



THE BRITISH SCHOOL OF OSTEOPATHY

# Annual Report & Financial Statements

Year ended 31 July 2011

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



## Who we are and what we do

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

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



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

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

*“The external clinics offer treatment to those who might otherwise not be able to afford it or reach it, and both types of clinic offer us experiences that we could not replicate in any other way.  
For the patients, an appointment offers improved function, sometimes comfort, sometimes renewed confidence or positivity, sometimes the opportunity to really talk about their problems.”* **Jennifer Sparks, student**

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## Message from the Chair

This last year has been another positive one for the BSO, during a time when higher education has been in a period of change. The impact of the reforms prompted by the Browne review will be felt through the sector for many years to come. What is clear to us all is that higher education has entered a period of uncertainty, and that this challenges our financial and strategic planning.

The BSO's response to these changes has been one of evaluation and proactivity. Whilst we are a well-established and strong institution, this position has not been achieved through complacency; we must constantly strive to maintain our reputation and to grow. We know that in the future we will need to measure up to even higher standards of student engagement and satisfaction, so a review of this area has been a priority for us in the last year. We have also taken the opportunity to model the financial information we have to predict the impact of the funding changes and respond to the external economic climate. We are determined that any changes we make to the way that we run the BSO must result in benefit to students and patients, as well as help ensure future financial security and sustainability.

Our institutional priorities remain the highest quality education to our students, and the best possible treatment to our patients. Our first value is that students and patients come first – and this underpins all of our future planning. Our aims as a higher education institution are to enhance the evidence base for osteopathy, to provide leadership and support to the profession and to work within our local community to improve healthcare access for those who need it most.

This report sets out the ways in which these aims and priorities have been translated into actions in the 2010-2011 financial year, and I hope that you will find it an interesting read. As ever, the Board and senior team at the BSO give thanks to the experienced and excellent teaching faculty who give their time to teaching the osteopaths of the future. Their contribution is what makes the School the high quality institution that it is. We also recognise the debt of gratitude that is owed to the trusts, foundations and individuals who support our work. Without their ability to see the vital benefit that we are able to provide to patients in need because of their support, the charitable work that we do would be severely limited. I know that this gratitude is echoed by the patients who are homeless, who have HIV, who are vulnerable babies and small children or who need greater care because of their age, and who receive free treatment because of our funders.

I am delighted to provide this report to you of the work of the School over the last year. You will see the sheer quantity of work that has been undertaken in the last twelve months to move forward with all of our priorities. I am certain that the BSO is well-positioned to continue to excel in the field of osteopathic education and clinical provision.

*Dr David Langley*  
**Chair of the Board of Directors**

## Aims and objectives

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

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



*“I think everyone on the course has some basic similar drives to do this as a career. The usual: “caring” and “working with people,” “helping people.” All of us feel that way. However dig a little deeper and each one of us has our own reasons for choosing this path. Whether through a practitioner, an illness, an experience; each student at the BSO has their own reasons. And that is part of what makes the graduates individual. Each one, even by the end of year 2, has their own beliefs, favourite techniques, ways of communicating, and vision for the future.*

*Osteopathy is a vastly varied, exciting and dynamic career. It is only suitable for the motivated, ambitious, and dedicated. It, like medicine, is a way of life rather than a job.”*

***Nancy Monk, recent graduate***

## Our mission

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

## Our vision

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

## Our activities

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

- Providing accredited and validated osteopathic education programmes at both undergraduate and postgraduate level, as well as continuing professional development courses for qualified practitioners. Education programmes include our M.Ost (integrated Masters) degree; our Access to Higher Education Diploma (Osteopathic Sciences & Health Care) and our Introduction to Osteopathic Sciences course.
- Delivering practical training to enhance the quality and management of osteopathic care given to patients.
- Providing osteopathic treatment at affordable prices in our state of the art and fully accessible clinical centre.
- Offering osteopathic health care free of charge to patients through our portfolio of award-winning community outreach clinics. These serve groups of the community who might not otherwise be able to access or afford osteopathy, including homeless people and older people in their home settings.
- Maintaining a commitment to support osteopathic research, to facilitate continuous improvement in professional practice and contributing knowledge to the wider community.



## Objectives for the year

The BSO's objectives for the year ended 31 July 2011 were:

- To build on survey work carried out in our clinical centre, and implement routine data collection and clinical audit.
- To build and develop sustainable partnership arrangements with osteopathic institutions in Europe.
- To deliver the funded study entitled "Investigating osteopaths' attitudes to managing and assessing risk in clinical settings and adult patients' experiences and responses to osteopathic treatment", known as the CROaM study.
- To fundraise for a new clinic booking and audit software tool for our clinical centre.

## Strategies to deliver the objectives

- To maintain and develop strategies for the recruitment and retention of students and professionals of the highest calibre at both undergraduate and postgraduate level, through: the development of courses in the best traditions and contemporary practises of osteopathy; reviewing and responding to market demands; the provision of excellent student support and facilities; and providing increasing choice and flexibility in delivery in order to offer increasing opportunities for wider access.
- To maintain and continue to develop approaches to delivering high quality learning and teaching which will embrace the diversity of requirements and needs of the student population and the osteopathic and healthcare professions, including the development of international links and of income-generating programmes with external stakeholders.
- To provide leadership in the field of osteopathic education, research and healthcare nationally and internationally. We will look to increase our profile both in the UK and abroad so that other interested bodies will seek to consult with us. We will continue to scan the horizon paying particular attention to the HE environment and NHS provision in the UK, so informing our development of courses and healthcare provision and ensuring the School continues its pioneering work in osteopathic development in order to be recognised as a world class leader. We will provide expertise to those who request it and provide a voice to promote our own work.
- To continue to promote osteopathic evidence-based practice, both nationally and internationally, investing in successful staff and promoting a research and scholarship culture where excellence is supported. We will fully exploit our research to contribute to the future of the osteopathic profession and for income generation.
- We will strive to continue to be a well-managed institution, ensuring compliance with published good practice benchmarks and professional standards. We will improve the use of our resources to achieve our strategic objectives as efficiently and effectively as possible, through increasing income generation incorporating new business developments and targeted fundraising where possible. We will

continue to develop management systems which are effective, flexible and transparent, and operate within a financial framework appropriate to a financially well-managed institution.

- We will seek to enhance our position as the major provider of osteopathic health care in the United Kingdom and to develop our role as a local, regional and national centre to benefit both the academic, local and regional communities. This will be achieved by auditing and reviewing all our clinical work to inform best practice both at the BSO and more widely to the whole osteopathic healthcare arena. We will ensure that we deliver osteopathic healthcare to those who most need it by providing environments for treatment that exclude no one.

## Key Performance Indicators

The BSO Board and Senior Management Team monitor the School's performance on a regular basis. There are key performance indicators which have been agreed as important and which are set out below.

### Recruitment and retention of students

**Target:** To recruit at least 117 FTE new Home and EU students.  
**Performance:** Target achieved, with 118 FTE students joining the BSO in 2010/11.

### Learning and teaching

**Target:** To achieve global student satisfaction results in the National Student Survey of greater than the national average (83%).

**Performance:** Target achieved, with a global satisfaction result of 87%.

**Target:** To increase the proportion of faculty with a teaching qualification to 30% in 2010-11.

**Performance:** Target achieved, with 35% of faculty with a teaching qualification by July 2011.

### Research and scholarship

**Target:** To deliver at least 10 faculty conference presentations during the academic year.

**Performance:** Target achieved, with 14 conference presentations during the year, as well as a number of poster presentations.

### Development and sustainability

**Target:** To ensure that fundraising costs remain less than 40% of fundraising income achieved.

**Performance:** Target achieved, with fundraising costs of 29% against fundraising income.

### Osteopathic healthcare provision

**Target:** To ensure that at least 40% of patients treated in the BSO clinics are entitled to reduced patient fees.

**Performance:** Target achieved, with 56.7% of patients treated at a discounted rate or free of charge.

## **A higher education institution offering the highest standard of osteopathic education**

Our primary aim is to offer the best possible osteopathic education to all our students.

### **M.Ost students**

At the beginning of the 2010/11 academic year we had 488 students registered on our M.Ost degree programme, including 114 students studying part time on our Mixed Mode pathway. We were delighted to congratulate 89 students on gaining their M.Ost qualifications in 2011, with particular recognition of the 12 students receiving a distinction award.



### **Foundation students**

46 students began our Access to Higher Education (Osteopathic Sciences and Healthcare) diploma in September 2010, with 32 students completing and passing the course at the end of the year. Of these successful students, 26 registered on the M.Ost programme starting in September 2011. Our Introduction to Osteopathic Sciences (IOS) course was also successful this year, with 42 students successfully completing the programme before starting on the M.Ost programme in September 2011.

### **Raising academic standards**

We use external feedback to evaluate our academic standards, and were delighted to get positive feedback from all our external examiners on the M.Ost programme, and commendation from the awarding body for our Access to Higher Education (Osteopathic Sciences and Healthcare) diploma.

The National Student Survey results for 2010-2011 validate our standards, with an 87% overall satisfaction result, compared with 83% nationally. We were also very pleased to receive high satisfaction levels with our teaching (86%) and learning resources (88%) this year.

### **Staff development**

Recognising that the quality of our teaching and learning is what underpins our high standards, we invest in developing all our staff and faculty. A number of members of our faculty have benefited from the BSO's expanded postgraduate course provision. The Professional Doctorate in Osteopathy, launched in January 2011, currently has two members of BSO faculty studying on it, along with three members of staff taking part in the Postgraduate Certificate in Research Methods. A further six members of staff are due to enrol on the forthcoming Postgraduate Certificate in Academic and Clinical Education, commencing in autumn 2011.

