



# THE BRITISH SCHOOL OF OSTEOPATHY

Annual Report and Financial Statements  
year ended 31 July 2008

---

## Table of Contents

---

|  | PAGE      |
|--|-----------|
| <b>Report of the Directors</b>   | <b>2</b>  |
| <b>Reference and Administrative Details</b>                              | <b>10</b> |
| <b>Structure, Governance and Management</b>                              | <b>12</b> |
| <b>Objectives and Activities</b>   | <b>14</b> |
| <b>Financial Review</b>  | <b>16</b> |
| <b>Independent Auditors' Report to the Members</b>                       | <b>18</b> |
| <b>Statement of Financial Activities for the year ended 31 July 2008</b> | <b>20</b> |
| <b>Balance Sheet at 31 July 2008</b>                                     | <b>21</b> |
| <b>Cashflow Statement for the year ended 31 July 2008</b>                | <b>22</b> |
| <b>Notes to the Cashflow Statement for the year ended 31 July 2008</b>   | <b>23</b> |
| <b>Notes to the Financial Statements for the year ended 31 July 2008</b> | <b>24</b> |



---

## Report of the Directors

---

### Introduction

The British School of Osteopathy has had another very busy and successful year with many highlights. The prime focus of the year was the purchase and fit out of our new clinic site at Southwark Bridge Road which occurred at a cost of £5.5m and created 34 climate controlled treatment rooms. The clinic also boasts a lecture room, review rooms, staff changing facilities and offices for the administration staff. The clinic was delivered on time and within budget and we were very honoured that our patron, Her Royal Highness The Princess Royal formally opened the clinic on 21st May 2008. We are very proud of this facility and we hope that the students' staff and patients of the future will benefit from its creation.

The relocation of the clinic has freed space in our Borough High Street premises and the next phase of our estates strategy will be to create more and better teaching space in the areas vacated by the clinic. This work will begin next year but will require the school to seek more funding opportunities to make this happen.

The School launched a capital appeal during the year to help fund the new clinic and the fundraising team has been expanded to strengthen our ability to source fundraising revenue. The team although in post for only three quarters of the year beat last year's income and the budget for the year. The next year will be crucial to build on this momentum and the School has planned a number of initiatives and events to secure much needed funding.

Margaret Wolff, Vice Principal (Academic) retired in April 2008. She worked tirelessly for the School over 10 years and achieved much, the highlight being the lead in our successful application allowing new students to receive government funding. Following her departure, 2 Vice Principals have been appointed – Steve Vogel, Vice Principal (Research & Quality) and Sharon Potter, Vice Principal (Education).

The School has undergone a number of validation events over the year and we are very pleased to report that following a two year curriculum review we have written a new programme. This resulted in the production of an integrated Masters programme which is validated by the University of Bedfordshire and results in graduates being awarded an M.Ost. This exciting programme will be delivered in the next academic year. The BSO also had an MSc in Osteopathy in the Cranial Field validated by the University of Bedfordshire which created the first programme of its type in the world.

The School has also undergone two inspections by the General Osteopathic Council and Quality Assurance Agency over the last year. It underwent its 5 year institutional inspection in November and then an inspection of the new M.Ost programme in June to achieve Recognised Qualification (RQ) status. The outcome of both visits was very positive with many areas of strengths noted by the visitors.

The School's international reputation was further enhanced when it co-hosted a conference on osteopathic education as part of the General Osteopathic Council's 10 year celebration event 'Advancing Osteopathy'. The conference had over 300 delegates attending with osteopaths representing over 20 different countries.

### Student Admissions & Widening Participation

The Student Admissions and Widening Participation team have focused on a range of strategies to widen access to our degree studies. The actions within the School's Widening Participation Strategy have begun to be implemented, to remove barriers to participation in osteopathic education for non-traditional students, especially those from less advantaged socio-economic backgrounds. Achievements in the year include targeted partnerships with inner city schools and careers advisors, and very successful recruitment to our Access to Osteopathic Health Care and Intensive Osteopathic Sciences courses.

The admissions team continued to visit a wide range of schools, colleges and higher education fairs to promote osteopathy as a career. Student recruitment was more challenging in this academic year, reflecting the uncertainties of Equivalent and Lower Qualification (ELQ) changes proposed by the government, as well as the general economic downturn. The newly appointed Marketing and Communications Officer has worked with the team to promote the course effectively – including a new prospectus, a new range of leaflets, and development work for a new video.



## Report of the Directors

This year, the following measures have been used to assess progress against the School's Widening Participation strategy:

### Student ethnicity:

| First year students      | 2008       | 2007       |
|--------------------------|------------|------------|
| White                    | 89         | 110        |
| Black                    | 4          | 3          |
| Asian (inc. Chinese)     | 8          | 8          |
| Mixed ethnicity          | 4          | 4          |
| Other                    | 7          | 0          |
| Did not give information | 12         | 0          |
| <b>Total</b>             | <b>124</b> | <b>125</b> |

### Students qualifying for the BSO's Bursary Scheme:

The BSO operates a bursary scheme for which students with household incomes of less than £25,000 are eligible. The following figures show the number of students qualifying for this scheme over the two years the scheme has been in place:

| Type                                  | 2008<br>(no. of students) | 2008 (£)       | 2007<br>(no. of students) | 2007 (£)      |
|---------------------------------------|---------------------------|----------------|---------------------------|---------------|
| Home (UK) students                    | 30                        | £15,000        | 19                        | £5,700        |
| EU students                           | 5                         | £1,525         | 0                         | £0            |
| Access pathway/Local Borough students | 12                        | £8,400         | 0                         | £0            |
| <b>Total</b>                          | <b>47</b>                 | <b>£24,925</b> | <b>19</b>                 | <b>£5,700</b> |

### Students entering through the Access pathway:

| 2008 |    |  | 2007 |    |  |
|------|----|--|------|----|--|
| FT   | PT | Total                                  | FT   | PT | Total                                  |
| 10   | 6  | 16<br>(21% of new first year entrants) | 14   | 4  | 18<br>(13% of new first year entrants) |



## Report of the Directors

### The Bachelor of Osteopathy (B.Ost)

There have been no major changes in the delivery or assessment of the B.Ost this year. However, minor adjustments have been made to the assessment types of some units and these have been agreed by Teaching Quality and Standards Committee at the University of Bedfordshire.

#### B.Ost Student outcomes 2007-08

| Intake           | Number of students at start of year | Number of students completing year | % successfully progressing |
|------------------|-------------------------------------|------------------------------------|----------------------------|
| Full-time Year 1 | 93                                  | 75                                 | 81%                        |
| Full-time Year 2 | 85                                  | 78                                 | 92%                        |
| Full-time Year 3 | 103                                 | 101                                | 98%                        |
| Full-time Year 4 | 96                                  | 91                                 | 95%                        |
| Part-time Year 1 | 41                                  | 28                                 | 68%                        |
| Part-time Year 2 | 35                                  | 30                                 | 86%                        |
| Part-time Year 3 | 31                                  | 22                                 | 71%                        |
| <b>Total</b>     | <b>484</b>                          | <b>425</b>                         | <b>88%</b>                 |

The student outcomes of the final phase of the B.Ost degree was as follows:

- Pass with Distinction 14
- Pass 76
- Non-Practising Degree 0
- Refer 1

In September 2008, 88 (2007: 64) students graduated of which 76 (2007: 61) are registered with the General Osteopathic Council and are in practice, 6 are registered but not in practice, 1 is practising overseas, 1 is taking a year-out but planning to register and 4 students are not registered.

### The Master of Osteopathy (M.Ost)

The review of the B.Ost was completed and the project to explore the views of faculty and recent graduates was utilised in the design and development of the M.Ost programme. The context and foundation for developing teaching and learning within the M.Ost build on the innovations that were successfully introduced with the original B.Ost course. The innovative changes of the M.Ost were motivated by a number of factors, including the recent publication of the Osteopathic Benchmarking Statement by the Quality Assurance Agency (QAA), consultation with stakeholders and an awareness of increasing interest in osteopathy by the general public

The M.Ost was successfully validated by the University of Bedfordshire in March 2008 and the General Osteopathic Council undertook a review of the course in May 2008 to ensure that it could be awarded recognised qualification (RQ) status. The M.Ost degree is an Undergraduate Masters Degree in Osteopathy. Undergraduate Masters qualifications have become familiar across the HE sector as four year (minimum) courses and are frequently linked to a professional qualification, e.g., M.Eng, M.Chiro, M.Phys, M.Math and M.Chem. Such courses are recognised by the Department for Innovation, Universities and Skills (DIUS) and are mentioned explicitly in the Framework for Qualifications. They are funded as undergraduate courses by the Funding Councils, who recognise that graduates from these courses have achieved well beyond what is normally attained at first degree level.



---

## Report of the Directors

---

### Foundation Phase Studies

This was the first year that we have run the Introduction to Osteopathic Sciences course, which is aimed at potential students to enable them to upgrade their knowledge of science before embarking on their osteopathic studies. The IOS course was launched in April 2008 with 30 students starting the course. The course was run on-line with weekly forum tasks and 3 optional support tutorials which were held at the BSO main teaching building.

26 students passed the course successfully and progressed onto the M.Ost in September 2008. 2 students have deferred until September 2009 for personal reasons with 1 student failing the course and 1 student who did not complete the course.

