



THE BRITISH SCHOOL OF OSTEOPATHY

275 Borough High Street, London SE1 1JE

Annual Report & Financial Statements

Year ended 31 July 2016

Company registration number: 146343 (England and Wales)
Exempt charity



Who we are and what we do

The British School of Osteopathy (BSO) is the UK's oldest and largest school of osteopathy. We were founded in 1917 and our Patron is HRH The Princess Royal, Princess Anne.

Based in Southwark, central London, the School is dedicated to educating osteopaths, treating patients and pursuing osteopathic research.

Osteopathy is a primary healthcare system, complementary to other medical practices. It is suitable for almost anyone and can contribute to alleviating a wide range of conditions. Osteopaths work primarily through the neuro-musculoskeletal system, mostly on muscles and joints, using holistic and patient-centred approaches.

BSO-trained osteopaths work in all walks of life. They make important healthcare contributions to the communities where they work, helping to treat and manage a broad range of conditions and keep their patients mobile and pain-free.

"I have been attending clinic treatments here on and off over a number of years. I recommend the clinic to all my workmates and contacts as the treatments have improved my condition tremendously - and more importantly have given me the tools and confidence to be more pain free and confident! I only wish you were present in GP surgeries."

Patient survey comment 2016

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Our mission

The British School of Osteopathy's mission is to:

"Continually provide the highest quality education and research for all and the very best care, for each patient, on every occasion".

Our vision

By 2027, the British School of Osteopathy will be an internationally recognised university for both education and research in osteopathy and associated health care subjects; a vibrant community of staff and students keen to explore and exploit new ideas and challenge existing views, whose work will positively influence the quality of health care and shape future clinical practice locally, nationally and internationally.

Our core values

Full realisation of our mission can only be achieved with the collaboration of everyone in the School. Individual attitudes and behaviour are key to the School's success. We adhere to a set of values that guide what we do and provide a clear statement to those we work with of our standards and expectations.

We value:

- Our community of staff, students and patients taking pride in the School's achievements, commitment and contribution
- A culture of critical enquiry, scholarship and research
- A respect for the heritage and values of osteopathy
- Ambition, innovation, creativity and enterprise
- Equal opportunity, diversity and inclusion
- A culture of openness and honesty
- A culture of collaboration, teamwork and partnership
- A desire for environmental sustainability
- Academic excellence in all that we do

These values will guide how we make our decisions and how our staff, students and stakeholders work with each other.

Message from the Chair

It is my pleasure to introduce to you the annual report and accounts of the British School of Osteopathy for 2015-16. It has been one of the most momentous years in the School's history, and I'm very proud to have been the Chair during this extraordinary time.

You will read within the pages of this report about the School's success in achieving degree awarding powers, allowing our future students to graduate with a British School of Osteopathy degree, rather than one from a parent institution. This is the first time that a specialist osteopathic institution has had this power. In parallel, the success in demonstrating to the Higher Education Funding Council for England that the British School of Osteopathy should be 'designated' – and therefore entitled to the same grants, loans and student loan access as any other university – is critical to the institution's future.

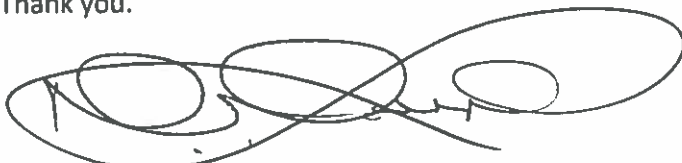
It is easy and hugely positive for me to thank the Principal & Chief Executive and his team, in particular Sharon Potter, Vice Principal (Education), for their vision and determination in turning the Board's ambitious plans into a reality. I know I speak for the whole Board when I congratulate them for this success.

However, I also write these words not just for myself, but also for another – the School's former Chair, John Ogdon Lant. We were desperately sad to learn of John's untimely death early in 2016. John was caring, considerate, intelligent and curious. He was an excellent Chair, and his illness robbed the School of a Board member whose interest in its work was hugely inspirational. One positive in such an awful loss was that he was able to celebrate the conclusion of the School's journey towards degree awarding powers and designation at the 2015 Graduation ceremony, which John attended with his wife, Vicki and their daughter Sophie. Although John is no longer with us, the impact of his work at the British School of Osteopathy will endure.

As well as these significant events and changes in the Board, I am pleased to report that our work continues to be far-reaching. The short term strategic plan that we had agreed back in 2015 now has a clearer long term direction, and the Board has met on several occasions to develop plans through to 2022. I would like to thank all the Board for their voluntary commitment; and in particular acknowledge Sean Bonnington, Zara Ford and Greyham Dawes who have reached the end of their second terms as Board members so are stepping down. I am delighted that Sean has been persuaded to remain as a co-opted member of the Fundraising Committee, where his expertise has been invaluable.

I would like to end by thanking everyone who has made this extraordinary year at the British School of Osteopathy possible. We look to the future, as we begin our Centenary year, with enormous anticipation.

Thank you.



Professor David Barrett
Chair of the Board

Aims and objectives

The aims and objectives of the British School of Osteopathy (BSO) as set out in its Memorandum and Articles are to:

- Promote the general advancement of education, professional and otherwise; to organise and establish courses of instruction, clinical demonstration and research; and to prepare and qualify those who wish to maintain and practise the system of osteopathy.
- Encourage and if necessary provide means of disseminating information regarding osteopathy among the osteopathic profession, and to extend the advantages of the profession to the public.
- Provide facilities for the discovery, formulation and teaching of the system of osteopathy formulated as a system, science, or method of treatment; to systematise and place on a scientific basis the said system, and to impart instruction in the same to the profession and to the public.
- Provide excellent, affordable and accessible osteopathic healthcare to our communities, so promoting the benefits of osteopathy and improving clinical services and enhancing those communities' health'.

"I could not take a step without stopping for comfort. Now I can do a hop for the bus. The pain in my lower back has improved; I feel I've been given my life back. Without my student I would have had to give up work."
Patient Survey comment 2016

Our activities

The BSO promotes osteopathy and osteopathy's contribution to the provision of contemporary healthcare for the public benefit by:

- Providing accredited and validated osteopathic education programmes at both undergraduate and postgraduate level, as well as continuing professional development courses for qualified practitioners, including:
 - Access to Higher Education Diploma (Osteopathic Sciences & Healthcare)
 - M.Ost (integrated Masters) - full time
 - M.Ost (integrated Masters) - part time
 - MSc Osteopathy (pre-registration) for Physiotherapists/Doctors;
 - MSc Osteopathy
 - Postgraduate Certificate in Academic and Clinical Education
 - Postgraduate Certificate in Specialist Paediatric Osteopathic Practice
 - Professional Doctorate in Osteopathy
- Delivering practical training to enhance the quality and management of osteopathic care given to patients.
- Providing osteopathic treatment at affordable prices in our state-of-the-art and fully accessible clinical centre.
- Offering osteopathic healthcare free of charge to patients via our portfolio of award-winning community outreach clinics. These serve groups of the community who might not otherwise be able to access or afford osteopathy, including homeless people and older people in their home settings.
- Maintaining a commitment to support osteopathic research, to facilitate continuous improvement in professional practice and contributing knowledge to the wider community.

Strategic Report

Objectives for the year

The BSO's objectives for the 2015-16 year were:

- To develop and implement patient-centred evaluation of clinical services
- To have approved and achieve Recognised Qualification (RQ) status for the pre-registration courses
- To prepare for the implementation of degree awarding powers and institutional designation
- To review and replace the School's Management Information Systems
- To develop the estate strategy to take account of the diminishing lease on BHS
- To further develop Research and Scholarship at the School

Strategies to deliver the objectives

Providing Quality Higher Education

The School is dedicated to upholding recognised benchmarks of quality in its teaching, learning, research and enterprise activity.

Our aims for 2015-2017 in line with providing quality higher education are as follows:

- To develop specialist skills that enable all of our students to engage in rewarding careers.
- To enhance the skills base, professionalism and qualifications of our staff.
- To review the School's portfolio of courses and to begin to develop new awards for the School.
- To attract a wide range of students through our offering of high quality, demand-led courses.
- To engage in research and scholarship to both inform the osteopathic profession and to further the delivery of evidence informed education.
- To ensure that all benchmarks of quality are met through uniform and timely quality assurance and enhancement processes.
- To foster a strong, independent Students' Union.
- To produce proud alumni with useful lifelong skills, thereby furthering the School's reputation.

Providing Quality Healthcare

The School is committed to offering affordable, high quality, evidence informed clinical health care in a variety of settings.

Our aims for 2015-2017 in line with providing quality healthcare are as follows:

- To be a patient-centred institution providing high quality, compassionate healthcare with integrity.
- To improve quality, safety and patient experience.
- To provide osteopathic healthcare to a wider population and in particular to those who would have difficulty accessing it.

- To evaluate our clinical provision and report these findings to the appropriate audience and to use them to drive improvements in our clinical services.
- To provide osteopathic healthcare at reduced fees or free to those who otherwise would not be able to afford it.
- To provide all students with the stipulated numbers of new patients and the opportunity to complete the required numbers of clinical hours in line with GOsC requirements.

Fair Access to Osteopathic Education

The British School of Osteopathy is committed to offering affordable quality education on equitable principles to a diverse range of national, European Union and international students.