*“The most rewarding aspect of the job of clinic tutor is also the most challenging – that of providing individual, tailored support to any student who is struggling and finding an appropriate way of enabling their own learning style to adapt to the demands of the clinical environment. I get a real sense of achievement from seeing students blossom as they progress and develop their professional skills, putting all the theory they have learnt into practice. Seeing the student’s confidence in themselves as practitioners grow and grow as they progress through the course for me is a fantastic added bonus of the job.”* **Sian Roberts, BSO clinic tutor**

In addition to this we congratulated one member of the postgraduate team on completion of his PhD study, Researcher Kevin Brownhill. Three members of faculty celebrated attaining an MA Medical Education from the University of Bedfordshire, with a further member of staff completing an MA Education. One member of the clinical faculty successfully completed an MSc Paediatric Osteopathy.

At the same time, seven new members of the teaching faculty successfully completed our own internal teaching induction process, based around the Professional Standards Framework for Teaching and Supporting Learning in Higher Education. Four members of the support staff completed the European Computer Driving Licence qualification.

It is one of our strategic aims that all teaching staff should have a teaching qualification by 2015. Currently 44 (35%) members of faculty hold a teaching qualification. During 2010-11, progress towards this aim was significantly taken forwards with the development and introduction of our new Postgraduate Certificate in Academic and Clinical Education. As well as students on this course from external institutions, a core number of places will be reserved each year for BSO faculty.



The dominance of part time faculty, working a variety of work patterns, also makes staff development more challenging. A core element of our staff development takes place during our annual staff conference (commonly known as ‘Faculty Weekend’), held over a weekend each autumn term. This allows teams to discuss topics of interest and plan for the future, as well as learning skills and knowledge to support their teaching careers. The weekend is well established, with over 100 members of staff attending each year.

2010-11 Staff Conference topics included: student and patient feedback; signs and symptoms of mental health; sub-grouping patients with low back pain in primary care; clinical guidelines; problem based learning; collaborative learning; student fitness to practice; giving feedback; developing ‘difficult’ students; ideas to improve written feedback to students; and barriers to students receiving feedback.

## Students and professionals dedicated to patient care

As an institution devoted to osteopathic education, one of our values is that students and patients will always come first. The care and support offered to our patients is something that we pride ourselves on. As the largest clinic in Europe, the healthcare offered by the BSO makes an important contribution to the local community as well as providing important learning for our students.



### Clinical priorities

In this year, the priorities of the Clinic were to broaden the BSO general clinic patient base so as to grow new patient numbers, and extend our provision of care within the local community, including developing new relationships with the NHS. The introduction of clinical audit into the clinic with a view to this becoming a standard component of our quality assurance was also a priority, as well as establishing a group to oversee the development of our portfolio of community and specialist clinics.

### Number of treatments in the year

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

	New Patient monthly	Daily Average New Patients	Existing Patient monthly	Daily average Existing Patients	Annual total	Daily average total
2009/10	580	28	2620	125	38404	153
2010/11	584	28	2592	124	38110	152

The number of treatments delivered at the Clinical Centre at Southwark Bridge Road remained largely constant in comparison to 2009/10. Set against the backdrop of the economic downturn this level of activity is reassuring and suggests that our clinic is providing a service that patients value in the face of ever growing financial pressures and the cost of living.

### *Community clinics:*

	Chapman	Darwin Court	Manna	East Street	Royal Free	First Place	Beormund School	Total
<b>Total Appointments</b>	1642	402	273	1179	1030	334	73	4933
<b>Number of new Patients</b>	91	32	32	185	76	29	0	445

The community clinics continue to play an important role in clinical provision to the community of the borough and in clinical education for our students. Overall there has been a drop in total appointments delivered in the community clinics by approximately 10% on figures for 2009/10. This is largely due to the closure of the Beormund School Clinic and the ending of the contract of provision with the Bethnal Green GP surgery, both for funding reasons. There was also a slight drop in patients at the Chapman and East Street clinics.

*“The best thing about the course is once you get into clinic - nothing better than a patient telling you they are better because of your treatment and advice.”*

**Charlotte Mead, graduate**

### Treatment costs compared to private costs



In March 2011 we undertook a review of our fee structure (which last took place in March 2009). We decided that there was a need to increase the standard rate of treatment from £20 to £22 and the Community Partnership rate from £15 to £16. However we felt that it was important to maintain the concessionary rate at £10 to ensure that those less able to access private osteopathic care could continue to do so at the BSO. Treatments in our community clinics continue to be free, made possible through the generosity of a number of trusts and foundations who support our work.

Our clinic fees continue to be extremely competitive. The standard rate fee for treatment is approximately 50% less than local private osteopaths.

### Number of treatments delivered at discounted rates/free

2010/11	Total standard rate (SR)	SR %	Total community partner rate (CP)	CP %	Total concessionary rate (CR)	CR %	Total free of charge (FOC)	FOC %
<b>Totals</b>	<b>14,690</b>	<b>43.3</b>	<b>3,532</b>	<b>9.3</b>	<b>15,304</b>	<b>45.2</b>	<b>386</b>	<b>1.1</b>

As can be seen in the table above, over 56% of all appointments delivered at the BSO’s general clinic are at a reduced rate.

### Closure of the Beormund School Clinic

In March 2011 the Beormund School clinic was closed. Following a funding review it was evident that maintaining the clinic was untenable. In the absence of further support from funders we felt that we could no longer afford to maintain the clinic. All Beormund pupils attending the clinic were offered ongoing treatment free of charge at the BSO Children’s Clinic based at Southwark Bridge Road.

### Marathon support for Alzheimer’s Society

In April 2011 BSO tutors and students provided post-race osteopathic care to runners in the Virgin London Marathon who were raising money for the Alzheimer’s Society. Fifteen volunteer students supported by the BSO’s sports clinic tutor Robin Lansman treated over 70 runners during the afternoon.

## Living with Persistent Pain Clinic

We established a new 'Living with Persistent Pain Clinic' to provide specific support for patients dealing with chronic pain. The clinic was developed by a senior tutor, Hilary Abbey and lecturer and psychologist Dr Lorraine Nanke (who has extensive experience in working with patients with chronic pain). Two pilot clinics were run with 8-10 patients over a 6 week period. Initial results suggested that the clinics had a positive effect on the patients' ability to cope with pain. We intend to further develop the clinics with a view to introducing a clinically integrated programme for patients in 2011/12.

## Outreach events

As part of our drive to broaden awareness of the clinic, we coordinated eight outreach events, many of which focused on health and wellbeing initiatives. These events took place in a diverse number of settings, including Guys and St Thomas's Hospital, Stockwell YMCA and Southwark Council. At the majority of the events demonstrations of osteopathic techniques were delivered and patients interested in treatment were provided with vouchers worth £5 off their first appointment.



## Better Bankside Well-being@Work project

Wellbeing@Work was a workplace health pilot project run by Better Bankside to improve the health of employees based in small to medium sized enterprises in the business improvement district area. We were one of four partner organisations that took part, providing up to 6 appointments for individuals recruited for the project. Through funding from the Department of Work and Pensions, the Better Bankside team devised an evaluation programme where those enrolling in the programme were evaluated using a number of questionnaires prior to receiving osteopathic care, nutritional advice and other interventions. Of the 151 individuals who took part in the project, 56 received osteopathic treatment at the BSO.

*"I think it is true to say that you get a buzz when someone crawls in and walks out able to move more freely with less pain.*

*The most rewarding experience is the patient with complex problems, probably over a long period of time, popping pills wholesale and thoroughly fed up. To be able to tease out the problem, a bit like peeling an onion, and try and discover the root cause of the problem successfully is very rewarding to the patient as well."*

**Bob Burge, senior clinic tutor, and osteopath since 1964**

## Healthcare informed by evidence and best practice

Recognising that the evidence base for osteopathy needs investment to support the profession, the BSO has committed significant resources over the last ten years building up expertise within our Research Centre.

### Clinical Risk Osteopathy and Management (CROaM)

We were delighted in 2009 to be awarded the largest UK grant for osteopathic research in the profession's history, to deliver our Clinical Risk Osteopathy and Management (CROaM) study. This two-year study will be completed in autumn 2011, and has been funded by the General Osteopathic Council. As well as the intended outcomes, the depth of knowledge accrued through the study will have very positive benefits for the ongoing work of the Research Centre.



### Collaborative partners

As well as this practical example of collaboration (involving the General Osteopathic Council and the National Council for Osteopathic Research, as well as co-applicants from Barts and The London School of Medicine and Dentistry, Royal Holloway, University of London and Warwick Medical School), our team worked regularly with researchers at a range of other institutions. Steven Vogel, Vice Principal (Research and Quality) is external collaborator on an NHS National Institute for Health Research programme grant held at the Research Institute of Primary Care and Health Sciences, Keele University. He also contributes to an Arthritis Research Campaign clinical studies group.

### International Journal of Osteopathic Medicine (IJOM)

One of the ongoing projects for the team is the regular contribution to IJOM, the International Journal of Osteopathic Medicine. Paul Blanchard, BSO Research Fellow and Senior Clinic tutor leads on the production of the Research and Treatment Bulletin (RTB) which appears four times a year in IJOM, of which Steven Vogel is one of the editors.

### Chiropractic, Osteopathy and Physiotherapy (COP) conference

As one of the co-founding organisations behind the Chiropractic, Osteopathy and Physiotherapy (COP) conference, we were delighted to once again be part of this event focused on students and new graduates. 85 attendees gathered at the Anglo-European College of Chiropractic (AECC) in Bournemouth on 9 October 2010 for the seventh annual COP conference. The event involved 32 presentations by students from as far afield as Spain and France representing six different colleges – the AECC and the BSO plus the European School of Osteopathy; L'Ecole IdHEO; the London School of Osteopathy and the McTimoney College of Chiropractic.

