

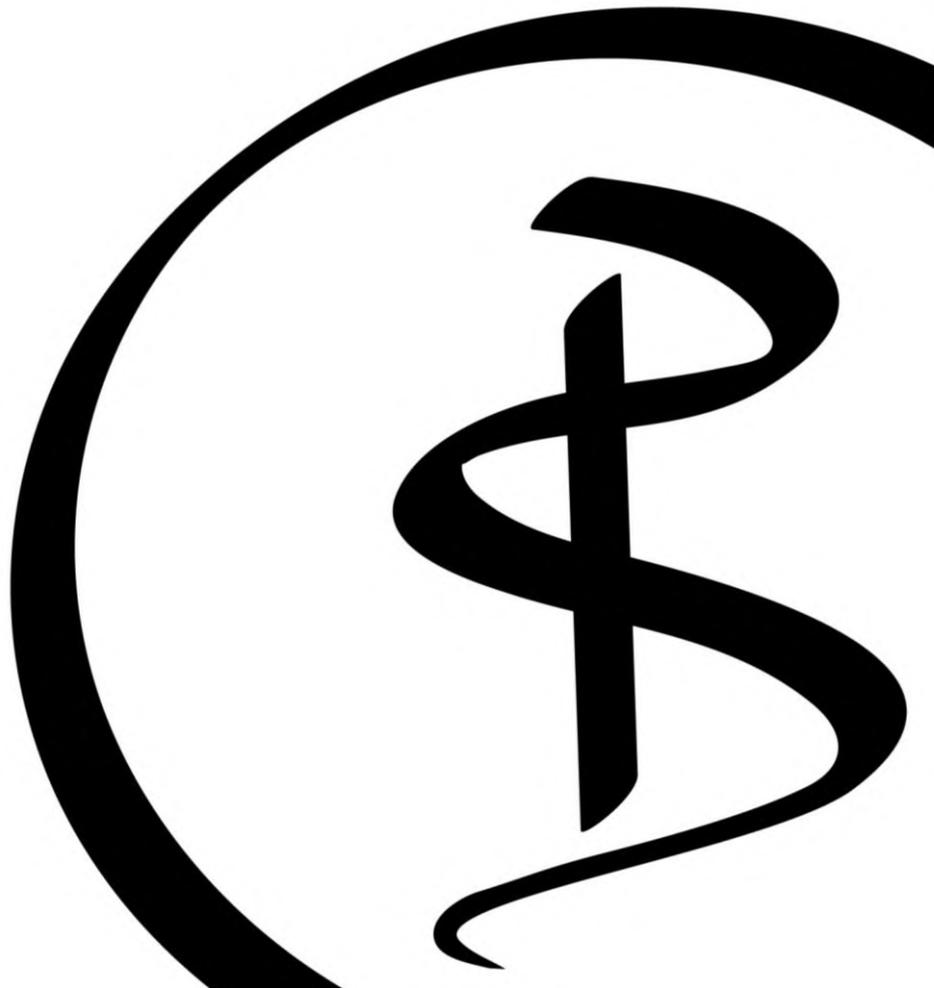


THE BRITISH SCHOOL OF OSTEOPATHY

Annual Report & Financial Statements

Year ended 31 July 2010

Company registration number: 146343 (England and Wales)
Registered Charity number: 312873





THE BRITISH SCHOOL OF OSTEOPATHY

The BSO and Osteopathy

Who we are and what we do

The British School of Osteopathy (BSO) is the UK's oldest and largest school of osteopathy. Now based in Southwark, central London, we were founded in 1917. Our Patron is HRH The Princess Royal, Princess Anne.

The BSO is dedicated to educating osteopaths, treating patients and pursuing osteopathic research.



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

BSO-trained osteopaths work in all walks of life. They make important health care 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.

"The BSO seemed to tick all the boxes for me. Every osteopath I spoke to praised the BSO and told me about its great reputation." Hannah Lewis, BSO graduate.

"I was very impressed with the professionalism of the students and with the standard of care that they provided. I was immediately at ease and felt in the very best of hands given the quality of the students coupled with the detailed supervision provided by the tutors. What better way to solve my aches and pains than to be treated by people educated in the latest techniques, supporting the development of talented people and at an extremely competitive price." Siobhan Sheridan, BSO patient



Table of contents

	Page
Chair's message	3
Report of the Directors	4
Legal and administrative information	29
Independent auditors' report to the Members	32
Statement of financial activities for the year ended 31 July 2010	34
Balance sheet at 31 July 2010	35
Cash flow statement for the year ended 31 July 2010	36
Notes to the cash flow statement for the year ended 31 July 2010	37
Notes to the financial statements for the year ended 31 July 2010	38

"The BSO has a friendly, welcoming feel. In clinic, a framework of support was developed to help struggling students, which I think is essential. Especially important to me was the number of tutors who 'went the extra mile' with the dedication and enthusiasm they showed." Diana Rowlands, BSO graduate.

"I have been in receipt of osteopathic treatment from the BSO since it was based at Suffolk Street, off Trafalgar Square in the 1980s. The BSO has always been successful in treating the many problems I have had over the years. Most recently I have been successfully treated for a neck problem: I am now completely free of pain and discomfort. I am very pleased to recommend the BSO." Maurice Soffa, BSO patient.

Message from the Chair

This year has been another very successful one for the British School of Osteopathy (BSO) in all areas of activity. I am delighted to report that the BSO negotiated a new contract with the University of Bedfordshire to provide both validation of its education programmes but also the block funding for its Integrated Masters (M.Ost) degree. This contract will allow the BSO a degree of stability over what could be testing times in the higher education sector.

Central to the BSO's work over the year was the production of a new, five year strategic plan, which was signed off by the Board in July. This document will help the BSO navigate its way with more clarity over the next few years, and will allow appropriate resourcing of projects.

Work began on refurbishing the former clinic areas at our Borough High Street building: air conditioned lecture and seminar rooms were created on the first floor. The ground floor was also refurbished with new showers being fitted, and the student areas were improved and expanded.

The year was academically very successful, with the first cohort of students graduating with our new M.Ost award: 14 students achieved this award with distinction, a credit to both themselves and to the faculty and staff at the BSO.

Financially, most income areas have been on target and expenditure has been below budgeted levels. We continue to be extremely grateful to all the trusts, foundations and individual supporters of the BSO who allow us to expand our provision.



The reputation of the BSO has been further enhanced this year with many faculty members presenting at conferences worldwide, and our research department's reputation continues to grow. This year saw the team, in collaboration with other institutions, start the largest research project in osteopathy ever undertaken in the United Kingdom. The project looks at risk management as well as patient experience of treatment and we

look forward to the results.

A number of BSO Directors retired this year, following completion of their term of office. The BSO's overall progress would not have happened without their efforts, and I would like to thank Mark Corson and Shivaun Riley for their contribution. It is with sadness that I must also report that Ray Atwell, a lay member of the Board, passed away in August 2009: our thoughts are with his family.

Dr David Langley
Chair
BSO Board of Directors

Report of the Directors

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.

Our mission

The BSO seeks to provide its students with the highest quality osteopathic education programmes to enable them to develop into patient-centred practitioners equipped to deal with the challenges of the modern health care arena. We also seek to provide evidence-informed best practice healthcare in the community. We do this by striving to be an international centre of excellence, celebrating diversity in all our activities. We provide leadership in osteopathic education, research and healthcare, and we are committed to innovation, scholarship, professional collaboration and best practice.

Our vision

The BSO Board reviewed the strategic vision of the charity in 2009 and approved the strategic plan for the forthcoming five years from 2010-2015. Our vision is that the BSO will lead and develop osteopathy internationally through the delivery of high quality, evidence-informed learning opportunities for students and health care practitioners within a modern, well resourced learning environment. Our clinical provision will be evaluated and extended to enable wider access for the public and voluntary sectors. The BSO's research activity will be increased, alongside a growth in collaborative relationships with osteopathic and other higher education institutions. All our staff will be experts; highly qualified both as teachers as well as in their areas of expertise, and fit for contemporary practice. A high proportion of faculty will be routinely participating in research and scholarship activities.

The BSO: helping students succeed

Donna Clift-Williams, an ex-professional dancer and a mother of two young children, was working as a fitness instructor when she first considered osteopathy as a career.

"I had no academic confidence before I came to study at the BSO. They drew the best out of me and I exceeded all my expectations," says Donna.

"I wanted to do something that involved the body and health," she explains. "I also wanted an academic qualification. My own osteopath recommended that I study at the BSO – it's the most recognised osteopathy teaching school."



Donna began by taking the BSO's one-year Access course, designed for students who want a career in osteopathy but who may not have all the necessary qualifications to study immediately for the degree. Many Access students work during the week so the course is delivered at the BSO on some Friday evenings and Saturdays during term time.

She then took her degree via the BSO's Mixed Mode pathway: three years of mixed part-time and on-site learning followed by two years of full-time study.

"The BSO offered me flexible study, which was very important," says Donna. "The teaching staff were approachable and always ready to give me individual time and help when I needed it."

Donna was thrilled to graduate with distinction, and to win an award for her individual enquiry presentation, now due to be published. She has since gone from strength to strength, setting up her own private osteopathy clinic. She now works as a BSO Practical Osteopathic Skills Lecturer, is a member of its research ethics committee, and is planning to start a BSO professional doctorate in osteopathy.

"I hadn't realised I was capable of that level of achievement," she says. "The BSO has encouraged and supported me throughout."

Our activities

The BSO promotes osteopathy and osteopathy's contribution to the provision of contemporary health care 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. Education programmes include our M.Ost (integrated Masters) degree; our Access to Higher Education Diploma (Osteopathic Sciences & Health Care) and our Introduction to Osteopathic Sciences course.
- 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 health care 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, older people in their home settings and children with social, behavioural and emotional difficulties.
- Maintaining a commitment to support osteopathic research, to facilitate continuous improvement in professional practice and contributing knowledge to the wider community.