Our aims for 2015-2017 in line with enabling fair access to osteopathic education are as follows:

- To commit to maximise student success, both in academic terms and in personal development.
- To provide fair access to our courses and our research in order to encourage participation from all.
- To market our courses with particular emphasis on the access and diversity priorities of the School.
- To tailor our provision to the learning strengths and needs of students so that they are given every opportunity to attain their full potential.
- To promote partnerships and networks with schools, colleges, partner institutions and employers.
- To offer education at fair prices to students whether full-time or part-time, at home or abroad.

Commitment to Sustainability

The British School of Osteopathy is committed to sustainability, managing its financial assets and estate in the long term.

Our aims for 2015-2017 in line with our commitment to sustainability are as follows:

- To generate surpluses and maintain robust cash flow supporting the School's strategic objectives.
- To increase fundraising, new business and clinic income to reduce reliance on student fee income.
- To maintain and improve our assets, creating a long-term plan for management of our estate and improved environmental sustainability.
- To establish and capitalise on partnerships that add value to the organisation.
- To maintain and enhance our system of risk management, control and corporate governance.
- To promote economy, effectiveness and efficiency in the use of all resources.

Developing and implementing patient-centred evaluation of clinical services

The Board identified as its first priority for 2015-16 that the School should develop and implement patient-centred evaluation within our clinical provision. Over the last three years, an annual patient satisfaction questionnaire has been conducted in the clinical centre during the spring term. It was clear from the findings in 2016 that once again a high level of satisfaction was being experienced.

Patients recorded a positive satisfaction rating of over 98% with services in the clinic, and our student osteopaths also scored highly in their listening skills (98%), their ability to explain things clearly (96%), their involvement of patients in care plans (96%) and their treatment of patients with care and concern (99%).

"Highly trained & professional osteopaths, who listen to you, are empathic to your problems and do everything to work with you to address them. They help me understand how I can be proactive in my care and be quick to respond to any urgent issues I have. Staff here are always friendly and the reception area is bright, clean and inviting. I do not go anywhere else for osteo care." Comment from 2016 Patient Satisfaction Survey

Building on the positive feedback from these surveys, the clinical team put in place three new measures in the last year to improve communication with patients, and to allow them to evaluate and drive improvements in services.

Firstly, a monthly patient newsletter was devised and launched in September 2015. The newsletter featured information about specialist clinics, student profiles, tutors, community partners, advice and events. All visitors to the clinic were given a newsletter, and it was also emailed out to community partners and the clinic mailing list. Patients, students and tutors engaged with the newsletter, suggesting items for future editions and commenting on articles that they had read.

Secondly, the School hosted its first Patient Participation Group (PPG) meeting in June 2016. The PPG was set up to allow interested patients to get involved in the way that services are evaluated and delivered within the Clinical Centre. We were so pleased to welcome six patients to the launch meeting with Francesca Wiggins, Head of Clinic, and they discussed a range of different topics. The PPG will meet on a termly basis. Francesca commented that the patients *"were incredibly supportive of the services that we provide and the help it gives them"*.

In the third and final initiative to increase patient involvement in the evaluation of clinical services, the BSO joined a national Patient Reported Outcome Measures (PROMS) pilot project led by Arthritis Care UK in 2016, and supported by the NHS. The project is to enable patients to contribute to the evaluation of their clinical treatment of muscle and joint problems (including osteopathy as well as other healthcare options), and to improve the care that the School provides. The scheme launched at the BSO in May 2016, with an aim to recruit 100 new patients to take part in the pilot study.

The PROMS project will continue into 2016-17, and the anonymized data used to inform improvements in clinical services at the BSO and in the wider healthcare arena.

Finally, 2016 saw the end of the three-year Department of Health funded OsteoMAP project. This project has been a model of good practice in relation to patient involvement, with the committee driving the OsteoMAP programme including patient involvement from the start.

During the project, OsteoMAP patients undertook a six-week course of sessions integrating physical therapy and acceptance-informed care, including the development of mindfulness skills for patients with persistent musculoskeletal pain. Baseline data was taken and followed up at six months after treatment, including measurement of: pain, mood and coping; and patients' willingness to remain physically active. Preliminary data showed that both measures showed significant improvement through the OsteoMAP programme, with the outcome for pain, mood and coping improving by 60%.

Over the last three years, more than 200 patients were enrolled onto the programme. Half of the participants completed the full six-week course, and more than 85% completed at least half the sessions

Research findings from the project will be written up and published over the 2016-17 year, and the invaluable clinical services adapted so that they can continue to be a part of the ongoing work of the School.

Having approved pre-registration courses with Recognised Qualification (RQ) status

In recent years, the BSO's osteopathic degree courses were delivered by the School as an associated partner of the University of Bedfordshire. The University validated and approved all of the School's courses. Once degree awarding powers were granted in November 2015, the second strategic priority for the School was to ensure that the pre-registration courses leading to an osteopathic qualification were approved as BSO degrees and awarded RQ status by the General Osteopathic Council.

Over the past three years and while work towards degree awarding powers and designation was ongoing, a parallel focus for the School's faculty was a full curriculum review of the three pre-registration courses offered. While each of the courses (the M.Ost full time, M.Ost part time and MSc Osteopathy (pre-registration)) were initially developed in isolation, this review sought to structurally build a core curriculum that would deliver consistent and cohesive programmes to students on any pathway. This new curriculum was developed to be delivered from 2017 onwards, so each of the existing courses also needed to be approved to be delivered by the British School of Osteopathy in its own right.

The approval events took place in the spring and summer terms of 2016, with all courses being fully approved with some conditions. The final approval panel particularly commended the *"innovative assessment of clinical competence and its student-centred focus"* as well as the *"strength of research, professional development and leadership within the institution, supporting the curriculum."*

Following the approval of each of the courses, the School was inspected by the General Osteopathic Council to gain RQ renewal for the current programmes as well as the new courses. The inspection was carried out by a team from the Quality Assurance Agency (QAA) from 17-19 May 2016, and was extremely positive. The team highlighted a large number of strengths and areas of good practice, and there were no conditions to the approval of the School's courses.

"A substantial development in the curricula for all pre-registration students since the last RQ review in 2012 is the redesign of the curriculum model. This has moved from a module/unit-based structure to a more integrated model of teaching and learning. The new structure is based on a spiral pathway through the study units in which key themes are revisited throughout the course at a progressively more advanced level of engagement and complexity. The aim is to break down the traditional propensity for silos of teaching and learning and instead to emphasise connections. This aim is reinforced through the integrative organisational structure within the institution and through the inclusive ethos. The new highly integrated and creative curriculum design model puts osteopathic practice at the centre of the process, and is strongly orientated towards patients' perspectives and evidence-informed learning."

**General Osteopathic Council review of osteopathic courses and course providers:
British School of Osteopathy May 2016**

Preparing for the implementation of degree awarding powers and institutional designation

"The School is well managed. It has had many years' experience of developing, reviewing and practising its own regulations to secure the standards of the awards it delivers." QAA report

The third strategic priority for 2015-16 was to prepare for the changes that had been worked towards for several years. The School celebrated achieving Degree Awarding Powers, granted by Privy Council in November 2015, allowing the British School of Osteopathy to award its own degrees. These powers are a high marker of the School's quality. They are only given to institutions where the Quality Assurance Agency for Higher Education (QAA) is convinced that their governance, academic management and requirements, quality assurance, scholarship and teaching and learning infrastructure are of the highest standards.

The QAA report concluded an intensive review period, and noted the expertise and effectiveness of the teaching staff team, and the high standards found at the BSO, saying *"the School has a well-qualified and expert staff who are wholly appropriate to the programmes it offers. The depth of professional experience is notable and makes a major contribution to the student experience."* As well as being able to approve and develop its own programmes, as a higher education institution with degree awarding powers the School could also approve the qualifications of other relevant providers.

At the same time, the BSO became a 'Designated' institution in 2015 – meaning that from the 2016-17 academic year onwards the School would receive funds for its higher education provision directly from the Higher Education Funding Council for England (HEFCE). This will mean that BSO students will receive funding directly from the Student Loans Company, in the same way as any other university.

The process for this achievement was a review by HEFCE (for the Department for Business, Innovation and Skills) focused on the quality of the School's management – particularly the ability to provide reliable, high quality data about funding, in relation to student returns and financial control. After a thorough examination of processes and test submissions, the HEFCE board provided a positive recommendation to the Secretary of State for Business, Innovation and Skills.

These two achievements allow the British School of Osteopathy to be a wholly autonomous institution, within the university sector. It is the only specialist osteopathic education institution to have achieved these markers of its quality.

"I am delighted to congratulate the BSO on achieving taught degree awarding powers and institutional designation. Specialist providers like the BSO make a huge contribution to the dynamism, diversity and reputation of UK higher education, providing more choice for students and excellent, career-focused teaching." Gordon McKenzie, Chief Executive, GuildHE

Through the rest of the 2015-16 academic year, the School prepared for its new responsibilities as a designated higher education institution. After twelve years of a very positive working relationship, formal

notice was given to the University of Bedfordshire to alter the contract between the institutions; while the vast majority of students elected to transfer to a BSO degree, a very small number remained on the University contract which also covered students on the Professional Doctorate course on an ongoing basis.