## Clinical audit

We recognise the importance of embedding quality improvement in all areas of our work. In clinical education and provision, data collection and audit is important for identifying areas for improvement to benefit patients, staff and students, and can assist in building an evidence-base for osteopathy.

In November 2010 a Clinical Auditor, Kit Small, was appointed to build on existing work in surveying practice in the clinical centre. During the 2010-11 academic year projects included:

- Participating in a pilot of a Patient Reported Outcome Measures (PROMs) tool, in collaboration with Keele University's Research Institute for Primary Care and Health Sciences Research, to track patient experiences over the course of treatment in the clinical centre.
- Developing routine data collection of new patient registration details, to collect key demographics and contact information.
- Piloting student-entry of patient session details, for students and tutors to track their clinical experience and management of patients.

The first year of investment in clinical audit has enabled us to develop valuable experience in planning and implementing audits and learn more about some of our patients. Looking to the year ahead, the new clinic management system has been designed with audit functions embedded, which will enable us to better collect and analyse data about our patients on an ongoing basis.

## Careers guides

We were very pleased to be featured in a new guide to health-related careers in the voluntary sector, which was launched on 2 December 2010 and which was produced by Skills for Health and Skills - Third Sector.

*Careers in Healthcare: A Guide to Working in Voluntary Organisations* highlights the growing significance of voluntary organisations as dynamic providers of healthcare services, offering rewarding careers in a wide range of health-related roles. The guide includes case studies of 15 voluntary sector providers such as St Johns Ambulance, Scope and Medecins Sans Frontieres, demonstrating the unique benefits of working in the sector. These include the ability to 'make a difference' working for a cause, a flexible and fast-moving environment, a 'hands-on' culture and greater autonomy and empowerment.



*"After spending several years realising I was becoming disillusioned with my career in IT, I got talking to my osteopath during a treatment session. I'd been seeing her for various martial arts injuries. It was she who suggested that I look into osteopathy as a career, and I realised that it offered everything I wanted: the chance to study something fascinating, and to work with people."*

**Austin Plunkett, graduate**

## **An international centre of excellence**

Our drive to be an international centre of excellence takes a number of different forms. As well as excellence in education with new postgraduate courses, we have focused this year on the continuing professional development (CPD) courses we deliver, conferences we organise, investment in the buildings we work from and developments that improve our services to patients and students or support our sustainability goals.

### **CPD courses**

In 2010/11 we delivered 23 days of CPD courses through the year, with subjects ranging from osteopathic philosophy to the osteopathic treatment of whiplash. 260 delegates attended at least one CPD event at the BSO during the year, with nearly 50 of these coming to more than one of our courses.

### **Postgraduate conferences**

We additionally delivered four conferences during the year, attended by over 300 different delegates. Two of the conferences focused on the treatment of sports injuries. The latter of these was delivered in conjunction with the Anglo European College of Chiropractic, as part of our memorandum of understanding, and sought to take CPD events out of London by delivering this conference at Loughborough University. We also ran a popular Low Back Pain conference at our Teaching Centre, and the third International Osteopathic Education Conference.

### **Investment in our buildings**

As well as investing in our services, we have invested in the buildings that we work from. Refurbishment works were completed on the first and ground floors of our Teaching Centre to improve student facilities and increase teaching space. Two lecture rooms were created, one to hold a full year and the other a third of the year, both providing air-conditioned spaces equipped with new audiovisual systems and furniture. The student locker area was completely refurbished and the area increased in size to allow for additional lockers. The area was designed to maximize the use of natural light and a fresh-air ventilation system was installed. New power showers were installed along with mirrors and hairdryers to improve facilities for students, particularly those cycling to the School. A student break-out area was created with a sink and space for the Student Union to provide kettles, fridges and microwaves. The student bar area was increased in size to allow additional seating at lunchtimes and in the evenings.

### **Environmental sustainability**

We are committed to embedding sustainability into the BSO's work. Various options for improving our environmental performance have been investigated including better control of the heating system and methods of monitoring consumption at the Clinical Centre. Work has been carried out on the hot water system to allow it to function on a timer, enabling the immersions to be switched off out of hours. Options for implementing a similar operation over the entire heating system are being investigated. Early next year a SMART meter will be installed at the clinic to improve monitoring processes for the electricity consumption.

An environmental audit was carried out in June by the Smart Green Business scheme at Better Bankside. The recommendations are being considered and further investigations being made, particularly into options for energy efficient lighting and equipment timers. The Better Bankside scheme also provided us with enough credits to

receive additional storage for 16 bikes and six on-site cycle maintenance days. These enabled students and staff to take their bike to a mechanic and have a free service and safety check.

### **New clinic appointment system**

A priority for us in the year has been our aspiration to resource a new clinic appointment system. Given the complexity of the demands placed on such a system, an off-the-shelf product would not meet our needs which prioritise ensuring that patients get efficient and consistent appointments, and ensuring that students get fair allocation of new and continuing patients during their clinical hours. We were also determined to ensure that clinical audit functionality became embedded in our patient records. We were

delighted to be awarded a grant of £97,445 from the Social Enterprise Investment Fund towards our new system. A great deal of work has subsequently been taking place to ensure the system is fully effective early in 2012.



### **Best Companies' award**

We are committed to investing in our staff, so were delighted when we once again received Best Companies 'one star' status, particularly as this year we were also awarded 56th place on the new Sunday Times 100 Best Places to Work in the Public and Charity Sectors list. Best Companies awards star status based on feedback from employee surveys and organisation questionnaires, using an academically rigorous methodology. It believes that focusing on employees brings real benefits for organisations such as better staff retention, reduced recruitment costs and greater financial performance. One star is first class, two stars are outstanding and three stars are extraordinary. This year, 1165 organisations entered the Best Companies accreditation process. From this pool, only 498 organisations achieved star status accreditation this year.

### **Charity of the Year nomination**

Also recognising our achievements, we were proud to find that the BSO was one of seven charities nominated in the Charity of the Year (income £1m +) category of the awards, which are designed to recognise and reward excellence in the management and co-ordination of all charitable activities.

## Leadership in osteopathic education

In the challenging higher education environment, the importance of working collaboratively in the specialist osteopathic education sector is a higher priority than ever. We consider the BSO a leader in this field, and work with peers in the UK and throughout Europe and the rest of the world to protect and develop the profession.

### International Osteopathic Education Conference



We were particularly proud to deliver the third International Osteopathic Education Conference in April 2011 at the Royal Society of Medicine in London. Over 100 delegates from 15 countries including UK, Ireland, France, Italy, Russia, Australia, Norway, Canada, Austria, Israel, Finland, New Zealand, Japan, Belgium and Portugal attended the event, which we hosted in conjunction with the Osteopathic European Academic Network (OsEAN). The conference was entitled Quality in Osteopathic Education, with a programme

focused on quality, assessment and shared standards within the profession and its educational institutions.

*"I hope that all who attended this excellent international event came away feeling refreshed, revitalised and ready for challenges in higher education ahead. Facing uncertain funding times, the professional educational solidarity generated by these events focusing on educational leadership in osteopathic training, enables many other initiatives to progress." **John Lant, Board Member and osteopath***

### Postgraduate course validation

During the year we developed and validated the Postgraduate Certificate in Academic and Clinical Education and recruited 22 osteopaths (15 self-funded/funded by their employers and 7 students funded by the BSO) for September 2011. In addition, we ran the first year of the Professional Doctorate in Osteopathy (8 students; 2 funded by the BSO) and the Postgraduate Certificate in Research Methods (11 students; 7 funded by the BSO).

With regard to further course development, we continued working on the MSc in Osteopathy and the MSc in Osteopathy (pre-registration). These two new courses we will have their approval events in November and December 2011. We expect to recruit for these courses early in 2012 for a starting point in September 2012.

### Faculty conference presentations

During 2010/11, members of faculty presented at a number of conferences on an international stage. As well as chairing a workshop on clinical competence and delivering a poster about collaborative learning at the International Osteopathic

Education Conference, Simeon London, Head of Clinical Practice co-chaired the Management of the Shoulder in Sports Conference at Loughborough University.

Steven Vogel was an invited keynote at the Chiropractic, Osteopathy and Physiotherapy (COP) conference in Bournemouth in October 2010 on the subject of 'Writing for publication'. He was also an invited presenter at the National Council for Osteopathic Research Conference in Bournemouth in February 2011 on the 'Clinical risk osteopathy and management study - methods and progress'.

Penny Conway, Senior Osteopathic Lecturer, attended the 1st International Conference on Integrative Medicine held in Jerusalem in October 2010, presenting a workshop on 'The Osteopathic Treatment of Pregnant Women'. Two members of faculty presented at the 1as Jornadas Lusofonas Osteopatia e Saude, Lisbon, Portugal in November 2010, with Steven Vogel presenting on 'Academic, professional and scientific osteopathic developments in the UK' and Jorge Esteves also presenting on 'Enquiry in Osteopathy: clinical efficacy verses trials'. Charles Hunt presented at the Bureau of International Medical Education Affairs (BIOMEA) section of the American Osteopathic Association (AOA) conference in San Francisco on 'Challenges Facing Osteopathy in the World'.

Professor Stephen Tyreman presented at the Osteopathic International Alliance (OIA) conference, co-hosted by the AOA in San Francisco on 'Osteopathic & Allopathic Diagnosis: Time to rethink?'. He also provided a keynote presentation at our International Osteopathic Education Conference in April 2011 entitled 'Joseph's Coat and the Emperor's Clothes: Issues for designing an osteopathic curriculum', as well as giving a presentation on 'J Martin Littlejohn: His Cosmology of the Human Body' for the Osteopathic History Day in June 2011. At the European Society of Medicine and Health care conference in Zagreb in August 2010, Stephen presented on 'Integrity: Is it still relevant to modern health care?' Charles Hunt presented to the Norwegian Osteopathic Association in Oslo.