Objectives for the year

The BSO's objectives for the year were:

- To prepare a revised strategic plan for 2010-2015.
- To deliver and review our second year of teaching the new M.Ost degree programme.
- To promote our pre-entry courses, including the Access to Higher Education Diploma (Osteopathic Sciences & Health Care) and Introduction to Osteopathic Sciences courses.
- To consider extending our range of postgraduate studies and developing a professional doctorate degree.
- To continue the major Clinical Risk Osteopathy and Management (CROaM) research study, which is investigating osteopathic attitudes to managing and assessing risk.
- To promote osteopathic health care by gaining national recognition for our community outreach work, whilst also raising awareness of the benefits of osteopathy to the local community.
- To improve the learning environment for BSO students.
- To extend our agreement with the University of Bedfordshire for validating our degrees and for receipt of higher education funding.
- To expand and diversify partnerships and opportunities for productive professional collaboration.



Our strategies

- To develop our students into the best osteopathic practitioners, who will work in a diverse health care arena, by offering high quality undergraduate and postgraduate education programmes.
- To provide excellent osteopathic care within the community in a variety of settings.
- To offer leadership and development through well-supported and motivated staff.
- To enhance evidence-based osteopathic practice – both nationally and internationally – in research, scholarship, academic standards and continued professional development.
- To continue our outreach work to encourage increased take-up of our education programmes and of our health care services across all sections of the community.



The BSO: providing excellent osteopathic health care

“The BSO has saved my mobility and given me hope for the future, a future without any more operations. I’m in minimal pain now, my overall outlook is much healthier and happier, and it has made such a difference,” says Su Kirkby.

Su, 63, has arthritis. She had to take early retirement, and had a total hip replacement in 2003. Sadly, she then developed severe nodule osteoarthritis in her upper and lower spine, right hip, both knees and hand joints.

She had previously seen an osteopath, but could no longer afford private practice fees. Then a friend gave her a leaflet about osteopathic treatment at the BSO, and offered to pay for her first visit. BSO patient fees are less than half those generally charged in private practice, and the BSO offers concessionary rate treatment to many groups of the community. Patients are treated by senior osteopathy degree students, supervised by tutors who are fully-qualified osteopaths.

“When I first came in 2004 I was using a crutch to walk and could not climb stairs,” says Su, who is from Lewisham, south east London. “I would go in walking hunched, but come out each time improved and walking straighter.

“The first important thing for me about the BSO was affordability. But then you realise all the expertise that’s there. You get the best from students – they are training and being continually assessed so they are always on the ball, backed up by good tutors who are up-to-date on all the most modern outlooks on osteopathy.

“You are also very involved in your own treatment,” continues Su. “It’s a holistic approach: whatever is wrong with you that day is put right. You always know what’s happening to you and why it’s being done; for example if they are manipulating or working on a part of your body that’s different from where you are immediately experiencing pain, then they explain how the whole body is linked. You also learn as students and tutors talk about your treatment – I’ve picked up lots of really useful things that I can now do at home for myself to help alleviate pain if it comes on, or stop it getting worse, such as using ice packs or gentle massage. That’s great, because it makes you feel that you yourself have some control over your condition”.

Our achievements during the year

During the year we achieved the following:

Strategic review

A strategic review involving discussions with all managers, key stakeholders and the Board was undertaken in 2009 and the Board subsequently approved the strategic plan for the period 2010-15. During the year supporting strategies were developed to implement and monitor progress of the plan.

Teaching in osteopathy

In 2010 our graduating students were the first group to benefit from the M.Ost (integrated masters) programme. Formerly, BSO students studied for a bachelor-level degree. We saw an increase in the number of students successfully completing their degree, despite the more challenging M.Ost programme: 97% this year compared to 95% in 2009. In 2010, 99 students graduated and 14 achieved the level of distinction. At the end of the year there were 357 students studying a four year full time M.Ost course and 103 studying as part time M.Ost students, via our 'mixed mode' degree pathway.



Access to Higher Education Diploma (Osteopathic Sciences & Health Care) course

The BSO aims to support individuals who wish to become registered osteopaths but who do not meet the academic requirements to study at our M.Ost level.

The BSO's Access to Higher Education Diploma (Osteopathic Sciences & Healthcare) course is a one year, part time course designed for students who have not studied science at school. Access students are typically recruited from applicants/enquirers to the BSO for the M.Ost course. If it is identified that students have more appropriate backgrounds for the Access course they are given the necessary information and support to apply.

37 students started the course in 2009/10, with 25 having a successful outcome. 20 progressed to our M.Ost degree and a further two chose to study elsewhere. Five students are re-sitting part(s) of the course.

BSO Access course

Manmohan Birdi had always been interested in a career in osteopathy, but had been working in very different fields – IT and retail. He didn't have an A level in Biology, so he took the BSO's Access course. "It really helped me get to grips with what the degree course was really about," explains Manmohan, who then went straight into studying his osteopathy degree full time. "The BSO degree is a very tough and focused course but it is incredibly rewarding".



Introduction to Osteopathic Sciences

The Introduction to Osteopathic Sciences (IOS) course is a short course, designed to meet the needs of students who already have a solid educational background but who need to gain knowledge and show proficiencies in the sciences. The IOS course had three cycles during the year. The course has six lectures – one for each of the units – with online support from the tutors, formative assessments and summative assessments.

42 of the 43 students who studied the IOS course this year were successful and 36 have enrolled on our M.Ost degree programme in 2010.



Development of post-qualification education

The BSO aims to increase expertise in the osteopathic profession, and has been successful in developing and receiving approval from the University of Bedfordshire to run a Professional Doctorate, which it plans to commence in 2010-2011. A Postgraduate Certificate in Academic and Clinical Education and a Masters in Osteopathy degree are also being developed.

We have continued to run and develop post-qualification courses to enable qualified osteopaths in practice to increase their skills and meet their post qualifying professional development. A series of courses ran throughout the year including the BSO's popular, five-day osteopathy in the cranial field course, along with established courses such as advanced spinal manipulation and ergonomics.

New courses were run for the first time in osteopathic philosophy and principles and the Still technique, and a first aid course was developed during the year.

Quality of teaching and learning

The BSO strives to provide excellence in academic and clinical teaching, The School received very positive feedback from external examiners of the M.Ost degree programme on the quality of students' academic standards. In addition, the awarding body for the Access to Higher Education Diploma (Osteopathic Sciences & Health care) course commented on the course being a model of good practice. The BSO places considerable emphasis on staff development for all teaching staff.

"The educational standards are very high, the learning resources are great and it's a really friendly environment". Fernando del Rio, BSO graduate.



Research programme

The BSO is continuing to work on our large, funded study entitled *Investigating osteopaths' attitudes to managing and assessing risk in clinical settings and adult patients' experiences and responses to osteopathic treatment*, also known as the



Clinical Risk Osteopathy and Management (CROaM) study. The project has been funded by the General Osteopathic Council and the award is being managed by the National Council for Osteopathic Research.

This project strengthens existing collaborations with co-applicants from Barts and The London School of Medicine and Dentistry; Royal Holloway, University of London and Warwick Medical School. We have completed the development of the instruments for patients and practitioners and conducted the pilot phase of the practitioner survey. The main phase of the practitioner survey and the further elements of the patient survey are developed, and planning for delivery of these parts of the study is complete. The third stage of interviewing osteopaths and patients will be implemented in the next year.

Collaboration with other institutions is a key way to develop the BSO's research capability and track record. Steven Vogel, BSO Vice Principal (Quality and Research) is external collaborator on a NHS National Institute for Health Research programme grant held at the Research Institute of Primary Care and Health Sciences, Keele University. He has also been contributing to an Arthritis Research Campaign clinical studies group. Steven was a member of the Guideline Development Group for the National Institute of Health and Clinical Excellence's clinical guideline for the management of persistent non specific back pain. He has been invited to present this work to a number of different professional audiences.

The BSO's research team continues to contribute to the *International Journal of Osteopathic Medicine*. Paul Blanchard, BSO Research Fellow and Senior Clinical Tutor, leads on the production of the *Research and Treatment Bulletin (RTB)* which appears four times a year in the *International Journal of Osteopathic Medicine*, of which Steven Vogel is one of the three editors.

The BSO co-founded the Chiropractic, Osteopathy and Physiotherapy (COP) conference, and it continues to offer new graduates and students the opportunity to present research findings completed as part of their programmes of study. The conference now attracts abstract submissions from a large range of institutions and has begun to receive contributions from colleagues internationally. This year's event was a great success and included high quality presentations selected from the response to the call for abstracts. The keynote address was delivered by Dr Nefyn Williams, Clinical Senior Lecturer in the Department of Primary Care and Public Health at Cardiff University. His address focused on a programme of research encouraging patients with osteoarthritis in the hip or knee to exercise more.

"Developing my presentation allowed me to reflect over the work that I had done and, now that I am a practising osteopath, to see its limitations from a new perspective and with a more open mind..... Overall I feel that the COP conference acts as an excellent vehicle for undergraduate and postgraduate students who are entering the research-based environment." John Singleton, 2009-2010 BSO graduate.

Clinical activities



During the year we:

- Continued to promote the osteopathic healthcare – which is provided free of charge to patients thanks to the generosity of external funders – available via our community outreach projects, thus raising awareness of the benefits of osteopathy to the local community.
- Continued to increase patient attendance and in-house clinic income, in line with overall BSO strategy and in support of the student learning experience.
- Extended our partnership arrangements, thus enabling more people to access our clinics.

“Recently I was having great difficulty breathing, even when walking very slowly. I was very worried, even to the point of sorting out financial affairs should my wife need to claim in the event of my death. Since then the very professional and extremely proficient tutors and students at the BSO have worked on my ribs, and other parts of my body that help me breath, with wonderfully positive results. I no longer feel 97 years old. I’m 27, and recently was able to dance my way through a weekend event that I had been invited to. I can run up stairs two at a time, and I can do daily exercises with great enjoyment, full of breathing energy. So a fantastic thank you to all the BSO team who have manipulated me back to optimum health.” John Rawlinson, BSO patient.

The BSO provides osteopathic clinics from its fully accessible, purpose-built clinical centre in Southwark Bridge Road, and also provides outreach clinics run in community settings. Our in-house patient services include specialist clinics for sports injuries, children, people with HIV/AIDS and for expectant mothers. Our community outreach clinics provide osteopathy for older people, homeless people, children with emotional and behavioural difficulties and patients with

HIV/AIDS of the Royal Free Hospital, as well as for patients of a local GP surgery and customers of a nearby parents' and children's centre, both of which are situated in areas of great economic deprivation and social exclusion.