Reviewing and replacing the School's Management Information Systems

The fourth strategic priority for the Board was to ensure that the School's Management Information Systems could provide the data to support the different returns that would need to be made to HEFCE, HESA and other government departments, following designation. Data for the returns needed to be drawn from the finance, HR and registry databases, so each needed to be reviewed to ensure it was able to distill the information required.

After the review period, it was clear that the finance and HR databases needed replacing – both because the existing systems needed upgrading, and because of the new requirements in reporting. Investment in infrastructure like finance and staffing databases is important and resource-intensive work, but will allow the School to meet its obligations and become more streamlined.

The student records database was also reviewed, but did not require replacement.

During the summer period, both the new systems were implemented, with each going live from August 2016 onwards. The HR and Payroll system chosen was iTrent (Midland HR) and the Finance system was SunSystems. Each will now ensure that the BSO has the capabilities to deliver the statistical data that HEFCE and HESA will require over the next year and beyond.

Staff across the organization who will be involved in submitting the returns have attended training courses and in-house events have also been organized to support this important area of our responsibilities as a designated institution.

Developing the estate strategy to take account of the diminishing lease on the Teaching Centre

The next strategic aim agreed by the Board was the review and development of our estate strategy, in relation to the diminishing lease on the Teaching Centre. Discussions have occurred with Southwark Council to see what opportunities are available within the Borough, both on existing sites and any new developments. The School has undergone a scoping exercise on its space requirements and this has then informed possible new sites for the school as well as exploring the possibility of a lease extension.

While the exciting plans for relocation or redevelopment are in progress, the Estate team has been working hard to ensure that during the interim period our buildings are maintained to a good standard and improved where possible. During the year the team have managed to redecorate many of the clinic treatment rooms and team points, redecorate technique rooms and replace the blinds, improve the common room (G:01) and completely renovate the Teaching Centre reception area. They also worked to improve the library with repainting, new furniture, and replacement blinds and shelving.

Further developing research and scholarship within the School

The School developed and enhanced its research and scholarship activities over the course of the year, and continued to focus on the need to extend the successful activity of the research team to the wider faculty. As research resources have mainly been allocated to research learning and teaching on the pre-registration programmes previously, there has been a need to enhance capability to support research supervision up to doctoral level, and to develop funded research applications and projects. To this end a review of research teaching and learning provision was initiated during the year, and will be extended in 2016-17 through to faculty recruitment, research and scholarship activity, expectations and reward.

Two Professional Doctorate in Osteopathy students completed their studies during the year, with two further students close to completion of their awards. Contractual arrangements were progressed with the University of Bedfordshire concerning the ongoing delivery of the Professional Doctorate, which will continue to be a University award.

Funding was received from the Burdett Trust in 2016 for a PROMS study within the Blanchard (HIV) clinic. This three year project was started during the year with planning and piloting complete, as well as user consultation. The large scale PROMS pilot within the general clinic (see page 10) was used to inform the structure and process for the Blanchard PROMS.

Vice Principal (Research), Steven Vogel concluded his role on the National Institute for Health and Care Excellence (NICE) guideline development panel, focused on Low Back Pain and Sciatica in Over 16s. The guideline development group met regularly over the last two years, with the guidelines scheduled for publication in the year ahead.

The fourth International Osteopathic Education Conference was held in November 2015 on the theme of 'Professionalism and Professional Boundaries: an Institutional Challenge'. Keynote presentations were given by Professor Julie Stone on making boundaries training meaningful and Sue Roff on professional boundaries and organizational cultures. Workshops focused on professionalism in osteopathy, assessing professionalism and effective communication with students, and osteopathic leaders and researchers from education institutions around the world attended the conference, and presented papers and studies from their organisations.

Quality Higher Education

As well as the strategic priorities set by the Board, the School continued to uphold the highest standards of quality in its teaching, learning, research and enterprise activity.

M.Ost students

At the beginning of the 2015-2016 academic year there were 436 students registered on our undergraduate M.Ost degrees, including 150 students who were enrolled on our part time M.Ost qualification. It was a pleasure to congratulate 75 students who qualified and celebrated their graduation in 2015-16 – and in particular the 7 students who received distinction awards. The intensive nature of the M.Ost course is well recognized, along with the dedication and skill that each of our graduates must deliver to achieve their qualifications.

Foundation students

The BSO has developed a range of foundation courses, designed to allow a diverse group of students to gain the skills and base knowledge needed to study on our M.Ost courses. The excellent Access to Higher Education (Osteopathic Sciences and Healthcare) course is an essential pathway towards qualifying as an osteopath. In 2015-16, 22 students began the course from a variety of backgrounds - with some students having come from established professional careers and others returning to education having left school with few qualifications. By the end of the year 19 students had completed the course successfully, able to begin degree level study at the BSO or elsewhere. The Introduction to Osteopathic Sciences (IOS) courses also continued to be a popular way to prepare for the osteopathy pre-registration courses.

Postgraduate students

The MSc Osteopathy (pre-registration) programme was very successful in 2015-16, with 5 students completing the qualification and able to apply to the General Osteopathic Council register as a result. A total of 9 MSc Osteopathy (postgraduate) students and 23 Postgraduate Certificate in Academic and Clinical Education students also celebrated their success in completing their awards. The first cohort of 8 students on the Postgraduate Certificate in Specialist Paediatric Osteopathic Practice completed their qualifications in January 2016.

Staff development

As an organisation committed to staff development as a critical area for a specialist higher education and research, it is essential that all staff gain opportunities to develop new skills and improve existing skills. In-house postgraduate courses and CPD provision offer a wide range of opportunities to our staff. A fixed number of places were made available free of charge to staff on postgraduate programmes, and any untaken CPD places were made available to staff without charge. These policies have led to many faculty members

participating in our CPD programmes or taking on a higher level qualification with the School and University of Bedfordshire.

As well as professional and academic courses, the School delivered training to meet the needs of the variety of staff it employs. An essential part of the staff development plan each year is the Staff Conference. In January 2016 the conference was held at the Brooklands Hotel, with a focus on the next phase of the BSO's evolution. Workshops looked at e-learning, the new osteopathic curriculum, assertiveness and communication skills

Providing Quality Healthcare

In 2015-16, the School continued to offer affordable, high quality evidence informed clinical health care in a variety of settings.

General Clinic (including specialist and associate clinics) at Southwark Bridge Road:

	New patient monthly	Daily average new patients	Existing patient monthly	Daily average existing patients	Annual total	Daily average total
2015/16	567	27.3	2,261	109	33,944	136
2014/15	564	26.5	2,403	113	35,599	140

The School provides low-cost osteopathy to the general public, as well as the free clinics that are run for vulnerable people. Stories from patients about the impact made by the clinics on individual lives have been very positive. The School has established free specialist clinics for older people, people living with HIV infection, people who are homeless and babies/children and through the year was grateful to the host organisations for the community clinics for their continued support – the Manna Society, 1st Place Surestart Centre, Lucy Brown House, Blackfriars Settlement and the Royal Free Hospital.

Students benefit from all their clinical experiences, but particularly their work in the specialist clinics where they develop into confident and compassionate practitioners who embody the values of the BSO when they graduate, and always help those in most need.

"The osteopathic care I received at the clinic was cumulative; with each visit things improved. As one example, I hadn't been able to breathe deeply, and could only take really shallow breaths – after the treatment I took a deep breath in and was startled when I realised what a difference it made. As a patient you feel really listened to –the student osteopaths take a real interest in your life, trying to understand your situation and how best to help you. This combined with the skilled manipulations, stretches and soft tissue work is soothing and relaxing." PT, November 2015

The BSO's clinic fees remained extremely competitive through the year, when compared with local private osteopaths. The BSO full price for treatment at £24 was only 37% of the average fee in the area (average fee for first appointment in the area was £65, with fees ranging from £45 to £85). The community partnership rate (£18 or 28% of the average fee) and concessionary rate (£12 or 27% of the average local fee where a discount was offered) continued to represent excellent value for our patients.

The clinic fee structure was reviewed in March 2016. As there hadn't been a rise in clinic fees for two years, the decision was taken to increase full price appointments to £25 (39% of the average local fee) and concessionary appointments to £13 from September 2016. Community partner fees would also increase to

£19. Treatments in our community clinics would continue to be free to those who need to access them, as well as all appointments for babies and children up to the age of 16.

"I got pain in my fingers which travelled up my wrist. I thought it was normal ageing. I was busy looking after my ill husband at the time; it was a very stressful period, and I didn't realise how it was taking its toll on me physically. I decided to do something about it. I saw the GP, who said it was tendinitis, and gave me painkillers. I had seen an osteopath in the past, and decided to see one again. I looked on the internet for an osteopath, when I saw the BSO. The cost for a private osteopath was prohibitive at £75, and looking at the BSO I thought 'I can afford it!' There was lots of information online which put my mind at rest - the website was very helpful and explained lots of things.