BSO faculty were involved in the eighth International Conference on Advances in Osteopathic Medicine, with Dr Jorge Esteves presenting on 'Investigating the role of vision and touch in the diagnosis of somatic dysfunction' and Steven Vogel was a judge for the conference prizes, as well as an invited presenter of 'Osteopathy as complementary medicine in national health systems' and 'UK health osteopathic surveys'. Three members of staff gave poster presentations – Jerry Draper-Rodi for 'The anatomical relationship between the tibialis posterior tendon and the talus – dissection and osteopathic interpretation'; Will Podmore for 'The scientific nature of osteopathy'; and Hilary Abbey, for 'Developing a chronic pain self-management course at the British School of Osteopathy Clinic'.

### **Faculty awards**

In March 2011, we were delighted to find out that the 2011 Complementary and Alternative Medicine (CAM) magazine Outstanding Contribution to the Community award had been won by Steven Vogel, He accepted his award at a special ceremony at the Cavendish Conference Centre, London on 26 March 2011. Steven combines his

research and quality portfolio at the BSO with osteopathic practice in an NHS setting – a GP surgery in Stockwell, South West London.

### **Student exchange programme**

This year a new student exchange project was organised between the BSO and the Anglo-European College of Chiropractic (AECC) with whom we have a memorandum of understanding. During the Easter holidays, final year students from the BSO spent a day at the AECC clinic, observing the patient and tutor interactions. Final year students from the AECC also visited the BSO clinic. The BSO students were able to use the observation and learning experience as part of their learning portfolio and enjoyed the opportunity to observe the chiropractic students work. The AECC undertook a

questionnaire survey using both cohorts to evaluate the value of the learning experience. The response was overwhelmingly positive with 100% of the respondents feeling that the exchange was a worthwhile learning experience. A similar exchange project was organised with the European School of Osteopathy (ESO) in Maidstone which involved an exchange of final year students. This was positively regarded by both sets of students.



## **Committed to diversity, innovation and professional collaboration**

Our values emphasise the importance to us of working with, teaching and treating people from diverse backgrounds. Osteopathy as a largely private form of healthcare has particular responsibility to ensure that participation in its education and treatment is as broad as possible.

### **Single Equalities Plan**

In October 2010 the Equality Act 2010 came into force. This new legislation replaces all previous anti-discrimination law with a single act, streamlining the law and introducing new duties. In common with other providers of Higher Education we have a duty to publish, in December 2011, evidence to demonstrate compliance with the general equality duty, which is designed to help institutions fulfil the requirements of the Equality Act. The general duty requires institutions to have due regard to the need to: combat discrimination, victimisation and harassment; promote equality of opportunity; and foster good relations.

In November 2010 the BSO established an Equality Working Group consisting of members of staff and faculty, a Student Union representative, and student and patient volunteers. The group has met regularly and reports to the Senior Management Team, advising on all matters relating to equality and diversity. The working group has developed an action plan to accompany the Single Equality Scheme and reviewed and revised the organisation's Equal Opportunity Policy.

### **Student Ambassadors**

In September 2010 we set up a network of Student Ambassadors to help represent the BSO's work to external audiences. A small, diverse group of students were identified and nominated by the teaching staff, as well as an appeal out to any students interested in being part of this group. The group have been involved in outreach events on behalf of the clinic, as well as events related to student admissions to talk to prospective students about their own experiences at the BSO. Although the role is voluntary, the students have benefitted from increased confidence in speaking about osteopathy which will help with their future marketing of their work in practice, as well as helping us widen participation.

### **Widening participation**

One of the measures used to assess progress against our Widening Participation Strategy is the number of students qualifying for our loan, grant and bursary schemes.

We offer long term loan to students towards their fees, repayable over a five year period after graduation. Loans totalling £21,240 were awarded to 8 students (2010: £22,575 to 7 students).

Awards are available from restricted funds and unrestricted funds. Grants totalling £2,000 were awarded to 8 students (2010: £4,870 to 10 students).

We also provided a non-repayable annual bursary of £420 (2010: £520) to students from households whose income has been assessed as less than £25,000. An additional, non-repayable annual contribution of £210 was given to students eligible for the £520 bursary and who progressed to the full-time M.Ost. degree programme from a

relevant, recognised Access to Higher Education diploma or who lived in the London Boroughs of Southwark, Lambeth, Lewisham, Tower Hamlets or the City of London.

This year, we increased the number of bursaries that we awarded by 22%. A total 28% of full-time students were bursary recipients. The following figures show the number of students qualifying for this scheme over the last two years:

	<b>2011 Number</b>	<b>2011 £</b>	<b>2010 Number</b>	<b>2010 £</b>
Home & EU students	64	26,789	50	29,540
Students who hold an Access to Higher Education diploma or who live in a local London borough	35	22,050	31	22,940
<b>Total</b>	<b>99</b>	<b>48,839</b>	<b>81</b>	<b>52,480</b>

### Community partnerships

Our community partners are organisations who promote the BSO's clinical services to their staff and service users, and benefit from a reduced treatment rate. Our community partnerships continued to grow across the year with the signing of a further eight agreements with a range of organisations, including three home carer organisations, the Alzheimer's Society, Crisis and the Hepatitis C Trust. We undertook outreach work with neighbouring councils which allowed good working relationships to be developed. Now Southwark Council employees are eligible to take advantage of the community partnership fee. We also worked with Lambeth Council, providing a community partnership to their runners in their "5K Your Way" fun run in April 2011. As a result of this we have recently been able to enter into another agreement with Lambeth to support participants in their 'Us Girls' active women's project.

*"The outreach clinics offer a chance to work with an even wider variety of patients, and give something back to the community, which I feel is very important." **Margaret Milan, student***

The numbers of community partner patient appointments increased from 5.8% in August 2010 to 10.7% in July 2011. During the same period standard fee patient appointments decreased by approximately 2% whilst concessionary rate patients remained stable, suggesting that our community partnership initiative has not adversely affected our existing client base and has increased our reach beyond the usual streams of patient recruitment.

### Collaborative Partnerships

We continue to benefit from our association as a partner institution of the University of Bedfordshire, who validate our degree programmes and allow access to funding for our students. This partnership also provides developmental opportunities, from sponsorship of qualifications through to informal support and mentoring. We also have a Memorandum of understanding with the Anglo



European College of Chiropractic with whom we work closely – for example on our joint management of the treatment of sports injuries conference held in July 2011.

### International Partnerships

Memoranda of understanding were signed with the Nordic Academy of Osteopathy in Oslo and the Escuela Espanola de Formación Osteopática in Valencia. These partnerships will encourage sharing of good practice, faculty and student experience.



### Fundraising achievements



As well as our achievements in obtaining the SEIF grant for the new clinic appointments system, and our nomination for the Charity Times award, our fundraising team and committee have been focused on raising funds for the BSO's work in a difficult economic environment.

We benefited from the generous support of a number of trusts and foundations, most notably from two grants of £25,000 from our long-standing supporter, The Hobson Charity. This was also the third and final year of support from the Tudor Trust and Stavros Niarchos Foundations whose support has made a huge difference to the work of our community clinics. The Sobell Foundation's commitment to a further three year term of support for our work with children in Southwark is really gratifying. We are extremely grateful to trusts and foundations for continuing to support our work, and we are very conscious that it is a very competitive climate, with many worthy calls on their funds.

BSO alumni supported the school with collections from their patients and our Southwark Bridge Road clinic patients were generous in donations made via our waiting room collection box. We were delighted to receive £1,000 from ShareGift following a generous donation of shares by Senior Osteopathic Lecturer, Trevor Jefferies. Staff and students sang carols in harmony in Borough Market, raising £125 for the School in the process.

The re-opening of local bar 'Ruse' raised funds for the BSO via a charity auction with some impressive donated prizes. Southwark Chamber of Commerce's Chair, Chris Wilson was master of ceremonies, and attendees included the Mayor of Southwark and Annie Shepperd, Chief Executive of Southwark Council.



Gillian Lynne CBE, the renowned performer and choreographer of Cats and Phantom of the Opera officially opened the T Edward Hall Treatment Room, which she is supporting. A number of alumni and luminaries including Dame Beryl Grey DBE joined us for the occasion which culminated in a buffet lunch. Many present generously supported the BSO in memory of the late T Edward Hall, a long-standing member of faculty and society osteopath.



As ever, we are deeply indebted to our network of Vice Patrons, who promote the BSO's applications to trusts and foundations, and generally support the fundraising and campaigning work of the school. Sir Antony Reardon Smith, Ray Perrin and Malcolm Gillard came on board as Vice Patrons during the year, with Malcolm also joining the Fundraising Committee.

*"I would suggest that anybody who has had the misfortune to require the services of an osteopath, which has alleviated their discomfort and pain, might wish to consider endowing the BSO with a bequest, so that the School can teach more students these valuable skills." **Alan Diamond Hon. DBA MCSI, OBE, Chairman 2000 Appeal***

## Plans for the year ahead (2011-12)

- To prepare and undergo a quinquennial inspection of our undergraduate programmes by the Quality Assurance Agency on behalf of the General Osteopathic Council.
- To prepare and undergo an institutional review by the University of Bedfordshire.
- To prepare and undergo revalidation of our undergraduate programmes by the University of Bedfordshire.
- To develop and validate further postgraduate courses.
- To explore other models of teaching delivery at an undergraduate level.
- To review our estates strategy, in particular relating to the lease at Borough High Street.
- To review our student recruitment process in light of changes to student fees and the University of Bedfordshire access agreement following the Browne review.
- To review and relaunch the BSO website.