The Access to Osteopathic Health Care course had another successful year. 22 were recruited of which 17 successfully completed the one-year part-time course. 16 of these students subsequently went on to join the M.Ost.

The validation of the first BSO Access to Osteopathic Health Care Diploma which was previously run in conjunction with Southwark College took place this year. The Access course is validated by AQA and has recruited 26 students in September 2008.

### Postgraduate Education

The two-year part-time MSc in Paediatric Osteopathy, validated by the University of Bedfordshire, which the School runs in conjunction with the Foundation for Paediatric Osteopathy, recruited 21 students onto the first year plus 2 returning from time out and 1 retake. Of the 20 continuing students 17 successfully completed the programme.

There are 22 registered on the 2nd year and 5 students taking time out.

### Faculty and Staff Development

The School continues to invest significantly in the development of staff and faculty to ensure that all employees have access to the education and training required to deliver a quality service to our students. Our annual residential staff development weekend took place in November 2007 where over one hundred members of staff attended. The programme for the weekend focused on the forthcoming RQ inspection, as well as updates about the new M.Ost course and various postgraduate and CPD courses in development. Sessions also looked at student support, research and scholarship and e-learning.

Faculty and staff were sponsored on a wide range of award-bearing courses. During the year, five members of our teaching staff completed the Postgraduate Certificate in Academic Practice awarded by our partner, the University of Bedfordshire, and thus gained eligibility for Fellowship of the Higher Education Academy. Other postgraduate courses were supported and sponsored by the BSO in various areas of work, including: a Doctorate in Education; MA in Education; Postgraduate Diploma in HRM; Masters in Facilities Management; Masters in Academic Practice; ACCA & CIMA Accountancy qualifications and PhD studies. Other training was supported in Critical Appraisal for several members of staff.

Our two-day Introduction to Teaching in Higher Education programme is compulsory for all new members of faculty who lack a teaching qualification, and successful sessions were run again this year. Other staff development activities included an institution-wide *Respect for People* diversity training programme, training on our new Interactive Whiteboard equipment and training in staff appraisal. As well as appraisals for all members of staff, our peer observation of teaching scheme for faculty continued to provide feedback to academic staff.



## Report of the Directors

### Clinic and Community Clinics

The aims of the clinic in 2008 have been a continuation of the previous year, with a focus on improving the quality of clinical education, providing greater support for students throughout their clinical experience, continuing to increase patient numbers and to continue the expansion of provision of osteopathic care within the community.

The clinic has experienced significant change during the year with the process of relocation to its new site on Southwark Bridge Road. The relocation was a great success, and patient feedback about the premises has been very positive. Disabled access and facilities have significantly improved, as has the environment for treatment, teaching and learning. Patients are now experiencing a first class treatment space that is air conditioned, and acoustically private, whilst students are benefiting from improved teaching facilities.

Further development of the clinic management structure has taken place across the year to better meet the needs of staff and students. An Assistant Head of Clinical Practice has been recruited to enhance the operational management of the clinic and support strategic development of clinical education, and a Senior Administration Assistant has been placed to focus on administrative operation of the clinic management software.

Clinic tutor numbers have been maintained across the year. However, to improve the organisation across teams, and to provide a more responsive and student focused approach to clinic teams, the role of Team Leader has been introduced. This role has been designed so that it will integrate efficiently with the Head and Assistant Head of Clinical Practice, and improve communication and management of staff and students within the clinic.

The support programme for struggling students introduced in 2007 was continued into 2008 with great success. Feedback from students was very positive, and improvements in the results from the Clinical Competency exams suggest that this initiative has translated into greater success academically.

New policies and procedures are being developed across all aspects of the clinic to improve operational efficiency. This process will continue into the coming year.

The community clinics have seen significant growth in patient numbers (49%). This in part reflects an increase in provision with the successful introduction of 1<sup>st</sup> Place Children's Clinic. With greater publicity surrounding the BSO's provision of treatment for patient's with HIV/AIDS, the Royal Free Clinic and Chapman clinic patient appointments increased by 53% across the year. There has also been a significant increase in the number of patients being treated through the East Street GP clinic. It is expected that a select number of new clinical projects will be introduced over the coming year.

The Clinic has established two new relationships with external organisations. Firstly, as a consequence of a Fundraising initiative, the BSO clinic is now providing free osteopathic treatment available to all residents of the Aylesbury Estate. It is expected that the clinic will see between 300-400 new patients (equivalent to 2,500 appointments) over a 3 year period. Funding has been secured to support this provision.

The clinic has also negotiated a reciprocal relationship with London South Bank University (LSBU), providing reduced rate treatment for staff and students from LSBU in return for reduced rates of membership for the BSO students and staff to the LSBU Health and Fitness Centre.

It is planned that in the coming year the Clinic will continue to demonstrate a commitment to the community it serves, expanding provision of care to all and promoting the services on offer. It is planned to obtain patient feedback on the service provided, and encourage further reciprocal relationships with organisations and groups locally.

| <b>On site Clinics</b>                          | <b>2008</b>   | <b>2007</b>   |
|---|---------------|---------------|
| Total number of new patients                    | 9,071         | 8,814         |
| Total number of on-going patients               | 26,746        | 32,669        |
| <b>Total number of new and ongoing patients</b> | <b>35,817</b> | <b>41,483</b> |



## Report of the Directors

### Number of patient treatments in the Community Clinics:

|                        | 2008         | 2007         |
|------------------------|--------------|--------------|
| Chapman                | 681          | 456          |
| Royal Free             | 755          | 481          |
| Elderly Clinics        | 495          | 474          |
| Manna Homeless Project | 255          | 270          |
| Beormund School        | 117          | 160          |
| East Street Clinic     | 1051         | 644          |
| First Place            | 339          | N/A          |
| <b>Total</b>           | <b>3,693</b> | <b>2,485</b> |

### Patient fees:

BSO fees compare favourably with the median fee charged in private practice in London & South East England:

|                  | Median – London & SE | BSO fees | BSO concessionary fees |
|------------------|----------------------|----------|------------------------|
| New patients     | £40                  | £20      | £12                    |
| Current patients | £34                  | £17      | £10                    |

### Research

The School has revised its research strategy. We aim to establish and maintain a recognisable national and international reputation for high quality research, contribute to the body of osteopathic knowledge, promote evidence informed care, support high quality education and contribute to the wider academic and healthcare community.

Members of faculty have contributed to publications in peer reviewed journals and successful presentation of work at osteopathic research conferences as well as at general medical conferences nationally and internationally. An increased number of faculty review for journals and contribute to editorial boards. One member of the research team has been appointed as Editor for the UK and Europe of the International Journal of Osteopathic Research. A previously in house publication has been taken on by the journal as a regular section. This maturation of The Research and Treatment Bulletin is an important milestone and represents increased opportunities for faculty and others to seek publication. The School has also had a member of faculty appointed to a National Institute of Clinical Health and Excellence guideline development group for back pain.

A focus of the year has been the organisation and hosting of a day conference "Osteopathic learning and practice – a global future" as part of Advancing Osteopathy 2008 event at the Queen Elizabeth Conference II Centre in London. The conference was hosted in partnership with the International Osteopathic Alliance and attracted submissions of work from around the world. Delegates from over 20 countries attended and the School presented numerous pieces of research and scholarship throughout the event.

The "Chiropractic, Osteopathy and Physiotherapy: Moving forward through research and practice" conference has again increased its profile. We make a large contribution to the conference with eight of thirty two presentations coming from BSO graduates along with staff being involved in organising the conference.

We have continued to deliver postgraduate teaching and supervision and are contributing to the development new research focussed awards. Another member of the team has successfully completed her Doctoral studies and other members of faculty are on route to completion of Doctoral level studies.





---

## Report of the Directors

---

Ongoing projects include a Research Informed Teaching award from the University of Bedfordshire entitled "Work-Related Attitudes and Behaviour in Faculty Clinicians Treating Back Pain: Narrowing the Knowledge Gap between Evidence and Teaching". We are completing work assessing students experience of clinical learning, auditing our faculty's scholarship activities and have completed surveys of a range of stakeholders to inform curriculum development.

### **Human Resources, PR & Marketing and Business Development**

Staff recruitment has been strong this year, including the appointment of a Mixed Mode Co-ordinator, an Assistant Head of Clinical Practice, an Area of Study Manager for Critical Analysis and Enquiry, and an Acting Head of Postgraduate Education during the year. There has also been a focus on ensuring that the new M.Ost course has appropriate levels of resourcing. One existing member of faculty took on a full-time contract with the School during the year, and eleven members of faculty increased their contracted hours, continuing our drive to increase time commitment at the BSO for our teaching staff.

The staff handbook was revised and republished during the year, and the annual pay review saw weekend, postgraduate and student pay rates brought into line with our central remuneration policy. A staff satisfaction survey during the year showed a marked improvement in satisfaction with several key areas since the last review. Training was provided to the clinic reception team in customer service skills, leading to the establishment of new customer service standards for the team in the new clinic facility.

Business development was a strong focus during the year. The team continued to run and support the five day cranial course, the Strain/Counter Strain course and the Management of Pain courses. New courses in Ergonomics and Osteopathy and Obstetrics were developed and run through the year, as well as a popular Summer School. Promotion of all CPD courses was improved, with a booklet of information sent out to alumni, and regular advertisements in The Osteopath.