I'll never forget the first appointment- I was worried about the difference in size of my hands, but the student said 'of course it's bigger; it's your right hand!' I loved how the student really listened to me. It made me realise that I wasn't thinking silly things. She was really reassuring and she challenged my thinking on pain and getting old. The student was brilliant and explained things all the way along. The tutor also put my mind at rest, that there would be no sudden movements or manipulations, they always introduced themselves, and I felt pleased that everything was being looked at with a fine tooth comb. I couldn't even squeeze out a cloth with my right hand and the next day after treatment I couldn't even feel the injury in my finger. Hands are so valuable! You don't realise how much you need them!" JY, July 2016

Number of treatments in the BSO clinic delivered at discounted rates/free

	Total standard rate (SR)	SR %	Total community partner rate (CP)	CP %	Total concessionary rate (CR)	CR %	Total free of charge (FOC)	FOC %
Totals 2015/16	9,774	33	2,973	10	12,739	44	3,802	13
Totals 2014/15	10,927	35	3,474	11	13,834	44	3,234	10

Including specialist clinics but excluding Associate Clinics

The 'Associate Clinics' continued to be very popular during the 2015-16 year. BSO Associate Osteopaths saw an average of 371 (2015: 339) patients each month, across five weekday evenings and Saturday mornings. Patients see qualified osteopaths, most of whom graduated from the BSO in recent years. The Associate Clinics allow new graduates to begin work in a supportive and professional environment, and to gain experience with which they can move their osteopathic careers forwards.

The Associate Clinics have always been very well received by patients. They value the flexibility in when they can attend appointments, so the extension to weekend provision has been very positively received. In particular, the very many individuals and families who live in Borough have taken advantage of the Saturday morning clinics on their doorsteps.

Fair Access to Osteopathic Education

The British School of Osteopathy remained committed to offering affordable quality education on equitable principles to a diverse range of national, European Union and international students.

Ensuring broad access to the School and to the profession was a key focus for the year. The Admissions team undertook a range of open days, events and roadshows to encourage and inform prospective students. The School's courses were also explored in depth with applicants when they were invited to Interview and Evaluation (I&E) events. Roadshows were held in Manchester, Bristol and Birmingham, and local schools and sixth form colleges were invited to presentations, workshops and discussions about the BSO's courses and a career in osteopathy. The roadshows were also an opportunity to reconnect with alumni, who are often the first people that prospective students speak to about studying at the School.

In line with the Widening Participation strategy to target low represented groups, during the year the Admissions Team worked to improve its school connections. The team attended several local schools providing presentations and demonstrations. The admissions team also attended career days in Farnborough and Central London talking about the BSO and osteopathy to prospective students who were interested in alternatives to mainstream medicine.

The BSO's Single Equality Plan was kept under review by the Equalities Committee, which consists of faculty, support staff, students and Board members. The Committee oversees equality and diversity issues for staff, students and patients across the School.

A key measure used to assess the success of the Widening Participation Strategy is the number of students qualifying for our loan, grant and bursary schemes. The total amount of financial support provided to our students by the School over the 2015-16 year was £38,950 awarded to 51 students.

The School provides long term loans to students towards their fees via the BSO Student Loan Fund, repayable over a five year period after they graduate. Loans totalling £20,000 were awarded to 8 students (2015: £23,500 to 9 students). Grants were also awarded totalling £2,650 to 10 students (2015: £2,100 to 7 students) from unrestricted and restricted funds.

Additionally the BSO provided a non-repayable annual bursary of £500 to students from households with an income less than £25,000 and where the student had progressed to the full-time M.Ost. degree programme from a relevant, recognised Access to Higher Education diploma or who lived in the London Boroughs of Southwark, Lambeth, Lewisham, Tower Hamlets or the City of London.

A total of 12% of full-time undergraduate students were bursary recipients. The following figures show the number of students qualifying for this scheme over the last two years:

	2015 Number	2015 £	2016 Number	2016 £
Home & EU students with an income less than £25,000	18	7,200	2	800
Students (as above) who also hold an Access to Higher Education diploma or who live in a local London borough	38	19,000	31	15,500
Total	56	26,200	33	16,300

A final way that the BSO extends access within the community is through connection with partner organisations. The BSO's community partners are organisations who promote the clinical services to their staff and service users, and benefit from a reduced treatment rate. Local organisations approached the School to set up new partnerships during the year, and 20 new agreements were put in place during the year, including with Network Rail, Westminster Abbey, GuildHE and the Royal Academy of Arts. As 11% of appointments in our general clinic were from community partners, these relationships remain very important to the School.

Commitment to Sustainability

The School remained committed to sustainability through the year, managing its financial assets and estate for the long term.

As well as the investment in buildings and the long-term estate strategy (see page 16), the Estate team focused on improving carbon management through the year. This included setting targets and goals for improved environmental performance and reducing the School's carbon footprint. The plan and Environmental Sustainability policy were discussed with a range of stakeholders before adoption, and were published on the School intranet.

Actions implemented during the 2015-16 year as part of that plan included a review of recycling facilities at the Teaching Centre, and the production of Energy Certificates for both the Teaching Centre and the Clinical Centre. The improvements to recycling facilities put in place during 2015-16 for launch in the 2016-17 year introduced food recycling at all tea points, mixed recycling of paper, cardboard, plastics, metal and glass, and waste incineration to power the National Grid and create ash for road building.

BSO senior managers and faculty continued to contribute to policy development in osteopathy, both in the UK and worldwide. BSO staff members sat as Council members of the General Osteopathic Council and on the Board of the Institute of Osteopathy. The School's Principal, Charles Hunt, was a Board member and Vice Chair of the Osteopathic International Alliance, integrating with colleagues from Europe, America and across the world. Charles also chaired the Council for Osteopathic Educational Institutions, working with colleagues from all UK based osteopathic education centres to collaborate and share best practice.

As a stakeholder member of the National Council for Osteopathic Research (NCOR), Steven Vogel, Vice Principal (Research) sat on the executive management group through 2015-16. Other members of faculty were active visitors for the Quality Assurance Agency for Higher Education (QAA) and involved in reviewing and assessing programmes for Recognised Qualification (RQ) status on behalf of the General Osteopathic Council.

Despite the journey to become an independent institution with TDAP and designation, the School continued to benefit from its association as a partner institution of the University of Bedfordshire. Recognising the value of working in partnership, the School also continued to work with institutions throughout the world for the benefit of the profession, with a range of collaborative partnerships in place to make this work.

In the fundraising area, a telephone campaign to alumni was initiated in January 2016 which led to a positive number of single gifts. A team of student ambassadors were trained and worked to make contact with osteopathic alumni during the spring term. The team made a large number of positive connections with

alumni, cleaned and updated all alumni data on the database, and gained fascinating stories about studying at the BSO in years gone by that will bring its history to life.

Gifts were received through the year via Justgiving, many of which were related to in memoriam giving; where friends and relatives of Anita Hewitt, John Lant and Paul Blanchard donated to the School in their memory.

Legacy giving continued to be a very positive element of the School's fundraising, with kind gifts left by Doris Kelly, Eileen Willsmer and Doreen Waters. The School joined the Remember a Charity in your Will campaign in 2015, and at least one new legacy pledge was made as a result of the campaign. The School also received an extraordinary legacy from Lutchman Naidoo, generously made possible by his son Luc. The total gift to the BSO was £614,695. The School had never before had a year where the impact of legacies had been so significant. The ability to invest in systems and resources, as well as the allocation towards the building fund, made an enormous difference.

An application to the Burdett Trust (£14,500 for three years) for the clinic at the Ian Charleson Day Centre at the Royal Free Hospital for people living with HIV was successful. In addition, the Trust committed £5,000 a year 2016-2018 towards a PROMS research project involving patients living with HIV. £7,000 was also received from the Wakefield and Tetley Trust for the Manna Clinic, and the second instalment of £5,000 from the Sobell Foundation for our children's clinics. £2,000 was received from the PF Charitable Trust who had supported the School in the past. The Alan & Sheila Diamond Trust, via our kind Vice Patron Dr Alan Diamond OBE, donated £10,000 towards the Centenary events, and committed a similar donation for 2016-17.

The year began with a Cabaret event, organised by a patient in aid of the HIV/Chapman clinics. The evening was a success, raising over £2,000 through ticket sales and an auction. Although it was organised with a short lead time, it gave a good opportunity to make connections with local organisations who donated prizes. The Stephen Sandler Golf Day was held in July 2016, and the Jake Mackinson Memorial Golf Day also went ahead as usual. Both events brought in just over £6,000. Student Adele Sharp ran the London Marathon for the BSO in April 2016, raising £1,350 for the School.

Key Performance Indicators

The Board and Senior Management Team monitor the School's performance on a regular basis. There are a number of key performance indicators (KPIs) which have been agreed as important and these are themed into our strategic areas. These areas are Quality Higher Education, Quality Healthcare, Fair Access, Sustainability which includes financial KPIs, our People, our Technology our Estate. Some achievements are:

Quality Higher Education

Target: Number of publications in peer reviewed journals greater than 10
Performance: Over 10 achieved

Quality Healthcare

Target: Out-performing other NHS and GP patient satisfaction questionnaires.
Performance: April 2015 Survey indicated that 99% of patients were very or fairly satisfied overall.