## **Governing document and constitution**

The British School of Osteopathy is a charitable limited company authorised to omit the word 'limited' from its name by licence granted under Section 60(1) of the Companies Act 2006. The BSO was founded on 7 March 1917. It is a charitable company limited by non-equity share capital. The only benefits attributed to share ownership, as stated in the Memorandum and Articles of Association, are membership voting rights and the return of paid-up share capital in the unlikely event of the company's liquidation by the membership. The liability of members is limited to £1 per share.

The company was registered with the Charity Commissioners for England and Wales on 18 June 1963. The Charity Commission granted authorisation for a special resolution, passed on 24 June 2004, amending the company's Memorandum of Association to allow qualified osteopaths on the Board who constitute a minority of trustees (directors) to receive remuneration for their roles of principal, lecturers and practical trainers.

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

## **Governance and management**

### **The Board**

A Board of Directors govern the BSO. The Board is responsible for determining the policies and the strategic direction of the charity. The Board meet a minimum of four times a year, delegating the day-to-day operations of the organisation to the Chief Executive and the Senior Management Team. The Senior Management Team and members of the Board of Directors are shown on pages 31 and 34.

### **Board Committees**

Members of the Board are nominated to sit on various committees according to their skills. The committees operate under specific terms of reference approved by the Board. Certain functions of the Board are delegated to the committees but decisions are agreed by the Board. The Board annually review the committees and their members to ensure there is a balanced range of skills. Committees meet in accordance with annual planned dates.

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

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

The Finance, Estates and Audit Committee meets four times a year and provides advice on financial management. This committee also assesses internal financial control systems, reviews the financial statements and monitors the risk management processes.

The Fundraising Committee meets every 8 weeks and reviews the BSO's fundraising strategy to ensure that the direction accords with the BSO's wider strategic objectives. It also identifies individuals, trusts and organisations who may support the BSO's fundraising objectives.

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

The Remuneration Committee meets as required in each year to set annual performance measures for the Principal & Chief Executive and assess his performance over the previous year. The Committee determine the policy for the Principal & Chief Executive's total remuneration and benefits, including performance-related pay and bonus payments.

### **Recruitment, appointment of new Board members and term of office**

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

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

### **Induction and training of Board members**

All newly appointed Board members receive an information pack about the BSO's work, its governance structure, policies and financial information. They also undertake a comprehensive induction programme with an agenda covering all areas of the charity's activities and the responsibilities of trustees. Ongoing training is provided to all Board members as and when required.

### **Public Benefit Statement**

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

### **Risk management**

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

- a strategic plan, estates plan, and an annual combined budget approved by the Directors

- regular Board consideration of financial results, variance from budgets, cash-flows and fund-purposes, and non-financial performance indicators and benchmarking reviews
- controlled delegation of authority, segregation of duties and identification and management of exposure to risk.

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

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

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

## **Financial review**

The BSO ended the year with a surplus on unrestricted funds of £469k.

### **Incoming resources**

Total income decreased by 4% from £4,821k to £4,638k, compared to an increase of 6% in 2010.

Undergraduate course fee income is 4% greater than in 2010 (2010: 21%). The contract income received via the University of Bedfordshire decreased to £1,974k (2010: £2,066k) due to a reduction in Higher Education funding rates per student. The number of undergraduate students completing the academic year was 464 (2010: 460).

Clinic income increased by 1% compared to last year (2010: 1%). The actual income for the year is £536k (2010: £532k) and expenditure (including clinic reception and support costs) on clinical education is £1,649k (2010: £1,696k). Therefore, the percentage of 'clinical education costs covered by contributions from patients' is 33% (2010: 31%). A further £182k (2010: £105k) of the expenditure was covered by donations and grants, bringing the total covered to 44% (2010: 38%).

Donations decreased from £390k to £308k, a decrease of 21%. The actual associated costs (including support costs) are £89k (2010: £91k). The percentage of fundraising costs to funds is 29% (2010: 22%). The amount of restricted income received for the year is £181k (2010: £230k).

### **Resources expended**

The costs of delivering academic education, clinical practice, research and their associated support costs were lower than the previous year by 1%, totalling £4,263k (2010: £4,308k). The costs of delivering academic education decreased by 2%, with a 3% reduction in clinical education costs. Research costs increased by 42% due to the additional costs associated with the Clinical Risk Osteopathy and Management (CROaM) study. The BSO received funding from the General Osteopathic Council for this project.

Total expenditure decreased by £42k (2010: £5k increase) to £4,377k, compared to a 0.1% increase in the previous year. Total staff costs increased by 0.3% (2010: 1%).

During the year the BSO invested £34k in its IT infrastructure, £97k for a new clinic auditing and booking system (funded by the Social Enterprise Investment Fund) and £7k on equipment. We also undertook a project to create new lecture rooms and improve student facilities, utilising the free reserves generated in the previous year. At the end of last year, the project was part complete and the financial statements included costs of £108k. The works were completed in September 2010 and a further cost of £239k is included in this year's accounts.

### **Investment policy and performance**

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

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

The policy provides the terms and performance by which the investment managers must operate and the review process. The Board takes professional advice on investments from an investment manager. Realised losses on investments during the year amounted to £10k and unrealised gains were £64k.

### **Reserves policy**

The Board annually review the reserves policy and the level of free reserves. Designated funds have been set aside by the Board as set out in note 19 on page 53. A building loan prepayment reserve has been established to set funds aside for repayment of the bank loan, which commenced in December 2010. The tangible fixed asset reserves represent the net book value of fixed assets less the bank loan which financed the new clinical centre. In the present economic climate the Board consider it prudent to strive for total free reserves of three months' operating expenditure. A reserve fund has been set aside for unforeseeable risks of £502k. Unallocated general reserves at 31 July 2011 were £622k (2010: £415k). Total free reserves at 31 July 2011 amount to £1,124k (2010: £917k) which is slightly higher than three months operating expenditure of £1,061k.

## Statement of Trustees' responsibilities

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

In preparing the financial statements the Trustees are required to:

- select the most suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP
- make judgments and estimates that are reasonable and prudent
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Board is responsible for ensuring that the charity has appropriate systems of controls, financial and otherwise. They are also responsible for keeping accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities Act 1993 and regulations made there under. They are also responsible for safeguarding the assets of the charity and ensuring their proper application under charity law, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

## Conclusion

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

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

## Legal and administrative information

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

### BSO Vice-Patrons:

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

### Trustees

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

Hilary	Abbey	(Appointed 14 June 2011)
Boo	Armstrong	(Resigned 16 March 2011)
Sean	Bonnington	
Chenine	Bruley	(Appointed 14 June 2011)
Zara	Ford	
Michelle	Gander	(Co-opted 14 June 2011)
Greyham	Dawes	
Charles	Hunt	Principal/Chief Executive
David	Langley	Chair
John	Lant	(Appointed 14 June 2011)
Mary	Lovegrove	(Appointed 14 June 2011)
Kimberley	Marshall	
Austin	Plunkett	(Resigned 14 June 2011)
Carol	Reid	
Richard	Savage	
David	Sines	
Stephen	Tyreman	(Resigned 14 June 2011)
Louis	Webb	(Co-opted 14 June 2011)
Michael	Wright	

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

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

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

Charles Hunt	Principal and Chief Executive
Sharon Potter	Vice Principal (Education)
Steven Vogel	Vice Principal (Research & Quality)
Simeon London	Head of Clinical Practice
Ian Maguire	ICT Manager
Joanna Smith	Finance Director (not a Board appointment)
Nina Waters	Corporate Services Director (not a Board appointment)

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

The following sub-committees report to the SMT and Academic Council:

- Academic Strategy and Development Committee
- Widening Participation & Admissions Strategy Group
- Research Committee
- Research Ethics Committee
- Ethics Screening Committee
- Quality Assurance and Enhancement Committee
- Student-Staff Liaison & Consultation Groups
- Student Attendance, Attainment & Retention Group

### Course Teams

- Access Course Team
- Introduction to Osteopathic Sciences Course Team
- M.Ost Course Team
- Pg Cert Academic and Clinical Education Course Team
- Pg Cert Research Methods Course Team
- Professional Doctorate Course Team

### Course Admissions Groups

- Access Admissions Group
- Introduction to Osteopathic Sciences Admissions Group
- M.Ost Admissions Group
- Pg Cert Academic and Clinical Education Admissions Group
- Pg Cert Research Methods Admissions Group
- Professional Doctorate Admissions Group

Panels convened as necessary for:

CRB Risk assessments, Patient Complaints, Staff Discipline, Student Discipline.

### **Professional Advisors**

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

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

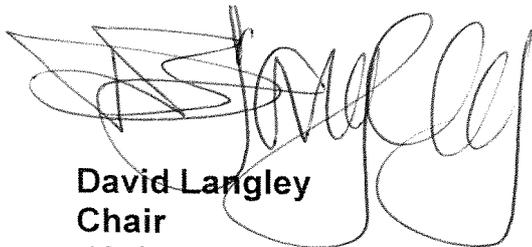
Solicitors: Russell-Cooke, 2 Putney Hill, Putney, London, SW15 6AB  
Trowers & Hamlins, Sceptre Court, 40 Tower Hill, London, EC3N 4DX

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

### **Appointment of Auditors**

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

The accounts were approved and authorised for issue by the Board of Directors on 18 January 2012 and signed on behalf of the Board.

A handwritten signature in black ink, appearing to read 'David Langley', written over a faint circular stamp or watermark.

**David Langley**  
**Chair**

*18 January 2012*

## **Independent Auditor's Report to the shareholders**

We have audited the financial statements of The British School of Osteopathy for the year ended 31 July 2011 which comprise the Statement of Financial Activities, the Balance Sheet, the Cashflow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

### **Respective responsibilities of trustees and auditors**

As explained more fully in the Trustees' Responsibilities Statement set out on page 32, the trustees (who are also the directors of the charity for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors. This report is made solely to the charity's shareholders, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charity's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's shareholders as a body for our audit work, for this report, or for the opinions we have formed.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the APB's web-site at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm).