As part of our strategy to build the profile of the School, we appointed a part-time Marketing and Communications Officer during the year. Marketing of the various BSO clinics has begun, including promotion of our student concessionary rate treatments to local FE and HE educational institutions; promotion of our concessionary rate treatments for the over 60s to local Age Concern groups and establishing contact with local employers.

Our media profile has also been significantly raised, with BSO events and activities being proactively promoted to the media via press releases, and subsequently receiving regular coverage in diverse local, specialist and national media outlets. Examples include the South London Press; Time Out magazine; the Metro newspaper; Times Higher Education magazine and The Osteopath. Our Marketing Officer has also worked on incoming media enquiries from media outlets as diverse as the Financial Times newspaper, CAM Lifestyle magazine, BBC Radio Two's Chris Evans drivetime programme and Practising Midwife journal.

Work was also undertaken to specifically raise the profile of the free osteopathy services we provide for people with HIV/AIDS within relevant media outlets - this played a significant contribution to renewed funding for work in this area being secured from Peter Moores Foundation.

We've also produced a new prospectus (available in hard copy or online via the website), which for the first time has included information about undergraduate, postgraduate and CPD courses available at the BSO, together with details of our various clinics and outreach osteopathy work. Thus our prospectus now not only supports our Admissions team, but has added value as a high-quality general promotional tool.

Other information leaflets have been updated to reflect our move of clinic premises in April, and our move to offering an M.Ost degree programme. Posters have also been produced for marketing purposes, and a series of student and patient "case studies" have been produced to "put a human face" on the BSO in media, marketing, fundraising and general promotional work. Ongoing projects include the website -- which is now being maintained and updated on an ongoing basis and a new promotional video for the Student Admissions team.



---

## Report of the Directors

---

### Fundraising

During the year, the fundraising department was tasked with raising funds to contribute towards the costs of the new clinic as well as continuing to fund the work of our community outreach clinics. In view of the large sums required to finance the new clinic we have focused on attracting major donor funding. This is a long-term process, and the first success was a £50,000 pledge from long-standing supporters of the School, Alan and Sheila Diamond. In return for their support they have named two rooms in the new clinic.

Major donor networking has been facilitated with the assistance of our Vice Patrons, an invaluable group of well-connected individuals. New Vice Patrons recruited in the year include Baroness Barker Jenny Bianco DL, Sue Brealey, Katy Cavanagh, Colin Dove, Baron Dykes, Dr Bryan English, Ken Hayes, Liv Lowrie, Lady Weir, and former Mayor of Southwark, Hilary Wines.

Applications for the new clinic were submitted to major grant giving trusts, and the support to date for the new clinic has been forthcoming from the PF Charitable Trust, Adrienne & Leslie Sussman Charitable Trust and The Sir Jules Thorn Charitable Trust.

A high value supporters club primarily for internal supporters and alumni, the 500 Club, was initiated.

One strategy has been to identify local funders and those known to patients. Accordingly, we met with the Aylesbury New Deal for Communities who agreed to grant £25,000 to the School, in order to offer free treatment to estate residents. The principal opportunity to raise awareness of the appeal and cultivate current and future donors was the opening of the Clinic by HRH The Princess Royal on 21 May 2008. Significant funds were donated to our community clinics appeal and the event re-energised the commitment of Vice Patrons and brought a number of potential high value donors into the fold. Awareness was raised about the appeal in the community via carol singing at Borough Market and via staff and student participation in the BUPA London 10k run in July, for which sponsorship funding will be received in the new financial year.

The invaluable contribution that our community clinics make to the health of Southwark was recognised by the presentation of a Southwark Civic Award by the Mayor in May.

An on-line affiliate shop was established in order to attract regular unrestricted funding via commission on supporters' purchases.

With the further development of the School's plans for the Borough High Street building, applications will be made to funders in the coming year towards the costs of this work. New legacy literature will be produced in early 2009, with the aim of raising awareness about this means of support amongst alumni and patients.

### ICT Developments

Information and Communication Technology (ICT) has continued to be developed to support the teaching, learning, research and administrative plans of the School. New staff and students were inducted into the use of the School's ICT hardware and software. Existing staff were encouraged to complete European Computer Driving Licence (ECDL) courses in order to update their skills.

The computing facilities available to students were enhanced by the extension of our wireless access facilities to include the ground floor lecture and recreation areas and an interactive whiteboard was provided for use in the teaching room at the new clinic.

Our communications strategy was thoroughly revised and enhanced to more clearly distinguish between internet, intranet, e-mail and virtual learning environment applications.



---

## Reference and Administrative Details

---

### 1 Name, Address and Registered Numbers of the Charity

The British School of Osteopathy is a limited company authorised to omit the word 'limited' from its name by licence granted under Section 30(2) of the Companies Act 1985. It is a

- Registered Address – 275 Borough High Street, London SE1 1JE
- Registered Charity numbered – 312873; and a
- Registered Company numbered – 146343

### 2 Trustees

The School's Charity Trustees are the Company Directors and comprises:

|          |                                 |
|----------|---------------------------------|
| Graeme   | Atherton                        |
| Ray      | Atwell (appointed 25 June 2008) |
| Felicity | Bate                            |
| Mark     | Corson                          |
| Tracy    | Davies                          |
| Greyham  | Dawes                           |
| Peter    | Gist (resigned 25 June 2008)    |
| Charles  | Hunt                            |
| David    | Langley                         |
| Steven   | Monger-Godfrey (Chair)          |
| Philip   | Peake                           |
| Shivaun  | Riley                           |
| David    | Sines                           |
| Stephen  | Tyreman                         |
| Michael  | Wright (appointed 25 June 2008) |

Company Secretary: J F Smith – The Secretary is not Trustee.

### 3 Principal, Senior Management Team and Academic Council

The day-to-day management of the School 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:

- C Hunt           Principal and Chief Executive
- S Potter        Vice Principal (Education)
- S Vogel         Vice Principal (Research & Quality)
- S London      Head of Clinical Practice
- I Maguire      ICT Manager
- J Smith         Finance Director
- N Waters      Head of HR & Business Development



---

## Reference and Administrative Details

---

The Academic Council comprises of 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 Advisory Group
- Undergraduate Course Team
- Undergraduate Admissions Group
- Research Committee
- Quality Assurance and Enhancement Committee
- Postgraduate Course Committee

#### 4 Professional Advisors

|              |  |
|--------------|--|
| AUDITORS:    | Berg Kaprow Lewis LLP, 35 Ballards Lane, London N3 1XW   |
| BANKERS:     | Barclays Bank Plc, 1 Churchill Place, London E14 5HP   |
| SOLICITORS:  | Russell-Cooke, 2 Putney Hill, Putney, London SW15 6AB<br>Trowers &Hamlins, Sceptre Court, 40 Tower Hill, London EC3N 4DX |
| INVESTMENTS: | Rathbone Investment Management Ltd<br>Charlotte House, 2 South Charlotte Street, Edinburgh<br>EH2 4AW                    |



---

## Structure, Governance and Management

---

### 1 Governing Document

The British School of Osteopathy 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.

### 2 Recruitment and appointment of new Directors

All Directors are trustees. The Board of Directors receive suggestions from stakeholders for potential new directors and considers whether these applicants meet the skills required to fill vacant roles and responsibilities on the Board. Applicants that are approved by the Board must be elected by the shareholders at an AGM. Directors serve three years and may be re-elected for a further three years and meet a minimum of four times a year. 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.

### 3 Committees of the Board

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

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

Members of the Board are nominated to sit on various committees according to their skills.

### 4 Directors' Responsibilities

Company law requires the Directors to prepare audited financial statements for each financial year. These must give a true and fair view of the state of affairs of the School and of the surplus or deficit of the School for that period. In preparing those statements, the Directors are required to:

- select what they consider the most suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and (where doubt arises) prudent;
- state whether relevant accounting standards and any applicable SORP have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the charity will continue its existing activities.



---

## Structure, Governance and Management

---

The Directors have overall responsibility for ensuring that the charity has appropriate systems of controls, financial and otherwise. They are also responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the School and enable them to ensure the financial statements, comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the charity and ensuring their proper application to satisfy charity law, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities and to provide reasonable assurance that:

- the School is operating efficiently, effectively and economically;
- its assets are safeguarded against unauthorised use or disposal;
- proper records are maintained and financial information used within the School or for publication is reliable; and
- the School complies with relevant laws and regulations.

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

- There is no relevant audit information of which the company's auditors are unaware, and
- The directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

### 5 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 School'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 School as a charity. This is a formal process:

- embedding the control system in the day to day running of the School and culture;
- involving all areas of activity, governance and relevant stakeholders;
- identifying the types of risks the School 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; and
- 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.



---

# Objectives and Activities

---

## 1 Objects

The School's objects as set out in its Memorandum and Articles are to

- 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.
- To 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.
- To 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.

## 2 Aims

The School aims to promote osteopathy and osteopathy's contribution to the provision of contemporary health care for the public benefit by:

- Providing accredited and validated courses as well as continuing professional development for undergraduate and postgraduate students. These courses include our Access to Osteopathic Health Care; M.Ost degree and an MSc in Paediatric Osteopathy.
- Delivering practical training to enhance the quality and management of osteopathic care given to patients. The Charity has a number of community clinics which offer free osteopathic treatment to vulnerable groups including children, the elderly and homeless people; and
- Maintaining a commitment to support research to facilitate continuous improvement in professional practice and contribute knowledge to the wider community.