"I am just so comfortable coming here: it's like a second home to me. You can get different students treating you, but they all come from different backgrounds, so they can have different approaches which can be helpful, for example if I have a new problem. And they all know my HIV status, so I can be honest with them, which helps them to learn too.

"Lots of people think that, because there is now medication for HIV that can keep people alive you should just be grateful and get on with it, but there can still be lots of problems in dealing with HIV. The osteopathy I get is helping to keep things under control. I don't know what I would have done if this clinic had not been started: it is fantastic that my doctor steered me here." Sally, a patient at the BSO's community outreach clinic for people with HIV/AIDS, which is run from the Ian Charleson Day Centre at the Royal Free Hospital, north London.

During the year the BSO provided 38,404 treatment sessions from our clinical centre, compared with 37,084 in 2009. Our standard charges for treatment at our clinical centre are heavily subsidised, and are set significantly below commercial rates, to enable those who would not normally be able to afford osteopathic treatment to access our clinics. Indeed, our standard charges are generally half what is normally charged for osteopathic treatment in private practice. However, 40.6% of the sessions last year were provided at a further discount, as we continued to offer concessionary rate osteopathy to groups including children, full time students, people aged 60+ and those receiving Jobseekers Allowance, Income Support or disability benefits. A further 8.6% of sessions last year were offered free of charge to patients.

"The standard of treatment we have received has always been excellent. As we are both pensioners, that value for money is really important – we could not afford to keep seeing an osteopath privately, and we would face long waits for treatment via the NHS." Himat and Nalini Shah, BSO patients.

In addition, our specialist community outreach clinics are free of charge to patients, thanks to the generosity of trusts and foundations.

<u>In-house clinics</u>	Clinical appointments
Total number of new patients	6,960
Total number of ongoing patients	31,444
Total number of new and ongoing patients	38,404

<u>Community clinics</u>	Clinical appointments
Chapman Clinic for patients with HIV/AIDS (also included in in-house table above)	1,639
Royal Free Hospital (for patients with HIV/AIDS)	920
Clinics for older people (Lucy Brown House and Darwin Court)	469
Manna Day Centre (homeless people)	227
Beormund Primary School	163
East Street GP surgery	1,128
1 st Place Children's and Parents Centre	340
Bethnal Green Health Centre (NB: this clinic ceased operation in March 2010 due to withdrawal of funding to the GP practice)	498
Total (excluding Chapman Clinic)	3,745

The BSO has also continued work building community partnerships with a range of organisations. Via its community partnerships, the BSO promotes osteopathy and its range of patient services to partners' employees or members, also offering them osteopathic treatment at its clinical centre at a discounted rate. More details of our work this year to secure new partnerships are given below. (See 'Widening participation and outreach work', page 17).



Patient satisfaction

The BSO centrally values feedback from patients. We continued to review overall patient experience and their satisfaction with treatment. Our most recent survey, completed this year, showed that 93.6% of our patients were either "very satisfied" or "completely satisfied". In line with our central commitment to excellence, the BSO is acting upon the feedback given by the 2.2% of patients who expressed any dissatisfaction.

"I can wholeheartedly recommend the BSO to anyone who suffers from painful muscle or nerve-related medical conditions." Ken Hayes, BSO patient.

"They took me from being stressed and in pain into good physical and mental condition in no time at all – a fantastic service." Morgan White, BSO patient.

Improvement of the learning environment for students

We continued our programme to enhance the learning environment for BSO students. Building development work started in June 2010, creating additional modern lecture rooms in our Borough High Street teaching centre and enhancing student facilities via the provision of new showers and student amenities. The work was completed by the start of the 2010-2011 academic year.

Extending our agreement with the University of Bedfordshire

During the year the BSO signed a new partnership agreement with the University of Bedfordshire, who are our awarding body for the M.Ost degree and from whom we receive our higher education funding grant. This agreement builds on the previous six years of relationship between the two institutions; the BSO negotiated hard for the best possible terms, and is delighted that the agreement is in place, as the funding environment for higher education could face difficult times with the forthcoming Browne Review of student funding.



The photo shows the University of Bedfordshire's Vice Chancellor, Professor Les Ebdon CBE (right), with the Principal of the BSO, Charles Hunt.

Professional collaboration

The BSO recognises that collaborations are important at all levels of its work, and in 2010 Memoranda of Understanding were signed by us with both the Anglo-European College of Chiropractic in Bournemouth, and the Nordic Academy of Osteopathy, which is based in Oslo. These relationships will look to encourage the sharing of good practice and student and staff exchanges.

The BSO continues to be a voice in the globalisation of osteopathy, and is a partner member of the International Osteopathic Association. Members of faculty presented work this year in Australia, Italy and Austria, and the BSO also continues to offer advice and consultancy to a number of European osteopathic education institutions.

Widening participation and outreach work

The BSO is committed to widening participation in osteopathy as a profession. We have a regular presence at both careers fairs and community events, which give us ideal opportunities to encourage young people who might not otherwise have done so to consider studying osteopathy at the BSO.

We have focused on a range of strategies to widen access to our degree programmes and to remove barriers to participation in osteopathic education for non-traditional students, especially those from less advantaged socio-economic backgrounds. Achievements in the year included targeted partnerships with inner city schools and careers advisors, and very successful recruitment to our Access to Higher Education Diploma (Osteopathic Science & Health Care) course and to our Introduction to Osteopathic Sciences short course (see above, pages 10-11).

The BSO's Admissions team continued to visit a wide range of schools, colleges and higher education fairs to promote osteopathy as a career, and they continued to run a series of open and introductory days to enable potential students to gain an understanding of osteopathy.

For example, having successfully recruited from the Islington College Access course, we have continued to give talks at this college to encourage other students to think about a career in osteopathy. The BSO also visited local schools and colleges, such as Lambeth College, Christ the King Sixth Form College and the London Nautical School. Over the past academic year we have attended 15 UCAS careers events all over the country. Also, on 5 July 2010 we made arrangements with Connexions to give talks at Croydon College on a career in osteopathy. We hope to continue this link next year.

The BSO and Aimhigher Healthcare Skills Festival

In March 2010 the BSO was delighted to participate in the Aimhigher Healthcare Skills Festival, which was held at the K2 Leisure Centre in Crawley. Organised by Aimhigher Sussex, the event promoted a range of health care higher education courses to young people who might not automatically opt for degree-level studies, and was thus a welcome chance for the BSO to encourage widening participation in osteopathy as a profession. Over 150 young people attended.



"It was great to have the BSO at the Aimhigher event". Fay Lofty, Curriculum Delivery Manager (Health and Social Care, Languages, Student Voice), University of Brighton

This year, one of the measures used to assess progress against the BSO's Widening Participation Strategy was the number of students qualifying for our bursary schemes.

The BSO's bursary schemes are:

- a long term loan to students to repay part of their fees over a five year period after graduation
- awards available from restricted funds and unrestricted funds.

The BSO provided a non-repayable annual bursary of £520 to students from households whose income has been assessed as less than £25,000. An additional, non-repayable annual payment of £210 was available to students who are eligible for the £520 bursary and who progressed to the full-time M.Ost. degree programme from a relevant, recognised Access course completed or who lived in the London Boroughs of Southwark, Lambeth, Lewisham, Tower Hamlets or the City of London. This year, the BSO significantly increased the number of bursaries awarded by 29%. 22% of full time students were bursary recipients. The following figures show the number of students qualifying for this scheme over the last two years:

Type of students	2010		2009	
	Number	£	Number	£
Home	50	29,540	42	21,425
Access course pathway/local London Borough	31	22,940	26	18,720
Total	81	52,480	68	40,145

The BSO has continued to undertake activities to introduce osteopathy to new and diverse patient groups, explaining osteopathy and the BSO's available patient services to otherwise 'hard to reach' groups of the community as part of our commitment to making osteopathy affordable and accessible to everyone.

For example, relationships have been developed with organisations working with vulnerable sectors of the community, including Look Ahead Housing and Care; carers' member organisation South Thames Crossroads/Carers Hub Lambeth (see below for further details); The Alzheimer's Society (SE London) and Blackfriars Settlement. This work has involved arranging a BSO presence at events they have run; supporting them in promoting osteopathy to their service users and, for the first three organisations, brokering discussions regarding BSO community partnership treatment rate agreements. A community partnership agreement has also been entered into with Southwark Council, giving all council employees access to discounted BSO osteopathic care. Thanks to funding received in 2008 from the Aylesbury Estate, New Deal for Communities we were also able to continue to provide free treatments to Aylesbury Estate residents.



Outreach events which the BSO has participated in this year have included those run by Southwark Pensioners (October 2009); ASLEF's healthy living day for Adult Learners Week at Kings Cross station (May 2010); and the Mint Street Park celebration (Better Bankside: July 2010).

The BSO and South Thames Crossroads/Carers Hub Lambeth



Throughout 2009-10, the BSO has nurtured a close working relationship with South Thames Crossroads/Carers Hub Lambeth, which supports carers in the SE London area. The lifting and general duties many of their members undertake daily in caring for a relative or friend takes a toll on the musculoskeletal system which osteopathy can help address, but many carers find it hard to look after their own health needs, as well as those of the people they care for, without proactive encouragement and support. The BSO has thus fielded presences at 'health and well being' days organised by South Thames Crossroads/Carers Hub Lambeth for its members, and has put in place a community partnership rate agreement which allows

members not eligible for BSO concessionary rate osteopathy to access treatment at a discount on our already highly-subsidised standard fee. We are also working on a feature about osteopathy for their Winter 2010 members' newsletter.

Staff development

The BSO continued to invest significantly in the development of staff, to ensure that all employees have access to the education and training required to deliver a quality service to our students and patients.

We value feedback from our staff on their views on the BSO as an employer. This year we undertook independent benchmarking and were pleased to be awarded one star status in the Best Companies 2010 accreditation project, which judges organisations on their excellence throughout the workplace, and on their commitment to workforce engagement.