Fair Access

Target: 5% growth in applications per annum.
Performance: M.Ost (Full-Time) 2016 = 183. 19% Downturn in applications from 2015
M.Ost (Part-Time) 2016 = 70. 25% Downturn in applications from 2015

Sustainability

Target: The number of days' that liquidity would cover expenditure (excluding depreciation)
Performance: 140 days (HEFCE sector forecast 93)

Our People

Target: Staff survey carried out biennially with action plan agreed at SMT
Performance: Staff survey completed April 2015 with Action plan submitted to SMT

Our Technology

Target: User satisfaction of 80%, by stakeholder (student, internal survey) group.
Performance: 76%

Our Estates

Target: Stakeholder (student) feedback about estate cleanliness and maintenance, 80% satisfaction levels
Performance: 86.2%

Plans for the year ahead (2016-2017)

- To implement further patient centred evaluation of clinical services
- To develop the estate strategy to take account of the diminishing lease on BHS
- To prepare the school for implementing degree awarding powers
- To prepare for statutory returns following institutional designation
- To prepare for developments resulting from legislative and political changes in the higher education and healthcare environments
- To further develop Research and Scholarship at the School
- To review the branding and identity of the School

Financial review

The School achieved a surplus (before other gains and losses) of £377k (2015: £205k).

Income

Total income increased by £521k (10.6%) from £4,935k to £5,456k, compared to an increase of 4.7% in 2015.

Income received for tuition fees and education contracts (excluding the University of Bedfordshire contract) increased by 10.1% (2015: 16.9%). The HEFCE grant received via the University of Bedfordshire decreased by 34.3% to £498k (2015: £758k) due to reductions in Higher Education funding rates per student.

Clinic income decreased by 3.6% compared to last year (2015: 2.1% increase). The actual income for the year is £620k (2015: £643k).

Income from donations increased from £259k to £785k and included a legacy of £615k.

Expenditure

Total expenditure increased by £349k (7.4%) from £4,730k to £5,079k, compared to an increase of 2.2% in 2015.

Total staff costs increased by 2.5% (2015: 4.6%).

During the year, total expenditure on computer software was £41k which included the purchase of new financial accounting software and a 3D Atlas of Human Anatomy.

Expenditure on fixed assets was £118k including an investment of £99k in the School's IT infrastructure.

Investment policy and performance

The Board's policy, in view of the short term nature of most of the funds currently available is that cash surplus to current operational needs may go on short or longer term investment, as may be appropriate, and that any such investment must be low to medium risk, and meet or exceed the recognised benchmarking of the WM Charity Universe indices on performance on investments by charities.

Investments must be ethical as defined by the Board by reference to the School's declared objectives. The ethical policy states that there should be no direct holding of investments in pharmaceutical or tobacco companies, and that the percentage of these industry types in managed funds should not exceed 5% of the managed fund total.

The policy provides the terms and performance by which the investment managers must operate and the review process. The Board takes professional advice on investments from an investment manager. Realised gains on investments during the year amounted to £4k (2015: £34k) and unrealised losses were £23k (2015: £16k gain).

Reserves policy

The Board annually review the reserves policy. Designated funds have been set aside by the Board including a building loan repayment reserve. In the present economic climate the Board consider it prudent to strive for total free reserves of three months' operating expenditure. At 31 July 2016, total free reserves amount to £1,520k (2015: £1,453k) which equates to 3.6 months of operating expenditure and comprises of a fund which has been set aside for unforeseeable risks of £502k and general reserves of £1,018k (2015: £951k). The increase in general reserves allows the Board to prioritise its Estate Strategy in relation to the lease on its Borough High Street Teaching Centre.

Statement of Corporate Governance and Internal Control

The British School of Osteopathy aims to achieve the highest standards of governance and Board continually reviews its governance arrangements to ensure that they are in line with the Committee of University Chairs (CUC) Governance Code of Practice. The BSO is committed to following best practice in all aspects of corporate governance and has applied the principles set out in the HEFCE Memorandum of assurance and accountability and the Audit Code of Practice.

The BSO's Patron is HRH The Princess Royal, Princess Anne.

The British School of Osteopathy was founded on 7 March 1917 and is a charitable company limited by non-equity share capital (company no. 146343), authorised to omit the word 'limited' from its name by licence granted under Section 60(1) of the Companies Act 2006. The only benefits attributed to share ownership, as stated in the Memorandum and Articles of Association, are membership voting rights and the return of paid-up share capital in the unlikely event of the company's liquidation by the membership. The liability of members is limited to £1 per share. The company was registered with the Charity Commission for England and Wales on 18 June 1963 (charity no. 312873) and became an exempt charity registered with the Higher Education Funding Council for England in November 2015. The members of the Board are both company directors and charity trustees.

Board of Directors

The Board meets four times a year and is responsible for determining the policies and the strategic direction of the charity, delegating the day-to-day operations of the organisation to the Chief Executive, the Principal's Group and the School Management Team.

The members of the Board who served during the year and up to the date of signing these financial statements were:

Name	Board 2015/2016	Term of Office
Professor David Barrett	Board Member (Independent) (Chair of the Board)	Mar 2014 – Current
Azlina Bulmer	Board Member (Independent) (Vice-Chair of the Board)	Oct 2014 – Current
Fatimah Ayoade	Board Member (Osteopathic)	Jun 2013 – Current
Alex Bols	Board Member (Independent)	Jun 2014 – Current
Sean Bonnington	Board Member (Independent)	Feb 2010 – Sep 2016
Ann Clayton	Board Member (Independent)	Jun 2015 – Current
Greyham Dawes	Board Member (Independent)	Oct 2010 – Sep 2016
Zara Ford	Board Member (Osteopathic)	Jun 2010 – Sep 2016
Charles Hunt	Board Member (Osteopathic) (Principal & CEO)	N/A
Andrew Kent	Board Member (Independent)	Jun 2014 – Current
John Ogdon Lant	Board Member (Osteopathic)	Jun 2011 - Feb 2016

Professor Raymond Lee	Board Member (Independent)	Jun 2015 – Current
Professor Mary Lovegrove	Board Member (Independent)	Jun 2011 – Jun 2017
Grace Newman	Board Member (Student)	Jun 2013 - Current
Isabel Nisbet	Board Member (Independent)	Jun 2015 – Current
Francesca Wiggins	Board Member (Osteopathic) (Academic Council Representative)	Jun 2013 – Current

Company Secretary: Heather Batten – the Secretary is not a Trustee. A full list of current Board members and their background information can be found at www.bso.ac.uk/board.

School Management Team

The Principal's Group and School Management Team (SMT) are responsible for the day-to-day operation of the company. The members of the Principal's Group and SMT during the year were as follows:

- Charles Hunt Principal and Chief Executive
- Sharon Potter Vice Principal (Education)
- Steve Vogel Vice Principal (Research)
- Heather Batten Head of Quality & Student Experience Manager
- Laura Calvert HR Manager
- Philip Heeps Academic Registrar
- Simeon London Chair of Pre-Registration Education Portfolio Board
- Ian Maguire ICT Manager
- Elizabeth Sharma Facilities & Purchasing Manager
- Joanna Smith Finance Director
- Nina Waters Corporate Services Director
- Francesca Wiggins Head of Clinic

Professional Advisors

External Auditors: Mazars LLP, Times House, Throwley Way, Sutton, Surrey, SM1 4JQ

Internal Auditors: UNIAC, 4th Floor St James' Building, Oxford Street, Manchester, M1 6FQ

Bankers: Barclays Bank Plc, 1 Churchill Place, London, E14 5HP

Solicitors: Russell-Cooke LLP, 2 Putney Hill, Putney, London, SW1S 6AB

Shakespeare Martineau LLP, No 1 Colmore Square, Birmingham, B4 6AA

Trowers & Hamblins LLP, 3 Bunhill Row, London, EC1Y 8YZ

Investments: Rathbone Investment Management, 28 St Andrew Square, Edinburgh, EH2 1AF

Board Committees

The Board has various sub-committees which operate under specific terms of reference approved by the Board. The Board annually review the committees and their members to ensure there is a balanced range of skills.

The following committees act in an advisory capacity to the Board:

- Audit and Risk Committee
- Finance and Estates Committee
- Fundraising Committee
- Nominations Committee
- Remuneration Committee

The Audit and Risk Committee meets four times a year and is responsible for advising the Board on the appointment or dismissal of internal and external auditors; to review the effectiveness of internal control mechanisms; to consider audit reports from the internal and external auditors and management's response to those reports; to review the arrangements for the identification and management of risk and to review the BSO's annual report and financial statements before their submission to the Board.

The Finance and Estates Committee meets four times a year and monitors financial performance, sustainability, financial viability and estate strategy.

The Fundraising Committee normally meets four times a year and reviews the fundraising strategy to ensure that the direction accords with the School's wider strategic objectives. It also identifies individuals, trusts and organisations that may support the School's fundraising objectives.

The Nominations Committee meets as required each year to review the composition of the Board and recommend the appointment of members via the Annual General Meeting or through co-option.

The Remuneration Committee meets as required each year to set annual performance measures for the Principal and to assess his or her performance over the previous year. The Committee determines the policy for the Principal's total remuneration and benefits, including performance-related pay and bonus payments, and also for the Principal's Group.

Academic Council

The Academic Council is chaired by the Principal and is the ultimate academic authority of the School. It is responsible for ensuring the academic standards of the School and promoting, regulating and directing the academic work of the School, including teaching and research. It oversees academic management and all aspects of quality and standards associated with the School. The Academic Council is the forum in which the strategic academic development of the School is debated, critically reviewed and proposed to the Board for approval. Membership of the Academic Council is representative of the whole School, and includes elected student representatives and elected staff representatives. Two members of the Academic Council are external; they are not employed by the School and their membership provides an external higher education perspective that is valuable for a small specialist institution.