### **Opinion on the financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 July 2011 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on the other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Report of Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements.

## **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

*N J Wakefield*

Nicola Wakefield (Senior Statutory Auditor)  
for and on behalf of Mazars LLP

Chartered Accountants and Statutory Auditor  
Times House, Throwley Way, Sutton, Surrey, SM1 4JQ

18 January 2012

# Statement of financial activities for the year ended 31 July 2011

(incorporating the company's income & expenditure account)

	Note	Unrestricted Funds (£) 2011	Restricted Funds (£) 2011	Total Funds (£) 2011	Total Funds (£) 2010
<b>Incoming resources</b>					
<b>Incoming resources from generated funds</b>	<u>2</u>				
Voluntary Income		121,317	180,874	302,191	345,242
Activities for generating funds		31,776	375	32,151	123,677
Investment Income	<u>3</u>	9,392	-	9,392	10,885
		<b>162,485</b>	<b>181,249</b>	<b>343,734</b>	<b>479,804</b>
<b>Incoming resources from charitable activities</b>	<u>4</u>				
Undergraduate and postgraduate student fees		3,632,473	-	3,632,473	3,708,138
Clinic income		536,285	-	536,285	532,047
Other income		125,881	-	125,881	100,822
		<b>4,294,639</b>	<b>-</b>	<b>4,294,639</b>	<b>4,341,007</b>
<b>Total Income</b>		<b>4,457,124</b>	<b>181,249</b>	<b>4,638,373</b>	<b>4,820,811</b>
<b>Resources expended</b>					
<b>Costs of generating funds</b>	<u>5</u>				
Costs of generating voluntary income		74,063	-	74,063	85,025
Fundraising trading: cost of goods sold and other costs		15,196	-	15,196	6,155
Investment management costs		5,180	-	5,180	3,091
		<b>94,439</b>	<b>-</b>	<b>94,439</b>	<b>94,271</b>
<b>Charitable activities</b>	<u>5</u>				
Academic Education		2,396,932	11,975	2,408,907	2,467,932
Clinical Education		1,528,399	120,277	1,648,676	1,695,479
Research		205,918	-	205,918	144,900
		<b>4,131,249</b>	<b>132,252</b>	<b>4,263,501</b>	<b>4,308,311</b>
<b>Governance costs</b>	<u>5</u>	19,095	-	19,095	16,739
<b>Total resources expended</b>		<b>4,244,783</b>	<b>132,252</b>	<b>4,377,035</b>	<b>4,419,321</b>
<b>Net incoming resources</b>		<b>212,341</b>	<b>48,997</b>	<b>261,338</b>	<b>401,490</b>
Realised investment (losses)/gains		(10,338)	-	(10,338)	53,102
Net income for the year before transfers		<b>202,003</b>	<b>48,997</b>	<b>251,000</b>	<b>454,592</b>
<b>Transfers</b>					
Gross transfers between funds	<u>19</u>	203,076	(203,076)	-	-
Net incoming resources before other recognised gains & losses		<b>405,079</b>	<b>(154,079)</b>	<b>251,000</b>	<b>454,592</b>
<b>Other recognised gains</b>					
Gains on revaluation of investment assets	<u>11</u>	63,759	-	63,759	27,997
<b>Net movement in funds</b>	<u>15</u>	<b>468,838</b>	<b>(154,079)</b>	<b>314,759</b>	<b>482,589</b>
<b>Reconciliation of Funds</b>					
Total funds brought forward		<b>3,491,315</b>	<b>412,965</b>	<b>3,904,280</b>	<b>3,421,691</b>
<b>Total funds carried forward</b>	<u>15 +</u> <u>20</u>	<b>3,960,153</b>	<b>258,886</b>	<b>4,219,039</b>	<b>3,904,280</b>

Restricted fund balances include £11,576 (2010: £11,576) endowed trust capital. All amounts relate to continuing activities. There are no recognised gains and losses other than those disclosed above.

# Balance Sheet at 31 July 2011

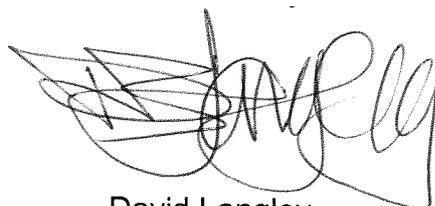
Company no. 146343

	Note	2011 £	2010 £
<b>FIXED ASSETS</b>			
Tangible assets	<u>10</u>	7,612,623	7,495,496
Investments	<u>11</u>	692,213	636,834
Social Investments	<u>11</u>	75,330	71,606
		<b>8,380,166</b>	<b>8,203,936</b>
<b>CURRENT ASSETS</b>			
Debtors	<u>12</u>	110,816	196,181
Cash at bank		1,234,027	1,275,725
		<b>1,344,843</b>	<b>1,471,906</b>
<b>LIABILITIES</b>			
<b>Creditors:</b> Amounts falling due within one year	<u>13</u>	582,906	650,725
<b>NET CURRENT ASSETS</b>			
		<b>761,937</b>	<b>821,181</b>
<b>Creditors:</b> Amounts falling due after more than one year	<u>14</u>	4,923,064	5,120,837
<b>NET ASSETS</b>			
		<b>4,219,039</b>	<b>3,904,280</b>
<b>Represented by:</b>			
Endowment Trust capital	<u>16</u>	11,576	11,576
Restricted funds	<u>17</u>	247,310	401,389
		<b>258,886</b>	<b>412,965</b>
<b>SHARE CAPITAL</b>			
	<u>18</u>	972	972
<b>UNRESTRICTED FUNDS</b>			
Designated funds	<u>19</u>	3,337,068	3,075,161
General funds		622,113	415,182
		<b>3,959,181</b>	<b>3,490,343</b>
<b>Share Capital and unrestricted funds</b>		<b>3,960,153</b>	<b>3,491,315</b>
<b>TOTAL FUNDS</b>	<u>20</u>	<b>4,219,039</b>	<b>3,904,280</b>

Approved by the Board of Trustees and authorised for issue on 18 January 2012 and signed on its behalf by:



Charles Hunt  
Principal and Chief Executive



David Langley  
Chair

## Cash flow statement for the year ended 31 July 2011

	<i>Note</i>	£	2011 £	£	2010 £
Net cash inflow from operating activities	A		658,549		1,123,199
<b>Returns on investments and servicing of finance</b>					
Interest received and dividends		9,392		10,885	
Interest paid		(228,884)		(229,730)	
		<hr/>		<hr/>	
<b>Net cash outflow on returns on investment and servicing of finance</b>			(219,492)		(218,845)
<b>Capital expenditure</b>					
Purchase of investments		(248,487)		(625,023)	
Sale of investments		175,452		498,657	
Sale of tangible assets		-		-	
Payments to acquire tangible assets		(376,694)		(170,574)	
		<hr/>		<hr/>	
<b>Net cash outflow for capital expenditure</b>			(449,729)		(296,940)
			<hr/>		<hr/>
<b>Decrease/(increase) in cash in the year</b>			<b>(10,672)</b>		<b>607,414</b>

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

## Notes to the cash flow statement for the year ended 31 July 2011

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

	2011 £	2010 £
Net movement in funds per SOFA	314,759	482,589
Less: Investment income	(9,392)	(10,885)
Add: Interest payable	228,884	229,730
Less: gains on investments	(53,421)	(81,099)
<b>Operating surplus</b>	<b>480,830</b>	<b>620,335</b>
Depreciation of tangible assets	215,875	206,168
Write off of fixed assets	43,692	389
Decrease in debtors	85,365	146,257
(Decrease)/increase in creditors	(167,213)	150,050
Net cash inflow from operating activities	<b>658,549</b>	<b>1,123,199</b>

### B. ANALYSIS OF NET DEBT

	2010 £	Cash flow £	2011 £
Cash at bank and in hand	1,275,725	(41,698)	1,234,027
Investment cash	85,335	(67,353)	17,982
	<b>1,361,060</b>	<b>(109,051)</b>	<b>1,252,009</b>
Bank loans	(5,169,000)	98,379	(5,070,621)
Net debt	<b>(3,807,940)</b>	<b>(10,672)</b>	<b>(3,818,612)</b>

# Notes to the financial statements for the year ended 31 July 2011

## 1. Accounting policies

### Basis of accounting

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

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

The subsidiary undertaking has not traded during the year.

### Fund accounting

#### *Unallocated general funds*

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

#### *Designated funds*

The Directors, at their discretion, earmark funds out of unallocated corporate funds for specific purposes. Certain non-binding commitments that are to be met out of future designated income streams, other than amounts recognised as liabilities in the Statement of Financial Activities, are held as designated funds, see note 19 (p.53).

#### *Restricted funds*

These are funds given by donors for specific purposes, or else as general-purpose endowed funds, under trust law. Any interest arising on the unapplied balances of restricted funds during the year is attributed to them. A proportionate administration charge is applied to them where the cost is material, see note 17 (p.51).

### Incoming resources

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.

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.

### Resources expended

Expenditure is allocated or attributed as follows:

#### *Charitable activities*

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

#### *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.

#### *Governance costs*

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

### Investments

Investments are included on the balance sheet at market value.

### Tangible fixed assets: capitalisation and depreciation

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

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

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

## Pension scheme

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

## Taxation

The surpluses or deficits of the BSO result from its charitable activities. Any surplus which may result is employed for its charitable purposes (Section 505, ICTA 1988) and are therefore exempt from corporation tax.

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.