Our annual residential staff development weekend took place in October 2009, attended by over 100 members of staff. The programme for the weekend focused on a range of osteopathic issues including the new NICE guidelines for low back pain, working with the NHS, patient confidentiality, patient management and the evidence base for osteopathy. Sessions also looked at education areas including continual assessment, reasonable adjustments for students with disabilities and giving constructive feedback.

Teaching, clinical and support staff were sponsored on a wide range of award-bearing courses including PhDs, MAs in Education and Medical Education, educational research projects and Chartered Institute of Management Accountants (CIMA) qualifications.

The Postgraduate Certificate of Academic Practice – a two-year, part-time course – continued: it was completed this year by three members of the BSO's teaching staff. A new approach to induction for teaching staff was piloted successfully, involving self-directed study mapped closely against the UK Professional Standards Framework for Teaching and Supporting Learning in Higher Education.

Fundraising



Throughout the vagaries of the economic backdrop in the year ending 31 July 2010, the work of the BSO continued to be recognised with charitable contributions from external funders, our patients and BSO-trained osteopaths.

Capital fundraising

A treatment room was named after The Barr Charitable Trust, which made a £25,000 grant towards our clinical centre.

The Christopher Laing Charitable Trust also made a contribution towards our clinical centre. Continued support came from the Alan and Shelia Diamond Charitable Trust, the Enton Hall Foundation and the London Masonic Charitable Trust.

HRH The Princess Royal, the BSO's Patron, attended a funders' dinner in our clinical centre on 23 September 2009 which raised £30,000 with donations from The Hobson Charity and ShareGift.

Four new Vice Patrons were recruited, namely Commodore Richard Bridges, Dr Ray Perrin, Dr Hilary Jones and Helen Froggatt DO.

"The BSO does great work educating osteopaths, treating patients and promoting osteopathic research, and I'm delighted to be a BSO Vice Patron. From my work as a GP, I have seen first-hand the benefits that osteopathy can bring in the treatment and management of a wide range of conditions, and I support the BSO in its goal to make osteopathy accessible to everyone." Dr Hilary Jones, doctor, broadcaster and writer.



Revenue fundraising

The economic climate made achieving support from charitable trusts even more challenging, so we were delighted to receive one-off support from the Community Development Foundation's Hardship Fund of £55,992 for our outreach community clinic work.

Continued support was received from Tudor Trust, PF and Joseph Strong Fraser Charitable Trusts, the Stavros Niarchos Foundation and Peter Moores Foundation. Other Trust supporters included the Red Hill Trust, Inman Charity, William & Patricia Venton Charitable Trust and Sir Jeremiah Colman Charitable Trust.

We were very fortunate to be selected by the Big Give 2009 Christmas Challenge, a match-funding initiative. The Challenge, which involved online donations via Sir Alec Reed's pioneering philanthropic website (www.thebiggive.org.uk) was widely supported, and these contributions triggered £6,475 in match-funding from the Reed Foundation for the charitable work of the BSO.

The BSO also benefited from paintings kindly donated by contemporary artists Donald Urquhart, Stuart Cumberland and Caragh Thuring. These were exhibited at our December 2009 fundraising reception at the House of Lords (see pictures below). One sold on the night for £1,500 and the others sold at Christies for £3,906. Our House of Lords reception, hosted by Earl Ferrers and also attended by Earl Howe (now Health Minister), was primarily an awareness-raising occasion for alumni, but covered its costs and resulted in three new members of the BSO's 500 Club, which invites members to make an annual donation of £500 each to our work.



A cash legacy of £10,000 was received from the estate of the late Edwin Carter, and further monies were received via the legacy of the late Mrs Tookey, the majority of which was received in the previous financial year.

The BSO was also delighted that a BSO patient and senior fundraiser with a wealth of experience (Sean Bonnington) volunteered to take the helm of the Fundraising Committee, as its Chairman, in September 2009.

Alongside larger sums raised, the BSO is enormously grateful to individual patients and osteopaths for their generosity and fundraising efforts on behalf of the School. Their support is very much appreciated.

"At the start of my treatment from back pain I was dragging my right leg behind me when I walked, and had to ask my wife to help tie my shoelaces. When crossing the road I would have to turn my whole body in order to check for traffic as my neck was completely immobile to the left. The mobility in both my back and neck is now tremendously improved and my quality of life is good; I owe the BSO a huge debt of gratitude." Sean Bonnington, BSO patient, and now BSO Fundraising Committee Chairman.



Volunteers

The School's principal volunteers are its Vice Patrons, nearly 80 in total, many of whom are actively engaged in supporting the School in fundraising and promoting the cause of osteopathy. We are immensely grateful for the time they give in supporting the School and its activities.

Sustainability report

The BSO recognises the importance of economic, environmental and social sustainability, and minimising the environmental impact of our operations is a priority. During 2009-10 we have continued to implement strategies encouraging the sustainable use of resources.

- We have implemented water-saving strategies and our new clinical centre has energy-saving electrical systems in place.
- A recycling scheme was introduced to our Borough High Street teaching centre, with recycling points being created on each floor, and with all other bins being removed. As a result we have seen a 40% reduction in rubbish production, and in the six months the scheme has been running we have avoided approximately 93% of landfill.



- In September 2009 an independent energy survey of the Borough High Street building was carried out. Recommendations were made for increased monitoring of energy consumption, and examined ways of reducing energy consumption by computers and equipment. We are now regularly receiving data from the half-hourly meter which is used to monitor trends and discrepancies in energy consumption, and we plan to implement automatic switch-off of IT equipment in 2010-11.

Plans for 2010-11

The BSO's plans for 2010-11 include:

- Revisiting our strategic plan and the approach to student fees in the light of the recent Browne Review on higher education and the Government's policy on funding higher education in its Comprehensive Spending Review.
- Concluding the (CROaM) study (see above, page 12).
- Continuing to develop postgraduate education programmes and to expand the provision of courses for qualified osteopaths.
- Raising funds to support our community outreach clinic programme.
- Extending current sustainability programmes.

- Building on survey work carried out in our clinical centre, and aiming to implement routine data collection and clinical audit.
- Enhancing our research and teaching and offering more opportunities for faculty and students to develop work to a standard suitable for publication.
- Building and developing partnership arrangements with osteopathic institutions in Europe.
- Fundraising to purchase a new, more user-friendly patient booking system.
- Fundraising to develop a new rehabilitation gym and clinic.



Governing document and constitution

The British School of Osteopathy (BSO) is a charitable limited company authorised to omit the word 'limited' from its name by licence granted under Section 60(1) of the Companies Act 2006. The BSO was founded on 7 March 1917. It is a charitable company limited by non-equity share capital. 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 Commissioners for England and Wales on 18 June 1963. The Charity Commission granted authorisation for a special resolution, passed on 24 June 2004, amending the company's Memorandum of Association to allow qualified osteopaths on the Board who constitute a minority of trustees (directors) to receive remuneration for their roles of principal, lecturers and practical trainers.

- Registered charity numbered – 312873
- Registered company numbered – 146343
- Registered address – 275 Borough High Street, London, SE1 1JE.

Governance and management

Trustees

A Board of Directors govern the BSO. The Board is responsible for determining the policies and the strategic direction of the charity. The Board meet a minimum of four times a year, delegating the day-to-day operations of the organisation to the Chief Executive and the Senior Management Team (detailed on page 29). The members of the Board of Directors are also shown on page 29.

Board committees

Directors form committees according to the skills required. These committees operate under specific terms of reference which delegate certain functions of the Board but decisions are agreed by the Board. The Directors annually review the committees and members needed to provide a balanced range of skills.

Committees of the Board

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

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

Members of the Board are nominated to sit on various committees according to their skills. The terms of reference of the committees are approved by the Board annually. Committees meet in accordance with annual planned dates. The Finance, Estates and Audit Committee meet four times a year and provide advice on financial management. This committee also assesses internal financial control systems, reviews the financial statements and monitors the risk management processes.

Recruitment, appointment of new directors and term of office

The Board of Directors advertise and receive suggestions from stakeholders for potential new directors, and consider whether these applicants meet the skills required to fill vacant roles and responsibilities on the Board. Applicants who are approved by the Board must be elected by the shareholders at an AGM. A skills review is undertaken annually before recruitment of new directors.

Directors serve three years and may be re-elected for a further three years with the exception of the Principal/Chief Executive, who is a Board member whilst holding the appointment as Principal.

Induction and training of new trustees

All newly appointed trustees receive an information pack about the BSO's work, its governance structure, policies and financial information. All new Board members have a comprehensive induction programme with an agenda covering all areas of the charity's activities and the responsibilities of trustees.

Public Benefit Statement

The Directors confirm that they have complied with the duty in Section 4 of the Charities Act 2006 to have due regard to the Charity Commission's general guidance on public benefit, 'Charities and Public Benefit'. BSO'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 our patients and students and by providing services that are accessible to all through our bursary and non commercial fees for clinical treatment. The structure of the Directors' Annual Report allows us to report on the strategic aims, to explain the BSO's activities and achievements during the year and to show how these demonstrate public benefit.

Risk management

The Board's systems of internal controls are designed to provide reasonable, but not absolute, assurance against material misstatement or loss. They include:

- a strategic plan, estates plan, and an annual combined budget approved by the Directors
- regular Board consideration of financial results, variance from budgets, cash-flows and fund-purposes, and non-financial performance indicators and benchmarking reviews
- controlled delegation of authority, segregation of duties and identification and management of exposure to risk.

The Directors continue to keep under review the BSO's internal financial controls – as part of the School's formal Risk Management Policy and Procedures – in accordance with general guidance issued by the Charity Commission and on the basis of current best practice in corporate governance as set out in the Turnbull Report and relevant to the BSO as a charity. This is a formal process:

- embedding the control system in the day-to-day running of the BSO and its culture
- involving all areas of activity, governance and relevant stakeholders
- identifying the types of risks the BSO faces
- assessing their acceptability, likelihood, materiality and impact
- ensuring that adequate, cost effective and efficient systems and controls to mitigate risks are enacted, and that reported defects in controls are duly evaluated and remedial action taken
- identifying and monitoring levels and areas of authorisation and responsibility for controls
- identifying and referring major risks to the Board of Trustees for review
- specifying the timetable for reviews by the Senior Management Team and the Board of Trustees.