## 3 Objectives for the year

The objectives for the year were:

- To purchase, fit-out and open a new clinic in Spring 2008
- To develop, validate and receive Recognised Qualification (RQ) status for a new undergraduate programme which will be an integrated Masters (M.Ost) and have this course available from September 2008
- To gain validation for the world's first MSc in Osteopathy in the Cranial Field
- To organise and promote an international Conference in osteopathic Education to be hosted in London in early 2008.

These objectives were all achieved during the year.

## 4 Strategies

- To provide excellent osteopathic care within the community in a variety of settings.
- To offer leadership and development through well supported and motivated staff.



## Objectives and Activities

---

- To develop students into the best osteopathic practitioners, who will work in a diverse healthcare arena, by offering high quality undergraduate and post graduate courses.
- To enhance osteopathic evidence based practice, both nationally and internationally in research, scholarship, academic standards and continued professional development.
- To expand and diversify partnerships and opportunities for productive professional collaboration.

### 5 Activities

- Undergraduate M.Ost degree course validated by the University of Bedfordshire
- Postgraduate courses including a Postgraduate Diploma in Osteopathy in the Cranial Field and an MSc in Paediatric Osteopathy in conjunction with the Foundation for Paediatric Osteopathy
- Outpatient clinics including specialist clinics for sports injuries, children and expectant mothers
- Community and Outreach clinics for the elderly, homeless, children with emotional and behavioural difficulties and patients with the HIV infection.
- Research projects
- Pre-entry courses including the Access to Osteopathic Health Care course and Introduction to Osteopathic Sciences
- Continuing Professional Development courses





---

## Financial Review

---

### 1 Reserves Policy

The policy is to hold a liquid general fund of £100,000 to manage major unmitigated risk as well as an additional one month's running costs of £250,000. This fund is included within designated funds.

### 2 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 WM performance on investments by Charities; and
- Investments must be ethical as defined by the Board of Trustees by reference to the School's declared Objects.

The policy provides the terms and performance by which the investment managers must operate and the review process. The Board have taken professional advice on investments and investment managers from an Independent Financial Adviser. The investment return achieved for cash investments for the year was 5.7% (2007: 5.2%) compared with a base rate average of 5.38% (2007: 5.17%). The investment return achieved on longer term investments was -8.2% (2007: 14.2%) against the WM Charity Universe performance of -8.6%.

### 3 Incoming Resources

Total income increased by 13% from £3,511k to £3,975k, compared to an increase of 12% in 2007.

Undergraduate course fee income is 30% greater than in 2007 (2007: 37%). The fees paid by 'home' and EU full-time students prior to 2006 entry for the academic year are £1,225 (2007: £1,200) and post 2006 entry £3,070 (2007: £3,000); and for students attending the Mixed Mode course £3,500 (2007: £2,550). The contract income received via the University of Bedfordshire increased by 10% to £1,977k (2007: £1,797k). The number of undergraduate students attending at the beginning of the academic year was 484 (2007: 450), therefore the funding from the University of Bedfordshire is an average of £4,085 per student. The income from postgraduate courses increased by 26% (2007: 43% increase).

Clinic income decreased by 7.3% compared to last year (2007: 8.2% increase). The number of fee paying treatments given decreased from 41,483 to 35,817. The actual income for the year is £483k (2007: £521k) and expenditure (including clinic reception and support costs) on Clinical Education is £1,614k (2007: £1,403k). Therefore, the percentage of 'clinical education costs covered by contributions from patients' is 30% (2007: 37%). A further £82k (2007: £15k) of the expenditure was covered by donations, bringing the total covered to 35% (2007: 38%).

Donations increased from £88k to £116k, resulting in an increase of 32% (2007: 28% decrease from 2006). The actual associated costs (including support costs) are £86k but this includes the cost of a full-time fundraiser for the capital campaign to raise funds for the new clinic building (2007: £51k including £21k spent on fundraising consultants for the capital campaign). The percentage of 'fundraising costs to funds raised' (excluding capital campaign costs) is 34% (2007: 40%). The amount of restricted income received for the year is £83k (2007: £28k).

### 4 Resources Expended

The School spent £4,087k (2007: £3,466k), on delivering its academic education, clinical practice, research and their associated support costs. This is 18% higher than last year (2007: 8% increase) but includes additional running costs for the Southwark Bridge Road Clinic. Direct staff costs in these areas rose by 6% (2007: 11%) to cover pay rises during the year as well as additional clinic tutors and teaching staff due to the increase in student numbers. Overall, undergraduate academic education costs increased by 18% (2007: 12% increase); postgraduate education costs increased by 55% (2007: 13% decrease) - this is mainly due to the appointment of a Head of Postgraduate Studies for 2.5 days per week and additional teaching costs due to the increase in student numbers; clinical education costs rose 15% (2007: 14%); and research costs increased by 15% (2007: 3% decrease).



## Financial Review

Total expenditure increased by 18% from £3,542k to £4,193k, compared to a 7% increase last year. Total staff costs increased by 9.6% (2007: 12%) which is a 7.1% increase on the total expenditure in 2007 (2007: 8.5% increase).

The total expenditure during the year averages out to a cost of £8,663 per undergraduate student (2007: £7,871). The highest fee charged to a student was £7,150 (2007: £6,950), but the average fee charged to an undergraduate student was £2,251 (2007: £1,818). This average fee excludes income received from the University of Bedfordshire towards course fees.

During the year fixed assets purchased were to:

- Purchase and fit-out a new clinic building - £5,567k
- Replace ICT equipment - £20k
- Provide furniture and improve teaching equipment for students - £8k

### Conclusion

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

- 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; and
- Maintains adequate cash reserves of general funds to manage specific areas of risk as well as free reserves for unforeseen events.

Approved by the Board of Trustees and signed on its behalf by:

Charles Hunt – Trustee, Principal and Chief Executive

26<sup>th</sup> Feb 2009



---

## Independent Auditors' Report to the Members

---

We have audited the financial statements of The British School of Osteopathy for the year ended 31 July 2008 as set out on pages 20 to 37. These financial statements have been prepared under the historical cost convention and the accounting policies set out on pages 24 to 25.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective Responsibilities of Trustees and Auditors**

As described on pages 12 and 13, the Trustees, who are also the Directors of The British School of Osteopathy for the purposes of company law, are responsible for the preparation of the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards. (United Kingdom Generally Accepted Accounting Practice)

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

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

We read other information contained in the Trustees' Annual Report and consider whether it is consistent with the audited financial statements. This other information comprises only the Report of the Directors of the Board of Trustees, the Statement of Governance and Internal Control, the Legal and Administrative Report and the Review of the Financial Position.

We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

### **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 judgments 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 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 Members

---

### Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the School's affairs as at 31 July 2008 and of its incoming resources and application of resources and its net income in the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the Directors' Report information given within the Trustees' Report is consistent with the financial statements.

**Berg Kaprow Lewis LLP**  
Chartered Accountants & Registered Auditors  
London

*2 March* ..... 2009



## Statement of Financial Activities for the year ended 31 July 2008

(incorporating the company's Income & Expenditure Account)

|  | Note | Unrestricted<br>Funds<br>(£) | Restricted<br>Funds<br>(£) | Total<br>Funds (£)<br>2008 | Total<br>Funds (£)<br>2007 |
|--|------|------------------------------|----------------------------|----------------------------|----------------------------|
| <b>Incoming resources</b>  |      |                              |                            |                            |                            |
| <b>Incoming resources from charitable activities</b>                     |      |                              |                            |                            |                            |
| Undergraduate and postgraduate student fees                              | 2    | 3,255,743                    |                            | 3,255,743                  | 2,783,596                  |
| Clinic income  |      | 482,948                      |                            | 482,948                    | 521,132                    |
| Other income   |      | 89,509                       |                            | 89,509                     | 58,141                     |
|  |      | <b>3,828,200</b>             | <b>0</b>                   | <b>3,828,200</b>           | <b>3,362,869</b>           |
| <b>Incoming resources from generated funds</b>                           |      |                              |                            |                            |                            |
| Voluntary Income   | 3    | 16,708                       | 92,320                     | 109,028                    | 76,663                     |
| Activities for generating funds  |      | 7,630                        | 500                        | 8,130                      | 18,781                     |
| Investment Income  | 4    | 28,465                       | 1,340                      | 29,805                     | 52,475                     |
|  |      | <b>52,803</b>                | <b>94,160</b>              | <b>146,963</b>             | <b>147,919</b>             |
| <b>Total income</b>  |      | <b>3,881,003</b>             | <b>94,160</b>              | <b>3,975,163</b>           | <b>3,510,788</b>           |
| <b>Resources expended</b>  |      |                              |                            |                            |                            |
| <b>Charitable activities</b>   |      |                              |                            |                            |                            |
| Academic Education   |      | 2,331,589                    | 21,286                     | 2,352,875                  | 1,959,552                  |
| Clinical Education   |      | 1,551,872                    | 62,144                     | 1,614,016                  | 1,403,258                  |
| Research   |      | 120,044                      |                            | 120,044                    | 103,607                    |
| <b>Total resources expended</b>  | 5    | <b>4,003,505</b>             | <b>83,430</b>              | <b>4,086,935</b>           | <b>3,466,417</b>           |
| <b>Costs of generating funds</b>   |      |                              |                            |                            |                            |
| Costs of generating voluntary income                                     |      | 77,827                       |                            | 77,827                     | 44,778                     |
| Fundraising trading: cost of goods sold and other costs                  |      | 7,990                        |                            | 7,990                      | 6,418                      |
| Investment management costs  |      | 4,626                        |                            | 4,626                      | 4,721                      |
|  |      | <b>90,443</b>                | <b>0</b>                   | <b>90,443</b>              | <b>55,917</b>              |
| <b>Governance costs</b>  |      | 15,950                       |                            | 15,950                     | 19,478                     |
| <b>Total resources expended</b>  |      | <b>4,109,898</b>             | <b>83,430</b>              | <b>4,193,328</b>           | <b>3,541,812</b>           |
| Realised investment gains/(losses)                                       |      | 25,390                       |                            | 25,390                     | 21,870                     |
| <b>Net income for the year before transfers</b>                          |      | <b>(203,505)</b>             | <b>10,730</b>              | <b>(192,775)</b>           | <b>(9,154)</b>             |
| <b>Transfers</b>   |      |                              |                            |                            |                            |
| Gross transfers between funds  | 20   | (5,000)                      | 5,000                      | 0                          | 0                          |
| <b>Net incoming resources before other recognised gains &amp; losses</b> |      | <b>(208,505)</b>             | <b>15,730</b>              | <b>(192,775)</b>           | <b>(9,154)</b>             |
| <b>Other recognised gains/losses</b>                                     |      |                              |                            |                            |                            |
| Gains and losses on revaluation of investment assets                     |      | (93,526)                     |                            | (93,526)                   | 21,369                     |
| Issue of Share Capital   | 18   | 0                            |                            |                            | 10                         |
| <b>Net movement in funds</b>   |      | <b>(302,031)</b>             | <b>15,730</b>              | <b>(286,301)</b>           | <b>12,225</b>              |
| <b>Reconciliation of Funds</b>   |      |                              |                            |                            |                            |
| Total funds brought forward  |      | 3,333,073                    | 284,107                    | 3,617,180                  | 3,604,955                  |
| <b>Total funds carried forward</b>                                       | 21   | <b>3,031,042</b>             | <b>299,837</b>             | <b>3,330,879</b>           | <b>3,617,180</b>           |