## 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.

## Commitments – operating leases

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

## **2. Incoming resources from generated funds**

	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
Individuals	21,131	73,534
Legacies	-	46,018
Charitable foundations	147,459	91,630
Corporate donations	432	
Grants	133,169	134,060
	<b>302,191</b>	<b>345,242</b>
Fundraising events	4,890	44,951
Income from sale of donated books	1,181	950
Room lettings and car park sale	26,080	77,776
Total Activities for generating funds	32,151	123,677
Investment Income	9,392	10,885
<b>Total incoming resources from generated funds</b>	<b>343,734</b>	<b>479,804</b>

## Volunteers

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

### 3. Investment income

	2011 £	2010 £
Interest on cash deposits	2,254	2,241
Dividends and interest on listed investments	7,138	8,644
	<u>9,392</u>	<u>10,885</u>

### 4. Incoming resources from charitable activities

	2011 £	2010 £
Undergraduate and Access course fees	1,651,430	1,593,413
University of Bedfordshire contract	1,973,723	2,066,225
Postgraduate course fees	7,320	48,500
Total student course fees	<u>3,632,473</u>	<u>3,708,138</u>
Clinic patients' contributions for treatment by students	536,285	532,047
Professional courses and other income	125,881	100,822
<b>Total incoming resources from charitable activities</b>	<u><b>4,294,639</b></u>	<u><b>4,341,007</b></u>

### 5. Total resources expended

	Direct costs		Support costs		Total 2011 £	Total 2010 £
	Staff costs £	Other costs £	Staff costs £	Other costs £		
<b>Costs of generating funds</b>						
Costs of generating voluntary income	58,409	4,002	4,971	6,681	74,063	85,025
Fundraising trading	590	11,693	1,243	1,670	15,196	6,155
Investment management costs	-	5,180	-	-	5,180	3,091
	<u>58,999</u>	<u>20,875</u>	<u>6,214</u>	<u>8,351</u>	<u>94,439</u>	<u>94,271</u>
<b>Charitable activities</b>						
Undergraduate education	1,045,368	163,231	446,157	599,582	2,254,338	2,299,605
Postgraduate education	97,274	35,448	9,321	12,526	154,569	168,327
Clinical education	1,024,898	35,148	153,483	435,147	1,648,676	1,695,479
Research	157,099	34,254	6,214	8,351	205,918	144,900
	<u>2,324,639</u>	<u>268,081</u>	<u>615,175</u>	<u>1,055,606</u>	<u>4,263,501</u>	<u>4,308,311</u>
<b>Governance costs</b>						
Audit / other financial advice	-	15,807	-	-	15,807	14,266
Legal/constitutional requirements	-	3,288	-	-	3,288	2,473
	<u>-</u>	<u>19,095</u>	<u>-</u>	<u>-</u>	<u>19,095</u>	<u>16,739</u>
<b>Total</b>	<u><b>2,383,638</b></u>	<u><b>308,051</b></u>	<u><b>621,389</b></u>	<u><b>1,063,957</b></u>	<u><b>4,377,035</b></u>	<u><b>4,419,321</b></u>

### Support cost breakdown by activity

Activity	Fund-raising £	Under-graduate education £	Post-graduate education £	Clinical education £	Research £	2011 Total £	2010 Total £
Management	2,379	170,831	3,569	58,768	2,379	237,926	205,114
Finance	1,433	102,870	2,149	35,388	1,433	143,273	160,328
ICT	2,647	190,046	3,970	65,378	2,647	264,688	267,753
Estates	6,417	460,742	9,626	387,385	6,417	870,587	958,927
HR	1,689	121,250	2,533	41,711	1,689	168,872	140,343
<b>Total</b>	<b>14,565</b>	<b>1,045,739</b>	<b>21,847</b>	<b>588,630</b>	<b>14,565</b>	<b>1,685,346</b>	<b>1,732,465</b>

Estates costs include £228,884 (2010: £229,730) of interest on bank loans.

### 6. Staff costs

	2011 £	2010 £
Wages and salaries	2,668,840	2,640,769
Employers National Insurance	229,588	230,260
Pension costs	17,100	14,869
Other staff related costs	89,499	110,113
<b>Total</b>	<b>3,005,027</b>	<b>2,996,011</b>

### 7. Pension costs

The BSO operates a group personal pension scheme, which is a Defined Contributions scheme, and a stakeholder pension scheme. The assets of the schemes are held separately from those of the charity in independently administered funds. Contributions payable by the BSO to the group personal pension scheme, on behalf of 19 staff (2010:20 staff), amounted to £17,100 (2010: £14,869).

### 8. Employee information

Activity	2011 Number	2011 FTE	2010 Number	2010 FTE
Academic – teaching	50	16	47	16
Academic – support services	12	10	12	9
Clinic	62	20	66	20
Clinic – support services	9	9	10	10
Research	5	4	6	4
Fundraising	1	1	1	1
Estates and ICT	7	6	7	6
Management, Finance and HR	9	9	10	9
<b>Total</b>	<b>155</b>	<b>75</b>	<b>159</b>	<b>75</b>

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

	2011 Number	2010 Number
£60,000 - £69,999	1	1
£100,000 - £109,999	1	1
<b>Total</b>	<b>2</b>	<b>2</b>

Pension contributions in respect of one higher paid employee amounted to £1,836 (2010: £459).

## 9. Trustees' emoluments

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

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

Trustee	Role	2011 £	2010 £
H Abbey	Senior Osteopathic Lecturer	5,206	-
C Hunt	Principal & Chief Executive	114,610	109,147
S Tyreman	Osteopathic Education Development	14,725	17,211
<b>Total</b>		<b>134,541</b>	<b>126,358</b>

Travel expenses totalling £1,034 (2010: £1,318) were reimbursed to three (2010: three) trustees in their role as trustees. No emoluments due to the trustees in respect of the year have been waived by them. Expenses incurred by C Hunt were in the course of his duties as Principal & Chief Executive.

## 10. Fixed assets

	Leasehold properties £	Computers and video equipment £	Furniture, fixtures and equipment £	Total £
Cost:				
1 August 2010	8,240,050	400,680	208,374	8,849,104
Additions	239,160	130,955	6,579	376,694
Disposals	(54,150)	(98,575)	(22,749)	(175,474)
31 July 2011	<b>8,425,060</b>	<b>433,060</b>	<b>192,204</b>	<b>9,050,324</b>
Accumulated depreciation:				
1 August 2010	847,188	328,851	177,569	1,353,608
Charge for the year	167,710	33,649	14,516	215,875
Written off on disposal	(14,985)	(95,815)	(20,982)	(131,782)
31 July 2011	<b>999,913</b>	<b>266,685</b>	<b>171,103</b>	<b>1,437,701</b>
Net book value:				
<b>31 July 2011</b>	<b>7,425,147</b>	<b>166,375</b>	<b>21,101</b>	<b>7,612,623</b>
31 July 2010	7,392,862	71,829	30,805	7,495,496

	2011 £	2010 £
<b>Analysis of leasehold properties:</b>		
Long leaseholds	3,968,823	4,060,727
Improvements to the long leasehold properties	3,456,324	3,332,135
	<u>7,425,147</u>	<u>7,392,862</u>

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

## 11. Investments

	2011 £	2010 £
Investment in subsidiary undertaking	1,000	1,000
Investments listed on a recognised stock exchange (see below)	673,231	550,499
Cash held as part of the investment portfolio	17,982	85,335
	<u>692,213</u>	<u>636,834</u>

### Investment in subsidiary undertaking

	2011 £	2010 £
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.

During the year ended 31 July 2011 the company did not trade. Its reserves at 31 July 2011 were £15 (2010: £15).

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

### Investments listed on a recognised stock exchange

Market value at 1 August 2010	£ 550,499
Additions to investments at cost	244,763
Disposals at carrying value	(185,790)
Net gain/(loss) on revaluation	63,759
<b>Market value at 31 July 2011</b>	<u>673,231</u>

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

Investments in individual entities held at 31 July 2011 which are over 5% of portfolio by value are:

<b>Name of security</b>	<b>Holding</b>	<b>Market value £</b>
Barclays Bank Plc - 5Yr Synthetic Zero (Amer Barr)	35,000	38,742
Atlas Iron Ltd	17,500	47,427
Goldman Sachs – 6 Yr FTSE 100 Autocall (GB87)	35,000	37,415
Goldman Sachs – Quantro Eurostoxx 50 Tracker	37,000	35,520
Lothbury Property Trust - Sterling Property Fund	25	34,910
Capita Financial Mgrs	37,306	36,824
		<b>230,838</b>

### Social investments

	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
Amounts due from loans to students	75,330	71,606

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

### **12. Debtors**

	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
Trade debtors	8,988	25,336
Other debtors	14,681	77,116
Prepayments	87,147	93,729
	<b>110,816</b>	<b>196,181</b>

### **13. Creditors: amounts falling due within one year**

	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
Bank loan	147,557	48,163
Trade creditors	56,527	41,944
Other creditors	97,425	183,037
Accruals	239,368	371,045
Deferred income (student fees in advance)	42,029	6,536
	<b>582,906</b>	<b>650,725</b>

### **14. Creditors: amounts falling due after more than one year**

	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
Repayable two to five years	640,032	615,775
Repayable after five years	4,283,032	4,505,062
<b>Loans to finance clinic building purchase and fit-out</b>	<b>4,923,064</b>	<b>5,120,837</b>

The amount above comprises of 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.

The total loan repayments during the year amount to £98,379. Both loans are secured on the properties 275 Borough High Street and 98-118 Southwark Bridge Road.