Risk Management and Internal Controls

The Key objective of the Schools risk management activities is to ensure that policies and procedures are in place to manage risks and opportunities and therefore enable the School to meet its strategic objectives. The Audit and Risk Committee provides impartial advice to the Board on the discharge of the Board's responsibilities for the effectiveness of risk management, internal control and management systems, and for the economy, efficiency and effectiveness with which the School's activities have been discharged.

All significant risks inherent to the School's business are identified, assessed and managed as part of this process. The key objectives of the Risk Management policy are to ensure a consistent basis for the identification, measurement, control, monitoring, follow-up and reporting of risk across the institution, based on the School's agreed appetite for risk.

Each department is required to produce its own risk register and the Head of Department is responsible for ensuring that the register is produced, regularly monitored and updated for the School Management Team in accordance with the Risk Management Cycle. A consistent methodology for measuring and scoring risks is applied throughout the School and risks are recorded in the standard template.

High Level Strategic risks are identified by the Principal's Group in consultation with the School Management Team, and High Level Risk action plans are considered by the Audit and Risk Committee and reported to the Board. It is recognised that there will be occasions when there are factors outside of the School's control which limit the measures that can be put in place to manage a risk. An example of this is the policies of government or other external agencies which affect the business. Whilst the School strives to drive agendas towards the School's own objectives by working closely with policy makers ultimately decisions are outside of the School's control. In these cases, it may not be possible to reduce the residual risk to within the Schools acceptable risk level.

Current High level Risks for the School include:

- **Principals Group spends too much time dealing with operational issues rather than strategic issues.**
To address this - a review of the workloads and responsibilities is currently underway and areas of responsibility are being reallocated.
- **Ineffective organisation and management of courses.**
To address this - a review of the management of the Schools courses is being undertaken, to ensure that we have the most effective and efficient management structure in place. The induction and professional development review process are being reviewed for academic staff.
- **Inadequate recruitment processes for students – undergraduate and postgraduate**
The School are currently in the process of recruiting a new Head of Marketing and Communications. The School have also undergone a rebranding exercise and developed a new website.
- **Failure to meet fundraising targets.**
The School are currently in the process of recruiting a new Fundraising Manager. The Board have agreed the Fundraising Strategy and action plans for the upcoming cycle.

- **Failure to achieve widening participation benchmarks and Access Agreement milestones**

The School has its first Access Agreement in place for the 2016/17 Cycles. There is a specific committee in place to monitor the Action Plans as agreed by OFFA and to review the targets quarterly.

Public Benefit

The Board members confirm that they have complied with the duty in the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit, 'Charities and Public Benefit'. The School's charitable purpose is enshrined in its objects 'to advance education'. The Board ensure that this purpose is carried out for the public benefit by delivering services that are valued by patients and students and by providing services that are accessible to all through bursary and non-commercial fees for clinical treatment. The structure of the Annual Report allows the School to report on the strategic aims, to explain its activities and achievements during the year and to show how these demonstrate public benefit.

Statement of Primary Responsibilities of the Governing Body

The Board is responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations. Company law requires the Board to prepare financial statements for the School for each financial year. The financial statements must be prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), and are required to give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for the year.

In preparing the financial statements the Trustees are required to:

- select the most suitable accounting policies and then apply them consistently
- observe the methods and principles in the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education 2015
- make judgments and estimates that are reasonable and prudent
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Board is responsible for ensuring that the charity has appropriate systems of controls, financial and otherwise. They are also responsible for keeping accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities Act 2011 and regulations made there under. They are also responsible for safeguarding the assets of the charity and ensuring their proper application under charity law, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Board is responsible for the maintenance and integrity of the financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements and other information included in annual reports may differ from legislation in other jurisdictions. The Board have confirmed that so far as they are aware, there is no relevant audit information of which the charitable company's auditors are unaware, and that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

Appointment of Auditors

The School will undertake market testing during 2016-17 to comply with the HEFCE Audit Code of Practice which states that 'market testing should be undertaken at least every seven years'. A resolution for the appointment of auditors will be proposed at the forthcoming Annual General Meeting.

The accounts were approved and authorised for issue by the Board of Directors on 23 November 2016 and signed on behalf of the Board.



Professor David Barrett
Chair of the Board
23 November 2016

Independent Auditors' Report to the Shareholders

We have audited the financial statements of the British School of Osteopathy for the year ended 31 July 2016 which comprise the Statement of Comprehensive Income and Expenditure, the Statement of Changes in reserves, the Balance Sheet, the Statement of Cash Flows, the Accounting Policies 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).

Respective responsibilities of the Board and auditors

As explained more fully in the Statement of Corporate Governance, the Board is 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 and express an opinion on 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.

This report, including the opinions, has been prepared for and only for the Board as a body in accordance with the Accounts Direction of the Charters and Statutes of the institution and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 institution's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Board; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the institution's affairs as at 31 July 2016 and of the income and expenditure, recognised gains and losses and cash flows 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 Statement of Recommended Practice – Accounting for Further and Higher Education.

Opinion on other matters prescribed in the HEFCE Audit Code of Practice issued under the Further and Higher Education Act 1992

In our opinion, in all material respects:

- funds from whatever source administered by the institution for specific purposes have been properly applied to those purposes and, if relevant, managed in accordance with relevant legislation;
- income has been applied in accordance with the institution's statutes; and
- funds provided by HEFCE have been applied in accordance with the Financial Memorandum and any other terms and conditions attached to them.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matter where the HEFCE Audit Code of Practice issued under the Further and Higher Education Act 1992 requires us to report to you if, in our opinion: the statement of internal control included as part of the Corporate Governance Statement is inconsistent with our knowledge of the institution.

Mazars LLP

Mazars LLP

Times House, Throwley Way, Sutton, Surrey SM1 4JQ

30th November 2016

Statement of Comprehensive Income and Expenditure

	<i>Notes</i>	Year ended 31 July 2016 £'000	Year ended 31 July 2015 £'000
Income			
Tuition fees and education contracts	1	3,386	3,075
Funding body grants	2	498	758
Research grants and contracts	3	5	3
Other income	4	758	824
Investment Income	5	24	16
Donations and endowments	6	785	259
Total Income		5,456	4,935
Expenditure			
Staff costs	7	3,159	3,082
Other operating expenses		1,478	1,185
Depreciation	10,11	246	263
Interest and other finance costs	8	196	200
Total expenditure	9	5,079	4,730
Surplus before other gains, losses and share of operating surplus		377	205
(Loss)/ Gain on investments		(19)	50
Total comprehensive income for the year		358	255
Represented by:			
Endowment comprehensive income for the year		-	-
Restricted comprehensive income for the year		100	3
Unrestricted comprehensive income for the year		258	252
		358	255

All items of income and expenditure arise from continuing operations.

Statement of Changes in Reserves

	Income and expenditure account			Share	Total
	Endowment	Restricted	Unrestricted	Capital	
	£'000	£'000	£'000	£'000	
Balance at 1 August 2014	12	244	4,319	1	4,576
Surplus from the income and expenditure statement	-	6	249	-	255
Release of restricted funds spent in year	-	(3)	3	-	-
Total comprehensive income for the year	-	3	252	-	255
Balance at 1 August 2015	12	247	4,571	1	4,831
Surplus from the income and expenditure statement	-	106	252	-	358
Release of restricted funds spent in year	-	(6)	6	-	-
Total comprehensive income for the year	-	100	258	-	358
Balance at 31 July 2016	12	347	4,829	1	5,189

Balance Sheet as at 31 July 2016

	Notes	2016 £'000	2015 £'000 (restated)
Non-current assets			
Intangible assets	10	39	-
Fixed assets	11	6,877	7,003
Investments	12	694	791
Social Investments	13	97	103
		7,707	7,897
Current assets			
Trade and other receivables	14	577	222
Cash and cash equivalents	20	1,971	1,821
		2,548	2,043
Less: Creditors: amounts falling due within one year	15	990	849
Net current assets		1,558	1,194
Total assets less current liabilities		9,265	9,091
Creditors: amounts falling due after more than one year	16	4,076	4,260
Total net assets		5,189	4,831
Share capital	17	1	1
Restricted Reserves			
Income and expenditure - endowment reserve	18	12	12
Income and expenditure - restricted reserve	19	347	247
Unrestricted Reserves			
Income and expenditure reserve - unrestricted		4,829	4,571
Total Reserves		5,189	4,831

The financial statements of the British School of Osteopathy, company registration number 146343 were approved by the Governing Body on 23 November 2016 and were signed on its behalf by:



Charles Hunt
Principal & Chief Executive



Professor David Barrett
Chair of the Board

Statement of Cashflows for the year ended 31 July 2016

	<i>Notes</i>	Year Ended 31 July 2016 £'000	Year Ended 31 July 2015 £'000
Cash flow from operating activities			
Surplus for the year		358	255
Adjustment for non-cash items			
Depreciation	11	244	263
Amortisation of intangibles	10	2	-
(Loss)/Gain on investments		19	(50)
Decrease/(increase) in debtors	14	(355)	16
Increase in creditors	15	133	131
Adjustment for investing or financing activities			
Investment income	5	(24)	(16)
Interest payable	8	196	200
Net cash inflow from operating activities		573	799
Cash flows from investing activities			
Disposal of non-current asset investments		174	259
Investment income		24	16
Payments made to acquire fixed assets		(159)	(70)
New non-current asset investments		(91)	(293)
		(52)	(87)
Cash flows from financing activities			
Interest paid		(196)	(200)
Repayments of amounts borrowed	16	(175)	(169)
		(371)	(369)
Increase in cash and cash equivalents in the year		150	342
Cash and cash equivalents at beginning of the year	20	1,821	1,479
Cash and cash equivalents at end of the year	20	1,971	1,821

Statement of Accounting Policies

Basis of preparation

These financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education 2015 and in accordance with Financial Reporting Standards (FRS 102). The institution is a public benefit entity and therefore has applied the relevant public benefit requirement of FRS 102.

