,118
Disposals	-	(618)	(1,127)	-	(1,745)
At 31 December 2007	<u>£192,262</u>	<u>£134,773</u>	<u>£136,934</u>	<u>£12,565</u>	<u>£476,534</u>
<b>Depreciation</b>					
At 1 January 2006	22,280	17,423	50,642	-	90,345
Charge for the year	16,171	16,948	26,123	-	59,242
Eliminated on disposal	-	(210)	(1,127)	-	(1,337)
At 31 December 2006	<u>£38,451</u>	<u>£34,161</u>	<u>£75,638</u>	<u>£ -</u>	<u>£148,250</u>
<b>Net book value</b>					
At 31 December 2007	£153,811	£100,612	£61,296	£12,565	£328,284
At 31 December 2006	£121,468	£66,678	£31,670	£ -	£219,816

<b>TANGIBLE FIXED ASSETS company</b>	<b>Leasehold fittings £</b>	<b>Office furniture and equipment £</b>	<b>Computer equipment £</b>	<b>Work in Progress £</b>	<b>Total £</b>
<b>Cost</b>					
At 1 January 2007	143,748	84,101	79,180	-	307,029
Additions	48,514	51,290	55,749	12,565	168,118
Disposals	-	(618)	(1,127)	-	(1,745)
At 31 December 2007	<u>£192,262</u>	<u>£134,773</u>	<u>£133,802</u>	<u>£12,565</u>	<u>£473,402</u>
<b>Depreciation</b>					
At 1 January 2006	22,280	17,423	49,742	-	89,445
Charge for the year	16,171	16,948	25,080	-	58,199
Eliminated on disposal	-	(210)	(1,127)	-	(1,337)
At 31 December 2006	<u>£38,451</u>	<u>£34,161</u>	<u>£73,695</u>	<u>£ -</u>	<u>£146,307</u>
<b>Net book value</b>					
At 31 December 2007	£153,811	£100,612	£60,107	£12,565	£327,095
At 31 December 2006	£121,468	£66,678	£29,438	£ -	£217,584

The net book value of fixed assets acquired under a hire purchase contract is £Nil (2006 £Nil) Depreciation for the year on the assets was £Nil (2006 £ Nil)

INDEPENDENT SCHOOLS COUNCIL

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2007

8. FIXED ASSET INVESTMENTS: company and group	2007 £	2006 £
Quoted investments		
Market value		
Market value at 1 January 2007	760,649	671,413
Additions at cost	200,662	60,587
Disposals at market value	(292,598)	(61,110)
Profit on disposals	79,686	11,564
Unrealised gains/(losses) for 2007 taken to revaluation reserve	(21,724)	86,366
Reversal of unrealised gain on disposed investments from revaluation reserve	(81,823)	(8,076)
Other unrealised gains and losses	(38)	(95)
Market value at 31 December 2007	<u>£644,814</u>	<u>£760,649</u>
Historical cost	<u>£568,929</u>	<u>£581,312</u>

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 £15,177 (2006 £34,074)

9. OTHER DEBTORS	Group		Company	
	2007 £	2006 £	2007 £	2006 £
Staff loans	4,939	4,352	4,939	4,352
Accrued income	20,630	5,532	20,630	3,750
Other debtors	-	175	-	-
	<u>£25,569</u>	<u>£10,059</u>	<u>£25,569</u>	<u>£8,102</u>

10 ACCRUALS AND DEFERRED INCOME	Group		Company	
	2007 £	2006 £	2007 £	2006 £
Cost accruals	166,367	115,500	160,717	115,358
Teacher induction fees and other ISC deferred income	217,917	206,157	217,917	206,157
School inspection and training fees received in advance	363,000	390,000	363,000	390,000
Conference fees received in advance	102,161	38,471	-	-
Benefit of rent-free period spread over term of lease	48,402	59,106	48,402	59,106
	<u>£897,847</u>	<u>£809,234</u>	<u>£790,036</u>	<u>£770,621</u>

INDEPENDENT SCHOOLS COUNCIL

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2007

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	1,059,156	11,754	-	-	1,070,910
ISC Teacher Induction Panel reserve	182,724	(7,148)	-	-	175,576
Independent Schools Inspectorate reserve	103,666	186,240	-	-	289,906
<b>Total ISC Accumulated Funds</b>	<b>1,345,546</b>	<b>190,846</b>	<b>-</b>	<b>-</b>	<b>1,536,392</b>
Revaluation reserve	179,432	-	(81,823)	(21,724)	75,885
<b>Total reserves applicable to ISC (company)</b>	<b>1,524,978</b>	<b>190,846</b>	<b>(81,823)</b>	<b>(21,724)</b>	<b>1,612,277</b>
ISC Educational Services Limited general reserve	(91,281)	(165,492)	-	-	(256,773)
<b>Total group reserves</b>	<b>£1,433,697</b>	<b>£25,354</b>	<b>(£81,823)</b>	<b>(£21,724)</b>	<b>£1,355,504</b>

12. FINANCIAL COMMITMENTS

At 31 December 2007 the company had annual commitments under operating leases as set out below

	2007		2006	
	Land and buildings £	Other £	Land and buildings £	Other £
Operating leases that expire				
Within one year	-	-	-	2,773
In the second to fifth years	-	2,237	-	954
Over five years	150,429	-	150,429	-

13 INVESTMENT IN GROUP UNDERTAKING

In 2005 ISC acquired 100% of the share capital (valued at £1) of ISC Educational Services Limited, a company incorporated on 10 August 2005 under company number 5533373. The ISC is funding this trading company and at the year end 31 December 2007 the subsidiary owed £306,239 (2006 £167,751) to the ISC.

INDEPENDENT SCHOOLS COUNCIL

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2007

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14. CAPITAL COMMITMENTS

	2007	2006
Authorised but not contracted for	-	-
Contracted for not provided in the financial statements	18,847	-
	<u>18,847</u>	<u>-</u>