Restricted fund balances include £11,576 (2007: £11,576) endowed trust capital.



## Balance Sheet at 31 July 2008

|  | Note | 2008<br>£        | 2007<br>£        |
|--|------|------------------|------------------|
| <b>FIXED ASSETS</b>  |      |                  |                  |
| Tangible assets  | 11   | 7,594,793        | 2,141,060        |
| Investments  | 12   | 383,941          | 445,798          |
| Social Investments   | 12   | 38,690           | 49,318           |
|  |      | <b>8,017,424</b> | <b>2,636,176</b> |
| <b>CURRENT ASSETS</b>  |      |                  |                  |
| Debtors  | 13   | 186,973          | 327,296          |
| Cash at bank   |      | 785,629          | 936,486          |
|  |      | <b>972,602</b>   | <b>1,263,782</b> |
| <b>LIABILITIES</b>   |      |                  |                  |
| <b>Creditors: Amounts falling due within one year</b>                                      | 14   | 490,147          | 282,779          |
| <b>NET CURRENT ASSETS</b>  |      | <b>482,454</b>   | <b>981,004</b>   |
| <b>Creditors: Amounts falling due after more than one year</b>                             | 15   | 5,169,000        | -                |
| <b>NET ASSETS</b>  |      | <b>3,330,879</b> | <b>3,617,180</b> |
| <b>TRUST FUNDS</b>   |      |                  |                  |
| Endowment Trust capital  | 16   | 11,576           | 11,576           |
| Restricted funds   | 17   | 288,261          | 272,531          |
| <b>TOTAL TRUST FUNDS</b>   |      | <b>299,837</b>   | <b>284,107</b>   |
| Corporate Share capital  | 18   | 972              | 972              |
| Unallocated general funds<br><i>(includes revaluation reserve of £Nil (2007: £80,198))</i> | 20   | 131,276          | 118,761          |
|  |      | <b>132,248</b>   | <b>119,733</b>   |
| Designated funds   | 19   | 2,898,794        | 3,213,340        |
| <b>TOTAL UNRESTRICTED FUNDS</b>  |      | <b>3,031,042</b> | <b>3,333,073</b> |
| <b>TOTAL FUNDS</b>   | 21   | <b>3,330,879</b> | <b>3,617,180</b> |

Approved by the Board of Trustees on 26/02/09 and signed on its behalf by:

Charles Hunt



## Cashflow Statement for the year ended 31 July 2008

|  | Note | 2008        |             | 2007      |           |
|--|------|-------------|-------------|-----------|-----------|
|  |      | £           | £           | £         | £         |
| <b>Net cash inflow/(outflow) from operating activities</b>                         | A    |             | 401,140     |           | (167,489) |
| <b>Returns on investments and servicing of finance</b>                             |      |             |             |           |           |
| Interest received  |      | 40,031      |             | 55,906    |           |
| Interest paid  |      | (159,404)   |             | -         |           |
| <b>Net cash (outflow)/inflow on returns on investment and servicing of finance</b> |      |             | (119,373)   |           | 55,906    |
| <b>Capital expenditure</b>   |      |             |             |           |           |
| Purchase of investments  |      | (180,641)   |             | (65,024)  |           |
| Sale of investments  |      | 174,362     |             | 58,773    |           |
| Receipts from sale of tangible assets  |      | -           |             | -         |           |
| Payments to acquire tangible assets  |      | (5,595,345) |             | (153,435) |           |
| <b>Net cash outflow for capital expenditure</b>                                    |      |             | (5,601,624) |           | (159,686) |
| <b>Net cash outflow before management of liquid resources and financing</b>        |      |             | (5,319,857) |           | (271,269) |
| <b>Financing</b>   |      |             |             |           |           |
| Issue of shares  |      | -           |             | 10        |           |
| New loans  |      | 5,169,000   |             | -         |           |
| <b>Net cash inflow/(outflow) from financing</b>                                    |      |             | 10          |           | 10        |
| <b>Decrease in cash in the year</b>  | C    |             | (150,857)   |           | (271,259) |

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



## Notes to the Cashflow Statement for the year ended 31 July 2008

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

|   | 2008           | 2007             |
|---|----------------|------------------|
|   | £              | £                |
| Net movement in funds per SOFA                      | (286,301)      | 12,225           |
| Less: Investment income                             | (29,805)       | (52,475)         |
| Add: Interest payable                               | 243,498        | -                |
| Gains and losses on investments                     | 68,136         | (43,239)         |
| Less: Issue of shares                               |                | (10)             |
| <b>Operating (loss)</b>                             | <b>(4,472)</b> | <b>(83,499)</b>  |
| Depreciation of tangible assets                     | 141,612        | 114,050          |
| (Increase) / decrease in debtors                    | (10,606)       | (14,306)         |
| Increase / (decrease) in creditors                  | 50,296         | 16,100           |
| Prepayments (increase) / decrease                   | 151,331        | (170,336)        |
| Accruals increase / (decrease)                      | 72,979         | (29,498)         |
| <b>Net cash (outflow) from operating activities</b> | <b>401,140</b> | <b>(167,489)</b> |

### B. ANALYSIS OF NET DEBT/FUNDS

|                  | <u>1 August 2007</u> | <u>Cashflow</u>    | <u>Other changes</u> | <u>31 July 2008</u> |
|------------------|----------------------|--------------------|----------------------|---------------------|
|                  | £                    | £                  | £                    | £                   |
| Cash at bank     | 936,486              | (150,857)          | -                    | 785,629             |
| Net funds/(debt) | <u>936,486</u>       | <u>(5,169,000)</u> | <u>-</u>             | <u>(4,383,371)</u>  |

### C. RECONCILIATION OF NET CASHFLOW TO MOVEMENT IN NET DEBT/FUNDS

|  | <u>2008</u>        | <u>2007</u>      |
|--|--------------------|------------------|
|  | £                  | £                |
| (Decrease) in net cash                             | (150,857)          | (271,259)        |
| Cashflow from decrease in debt                     | (5,169,000)        | -                |
| Change in net debt/funds resulting from cash flows | <u>(5,319,857)</u> | <u>(271,259)</u> |
| Opening net funds                                  | 936,486            | 1,207,745        |
| Closing net debt                                   | <u>(4,383,371)</u> | <u>936,486</u>   |





# Notes to the Financial Statements for the year ended 31 July 2008

## 1 Accounting Policies

### 1.1 Basis of Accounting

The financial statements have been prepared under the Companies Act 1985 on the historical cost convention and in accordance with the Statement of Recommended Practice "Accounting and Reporting by Charities" (March 2005) and applicable accounting standards.

### 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 School'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.

#### III Trust 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.

#### IV Prior year adjustment

The previous year's financial statements included an annual golf day fund and a donated books and goods sales fund, which were classified as restricted funds. The trustees have taken advice on the nature of these funds and they are now shown as designated reserves as they are not restricted by the donors.

The two funds have therefore been transferred from restricted to designated funds in the 2007 comparatives. The total value at 31 July 2007 is £9,722.

### 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.

### 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 School 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 School as opposed to the direct management functions inherent in generating funds, course delivery and programme or project work. Expenditure on the governance of the School 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 School'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 initially:

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

### 1.7 Pension Scheme

The School 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.