The Risk Management Policy and Procedures are reviewed regularly and evaluated against the above criteria by the Senior Management Team. These evaluations are documented and reviewed by the Board.

Financial review

The BSO ended the year with a surplus on unrestricted funds of £362k and this surplus enabled the School to undertake a building project to enhance teaching and student facilities.

Incoming resources

Total income increased by 6% from £4,528k to £4,821k, compared to an increase of 14% in 2009.

Undergraduate course fee income is 21% greater than in 2009 (2009: 20%). The increase is due to there being fewer 'home' and EU full-time students who commenced their studies prior to 2006 entry, when UK Higher Education full time fees were set at a lower regulated level. The contract income received via the University of Bedfordshire decreased to £2,066k (2009: £2,087k) due to a reduction in Higher Education funding rates per student. The number of undergraduate students completing the academic year was 460 (2009: 460). The income from postgraduate courses decreased due to the ceasing this year of the MSc in Paediatric Osteopathy programme.

Clinic income increased by 1% compared to last year (2009: 9%). The actual income for the year is £532k (2009: £526k) and expenditure (including clinic reception and support costs) on clinical education is £1,696k (2009: £1,742k). Therefore, the percentage of 'clinical education costs covered by contributions from patients' is 31% (2009: 30%). A further £105k (2009: £99k) of the expenditure was covered by donations and grants, bringing the total covered to 38% (2009: 36%).

Donations increased from £325k to £390k, an increase of 20%. The actual associated costs (including support costs) are £91k (2009: £105k) but this includes the costs of the capital campaign to raise funds for the new clinical centre of £6k (2009: £26k). The percentage of 'fundraising costs to funds raised' (excluding capital campaign costs) is 22% (2009: 24%). The amount of restricted income received for the year is £230k (2009: £143k).

Resources expended

The costs of delivering academic education, clinical practice, research and their associated support costs were broadly similar to the previous year, namely £4,308k (2009: £4,287k). The costs of delivering academic education increased by 3%, with a 3% reduction in clinical education costs.

Total expenditure increased by £5k to £4,419k, compared to a 5% increase in the previous year. Total staff costs increased by 1% (2009: 3%).

During the year the BSO invested £47k in its IT infrastructure and £15k on equipment. The Board approved a project to create new lecture rooms and improve student facilities, utilising the free reserves generated in the year. At the

year end the project was part complete and the financial statements include costs of £108k. The works were completed in September 2010 with an overall cost of £370k and provide state of the art learning.

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 of Trustees by reference to the School's declared objectives.

The Board reviewed the ethical policy in the year and determined 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. At 31 July 2010 prohibited investments were 3% of managed funds and no direct holdings were held.

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 £53k and unrealised gains at the balance sheet were £28k. The legacy included in the 2009 financial statements was received as a share portfolio in November 2009. The shares were realised in the year and monies utilised to increase the investment portfolio.

Reserves policy

The Directors review annually the reserves policy and the level of free reserves. Designated funds have been set aside by the directors as set out in note 19 on page 50. A building loan prepayment reserve has been established to set funds aside for repayment of the bank loan, which commences in April 2011. The tangible fixed asset reserves represent the net book value of fixed assets less bank loan which financed the new clinical centre. In the present economic climate the Board consider it prudent to strive for total free reserves of three months' operating expenditure. A reserve fund has been set aside for unforeseeable risks of £502k. Unallocated general reserves at 31 July 2010 were £415k. Total free reserves amount to £917k at 31 July 2010 which falls slightly short of three months operating expenditure but the Board expects to build on the reserve during the forthcoming year.

Statement of Trustees' responsibilities

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 charity 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 Charities SORP
- 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 1993 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.

Conclusion

The BSO remains in a secure financial position. Forthcoming budgets will be managed to ensure it meets the financial strategies below. These strategies are to ensure that the BSO:

- Manages its annual income from its activities to meet all economic demands and commitments made within the year.
- Makes sufficient provision to carry out its Strategic and Estate plans but also to meet its Financial Strategies.
- Maintains adequate cash reserves of general funds to manage specific areas of risk as well as free reserves for unforeseen events.

Legal and administrative information

Patron

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

Vice Patrons

BSO Vice Patrons: Earl Baldwin of Bewdley; The Baroness Barker; Jenny Bianco DL; Sue Brealey; Commodore Richard Bridges R.N.; Bernard Brook-Partridge, Esq.; Julia Brooks DO; Baron Renard of Wavertree; Baroness Campbell of Surbiton DBE; The Lord Campbell-Savours; Katy Cavanagh; Lord Chadlington of Dean; The Lord Clement Jones CBE; Lord Coe, KBE; Lord Colwyn CBE; Robert Corp Reader OBE; The Rt Hon Baroness Cox; Baroness Coussins; Baroness Cumberlege, CBE, DL; Alan Diamond Esq; Lord Donoughue; Colin Dove DO Esq; Baron Dykes of Harrow Weald; Lord Elton, TD; Dr Bryan English; Earl Ferrers, PC, DL; Baroness Flather, JP, DL, FRSA; Helen Froggatt RGN DO; Rodney Galpin Esq; Baroness Gardner of Parkes; Elizabeth Garvie; Dame Beryl Grey, DBE; Susan Hampshire OBE; The Lord Harmsworth; Kenneth Hayes Esq; Dr Norman Healey; Simon Hughes MP; Dr Hilary Jones; Michael Laurence Esq; Christopher Laing OBE; The Lord Lewis F.R.S.; The Marchioness of Londonderry; Liv Lowrie DO; Gillian Lynne CBE; Baroness Masham of Ilton; Lord McColl of Dulwich, CBE; June Mendoza AO, OBE, RP; Baroness Morgan of Huyton; Lutchman M Naidoo; Roger Newman Turner, Esq.; Rodger Pannone, Esq, DL; Margaret Papoutsis DO; Lady Audrey Percival; Dr Raymond Perrin; Dr Simon Petrides MB BS DO; David Phillips, Esq, OBE; The Rt Hon the Lord Rea; Sir Antony Reardon Smith; Dr A Redgrave, MB, BS, DO; The Lord Rennard MBE; Zandra Rhodes CBE; Angela Rippon OBE; Gavin Routledge; Prof David Rowley; Prof Crispian Scully, CBE; Sir Donald Sinden CBE; Dr Wayne Sleep OBE; Prof Lord Smith of Clifton; Lord Stamp; Sir Jocelyn Stevens, CVO; Alex Tamlyn; The Viscount Tenby; Baroness Uddin; Lord Walton of Detchant, TD; Dr Bernard Watkin; Sir William Wells; The Bishop of Woolwich.

Trustees

The BSO's Charity Trustees are the Company Directors and comprise:

Boo	Armstrong	
Ray	Atwell	(Deceased August 2009)
Sean	Bonnington	(Appointed 23 June 2010)
Chenine	Bruley	(Co-opted 10 October 2010)
Mark	Corson	(Resigned 23 June 2010)
Zara	Ford	(Appointed 23 June 010)
Greyham	Dawes	(Appointed 23 June 2010)
Charles	Hunt	Principal/Chief Executive
David	Langley	Chair
John	Lant	(Co-opted 10 October 2010)
Kimberley	Marshall	
Austin	Plunkett	(Appointed 23 June 2010)
Carol	Reid	
Shivaun	Riley	(Resigned 23 June 2010)
Richard	Savage	
David	Sines	
Stephen	Tyreman	
Michael	Wright	

Company Secretary: Joanna Smith – The Secretary is not a Trustee.

Principal, Senior Management Team and Academic Council

The day-to-day management of the BSO is delegated to the Principal and Chief Executive who chairs a Senior Management Team of executive staff and also the Academic Council reporting to the Principal and Chief Executive. The Senior Management Team (SMT) comprises:

Charles Hunt	Principal and Chief Executive
Sharon Potter	Vice Principal (Education)
Steve Vogel	Vice Principal (Research & Quality)
Simeon London	Head of Clinical Practice
Ian Maguire	ICT Manager
Joanna Smith	Finance Director (not a Board appointment)
Judith Spencer-Gregson	Interim Finance Director (not a Board appointment)
Nina Waters	Head of HR & Business Development

The BSO's Academic Council comprises the Principal, external advisors, faculty and student representatives. It is advisory to the Principal for, and subject thereto approves, major academic developments and annual reports and academic policies that are validated by the University of Bedfordshire who chair the Board of Examiners. The following sub-committees report to the Academic Council:

- Academic Strategy and Development Committee
- Undergraduate Course Team
- Undergraduate Admissions Group
- Research Committee
- Quality Assurance and Enhancement Committee
- Postgraduate Course Committee

Professional Advisors

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

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

Solicitors: Russell-Cooke, 2 Putney Hill, Putney, London, SW15 6AB
Trowers & Hamlins, Sceptre Court, 40 Tower Hill, London, EC3N 4DX

Investments: Rathbone Investment Management Ltd, Charlotte House, 2 South Charlotte Street, Edinburgh, EH2 4AW.

Appointment of Auditors

A resolution for the appointment of Mazars LLP will be proposed at the forthcoming Annual General Meeting.

The accounts were approved and authorised for issue by the Board of Directors on 12 January 2011 and signed on their behalf of the Board.

David Langley
Chair
12 January 2011



INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS

We have audited the financial statements of British School of Osteopathy (BSO) for the year ended 31 July 2010 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. The financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of trustees and auditors

The trustees' (who are also the directors of the company for the purposes of company law) responsibilities for preparing the Report of the Directors and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and for being satisfied that the financial statements give a true and fair view are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including our opinion, has been prepared for and only for the company's shareholders as a body in accordance with Sections 495 and 496 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's shareholders as a body for our audit work, for this report, or for the opinions we have formed.

We report to you our opinion as to whether the financial statements give a true and fair view, have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and have been prepared in accordance with the Companies Act 2006. We also report to you whether in our opinion the information given in the Report of the Directors is consistent with those financial statements.

In addition we report to you if, in our opinion, the charity has not kept adequate accounting records, if the charity's financial statements are not in agreement with the accounting records and returns, if we have not received all the information and explanations we require for audit or if certain disclosures of trustees' remuneration specified by law are not made.