The financial statements are prepared in accordance with the historical cost convention, except for investments which are stated at market value.

Basis of consolidation

As the subsidiary company has been dormant for the current and preceding years and has no material assets or liabilities, the School is not presenting consolidated financial statements.

The financial statements do not include the income and expenditure of the Students' Union as the institution does not exert control or dominant influence over policy decisions.

Income recognition

Income from the sale of goods or services is credited to the Statement of Comprehensive Income and Expenditure when the goods or services are supplied to the external customers or the terms of the contract have been satisfied.

Fee income is stated gross of any expenditure which is not a discount and credited to the Statement of Comprehensive Income and Expenditure over the period in which students are studying. Where the amount of the tuition fee is reduced, by a discount for prompt payment, income receivable is shown net of discount. Bursaries and scholarships are accounted for gross as expenditure and not deducted from income.

Funds that the institution receives and disburses as paying agent on behalf of a funding body are excluded from the income and expenditure of the institution where the School is exposed to minimal risk or enjoys a minimal economic benefit related to the transaction.

Grant Funding

Funding Council grants are received via the University of Bedfordshire and are recognised in income over the periods in which the institution recognises the related costs for which the grant is intended to compensate. Where part of the grant is deferred it is recognised as deferred income within creditors and allocated between creditors due within one year and due after more than one year as appropriate.

Grants (including research grants) from non-government sources are recognised in income when the BSO is entitled to the income and performance related conditions have been met. Income received in advance of performance related conditions being met is recognised as deferred income within creditors on the balance sheet and released to income as conditions are met.

Donations and endowments

Non exchange transactions without performance related conditions are donations and endowments. Donations and endowments with donor imposed restrictions are recognised in income when the institution is entitled to the funds. Income is retained within the restricted reserve until such time it is utilized in line with such restrictions at which point the income is released to general reserves through a reserve transfer.

Donations with no restrictions are recognised in income when the institution is entitled to the funds.

Investment income and appreciation of endowments is recorded in income in the year in which it arises and as either restricted or unrestricted income according to the terms applied to the individual endowment fund.

There are four main types of donations and endowments identified within reserves:

- Restricted donations
The donor has specified that the donation must be used for a particular objective.
- Unrestricted permanent endowments
The donor has specified that the fund is to be permanently invested to generate an income stream for the general benefit of the institution.
- Restricted expendable endowments
The donor has specified a particular objective other than the purchase or construction of tangible fixed assets, and the institution has the power to use the capital
- Restricted permanent endowments
The donor has specified that the fund is to be permanently invested to generate an income stream to be applied to a particular objective.

Capital grants

Government capital grants are recognised in income over the expected useful life of the asset. Other capital grants are recognised in income when the institution is entitled to the funds subject to any performance related conditions being met.

Pension scheme

The School operates a defined contribution group personal pension plan whereby it pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the income statement in the periods during which services are rendered by employees.

Employment benefits

Short term employment benefits such as salaries and compensated absences are recognised as an expense in the year in which the employees render service to the institution. Any unused benefits are accrued and measured as the additional amount the institution expects to pay as a result of the unused entitlement.

Finance leases

Leases in which the institution assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. Leased assets acquired by way of a finance lease and the corresponding lease liabilities are initially recognised at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease.

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Operating leases

Costs in respect of operating leases are charged on a straight-line basis over the lease term. Any lease premiums or incentives are spread over the minimum lease term.

Fixed assets

Fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Where parts of a fixed asset have different useful lives, they are accounted for as separate items of fixed assets.

Land and Buildings

Leasehold Land and buildings are stated at cost. Costs incurred in relation to land and buildings after the initial purchase or construction are capitalised to the extent that they increase the expected future benefits to the institution.

Leasehold land and buildings are amortised over 50 years.

No depreciation is charged on assets in the course of construction.

Equipment

Equipment, including computers and software, costing less than £500 per individual item is recognised as expenditure. All other equipment is capitalised.

Capitalised equipment is stated at cost and depreciated over its expected useful life as follows:

Computer Equipment	4 years
General Equipment	5 years
Furniture and Fittings	5 years

Depreciation methods, useful lives and reviewed at the date of preparation of each Balance Sheet.

Borrowing costs

Borrowing costs are recognised as expenditure in the period in which they are incurred.

Intangible assets

Intangible assets are amortised over 5 years representing the remaining estimated economic life of the assets. They are subject to periodic impairment reviews as appropriate.

Investments

Listed investments held as non-current assets are shown at market value with movements recognised in the Surplus or Deficit.

Cash and cash equivalents

Cash includes cash in hand, deposits repayable on demand and overdrafts. Deposits are repayable on demand if they are in practice available within 24 hours without penalty.

Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash with insignificant risk of change in value.

Provisions, contingent liabilities and contingent assets

Provisions are recognised in the financial statements when:

1. the institution has a present obligation (legal or constructive) as a result of a past event;
2. it is probable that an outflow of economic benefits will be required to settle the obligation; and
3. a reliable estimate can be made of the amount of the obligation.

A contingent liability arises from a past event that gives the institution a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the institution. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required or the amount of obligation cannot be measured reliably.

A contingent asset arises where an event has taken place that gives the institution a possible asset whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the institution.

Contingent assets and liabilities are not recognised in the Balance Sheet but are disclosed in the notes.

Taxation

The institution is an exempt charity within the meaning of Part 3 of the Charities Act 2011. It is therefore a charity within the meaning of Para 1 of schedule 6 to the Finance Act 2010 and accordingly, the institution is potentially exempt from taxation in respect of income or capital gains received within the categories covered by section 478-488 of the Corporation Tax Act 2010 (CTA 2010) or section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied to exclusively charitable purposes.

The institution receives no similar exemption in respect of Value Added Tax. Irrecoverable VAT on inputs is included in the costs of such inputs. Any irrecoverable VAT allocated to fixed assets is included in their cost.

Reserves

Reserves are classified as restricted or unrestricted. Restricted endowment reserves include balances which, through endowment to the institution, are held as a permanently restricted fund which the School must hold in perpetuity.

Other restricted reserves include balances where the donor has designated a specific purpose and therefore the institution is restricted in the use of these funds.

The Governing body, at its discretion, can earmark funds out of unrestricted reserves for specific purposes. Certain non-binding commitments that are to be met out of future designated income streams, other than amounts recognised as liabilities in the balance sheet, are held as designated funds.

Transition to 2015 SORP

The School is preparing its financial statements in accordance with FRS 102 for the first time and consequently has applied the first time adoption requirements. An explanation of how the transition to 2015 SORP has affected the reported financial position, financial performance and cash flows of the results of the School is provided in note 24. The transition date is 1 August 2014.

Notes to the Financial Statements

	Year ended 31 July 2016 £'000	Year ended 31 July 2015 £'000
1. Tuition fees and education contracts		
Full-time undergraduate Home and EU students	1,946	1,862
Full-time postgraduate Home and EU students	90	114
Part-time Home and EU students	983	753
Non EU Domicile students	234	181
Other fees and support grants	133	165
	3,386	3,075
2. Funding body grants		
Recurrent grant from HEFCE received via University of Bedfordshire	498	758
3. Research grants and contracts		
Grants and other contracts	5	3
4. Other income		
Clinic Income	620	643
Income from Health & Hospital Authorities	55	90
Other income	83	91
	758	824
5. Investment Income		
Interest on cash deposits	5	4
Dividends and interest on listed investments	19	12
	24	16
6. Donations and endowments		
New endowments	-	-
Donations with restrictions	201	131
Unrestricted donations	584	128
	785	259

7. Staff costs

	Year ended 31 July 2016	Year ended 31 July 2015
	£'000	£'000
Salaries	2,858	2,787
Social security costs	234	232
Pension costs	67	63
Total	3,159	3,082

Emoluments of the Principal & Chief Executive:

	£	£
Salary	137,065	134,984
Benefits	142	136
Pension Contributions	4,112	4,020
	141,319	139,140

Remuneration of other higher paid staff, excluding employer's pension contributions:

	No.	No.
£60,000 - £69,999	-	2
£70,000 - £79,999	2	-
	2	2

Average staff numbers by major category:

	No.	No.
Academic	55	54
Clinic	60	63
Research	5	5
Management & Fundraising	11	13
Facilities & ICT	7	8
	138	143

Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the institution. They include the Vice Principal (Education), Vice Principal (Research), Dean of Academic Development (from April 2016), Head of Clinical Education, Head of Clinic, Finance Director and Corporate Services Director.