### 1.8 Taxation

I The surpluses or deficits of the School 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.



## Notes to the Financial Statements for the year ended 31 July 2008

### 2 Incoming resources from charitable activities

|   | <u>2008</u>             | <u>2007</u>             |
|---|-------------------------|-------------------------|
|   | £                       | £                       |
| Foundation and Access course fees                                   | 26,353                  | 18,003                  |
| Undergraduate course fees   | 1,063,458               | 818,214                 |
| University of Bedfordshire contract                                 | 1,976,539               | 1,797,051               |
| Postgraduate and CPD course fees                                    | 189,393                 | 150,328                 |
| <i>Total student course fees</i>                                    | <u>3,255,743</u>        | <u>2,783,596</u>        |
| Clinic patients' contributions for treatment by students            | 482,948                 | 521,132                 |
| Other activities including student support, library and café income | 89,509                  | 58,141                  |
| <i>Total incoming resources from charitable activities</i>          | <u><u>3,828,200</u></u> | <u><u>3,362,869</u></u> |

### 3 Incoming resources from generated funds

|  | <u>2008</u>           | <u>2007</u>           |
|--|-----------------------|-----------------------|
|  | £                     | £                     |
| Individuals  | 7,778                 | 3,939                 |
| Legacies   | 1,000                 | 43,374                |
| Charitable foundations                               | 98,700                | 29,350                |
| Corporate donors                                     | 1,550                 |                       |
| <i>Total Voluntary income</i>                        | <u>109,028</u>        | <u>76,663</u>         |
| Fundraising events                                   | 5,667                 | 7,520                 |
| Income from sale of donated books                    | 1,588                 | 1,936                 |
| Income from sale of other goods                      | -                     | 1,491                 |
| Room lettings  | 875                   | 7,834                 |
| <i>Total Activities for generating funds</i>         | <u>8,130</u>          | <u>18,781</u>         |
| Investment Income                                    | 29,805                | 52,475                |
| <i>Total incoming resources from generated funds</i> | <u><u>146,963</u></u> | <u><u>147,919</u></u> |

#### **Analysis of use of generated funds**

|  |                       |                       |
|--|-----------------------|-----------------------|
| Student bursary and loan funds                       | 800                   | 5,550                 |
| Course development and resources                     | -                     | 7,520                 |
| Graduation   | 500                   |                       |
| Clinics  | 81,520                | 14,686                |
| <i>Total restricted funds</i>                        | <u>82,820</u>         | <u>27,756</u>         |
| Graduation   | -                     | -                     |
| General purposes                                     | 64,143                | 120,163               |
| <i>Total unallocated general funds</i>               | <u>64,143</u>         | <u>120,163</u>        |
| <i>Total incoming resources from generated funds</i> | <u><u>146,963</u></u> | <u><u>147,919</u></u> |

#### **Volunteers**

Supporters and other well-wishers frequently give items to the school, which we appreciate for their usefulness. These items do not individually have a material value and are therefore not recognised in the financial statements.



## Notes to the Financial Statements for the year ended 31 July 2008

### 4 Investment Income

|  | 2008<br>£     | 2007<br>£     |
|--|---------------|---------------|
| Interest on cash deposits                    | 18,900        | 41,503        |
| Dividends and interest on listed investments | 10,905        | 10,972        |
|  | <u>29,805</u> | <u>52,475</u> |

#### *Interest earned on cash deposits*

This is invested in deposits earning up to 5.7% interest and short-term deposits where interest was around 1.7%. The total income earned from cash deposits (including those belonging to endowed and other trust funds) was £18,900 (2007: £41,503).

### 5 Total Resources Expended

#### *Charitable activities*

| Activity                | Activity undertaken<br>directly<br>£ | Support<br>costs<br>£ | 2008<br>Total<br>£ | 2007<br>Total<br>£ |
|-------------------------|--------------------------------------|-----------------------|--------------------|--------------------|
| Undergraduate education | 1,275,997                            | 901,905               | 2,177,902          | 1,846,635          |
| Postgraduate education  | 152,705                              | 22,268                | 174,973            | 112,917            |
| Clinical education      | 1,049,655                            | 564,361               | 1,614,016          | 1,403,258          |
| Research                | 105,199                              | 14,846                | 120,044            | 103,607            |
| <b>Total</b>            | <b>2,583,556</b>                     | <b>1,503,380</b>      | <b>4,086,935</b>   | <b>3,466,417</b>   |

#### *Costs of generating funds*

| Activity                             | Activity undertaken<br>directly<br>£ | Support costs<br>£ | 2008<br>Total<br>£ | 2007<br>Total<br>£ |
|--------------------------------------|--------------------------------------|--------------------|--------------------|--------------------|
| Costs of generating voluntary income | 64,235                               | 13,592             | 77,827             | 44,778             |
| Fundraising trading                  | 6,505                                | 1,485              | 7,990              | 6,418              |
| Investment management costs          | 4,626                                | -                  | 4,626              | 4,721              |
| <b>Total</b>                         | <b>75,366</b>                        | <b>15,077</b>      | <b>90,443</b>      | <b>55,917</b>      |

#### *Governance costs*

| Activity                              | 2008<br>£     | 2007<br>£     |
|---------------------------------------|---------------|---------------|
| Audit and other financial advice      | 15,784        | 18,523        |
| Legal advice                          | -             | 294           |
| Constitutional/Statutory requirements | 166           | 661           |
| <b>Total</b>                          | <b>15,950</b> | <b>19,478</b> |



## Notes to the Financial Statements for the year ended 31 July 2008

### Support cost breakdown by activity

| Activity     | Fund-raising<br>£ | Under-graduate education<br>£ | Post-graduate education<br>£ | Clinical education<br>£ | Research<br>£ | 2008 Total<br>£  | 2007 Total<br>£  |
|--------------|-------------------|-------------------------------|------------------------------|-------------------------|---------------|------------------|------------------|
| Management   | 1,926             | 114,691                       | 2,891                        | 71,320                  | 1,928         | 192,756          | 164,818          |
| Finance      | 1,536             | 91,374                        | 2,304                        | 56,822                  | 1,536         | 153,572          | 133,133          |
| ICT          | 2,388             | 146,807                       | 3,232                        | 94,804                  | 2,155         | 249,386          | 224,825          |
| Estates      | 7,921             | 471,316                       | 11,882                       | 293,087                 | 7,921         | 792,127          | 459,694          |
| HR           | 1,306             | 77,717                        | 1,959                        | 48,328                  | 1,306         | 130,616          | 131,390          |
| <b>Total</b> | <b>15,077</b>     | <b>901,905</b>                | <b>22,268</b>                | <b>564,361</b>          | <b>14,846</b> | <b>1,518,457</b> | <b>1,113,860</b> |

### Total resources expended include the following:

|                                       | 2008<br>£ | 2007<br>£ |
|---------------------------------------|-----------|-----------|
| Depreciation of tangible fixed assets | 141,612   | 114,050   |
| <b>Operating lease rentals -</b>      |           |           |
| Land and Buildings                    | 22,850    | 22,500    |
| Equipment                             | 13,084    | 12,675    |
| Interest on bank loans                | 243,498   | -         |

## 6 Staff costs

### Staff cost breakdown by activity

| Activity                | Direct staff costs<br>£ | Support staff costs<br>£ | 2008 Total<br>£  | 2007 Total<br>£  |
|-------------------------|-------------------------|--------------------------|------------------|------------------|
| Undergraduate education | 1,023,823               | 376,388                  | 1,400,211        | 1,311,618        |
| Postgraduate education  | 79,640                  | 9,489                    | 89,129           | 52,797           |
| Clinical education      | 1,000,336               | 234,056                  | 1,234,393        | 1,163,684        |
| Research                | 93,582                  | 6,326                    | 99,908           | 90,730           |
| Fundraising             | 57,346                  | 6,326                    | 63,671           | 15,670           |
| <b>Total</b>            | <b>2,254,727</b>        | <b>632,585</b>           | <b>2,887,312</b> | <b>2,634,499</b> |

|                              | 2008 Total<br>£  | 2007 Total<br>£  |
|------------------------------|------------------|------------------|
| Wages and salaries           | 2,527,777        | 2,319,796        |
| Employers National Insurance | 217,963          | 200,180          |
| Pension costs                | 14,455           | 13,026           |
| Other staff related costs    | 127,117          | 101,497          |
| <b>Total</b>                 | <b>2,887,312</b> | <b>2,634,499</b> |

## 7 Pension Costs

The School 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 School to the group personal pension scheme, on behalf of 17 staff (2007:16 staff), amounted to £14,455 (2007: £13,026). The stakeholder pension scheme has 1 member of staff.



## Notes to the Financial Statements for the year ended 31 July 2008

### 8 Employee Information

| Activity                    | 2008<br>Number | 2008<br>FTE | 2007<br>Number | 2007<br>FTE |
|-----------------------------|----------------|-------------|----------------|-------------|
| Academic - teaching         | 49             | 16          | 55             | 14          |
| Academic – support services | 13             | 10          | 14             | 10          |
| Clinic                      | 68             | 21          | 71             | 21          |
| Clinic – support services   | 11             | 10          | 11             | 10          |
| Research                    | 5              | 3           | 7              | 3           |
| Fundraising                 | 1              | 1           | 0              | 0           |
| Estates and ICT             | 8              | 7           | 7              | 6           |
| Management, Finance and HR  | 9              | 8           | 9              | 9           |
| <b>Total</b>                | <b>164</b>     | <b>76</b>   | <b>174</b>     | <b>73</b>   |

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

|                     | 2008<br>Number | 2007<br>Number |
|---------------------|----------------|----------------|
| £100,000 - £109,999 | 1              | 1              |
| <b>Total</b>        | <b>1</b>       | <b>1</b>       |

### 9 Trustees' Emoluments

The School'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 or for any other duties undertaken for, or services provided to, the School.