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

Basis of audit opinion

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

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

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS (cont'd)

Opinion

In our opinion:

- the financial statements give a true and fair view of the state of the charity's affairs as at 31 July 2010 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- the financial statements have been prepared in accordance with the Companies Act 2006
- the information given in the Report of the Directors' is consistent with the financial statements.

Mazars LLP

Mazars LLP, Chartered Accountants (Statutory Auditor)

Nicola Wakefield (Senior Statutory Auditor)

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

27 January 2011

Statement of financial activities for the year ended 31 July 2010
(incorporating the company's income & expenditure account)

	Note	Unrestricted Funds £ 2010	Restricted Funds £ 2010	Total Funds £ 2010	Total Funds £ 2009
Incoming resources					
Incoming resources from generated funds					
Voluntary income	2	151,189	194,053	345,242	274,907
Activities for generating funds		87,300	36,377	123,677	62,805
Investment income	3	10,885	-	10,885	23,211
		249,374	230,430	479,804	360,923
Incoming resources from charitable activities					
Undergraduate and postgraduate student fees	4	3,708,138	-	3,708,138	3,523,524
Clinic income		532,047	-	532,047	526,503
Other income		93,400	7,422	100,822	116,681
		4,333,585	7,422	4,341,007	4,166,708
Total Incoming resources		4,582,959	237,852	4,820,811	4,527,631
Resources expended					
Costs of generating funds					
Costs of generating voluntary income		85,025	-	85,025	96,471
Fundraising trading: cost of goods sold and other costs		6,155	-	6,155	8,576
Investment management costs		3,091	-	3,091	2,302
	5	94,271	-	94,271	107,349
Charitable activities					
Academic education		2,462,462	5,470	2,467,932	2,396,687
Clinical education		1,583,209	112,270	1,695,479	1,741,997
Research		144,900	-	144,900	148,785
	5	4,190,571	117,740	4,308,311	4,287,469
Governance costs	5	16,739	-	16,739	19,228
Total resources expended		4,301,581	117,740	4,419,321	4,414,046
Realised investment gains/(losses)		53,101	-	53,101	(8,626)
Net incoming resources before other recognised gains & losses		334,479	120,112	454,591	104,959
Other recognised gains/losses					
Gains and losses on revaluation of investment assets	11	27,998	-	27,998	(14,147)
Net movement in funds	15	362,477	120,112	482,589	90,812
Reconciliation of funds					
Total funds brought forward		3,128,838	292,853	3,421,691	3,330,879
Total funds carried forward	15 & 20	3,491,315	412,965	3,904,280	3,421,691

Restricted fund balances include £11,576 (2009: £11,576) endowed trust capital.
All amounts relate to continuing activities.
There are no recognised gains and losses other than those disclosed above.

Balance sheet at 31 July 2010
Company no. 146343

	<i>Note</i>	2010 £	2009 £
FIXED ASSETS			
Tangible assets	10	7,495,496	7,531,479
Investments	11	636,834	367,898
Social Investments	11	71,606	53,992
		<u>8,203,936</u>	<u>7,953,369</u>
CURRENT ASSETS			
Debtors	12	196,181	342,438
Cash at bank		1,275,725	747,396
		<u>1,471,906</u>	<u>1,089,834</u>
LIABILITIES			
Creditors: Amounts falling due within one year	13	650,725	452,512
NET CURRENT ASSETS		<u>821,181</u>	<u>637,322</u>
CREDITORS: Amounts falling due after more than one year	14	5,120,837	5,169,000
		<u>3,904,280</u>	<u>3,421,691</u>
NET ASSETS			
Represented by:			
Endowment Trust capital	16	11,576	11,576
Restricted funds	17	401,389	281,277
		<u>412,965</u>	<u>292,853</u>
SHARE CAPITAL			
	18	972	972
UNRESTRICTED FUNDS			
Designated funds	19	3,075,161	2,993,887
General funds		415,182	133,979
		<u>3,490,343</u>	<u>3,127,866</u>
Share capital and unrestricted funds		<u>3,491,315</u>	<u>3,128,838</u>
TOTAL FUNDS	20	<u>3,904,280</u>	<u>3,421,691</u>

Approved by the Board of Trustees and authorised for issue on 12 January 2011 and signed on its behalf by:

Charles Hunt
Principal and Chief Executive

David Langley
Chair

Cash flow statement for the year ended 31 July 2010

		2010		2009	
	Note	£	£	£	£
Net cash inflow from operating activities	A		1,123,199		383,118
Returns on investments and servicing of finance					
Interest received and dividends		10,885		23,211	
Interest paid		(229,730)		(291,616)	
Net cash outflow on returns on investment and servicing of finance			(218,845)		(268,405)
Capital expenditure					
Purchase of investments		(625,023)		(177,330)	
Sale of investments		498,657		101,685	
Receipts from sale of tangible assets		-		16,136	
Payments to acquire tangible assets		(170,574)		(162,352)	
Net cash outflow for capital expenditure			(296,940)		(221,861)
Increase/(decrease) in cash in year			607,414		(107,148)

Trust law restricts the application of special trust funds. This has not affected the company's internal cash flows.

Notes to the cash flow statement for the year ended 31 July 2010

A. RECONCILIATION OF OPERATING SURPLUS TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2010	2009
	£	£
Net movement in funds per SOFA	482,589	90,812
Less: Investment income	(10,885)	(23,211)
Add: Interest payable	229,730	291,616
(Less)/Add (gains)/losses on investments	(81,099)	22,773
Operating profit	620,335	381,990
Depreciation of tangible assets	206,168	209,530
Write off of fixed assets	389	-
Decrease/(Increase) in debtors	146,257	(170,767)
Increase/(Decrease) in creditors	150,050	(37,635)
Net cash inflow from operating activities	1,123,199	383,118

B. ANALYSIS OF NET DEBT

	2009	Cash flow	2010
	£	£	£
Cash at bank and in hand	747,396	528,329	1,275,725
Investment cash	6,250	79,085	85,335
	753,646	607,414	1,361,060
Bank loans	(5,169,000)	-	(5,169,000)
Net debt	(4,415,354)	607,414	(3,807,940)

Notes to the financial statements for the year ended 31 July 2010

1 Accounting policies

1.1 Basis of accounting

The financial statements have been prepared under the historical cost convention, except for investments which are stated at market value, and comply with the Companies Act 2006. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities", published in March 2005 and applicable accounting standards.

The Charity has availed itself of paragraph 3(3) of Schedule 4 of the Companies Act and adapted the Companies Act formats to reflect the special nature of the Charity's activities. No separate Statement of Financial Activities or Income and Expenditure Account has been presented for the Charity alone as permitted by section 408 of the Companies Act 2006 and paragraph 397 of the SORP.

The subsidiary undertaking has not traded during the year.

1.2 Fund accounting

I Unallocated general funds

These funds, as well as any amounts set apart as below by the Board for any particular purpose, arise from the accumulated surpluses and deficits resulting from the delivery of the BSO's activities.

II Designated funds

The Directors, at their discretion, earmark funds out of unallocated corporate funds 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 Statement of Financial Activities, are held as designated funds, see note 19.

III Restricted funds

These are funds given by donors for specific purposes, or else as general-purpose endowed funds, under trust law. Any interest arising on the unapplied balances of restricted funds during the year is attributed to them. A proportionate administration charge is applied to them where the cost is material, see note 17.

1.3 Incoming resources

I **Undergraduate and postgraduate student fees and clinic income** represents fees receivable from students, contributions from patients and other associated income. Fees receivable for student tuition (including the contract with the University of Bedfordshire) are recognised in the period in which the tuition takes place.

II **Donations** and other voluntary incoming resources are included in the Statement of Financial Activities on the date they are receivable provided there is reasonable certainty of ultimate receipt and the amount is reliably quantifiable. Income tax recoverable on covenants and gift aid is included on an accruals basis for the date the donation is received.

Notes to the financial statements for the year ended 31 July 2010

1.4 Resources expended

Expenditure is allocated or attributed as follows:

I Charitable activities

Resources expended on charitable activities comprise of all the resources applied by the BSO in undertaking its work to meet its charitable objectives. These charitable activities include academic and clinical education, and research and the support and promotion of these activities, including the running costs for the School's premises. A percentage of aggregated costs covering Management, Finance, Human Resources, ICT and Estates functions is charged to it. The percentages are based on the floor area occupied by each activity.

II Costs of generating funds

These are the costs which are associated with generating incoming resources from all sources other than from undertaking charitable activities. They include the costs of generating voluntary income, fundraising trading and the costs of managing investments for both income generation and capital maintenance. The costs are attributed or allocated using the same percentage methods as for charitable expenditure as above.

III Governance costs

The costs include the costs of governance arrangements which relate to the general running of the BSO as opposed to the direct management functions inherent in generating funds, course delivery and programme or project work. Expenditure on the governance of the BSO includes audit, legal advice for trustees and costs associated with constitutional and statutory requirements.

1.5 Investments

Investments are included on the balance sheet at market value.

1.6 Tangible fixed assets: capitalisation and depreciation

I Fixed assets are held for the BSO's use at cost less an appropriate rate of depreciation, calculated to reduce the net book value of each asset to its currently estimated residual value (at prices ruling at acquisition date) by the end of its currently expected useful economic life.

II The rates of depreciation, applied on a straight line basis, per annum are:

- Leasehold premises - 2%
- Office equipment - 10% to 20%
- Computers - 25%
- Video equipment - 20%

1.7 Pension scheme

The BSO operates a defined contribution group personal pension scheme and a stakeholder pension scheme. Contributions are charged to the Statement of Financial Activities as they are incurred.

Notes to the financial statements for the year ended 31 July 2010

1.8 Taxation

- I The surpluses or deficits of the BSO result from its charitable activities. Any surplus which may result is employed for its charitable purposes (Section 505, ICTA 1988) and are therefore exempt from corporation tax.
- II As the majority of its activities are exempt or outside the scope of VAT, it cannot reclaim the VAT charged to it. Expenditure in the Statement of Financial Activities is shown inclusive of VAT.