	Year ended 31 July 2016	Year ended 31 July 2015
	£'000	£'000
Salary and benefits of Key management personnel	372	339

7. Staff costs (continued)

Board members

The institution's board members are the trustees for charitable law purposes. Due to the nature of the institution's operations and the composition of the Board, being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the Board may have an interest. All transactions involving organisations in which a member of the Board may have an interest, including those identified below are conducted at arm's length and in accordance with the institution's financial regulations and procurement procedures. Transactions totalling £29,400 relating to property consultancy took place with Grant Monger Godfrey Chartered Surveyors, a firm in which the special advisor to the Finance & Estates Committee has a major interest. Transactions totalling £13,219 for GuildHE membership took place of which a board member is the Deputy CEO.

The trustees received no remuneration in respect of their services as board members. Certain members of the institution's staff served as board members and received remuneration (including pension contributions) for teaching and management amounting to £54,856 (2015: £50,576).

No board member has received any waived payments from the institution during the year (2015: none).

The total expenses paid to or on behalf of 3 board members was £1,521 (2015: £997 to 4 trustees). This represents travel and subsistence expenses incurred in attending committee meetings and charity events in their official capacity. Expenses incurred by the Principal & Chief Executive were in the course of his duties.

	Year ended 31 July 2016 £'000	Year ended 31 July 2015 £'000
8. Interest and other finance costs		
Loan interest	196	200
9. Analysis of total expenditure by activity		
Academic and related expenditure	2,820	2,780
Administration and central services	1,135	915
Premises	1,059	990
Other income generating activities	65	45
	5,079	4,730
Other operating expenses include:		
External auditors remuneration in respect of audit services	16	16
Operating lease rentals		
Land and buildings	20	20
Other	-	6

10. Intangible assets

	Year ended 31 July 2016 £'000
Software	
Opening balance	-
Additions in the year	41
Amortisation charge for the year	(2)
Closing balance	<u>39</u>

The addition during the year relates to the purchase of software intangible assets.
The amortisation period is 5 years.

11. Fixed Assets

	Leasehold property £'000	Computers and video equipment £'000	Furniture, fixtures & equipment £'000	Total £'000
Cost				
At 1 August 2015	8,518	514	266	9,298
Additions	-	115	3	118
Disposals	-	(14)	-	(14)
At 31 July 2016	<u>8,518</u>	<u>615</u>	<u>269</u>	<u>9,402</u>
Depreciation				
At 1 August 2015	1,679	404	212	2,295
Charge for the year	171	58	15	244
Written off on disposal	-	(14)	-	(14)
At 31 July 2016	<u>1,850</u>	<u>448</u>	<u>227</u>	<u>2,525</u>
Net book value				
At 31 July 2016	<u>6,668</u>	<u>167</u>	<u>42</u>	<u>6,877</u>
At 31 July 2015	<u>6,838</u>	<u>110</u>	<u>55</u>	<u>7,003</u>
Analysis of leasehold property:			2015	2016
			£'000	£'000
Long leasehold			3,600	3,509
Improvements to the long leasehold property			3,238	3,159
			<u>6,838</u>	<u>6,668</u>

The leasehold properties are charged as security for the bank loan as disclosed in note 16.

12. Non-Current Investments

	Subsidiary Company £'000	Other fixed assets investments £'000	Total £'000
As at 1 August 2015	1	790	791
Additions	-	91	91
Disposals	-	(188)	(188)
As at 31 July 2016	<u>1</u>	<u>693</u>	<u>694</u>

The non-current investments have been valued at market value.

Investment in subsidiary company

On 20 May 1999, the School invested £1,000 in the BSO Trading Company Limited, a company registered in England and Wales. This investment represents 1,000 ordinary shares of £1 each, being the whole of the issued share capital of the company.

These shares were fully paid up on 9 March 2000.

During the year ended 31 July 2016 the company did not trade. Its reserves at 31 July 2016 were £15 (2015: £15).

13. Social Investments

	Total £'000
Amounts due from loans to students	<u>97</u>

Social Investments

BSO Student Loans are repayable in 60 monthly instalments within five years following graduation, or immediately on leaving without graduating. Graduates are encouraged to repay earlier to provide funds to assist future students with limited funds to pay their fees.

14. Trade and other receivables

	Year ended 31 July 2016 £'000	Year ended 31 July 2015 £'000
Amounts falling due within one year:		
Trade receivables	8	50
Other receivables	23	20
Prepayments and accrued income	546	152
	<u>577</u>	<u>222</u>

15. Creditors: amounts falling due within one year

	Year ended 31 July 2016 £'000	Year ended 31 July 2015 £'000
Secured loans	183	175
Trade payables	258	98
Other payables	41	27
Social security and other taxation payable	74	92
Accruals and deferred income	434	457
	<u>990</u>	<u>849</u>

16. Creditors: amounts falling after more than one year

Secured loans	4,259	4,435
Analysis of secured loans:		
Due within one year (see note 15)	183	175
Due between one and two years	189	183
Due between two and five years	621	595
Due in five years or more	3,266	3,482
Due after more than one year	<u>4,076</u>	<u>4,260</u>
Total secured loans	<u>4,259</u>	<u>4,435</u>

The amount above comprises of the following loans:

A loan in the sum of £3,100,000 from Barclays to finance the acquisition of the long leasehold property in Southwark Bridge Road in August 2007, repayable over 25 years at a fixed interest of 6.38%. And a second loan in the sum of £2,069,000 from Barclays Bank PLC to finance the fit-out to the long leasehold property in August 2007 repayable over 25 years at a rate of 0.75 above LIBOR.

The total capital loan repayments during the year amount to £174,953. Both loans are secured on the properties 275 Borough High Street and 98-118 Southwark Bridge Road.

17. Share Capital

	2016 £	2015 £
Ordinary shares	482	482
“B” shares	94	94
Share Premium	396	396
Total	<u>972</u>	<u>972</u>

	Authorised		Allotted, issued and fully paid	
	2016	2015	2016	2015
	£	£	£	£
Ordinary shares of £1 each	4,906	4,906	482	482
"B" shares of £1 each	94	94	94	94
Total	5,000	5,000	576	576

18. Endowment Reserves

Restricted net assets relating to endowments are as follows:

	Restricted permanent endowments	2016 Total £'000	2015 Total £'000
R K Hardy Prize Fund	12	12	12

This is a memorial fund established on 7 May 1993. The interest on the capital, which is used to give a graduation prize to one student annually, is recognised as income within restricted reserves.

The R K Hardy Prize Fund was registered on 23 August 2002 as a subsidiary charity, registration number 312873-1, with a permanent endowment fund and linked to the School. For the purpose of these accounts the charity is accounted for on the basis that the management of its assets is undertaken by the institution.

19. Restricted Reserves

Reserves with restrictions are as follows:

	Donations	2016 Total £'000	2015 Total £'000
Balances at 1 August 2015	247	247	244
New donations	256	256	131
Expenditure	(150)	(150)	(125)
Transfers	(6)	(6)	(3)
Total restricted comprehensive income for the year	100	100	3
At 31 July 2016	347	347	247

	2016	2015
	Total	Total
Analysis of other restricted funds/donations by type of purpose:	£'000	£'000
BSO Student Loans Fund	218	198
Scholarships and bursaries	11	11
Prize funds	105	7
Community Clinics' funds	3	14
Persistent Pain Clinic (OsteoMAP) (funded by the Dept. of Health)	-	17
General	10	-
	<u>347</u>	<u>247</u>

20. Cash and cash equivalents

	At 1 August	Cash flows	At 31 July
	2015		2016
	£'000	£'000	£'000
Cash and cash equivalents	1,803	57	1,860
Investment bank account	18	93	111
	<u>1,821</u>	<u>150</u>	<u>1,971</u>

21. Student Union

The institution holds £8,435 in separate bank accounts on behalf of the BSO Student Union (2015: £13,358).

22. Lease obligations

Total rentals payable under operating leases:

	Land and	31 July 2016	31 July 2015
	Buildings	£'000	£'000
Payable during the year	20	20	20
Future minimum lease payments due:			
Not later than 1 year	20	20	20
Later than 1 year and not later than 5 years	80	80	80
Later than 5 years	740	740	760
Total	<u>860</u>	<u>860</u>	<u>880</u>

23. Pension scheme

The institution operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the charity in independently administered funds. Contributions paid by the institution to this scheme, on behalf of 93 staff (2015: 85 staff) amounted to £66,963 (2015: £62,612).

24. Transition to FRS102 and the 2015 SORP

As explained in the accounting policies, these are the institution's first financial statements prepared in accordance with FRS 102 and the SORP. The Statement of Accounting Policies have been applied in preparing the financial statements for the year ended 31 July 2016 and the comparative information presented in these financial statements for the year ended 31 July 2015. In preparing its financial statements, the institution has adjusted amounts reported previously in accordance with the old basis of accounting (2007 SORP). There were no numerical adjustments required.

Cash flows

The only impact of the transition to FRS 102 on the cash flows of the institution is the reclassification of some short term investments to cash and cash equivalents.

For further information, please contact:

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