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

| Trustee      | Role                         | 2008<br>£      | 2007<br>£      |
|--------------|------------------------------|----------------|----------------|
| C Hunt       | Principal & Chief Executive  | 104,019        | 101,496        |
| M Corson     | External Examiner            | -              | 1,155          |
| T Davies     | Community Clinic Coordinator | 21,456         | 20,856         |
| S Tyreman    | Student Learning             | 15,030         | 16,446         |
| <b>Total</b> |                              | <b>140,505</b> | <b>139,953</b> |

Travel expenses totalling £682 (2007: £154) were reimbursed to 4 (2007: 2) trustees. No emoluments due to the trustees in respect of the year have been waived by them.

### 10 Related party transactions

During the year, the School used the services of Grant Monger-Godfrey (surveyors) in connection with the purchase of the new building and the fee charged was £39,000 (2007: £nil). This fee is below market rate and was agreed by the Board of Trustees. The Charity Commission provided written consent of the above transaction as per clause 6.1(b) of the BSO's Memorandum of Association.

S Monger-Godfrey (a trustee) is a partner in Grant Monger-Godfrey.



# Notes to the Financial Statements for the year ended 31 July 2008

## 11 Analysis of Movement of Fixed Assets

|                                  | <u>Leasehold property</u><br>£ | <u>Computers and video equipment</u><br>£ | <u>Furniture, fixtures and equipment</u><br>£ | <u>Total</u><br>£ |
|----------------------------------|--------------------------------|---|---|-------------------|
| <b>Cost:</b>                     |                                |   |   |                   |
| 1 August 2007                    | 2,453,816                      | 339,091                                   | 178,926                                       | 2,971,833         |
| Additions                        | 5,567,431                      | 20,006                                    | 7,908   | 5,595,345         |
| Disposals                        | -                              | (31,423)                                  |   | (31,423)          |
| 31 July 2008                     | 8,021,247                      | 327,674                                   | 186,834                                       | 8,535,755         |
| <b>Accumulated depreciation:</b> |                                |   |   |                   |
| 1 August 2007                    | 437,325                        | 270,311                                   | 123,137                                       | 830,773           |
| Charge for the year              | 86,249                         | 36,111                                    | 19,252  | 141,612           |
| Written off on disposal          | -                              | (31,423)                                  |   | (31,423)          |
| 31 July 2008                     | 523,574                        | 274,999                                   | 142,389                                       | 940,962           |
| <b>Net book value:</b>           |                                |   |   |                   |
| 31 July 2008                     | <b>7,497,673</b>               | <b>52,675</b>                             | <b>44,445</b>                                 | <b>7,594,793</b>  |
| 31 July 2007                     | 2,016,491                      | 68,780                                    | 55,789  | 2,141,060         |

|   | 2008<br>£        | 2007<br>£        |
|---|------------------|------------------|
| <b>Analysis of leasehold property:</b>      |                  |                  |
| Long leasehold                              | 4,239,374        | 1,200,000        |
| Improvements to the long leasehold property | 3,258,299        | 816,491          |
|   | <b>7,497,673</b> | <b>2,016,491</b> |

## 12 Analysis of Movement of Investments

|  | 2008<br>£      | 2007<br>£      |
|--|----------------|----------------|
| Investment in subsidiary undertaking                             | 1,000          | 1,000          |
| Investments listed on a recognised stock exchange<br>(see below) | 307,776        | 428,435        |
| Cash held as part of the investment portfolio                    | 75,165         | 16,363         |
|  | <b>383,941</b> | <b>445,798</b> |

### Investment in subsidiary undertaking

|                            | 2008<br>£ | 2007<br>£ |
|----------------------------|-----------|-----------|
| Market Value at 31 July    | 1,000     | 1,000     |
| Historical cost at 31 July | 1,000     | 1,000     |

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.



## Notes to the Financial Statements for the year ended 31 July 2008

During the year ended 31 July 2008, the company did not trade. Its reserves at 31 July 2008 were £15 (2007: £15).

### Investments listed on a recognised stock exchange

|                                     | £              |
|-------------------------------------|----------------|
| Market value at 1 August 2007       | 428,435        |
| Additions to investments at cost    | 121,839        |
| Disposals at carrying value         | (148,972)      |
| Net gain/(loss) on revaluation      | (93,526)       |
| <b>Market value at 31 July 2008</b> | <b>307,776</b> |

The investment portfolio was started on the 6 August 2003 to provide the School 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 2008 which are over 5% of portfolio by value are:

| Name of security              | Holding (number of shares) | Market value £ |
|-------------------------------|----------------------------|----------------|
| First State Investments (UK)  | 4,800                      | 21,311         |
| Goldman Sachs                 | 22,500                     | 22,500         |
| JP Morgan Structured Products | 20,000                     | 20,000         |
| Odey Asset Management LLP     | 1,000                      | 21,199         |
| Resolution Asset Management   | 15,000                     | 19,493         |
| <b>Total</b>                  |                            | <b>104,503</b> |

### Social Investments

|                                    | 2008<br>£ | 2007<br>£ |
|------------------------------------|-----------|-----------|
| Amounts due from loans to students | 38,690    | 49,318    |

BSO Student Loans are repayable in 60 monthly instalments within 5 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.

### 13 Debtors

|  | 2008<br>£      | 2007<br>£      |
|--|----------------|----------------|
| Trade debtors  | 51,878         | 22,773         |
| Other debtors  | 92,639         | 100,510        |
| Prepayments  | 42,456         | 39,738         |
| Prepayment for purchase of leasehold for new clinic building | -              | 164,275        |
|  | <b>186,973</b> | <b>327,296</b> |





## Notes to the Financial Statements for the year ended 31 July 2008

### 14 Creditors: Amounts falling due within one year

|   | 2008           | 2007           |
|---|----------------|----------------|
|   | £              | £              |
| Trade creditors                           | 102,512        | 119,595        |
| Other creditors                           | 111,771        | 29,833         |
| Accruals                                  | 247,450        | 90,377         |
| Deferred income (student fees in advance) | 28,414         | 42,973         |
|   | <u>490,147</u> | <u>282,778</u> |

### 15 Creditors: Amounts falling due after more than one year

|   | 2008             | 2007       |
|---|------------------|------------|
|   | £                | £          |
| Loans to finance clinic building purchase and fit-out | <u>5,169,000</u> | <u>Nil</u> |

Included in the above amount are the following loans:

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.

### 16 Endowed Trust Capital

|                      | <u>Balance</u><br><u>1 August</u><br><u>2007</u><br>£ | <u>Movement in funds:</u><br><u>Incoming</u> <u>Expended</u><br><u>Resources</u> <u>and Transfers</u><br>£                    £ |          | <u>Balance</u><br><u>31 July</u><br><u>2008</u><br>£ |
|----------------------|---|---|----------|--|
| R K Hardy Prize Fund | 11,576  | -   | -        | 11,576   |
|                      | <u>11,576</u>   | <u>-</u>  | <u>-</u> | <u>11,576</u>  |

#### R K Hardy Prize Fund

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 British School of Osteopathy. For the purpose of these accounts the charity is accounted for on the basis that the management of its assets is undertaken by the School.



## Notes to the Financial Statements for the year ended 31 July 2008

### 17 Restricted Funds

|   | Balance<br>1 August<br>2007 | Incoming<br>Resources | Outgoing<br>Resources | Transfers    | Gains<br>and<br>Losses | Balance<br>31 July<br>2008 |
|---|-----------------------------|-----------------------|-----------------------|--------------|------------------------|----------------------------|
|   | £                           | £                     | £                     | £            | £                      | £                          |
| BSO Student Loans Fund                                    | 199,090                     |                       | (2,552)               | 5,000        |                        | 201,538                    |
| HSA Scholarship   | 29,815                      |                       | (15,295)              |              |                        | 14,520                     |
| Ursula Hogg Fund  | 13,467                      |                       | (1,500)               |              | 680                    | 12,647                     |
| Student Support Funds                                     | 4,300                       | 800                   | (1,000)               |              |                        | 4,100                      |
| Elderly Clinic Plinth Fund                                | 4,738                       |                       |                       |              |                        | 4,738                      |
| Children's Clinic Plinth Fund                             | 2,000                       |                       |                       |              |                        | 2,000                      |
| Research Fund   | 2,000                       |                       |                       |              |                        | 2,000                      |
| Sir James Knott North-East of<br>England Recruitment Fund | 954                         |                       | (339)                 |              |                        | 615                        |
| Graduation Fund   | -                           | 500                   |                       |              |                        | 500                        |
| Astra Zeneca Children's Long<br>Term Equipment Fund       | 1,964                       |                       |                       |              |                        | 1,964                      |
| Community Children's Clinic<br>Fund                       | -                           | 8,000                 | (8,000)               |              |                        | -                          |
| Community Elderly Clinic Fund                             | -                           | 3,000                 | (3,000)               |              |                        | -                          |
| Community Homeless Clinic<br>Fund                         | -                           | 9,500                 | (6,103)               |              |                        | 3,397                      |
| The Children's Clinic Fund                                | 12,947                      | 14,020                | (14,316)              |              |                        | 12,651                     |
| Westminster Residents Clinic<br>Fund                      | -                           | 2,000                 |                       |              |                        | 2,000                      |
| The Aylesbury Estate Clinic<br>Fund                       | -                           | 25,000                | (2,778)               |              |                        | 22,222                     |
| The Chapman Clinic Fund                                   | -                           | 20,000                | (17,947)              |              |                        | 2,053                      |
| Capital Campaign  | -                           | 10,000                | (10,000)              |              |                        | -                          |
| R K Hardy Prize Fund                                      | 1,256                       |                       | (600)                 |              | 660                    | 1,316                      |
| <b>Total</b>  | <b>272,531</b>              | <b>92,820</b>         | <b>(83,430)</b>       | <b>5,000</b> | <b>1,340</b>           | <b>288,261</b>             |

#### BSO Student Loans Fund (formerly the Student Bursary 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

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 School'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.

