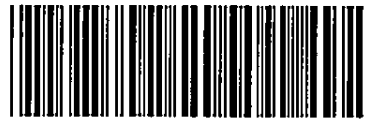


**INDEPENDENT SCHOOLS INSPECTORATE**  
Company Number 06458829

**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2008**

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**INDEPENDENT SCHOOLS INSPECTORATE**  
**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2008**

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# **INDEPENDENT SCHOOLS INSPECTORATE**

## **COMPANY INFORMATION**

**FOR THE YEAR ENDED 31 DECEMBER 2008**

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<b>ISI Directors</b>	Miss June Marian Taylor	(appointed 21 December 2007)
	Ms Christine Ryan	(appointed 21 December 2007)
	Mr Ian Gregory Power	(appointed 12 June 2008)
	Mr Samuel George Alder	(appointed 12 June 2008)
	Mr Stephen Harwood Cole	(appointed 12 June 2008)
	Mr Andy Innes Falconer	(appointed 12 June 2008)
	Mr James Thomas Wilding	(appointed 12 June 2008)
	Mrs Jane Miranda Richardson	(appointed 12 June 2008)
	Mr Paul Maynard	(appointed 25 June 2008)
	Mrs Janet Dolton Pickering	(appointed 25 June 2008)
	Mr James Thomas Wilding	(resigned 13 October 2008)
	Mr John Demmery Haden	(appointed 13 October 2008)
	Professor Jane Elizabeth Sperryn Fortin	(appointed 13 October 2008)
	Mr David John Guy Harvey	(appointed 13 October 2008)
	Mr Graham Robert Gorton	(appointed 18 November 2008)

**Registered Office**

1st Floor  
CAP House  
9-12 Long Lane  
London  
EC1A 9HA

**Auditors**

haysmacintyre  
Fairfax House  
15 Fulwood Place  
London  
WC1V 6AY

## **INDEPENDENT SCHOOLS INSPECTORATE**

### **DIRECTORS' REPORT AND ANNUAL FINANCIAL STATEMENTS**

#### **FOR THE YEAR ENDED 31 DECEMBER 2008**

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The Directors of the company present their report and audited financial statements for the year ended 31 December 2008.

#### **PRINCIPAL ACTIVITY**

The Independent Schools Inspectorate (ISI) was previously a division of the Independent Schools Council (ISC). ISI became a separate entity from 01 January 2008. ISI is the agency responsible for the inspection of schools in membership of ISC associations. ISI is a body approved for the purpose of inspection under Section 162A of the Education Act 2002. As such, ISI report to the Department for Children, Schools and Families (DCSF) on the extent to which schools meet statutory requirements. The quality of the service is monitored by Ofsted on behalf of the DCSF.

#### **RESULTS**

As shown in the Income and expenditure account on page 5, the company recorded a surplus for the year ended 31 December 2008 of £55,624.

The directors consider this result to be acceptable and intend for the company to remain profitable in the foreseeable future.

## **INDEPENDENT SCHOOLS INSPECTORATE**

### **REPORT OF THE DIRECTORS**

**FOR THE YEAR ENDED 31 DECEMBER 2008**

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#### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

Company law requires the directors of the company to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the Company and of the surplus or deficit of the Company for that period. In preparing those financial statements, the Board is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Federation will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time, the financial position of the Company and to enable it to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

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

#### **AUDITORS**

A resolution appointing haysmacintyre will be proposed at the ISI Board Meeting.

Signed on behalf of the Board of Directors on *22 May* 2009



Director

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF**

### **INDEPENDENT SCHOOLS INSPECTORATE**

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We have audited the financial statements of the Independent Schools Inspectorate for the year ended 31 December 2008 which comprise the Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement and the related notes. These financial statements have been prepared under the accounting policies set out therein.

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

#### **Respective responsibilities of directors and auditors**

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

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

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

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

#### **Basis of audit opinion**

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

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

#### **Opinion**

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2008 and of result for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the directors' report is consistent with the financial statements.

**haysmacintyre**  
**Registered Auditors**

22 May 2009

*haysmacintyre*

**Fairfax House**  
**15 Fulwood Place**  
**London**  
**WC1V 6AY**

**INDEPENDENT SCHOOLS INSPECTORATE**  
**INCOME AND EXPENDITURE ACCOUNT**  
**FOR THE YEAR ENDED 31 DECEMBER 2008**

	Notes	2008	
		£	£
<b>TURNOVER</b>			2,520,311
Cost of sales			<u>1,531,818</u>
<b>Gross Margin</b>			988,493
Other costs:			
Staff costs	2	534,946	
Depreciation of fixed assets	7	15,189	
Other operating charges		<u>388,888</u>	
			<u>939,023</u>
<b>SURPLUS ON ORDINARY ACTIVITIES BEFORE INTEREST</b>	4		49,470
Investment income	5		<u>7,766</u>
<b>SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>			57,236
Taxation	6		(1,612)
<b>SURPLUS FOR THE YEAR</b>			<u>55,624</u>

There were no other gains or losses recognised in the year.