1.9 Charitable commitments

Material charitable commitments which are legally or operationally binding are recognised in the financial statements. Any other commitments, principally charitable commitments which are considered morally binding or else planned expenditure out of existing resources, are recognised as designated funds and explained in the notes to the financial statements.

1.10 Commitments – operating leases

Lease rental costs incurred under operating leases are charged to the Statement of Financial Activities as incurred over the period of the lease. The commitments are disclosed in the notes to the financial statements.

2 Incoming resources from generated funds

	2010	2009
	£	£
Individuals	73,534	13,946
Legacies	46,018	155,726
Charitable foundations	91,630	105,235
Grants	134,060	-
	<u>345,242</u>	<u>274,907</u>
Fundraising events	44,951	18,832
Capital Campaign events	-	30,315
Income from sale of donated books	950	1,185
Room lettings and car park sale	77,776	12,473
Total Activities for generating funds	<u>123,677</u>	<u>62,805</u>
Investment Income	10,885	23,211
Total incoming resources from generated funds	<u>479,804</u>	<u>360,923</u>

Volunteers

Supporters and other well-wishers frequently give time to the BSO, which we very much appreciate. Their time is provided free and therefore not recognised in the financial statements.

Notes to the financial statements for the year ended 31 July 2010

3 Investment income

	2010 £	2009 £
Interest on cash deposits	2,241	14,184
Dividends and interest on listed investments	8,644	9,027
	10,885	23,211

4 Incoming resources from charitable activities

	2010 £	2009 £
Undergraduate and access course fees	1,593,413	1,315,425
University of Bedfordshire contract	2,066,225	2,087,369
Postgraduate course fees	48,500	120,730
Total student course fees	3,708,138	3,523,524
Clinic patients' contributions for treatment by students	532,047	526,503
Professional courses, student support, library and café income	100,822	116,681
Total incoming resources from charitable activities	4,341,007	4,166,708

5 Total resources expended

	Direct costs		Support costs		Total 2010 £	Total 2009 £
	Staff costs £	Other costs £	Staff costs £	Other costs £		
Charitable activities						
Undergraduate education	1,048,683	171,367	440,877	638,678	2,299,605	2,224,856
Postgraduate education	112,020	33,798	9,210	13,299	168,327	171,831
Clinical education	1,056,477	38,613	151,666	448,723	1,695,479	1,741,997
Research	109,024	20,870	6,140	8,866	144,900	148,785
	2,326,204	264,648	607,893	1,109,566	4,308,311	4,287,469
Costs of generating funds						
Costs of generating voluntary income	55,216	17,804	4,912	7,093	85,025	96,471
Fundraising trading	558	2,596	1,228	1,773	6,155	8,576
Investment management costs	-	3,091	-	-	3,091	2,302
	55,774	23,491	6,140	8,866	94,271	107,349
Governance costs						
Audit / other financial advice	-	14,266	-	-	14,266	14,108
Legal/constitutional requirements	-	2,473	-	-	2,473	5,120
	-	16,739	-	-	16,739	19,228
Total	2,381,978	304,878	614,033	1,118,432	4,419,321	4,414,046

Notes to the financial statements for the year ended 31 July 2010

5 Total resources expended (continued)

Support cost breakdown by activity

Activity	Fund-raising £	Under-graduate education £	Post-graduate education £	Clinical education £	Research £	2010 Total £	2009 Total £
Management	2,051	147,273	3,076	50,663	2,051	205,114	185,612
Finance	1,603	115,116	2,405	39,601	1,603	160,328	150,688
ICT	2,657	192,836	3,985	65,618	2,657	267,753	221,174
Estates	7,292	523,563	10,938	409,842	7,292	958,927	1,027,842
HR	1,403	100,767	2,105	34,665	1,403	140,343	168,444
Total	15,006	1,079,555	22,509	600,389	15,006	1,732,465	1,753,760

Estates costs include £229,730 (2009: £291,616) of interest on bank loans.

6 Staff costs

	2010 Total £	2009 Total £
Wages and salaries	2,640,769	2,580,853
Employers National Insurance	230,260	225,344
Pension costs	14,869	14,973
Other staff related costs	110,113	146,892
Total	2,996,011	2,968,062

7 Pension costs

The BSO operates a group personal pension scheme, which is a Defined Contributions scheme, and a stakeholder pension scheme. The assets of the schemes are held separately from those of the charity in independently administered funds. Contributions payable by the BSO to the group personal pension scheme, on behalf of 20 staff (2009:19 staff), amounted to £14,869 (2009: £14,973).

8 Employee information

Activity	2010	2010	2009	2009
	Number	FTE	Number	FTE
Academic – teaching	47	16	46	16
Academic – support services	12	9	12	9
Clinic	66	20	67	21
Clinic – support services	10	10	10	9
Research	6	4	6	3
Fundraising	1	1	2	2
Estates and ICT	7	6	8	7
Management, Finance and HR	10	9	9	8
Total	159	75	160	75

Notes to the financial statements for the year ended 31 July 2010

8 Employee information (continued)

The number of employees who earned £60,000 or more during the year was as follows:

	2010 Number	2009 Number
£60,000 - £69,999	1	2
£100,000 - £109,999	1	1
Total	<u>2</u>	<u>3</u>

Pension contributions in respect of one higher paid employee amounted to £459 (2009: £Nil).

9 Trustees' emoluments

The BSO's Memorandum and Articles of Association as a charitable company recognise and authorise the need, in keeping with similar charitable institutions in the field of higher education, to remunerate the Principal and any other trustees (directors) who are qualified osteopaths, for their roles respectively as Principal, lecturers or examiners. No director was remunerated for his or her role as a trustee of the charity.

Staff costs include the following remuneration in respect of trustees, as qualified above:

Trustee	Role	2010 £	2009 £
C Hunt	Principal & Chief Executive	109,147	106,000
T Davies (resigned 17/12/08)	Community Clinic Coordinator	-	7,080
S Tyreman	Osteopathic Education Development	17,211	14,036
Total		<u>126,358</u>	<u>127,116</u>

Travel expenses totalling £1,318 (2009: £674) were reimbursed to three (2009: two) trustees in their role as trustees. No emoluments due to the trustees in respect of the year have been waived by them. Expenses incurred by C Hunt were in the course of his duties as Principal/Chief Executive.

Notes to the financial statements for the year ended 31 July 2010

10 Fixed assets

	<u>Leasehold property</u>	<u>Computers and video equipment</u>	<u>Furniture, fixtures and equipment</u>	<u>Total</u>
	£	£	£	£
Cost:				
1 August 2009	8,131,895	353,948	193,102	8,678,945
Additions	108,155	47,147	15,272	170,574
Disposals	-	(415)	-	(415)
31 July 2010	8,240,050	400,680	208,374	8,849,104
Accumulated depreciation:				
1 August 2009	684,634	301,493	161,339	1,147,466
Charge for the year	162,554	27,384	16,230	206,168
Written off on disposal	-	(26)	-	(26)
31 July 2010	847,188	328,851	177,569	1,353,608
Net book value:				
31 July 2010	7,392,862	71,829	30,805	7,495,496
31 July 2009	7,447,261	52,455	31,763	7,531,479
Analysis of leasehold property:			2010	2009
			£	£
Long leasehold			4,060,727	4,152,630
Improvements to the long leasehold property			3,332,135	3,294,631
			7,392,862	7,447,261

The leasehold properties are charged to as security for the bank loan as disclosed in note 14.

11 Investments

	2010	2009
	£	£
Investment in subsidiary undertaking	1,000	1,000
Investments listed on a recognised stock exchange (see below)	550,499	360,648
Cash held as part of the investment portfolio	85,335	6,250
	636,834	367,898

Investment in subsidiary undertaking

	2010	2009
	£	£
Market value at 31 July	1,000	1,000
Historical cost at 31 July	1,000	1,000

Notes to the financial statements for the year ended 31 July 2010

11 Investments (continued)

On 20 May 1999, the School invested £1,000 in 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 2010 the company did not trade. Its reserves at 31 July 2010 were £15 (2009: £15).

Group accounts have not been prepared on the grounds that the amounts are not material.

Investments listed on a recognised stock exchange

	£
Market value at 1 August 2009	360,648
Additions to investments at cost	607,409
Disposals at carrying value	(445,556)
Net gain/(loss) on revaluation	27,998
Market value at 31 July 2010	550,499

The investment portfolio was started on the 6 August 2003 to provide the BSO with a long-term investment at a higher return than those funds remaining in its bank accounts.

Investments in individual entities held at 31 July 2010 which are over 5% of portfolio by value are:

Name of security	Holding	Market value £
RWC Partners Ltd Gbl Convertibles B Dist	55	30,284
Barclays Bank Plc-5Yr Synthetic Zero	35,000	32,578
Goldman Sachs-defensive Autocall(GB84)	35,000	36,540
Goldman Sachs-Quanto Stg Trkr Cert	30,000	31,530
Lothbury Property Trust-Sterling Property Fund	25	33,017
Odey Asset Mgmt Llp-Continental European Acc	6,250	30,703
Odey Asset Mgmt Llp-CF Odey Opus Fund	1,200	29,613
Soc Gen Accept NV-3Yr GlobalBear Acc VII Note	32,000	34,000
Total		258,265

Social investments

	2010 £	2009 £
Amounts due from loans to students	71,606	53,992

BSO Student Loans are repayable in 60 monthly instalments within five years from 1 January 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.

Notes to the financial statements for the year ended 31 July 2010

12 Debtors

	2010	2009
	£	£
Trade debtors	25,336	24,191
Other debtors	77,116	244,659
Prepayments	93,729	73,588
	196,181	342,438

13 Creditors: amounts falling due within one year

	2010	2009
	£	£
Bank loan	48,163	-
Trade creditors	41,944	71,453
Other creditors	183,037	109,236
Accruals	371,045	225,995
Deferred income (student fees in advance)	6,536	45,828
	650,725	452,512

14 Creditors: amounts falling due after more than one year

	2010	2009
	£	£
Repayable two to five years	615,775	500,361
Repayable after five years	4,505,062	4,668,639
Loans to finance clinic building purchase and fit-out	5,120,837	5,169,000

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

Both loans are secured on the properties 275 Borough High Street and 98-118 Southwark Bridge Road.