#### 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 Funds

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



## Notes to the Financial Statements for the year ended 31 July 2008

### Graduation Fund

This fund provides a contribution towards the cost of our Conferment & Awards Ceremony which will take place in October 2008.

### Community Clinics' Funds

This fund makes a real difference to the amount of treatment the School can offer to elderly, children and the homeless people in the local community. Each clinic is unique in its offering, providing osteopathic care of the highest quality and standard to some of the most vulnerable groups of people within our society.

Donations for the Beormund School Children's Clinic which provides osteopathic care for children with emotional and behavioural difficulties were received from the Sir Jeremiah Colman Gift Trust, Swire Charitable Trust and the Rufford Maurice Laing Foundation. Donations for the clinics treating the elderly at the Stone End Day Centre and Lucy Brown House were received from the Helen Hamlyn Trust and the William Allan Young Charitable Trust. Donations for the Manna Centre Osteopathic Clinic which continues to offer care to the homeless were received from the Coutts Charitable Trust, the Oakdale Trust, the Rayne Foundation and the Frances & Augustus Newman Foundation. We also received donations from the Hyde Park Place Estate Charity to provide free treatments for residents of the London Borough of Westminster and £25,000 from the London Borough of Southwark to provide free treatments for local residents living on the Aylesbury Estate.

### HIV/AIDS Clinics

The HIV/ AIDS clinic within the Royal Free Hospital was established in 2004 following the success of the Chapman Clinic which is situated within the School. Both of these clinics provide treatment for patients with HIV infection. A generous donation of £20,000 was received from the Peter Moore's Foundation.

We also received a generous donation of £10,000 from the Alan & Sheila Diamond Charitable Trust towards the purchase and refurbishment of the new clinic.

## 18 Corporate Share Capital

|                                       | <u>Balance</u><br><u>1 August</u><br><u>2007</u><br>£ | <u>Movement in funds:</u>                              |  | <u>Balance</u><br><u>31 July</u><br><u>2008</u><br>£ |
|---------------------------------------|---|--|--|--|
|                                       |   | <u>Incoming</u><br><u>Resources and Transfers</u><br>£ | <u>Expended</u><br><u>and Transfers</u><br>£ |  |
| Shareholders' funds and Share Premium | 972   | -  | -  | 972  |
|                                       | <u>972</u>  | <u>-</u>   | <u>-</u>                                     | <u>972</u>   |

### Shareholders' funds and Share Premium Account

These corporate capital funds consist of the following:

#### Called Up Share Capital

| <u>Authorised:</u>               | <u>2008</u><br>£ | <u>2007</u><br>£ |
|----------------------------------|------------------|------------------|
| 4,906 Ordinary shares of £1 each | 4,906            | 4,906            |
| 94 'B' shares of £1 each         | 94               | 94               |
|                                  | <u>5,000</u>     | <u>5,000</u>     |



## Notes to the Financial Statements for the year ended 31 July 2008

### Allotted, issued and fully paid:

|                            |            |            |
|----------------------------|------------|------------|
| Ordinary shares of £1 each | 482        | 482        |
| 'B' shares of £1 each      | 94         | 94         |
|                            | <u>576</u> | <u>576</u> |

No Ordinary shares were issued during the year (2007: 1).

### Share Premium Account

|                                      |             |             |
|--------------------------------------|-------------|-------------|
|                                      | <u>2008</u> | <u>2007</u> |
|                                      | £           | £           |
| 1 August 2007                        | 396         | 387         |
| Premium on shares issued in the year | -           | 9           |
|                                      | <u>396</u>  | <u>396</u>  |

### 19 Designated Funds

|   | Balance<br>1 August<br>2007 | Incoming<br>Resources | Outgoing<br>Resources | Transfers        | Interest<br>received | Balance<br>31 July<br>2008 |
|---|-----------------------------|-----------------------|-----------------------|------------------|----------------------|----------------------------|
|   | £                           | £                     | £                     | £                | £                    | £                          |
| Godfrey M Frischmann Fund                     | 11,083                      | -                     | (550)                 | -                | 600                  | 11,133                     |
| Sandler Annual Golf Day Fund                  | 7,428                       | 4,995                 | (11,963)              | -                | -                    | 460                        |
| Donated books and goods sales by John Telford | 2,294                       | 1,588                 | (3,000)               | -                | -                    | 882                        |
| Tangible Fixed Asset Fund                     | 2,141,060                   | -                     | -                     | 284,733          | -                    | 2,425,793                  |
| Building Fund                                 | 701,475                     | -                     | -                     | (590,949)        | -                    | 110,526                    |
| Reserve Policy Fund                           | 350,000                     | -                     | -                     | -                | -                    | 350,000                    |
| <b>Total</b>                                  | <b>3,213,340</b>            | <b>6,583</b>          | <b>(15,513)</b>       | <b>(306,216)</b> | <b>600</b>           | <b>2,898,794</b>           |

#### 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 2008 raised £4,995 (2007: £2,350). This amount plus the balance carried forward from the previous year has been designated for improving the student learning experience which this year purchased £7,375 of furniture and equipment in our new clinic.

#### Donated books and goods sales

John Telford continues to carry in huge bags of books which are sold in the clinic to raise funds totalling £1,588 (2007: £1,936). This amount plus the balance carried forward from the previous year has been designated for improving the student learning experience which this year contributed £3,000 towards the fit-out of our new clinic.



## Notes to the Financial Statements for the year ended 31 July 2008

### Tangible Fixed Asset Fund

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

### Building Fund

The Building Fund represents money set aside towards the cost of purchasing new space for the school to provide more teaching space and a separate clinical provision.

### Reserve Policy Fund

The Reserve Policy, which was initially approved by the Board of Directors on 27 June 2002 and reaffirmed on 25 June 2008, is to hold liquid reserves of £350,000.

## 20 Transfers

The transfers between funds comprise of:

£306k transferred from designated funds to unallocated general funds. This includes a transfer for the current year's expenditure on fixed assets less depreciation (£285k) which is funded by the Tangible Fixed Asset Fund less a transfer of £591k from the same fund for clinic building expenditure including interest not covered by the bank loans.

£5k transferred from unallocated general funds to restricted funds due to the reduction in the bad debt provision for the BSO Student Loans Fund which is no longer required.

## 21 Analysis of Assets between Funds

Fund balances at 31 July 2008 are represented by:

|                       | Restricted<br>Funds<br>£ | Endowed<br>Trust<br>Capital<br>£ | Corporate<br>Capital<br>Reserves<br>£ | Designated<br>Funds<br>£ | General<br>Funds<br>£ | Total<br>Funds<br>£ |
|-----------------------|--------------------------|----------------------------------|---------------------------------------|--------------------------|-----------------------|---------------------|
| Tangible Fixed Assets |                          |                                  |                                       | 2,425,793                | 5,169,000             | 7,594,793           |
| Social Investments    | 38,690                   |                                  |                                       |                          |                       | 38,690              |
| Other Investments     |                          |                                  |                                       | 350,000                  | 33,941                | 383,941             |
| Current Assets        |                          |                                  |                                       |                          |                       |                     |
| - Cash                | 249,571                  | 11,576                           | 972                                   | 159,846                  | 363,664               | 785,629             |
| - Debtors             |                          |                                  |                                       |                          | 186,973               | 186,973             |
| Current Liabilities   |                          |                                  |                                       | (36,845)                 | (453,302)             | (490,147)           |
| Long term Liabilities |                          |                                  |                                       |                          | (5,169,000)           | (5,169,000)         |
|                       | <b>288,261</b>           | <b>11,576</b>                    | <b>972</b>                            | <b>2,898,794</b>         | <b>131,276</b>        | <b>3,330,879</b>    |



---

## Notes to the Financial Statements for the year ended 31 July 2008

---

### 22 Commitments - Operating Leases

At 31 July 2008, the School has the following annual commitments under non-cancellable operating leases expiring as follows:

|   | <u>2008</u>   | <u>2007</u>   |
|---|---------------|---------------|
|   | £             | £             |
| <b>Land and buildings:</b>                      |               |               |
| 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           | -             |
| <b>Equipment:</b>                               |               |               |
| Expiring in less than five years                | 13,084        | 12,675        |
|   | <u>35,934</u> | <u>35,175</u> |