### 15. Movement on reserves

	Opening Balance	Incoming resources	Outgoing resources	Gains & Losses	Transfers	Closing Balance
	£	£	£	£	£	£
Share capital	972	-	-	-	-	972
Unallocated general funds	415,182	4,451,518	(4,230,337)	53,421	(67,671)	622,113
Designated funds	3,075,161	5,606	(14,446)	-	270,747	3,337,068
Endowment funds	11,576	-	-	-	-	11,576
Restricted funds	401,389	181,249	(132,252)	-	(203,076)	247,310
<b>Total</b>	<b>3,904,280</b>	<b>4,638,373</b>	<b>(4,377,035)</b>	<b>53,421</b>	<b>-</b>	<b>4,219,039</b>

The transfers between funds comprise of:

£215,506 transferred from unallocated general funds to designated funds which is the current year's expenditure on fixed assets less depreciation funded by the Tangible Fixed Asset Fund.

£55,241 transferred from unallocated general funds to designated funds for the purpose of repaying the building loan.

£203,076 transferred from restricted funds to unallocated general funds in respect of loan repayments funded by the Capital Campaign (£98,378), the purchase of a clinic auditing and booking system funded by the Social Enterprise Investment Fund (£97,445) and other capital expenditure funded by various restricted funds (£7,253).

### 16. Endowed trust capital

	2011 £	2010 £
R K Hardy Prize Fund	11,576	11,576

This is a memorial fund established on 7 May 1993. The interest on the capital, which is used to give a graduation prize to one student annually, is recognised as income within restricted funds. The R K Hardy Prize Fund was registered on 23 August 2002 as a subsidiary charity, registration number 312873-1, with a permanent endowment fund and linked to the BSO. For the purpose of these accounts the charity is accounted for on the basis that the management of its assets is undertaken by the BSO.

## 17. Restricted funds

	Balance 1 August 2010	Incoming resources	Outgoing resources	Transfers	Balance 31 July 2011
	£	£	£	£	£
BSO Student Loans Fund	208,769	-	7,904	-	200,865
Ursula Hogg & Student Support Funds	16,611	-	1,500	-	15,111
Sven Svenson Bursary Fund	8,637	-	500	-	8,137
L M Naidoo Prize Fund	4,800	-	1,250	-	3,550
Sir James Knott Fund	220	-	220	-	-
Research Fund	2,000	-	2,000	-	-
Clinic Equipment Funds	7,253	-	-	7,253	-
Community Clinics' Fund	32,000	40,000	72,000	-	-
Community Elderly Clinic Fund	-	10,000	10,000	-	-
Community Homeless Clinic Fund	-	5,530	5,530	-	-
The Children's Clinic Fund	11,434	4,000	14,860	-	574
Westminster Residents Clinic Fund	2,000	-	2,000	-	-
The Aylesbury Estate Clinic Fund	13,888	-	13,888	-	-
Rehabilitation Gym Fund	-	2,774	-	-	2,774
Capital Campaign	93,173	21,500	-	98,378	16,295
Social Enterprise Investment Fund	-	97,445	-	97,445	-
R K Hardy Prize Fund	604	-	600	-	4
<b>Total</b>	<b>401,389</b>	<b>181,249</b>	<b>132,252</b>	<b>203,076</b>	<b>247,310</b>

### Transfers

£203,076 has been transferred from restricted funds to unallocated general funds in respect of loan repayments funded by the Capital Campaign (£98,378), the purchase of a clinic auditing and booking system funded by the Social Enterprise Investment Fund (£97,445) and other capital expenditure funded by various restricted funds (£7,253).

### BSO Student Loans Fund

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

### Ursula Hogg & Student Support Funds

The Ursula Hogg Fund 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. Additionally, a number of bursaries were donated to the BSO for the purpose of helping students with the cost of their fees and education. These funds continue to support a number of students each year.

### Sven Svenson Bursary Fund

Sven Svenson graduated from the BSO in the 1940s. He originally trained as a GP, but following his accelerated recovery from a diving accident thanks to osteopathy, was determined to become an osteopath. In his career he treated some of the most fascinating personalities of the twentieth century including Elizabeth Taylor, Charlton

Heston and Bob Hope. He treated patients until he was 94 and died at the age of 100 in 2008. The Sven Svenson Bursary Fund was set up by Dame Beryl Grey DBE in memory of her late husband and the interest on the capital will be used to provide an award to a fourth year student who demonstrates exceptional promise.

#### L M Naidoo Prize Fund

Lutchman Naidoo, a former president of the British Osteopathic Association, graduated from the BSO in 1953. He taught technique at the BSO for two decades until the late 1970s and also lectured in France and at international conferences. This fund was established by one of Lutchman Naidoo's many grateful patients and is used to award a prize annually to the final year student who demonstrates the best overall performance in practical osteopathic skills.

#### Research Fund

This fund provided a contribution towards the cost of a clinical audit of our clinics.

#### Clinic Equipment Funds

The total of these funds was used to purchase 10 treatment tables for our clinics in 2010.

#### Community Clinics' Funds

These funds enable the BSO to deliver free treatment to groups including older people, children and homeless people in the local community. Each of the BSO's outreach community clinics provides excellent osteopathic care to some of the most vulnerable people within our society. The BSO would particularly like to thank the Stavros Niarchos Foundation and the Tudor Trust for their donations of £20,000 towards these funds.

Donations for the BSO's community outreach clinics for older people at Darwin Court and Lucy Brown House were received from the Austin & Hope Pilkington Trust, the William Allen Young Charitable Trust, the Swire Charitable Trust, P F Charitable Trust and the Mercers Trust. Grants for the Manna Centre were received from the Coutts Charitable Trust, the Oakdale Trust and the J Paul Getty Jr Charitable Trust. Donations from the Sir William Coxon Trust Fund and the Sobell Foundation contributed towards treatments delivered at First Place Children's Centre.

We have continued to provide osteopathic care free of charge to local residents living on the Aylesbury Estate, thanks to funds provided by the Aylesbury Estate New Deal for Communities.

#### Rehabilitation Gym Fund

This fund was established with the aim of setting up a rehabilitation gym in order to accelerate patients' recovery from illness and to enhance the learning experience of our students.

#### Capital Campaign Fund

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

### Social Enterprise Investment Fund

In January 2011, the School was awarded a grant of £97,445 from the Social Enterprise Investment Fund (SEIF) to implement a new clinic booking and auditing system. The total cost of this project is estimated at £140k and without this grant we would have been unable to purchase this vital system which will enhance our ability to monitor and evaluate clinical outcomes from our services.

### Endowment Fund - RK Hardy Prize Fund

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

## 18. Corporate share capital

	2011	2010
	£	£
<b>Share Capital:</b>		
Ordinary shares	482	482
“B” shares	94	94
Share Premium	396	396
<b>Total</b>	<b>972</b>	<b>972</b>

	Authorised		Allotted, issued and fully paid	
	2011	2010	2011	2010
	£	£	£	£
Ordinary shares of £1 each	4,906	4,906	482	482
“B” shares of £1 each	94	94	94	94
<b>Total</b>	<b>5,000</b>	<b>5,000</b>	<b>576</b>	<b>576</b>

## 19. Designated funds

	Balance 1 August 2010	Incoming resources	Outgoing resources	Transfers	Balance 31 July 2011
	£	£	£	£	£
Godfrey M Frischmann Fund	11,033	-	1,000	-	10,033
Sandler annual Golf Day Fund	12,560	4,425	12,737	-	4,248
Donated books and goods sales by John Telford	3,017	1,181	709	-	3,489
Tangible Fixed Asset Fund	2,326,496			215,506	2,542,002
Building Loan Repayment Fund	220,531			55,241	275,772
Adverse Events Fund	501,524			-	501,524
<b>Total</b>	<b>3,075,161</b>	<b>5,606</b>	<b>14,446</b>	<b>270,747</b>	<b>3,337,068</b>

### Transfers

£270,747 has been transferred to designated funds from unallocated general funds. £215,506 in respect of current year's expenditure on fixed assets less depreciation funded by the Tangible Fixed Asset Fund and £55,241 for the purpose of repaying the building loan.

### 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 2011 raised £4,425 (2010: £5,826). This amount plus the balance carried forward from the previous year has been designated for improving the student learning experience.

### Donated books and goods sales

John Telford continues to carry in huge bags of books which are sold in the BSO's clinical centre to raise funds totalling £1,181 (2010: £950). This amount plus the balance carried forward from the previous year has been designated for improving the student learning experience.

### Tangible Fixed Asset Fund

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

### Building Loan Repayment Fund

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

### Adverse Events Fund

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

## **20. Analysis of net assets between Funds**

Fund balances at 31 July 2011 are represented by:

	<b>Restricted Funds</b>	<b>Endowed Trust Capital</b>	<b>Corporate Capital Reserves</b>	<b>Designated Funds</b>	<b>General Funds</b>	<b>Total Funds</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Tangible Fixed Assets	-	-	-	7,612,623	-	7,612,623
Social Investments	75,330	-	-	-	-	75,330
Other Investments	-	-	972	501,524	189,717	692,213
Current Assets						
- Cash	171,980	11,576	-	293,542	756,929	1,234,027
- Debtors	-	-	-	-	110,816	110,816
Current Liabilities	-	-	-	(147,557)	(435,349)	(582,906)
Long term liabilities	-	-	-	(4,923,064)	-	(4,923,064)
	<b>247,310</b>	<b>11,576</b>	<b>972</b>	<b>3,337,068</b>	<b>622,113</b>	<b>4,219,039</b>

## 21. Commitments - operating leases

At 31 July 2011, the BSO has the following annual commitments under non-cancellable operating leases expiring as follows:

	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
Land and buildings:		
Expiring in more than five years:		
On ground rent for 275 Borough High Street	20,000	22,500
On ground rent for 98 -118 Southwark Bridge Road	350	350
Equipment:		
Expiring in less than five years	22,627	23,239
	<u>42,977</u>	<u>46,089</u>

## 22. Capital commitments

Authorised and contracted for capital commitments at 31 July 2011 amounted to:

	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
Authorised and contracted for	-	240,115
Authorised but not contracted	-	24,187
	<u>-</u>	<u>264,302</u>

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