Notes to the financial statements for the year ended 31 July 2010

15 Movement on reserves

	Opening Balances	Incoming resource	Resource expended	Transfers	Closing Balances
	£	£	£	£	£
Share capital	972	-	-	-	972
Unrestricted general funds	133,979	4,664,058	(4,301,581)	(81,274)	415,182
Designated funds	2,993,887	-	-	81,274	3,075,161
Endowment funds	11,576	-	-	-	11,576
Restricted funds	281,277	237,852	(117,740)	-	401,389
Total	3,421,691	4,901,910	(4,419,321)	-	3,904,280

The transfers between funds comprise of:

£35,984k transferred from designated funds to unallocated general funds which is the current year's expenditure on fixed assets less depreciation funded by the Tangible Fixed Asset Fund.

£110,482k transferred from unallocated general funds to designated funds for the purpose of repaying the building loan.

A total of £6,776 has been transferred from unallocated general funds to designated funds in respect of monies raised from the Sandler Golf Day of £5,826 and £950 in respect off sales from donated books.

16 Endowed trust capital

	2010 £	2009 £
R K Hardy Prize Fund	<u>11,576</u>	<u>11,576</u>

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 funds. 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 BSO. For the purpose of these accounts the charity is accounted for on the basis that the management of its assets is undertaken by the BSO.

Notes to the financial statements for the year ended 31 July 2010

17 Restricted funds

	Balance 1 August 2009	Incoming Resources	Outgoing Resources	Balance 31 July 2010
	£	£	£	£
BSO Student Loans Fund	201,347	7,422	-	208,769
HSA Scholarship Fund	5,484	-	2,570	2,914
Ursula Hogg Fund	11,897	-	1,200	10,697
Student Support Funds	3,600	-	600	3,000
Sven Svenson Bursary Fund	8,787	350	500	8,637
Elderly Clinic Plinth Fund	4,738	-	789	3,949
Children's Clinic Plinth Fund	2,000	-	333	1,667
Research Fund	2,000	-	-	2,000
Sir James Knott North-East of England Recruitment Fund	220	-	-	220
Astra Zeneca Children's Long Term Equipment Fund	1,964	-	327	1,637
Lutchman Naidoo Prize Fund	-	4,800	-	4,800
Community Clinic Fund	5,594	105,942	79,536	32,000
Community Children's Clinic Fund	-	5,120	5,120	-
Community Elderly Clinic Fund	-	6,165	6,165	-
The Children's Clinic Fund	11,434	-	-	11,434
Westminster Residents Clinic Fund	2,000	-	-	2,000
The Aylesbury Estate Clinic Fund	13,888	-	-	13,888
The Chapman Clinic Fund	-	20,000	20,000	-
General Clinic Capital	5,000	5,000	-	10,000
Capital Campaign	120	83,053	-	83,173
R K Hardy Prize Fund	1,204	-	600	604
Total	281,277	237,852	117,740	401,389

BSO Student Loans Fund

This was established on 7 April 1992. The fund provides loans to students who demonstrate the ability to qualify as osteopaths but have limited resources to pay the fees. Each loan is repayable within five years following graduation or immediately upon leaving without qualifying.

HSA Scholarship Fund

The HSA donated £25,000 on the 25 June 2003 to establish a fund to provide a fully funded place for one student demonstrating outstanding abilities, who would not otherwise be able to attend the School. Further donations amounting to £50,000 were received to support another two fully funded places on the course. On the 18 April 2005, following the BSO's partnership with the University of Bedfordshire and the receipt of government funding which lowered the student's contribution towards their fees, the HSA agreed that the unspent balance could be used to support funded places for a number of students for the academic years 2005/06 onwards.

Notes to the financial statements for the year ended 31 July 2010

17 Restricted funds (continued)

Ursula Hogg Fund

This is a memorial fund established on 18 February 1998. The interest on the capital of £10,000 will pay grants towards fees for students who, for financial reasons only, would not otherwise qualify as an osteopath.

Student Support Fund

A number of bursaries were donated to students towards their fees and education. The total amount received supported a number of students and the BSO would particularly like to thank the Thriplow Charitable Trust.

Sven Svenson Bursary Fund

The Sven Svenson Bursary Fund was set up by Dame Beryl Grey in memory of her late husband who was a BSO graduate. The interest on the capital will be used to provide an award to a fourth year student who demonstrates exceptional promise.

Plinth Funds & the Astra-Zeneca Children's Long Term Equipment Fund

Plinths were purchased during the year and their depreciation shown as an outgoing.

Research Fund

This is a fund for research and will be put towards the cost of providing a clinical audit of our clinics.

Lutchman Naidoo Prize Fund

The fund was created to celebrate the work of Lutchman Naidoo, a former tutor of the School and is to be used to award a prize annually to the demonstrating the best overall performance in practical osteopathic skills.

Community Clinics' Funds

These funds make a real difference to the amount of osteopathic care the BSO can offer to groups such as older people, children and homeless people in the local community. Each of the BSO's outreach community clinics provides excellent osteopathic care to some of the most vulnerable people within our society. The Stavros Niarchos Foundation donated £20,000 towards the community clinics.

Donations for the BSO's community outreach clinic at the Beormund Primary School, which provides osteopathic care for children with emotional and behavioural difficulties were received from the Red Hill Charitable Trust. Donations for the BSO's community outreach clinics for older people at Darwin Court and Lucy Brown House were received from William and Patrick Venton Trust and the PF Charitable Trust. A grant for the Manna Centre was received from the Community Development Foundation, which also contributed towards treatments delivered at First Place Children's Centre and at the Royal Free Ian Charleson Day Centre.

We continue to provide osteopathic care free of charge to local residents living on the Aylesbury Estate, funded by the London Borough of Southwark.

The Chapman Clinic Fund

The BSO's community outreach clinic offering osteopathic care for people with HIV/AIDS within the Royal Free Hospital was established in 2004 following the success of the Chapman Clinic, which is an in-house clinic now situated at the BSO's Southwark Bridge Road clinical centre. Both of these clinics provide treatment for patients with HIV infection. A donation of £20,000 was received from the Peter Moores Foundation.

Notes to the financial statements for the year ended 31 July 2010

17 Restricted funds (continued)

Capital Campaign Fund and General Clinic Capital Funds

Donations have been received in the year and a number of events have been held this year to provide funding for our clinical centre which was purchased in August 2007 and opened by HRH The Princess Royal in May 2008. The clinical centre cost £5.2m and the BSO requires funding to enable it to repay loans amounting to £5m.

Endowment Fund - RK Hardy Prize Fund

This is an endowed 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 funds.

18 Corporate share capital

	2010 £	2009 £
Share Capital:		
Ordinary shares	482	482
“B” shares	94	94
Share Premium	396	396
Total	972	972

	Authorised		Allotted, issued and fully paid	
	2010	2009	2010	2009
	£	£	£	£
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

19 Designated funds

	Balance 1 August 2009 £	Transfers £	Balance 31 July 2010 £
Godfrey M Frischmann Fund	11,033	-	11,033
Sandler annual Golf Day Fund	6,735	5,825	12,560
Donated books and goods sales by John Telford	2,067	950	3,017
Tangible Fixed Asset Fund	2,362,479	(35,983)	2,326,496
Building Loan Repayment Fund	110,049	110,482	220,531
Adverse Events Fund	501,524	-	501,524
Total	2,993,887	81,274	3,075,161

Notes to the financial statements for the year ended 31 July 2010

19 Designated Funds (continued)

Godfrey M Frischmann Fund

This is a memorial fund established on 4 June 1993. The interest on the £10,500 capital fund is used to assist, by way of grants, exceptional students who have limited resources to support their study.

The annual Sandler Golf Day

Once again, Steve Sandler has excelled in his fundraising effort to provide another successful golfing event. Golf Day 2010 raised £5,826 (2009: £6,275). This amount plus the balance carried forward from the previous year has been designated for improving the student learning experience.

Donated books and goods sales

John Telford continues to carry in huge bags of books which are sold in the BSO's clinical centre to raise funds totalling £950 (2008: £1,185). This amount plus the balance carried forward from the previous year has been designated for improving the student learning experience.

Tangible Fixed Asset Fund

The Tangible Fixed Asset Fund represents corporate reserves used for financing the buildings, equipment, etc., retained for the BSO's own use and which as such are not readily available for other purposes.

Building Loan Repayment Fund

This is a cash fund which the Board agreed to designate for the purpose of repaying the building loan. Repayments of the loan are due to begin in 2011.

Adverse Events Fund

The Reserve Policy fund is set aside for unmitigated adverse events.

20 Analysis of net assets between Funds

Fund balances at 31 July 2010 are represented by:

	Restricted Funds £	Endowed Trust Capital £	Corporate Capital Reserves £	Designated Funds £	General Funds £	Total Funds £
Tangible Fixed Assets	-	-	-	7,495,496	-	7,495,496
Social Investments	71,606	-	-	-	-	71,606
Other Investments	-	11,576	972	624,286	-	636,834
Current Assets						
- Cash	329,783	-	-	76,216	869,726	1,275,725
- Debtors	-	-	-	-	196,181	196,181
Current Liabilities	-	-	-	-	(650,725)	(650,725)
Long term Liabilities	-	-	-	(5,120,837)	-	(5,120,837)
	401,389	11,576	972	3,075,161	415,182	3,904,280

Notes to the financial statements for the year ended 31 July 2010

21 Commitments - operating leases

At 31 July 2010, the BSO has the following annual commitments under non-cancellable operating leases expiring as follows:

	2010 £	2009 £
Land and buildings:		
Expiring in more than five years:		
On ground rent for 275 Borough High Street	22,500	22,500
On ground rent for 98 -118 Southwark Bridge Road	350	350
Equipment:		
Expiring in less than five years	23,239	16,780
	<u>46,089</u>	<u>39,630</u>

22 Capital commitments

Authorised and contracted for capital commitments at 31 July amounted to:

	2010 £	2009 £
Authorised and contracted for	240,115	-
Authorised but not contracted	24,187	-
	<u>284,302</u>	<u>-</u>