The notes on pages 8 to 11 form part of these financial statements.

# INDEPENDENT SCHOOLS INSPECTORATE

## BALANCE SHEET

AT 31 DECEMBER 2008

	Notes	2008	
Fixed Assets		£	£
Tangible fixed assets	7		68,336
<b>CURRENT ASSETS</b>			
Trade debtors		360,277	
Other debtors	8	14,116	
Prepayments		29,591	
Cash at bank and in hand		<u>426,192</u>	
		830,176	
<b>CREDITORS: amounts due within one year</b>			
Trade creditors		47,173	
Corporation tax		1,612	
Social security costs		15,936	
Accruals and deferred income	9	<u>488,261</u>	
		552,982	
<b>NET CURRENT ASSETS</b>			277,194
<b>NET ASSETS</b>			<u>345,530</u>
<b>Represented by:</b>			
Transfer of reserve from ISC			289,906
Profit & Loss Account			55,624
<b>TOTAL RESERVES</b>	10		<u>345,530</u>

The financial statements were approved and authorised for issue by the Directors on 22nd May 2009 and were signed below on its behalf by:

Director



The notes on pages 8 to 11 form part of these financial statements.

**INDEPENDENT SCHOOLS INSPECTORATE****CASH FLOW STATEMENT****FOR THE YEAR ENDED 31 DECEMBER 2008**

	2008
	£
<b>Net cash inflow from operating activities</b>	85,279
<b>Returns on investments and servicing of finance</b>	
Interest received	<u>7,766</u>
<b>Net cash inflow on investments and servicing of Finance</b>	7,766
<b>Taxation paid</b>	(2,232)
<b>Capital expenditure and financial investment</b>	
Purchase of fixed assets	<u>(7,352)</u>
<b>Net cash outflow for capital expenditure and financial investment</b>	(7,352)
<b>Net increase in cash in the year</b>	<u>83,461</u>
Cash at bank at 1 January 2008	342,731
<b>Cash at bank at 31 December 2008</b>	<u><u>426,192</u></u>

**RECONCILIATION OF OPERATING SURPLUS TO CASH FLOW FROM OPERATING ACTIVITIES**

	2008
	£
Operating surplus	49,470
Depreciation	15,189
Decrease in debtors	24,108
Decrease in creditors	<u>(3,488)</u>
Cash inflow from operating activities	<u><u>85,279</u></u>

## **INDEPENDENT SCHOOLS INSPECTORATE**

### **NOTES TO THE FINANCIAL STATEMENTS**

#### **FOR THE YEAR ENDED 31 DECEMBER 2008**

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##### **1. ACCOUNTING POLICIES**

###### **Basis of accounting**

The financial statements have been prepared under the historical cost convention and are in accordance with the applicable accounting standards, as modified by the revaluation of investments to market value.

###### **Turnover and income recognition**

Turnover is the amount derived from the provision of goods and services falling within the Company's ordinary activities.

###### **Tangible fixed assets**

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

Leasehold fittings	- The period of the lease
Office furniture and equipment	- 15% on cost
Computer equipment	- 33.3% on cost

###### **Finance and hire purchase assets**

Assets held under finance leases and hire purchase contracts are capitalised at their estimated fair value at date of inception of each lease or contract. The assets are depreciated over their expected useful lives. The finance charges are taken to the income and expenditure account over the period of the lease as they arise.

###### **Operating leases**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the income and expenditure account as incurred.

**INDEPENDENT SCHOOLS INSPECTORATE**

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

**FOR THE PERIOD ENDED 31 DECEMBER 2008**

<b>2. STAFF COSTS</b>	<b>2008 £</b>
Wages and salaries	464,505
Social security costs	50,671
Pension costs	19,770
	<u>534,946</u>
 The number of employees during the year was:	 13
<b>3. DIRECTOR'S EMOLUMENTS</b>	<b>2008 £</b>
Remuneration as included in staff costs	118,000
<b>4. OPERATING SURPLUS</b>	<b>2008 £</b>
Operating surplus is stated after charging:	
Depreciation	15,189
Auditors' remuneration:	
Audit fee	4,000
Operating leases, land and buildings	76,739
Operating leases, equipment	2,232
	<u></u>
<b>5. INVESTMENT INCOME</b>	<b>2008 £</b>
Bank interest	7,766
	<u></u>
<b>6. TAXATION</b>	<b>2008 £</b>
Taxation is based on the interest received for the year:	
UK corporation tax at 20% for the tax year 2007/08 and 21% for the tax year 2008/09	1,612

**INDEPENDENT SCHOOLS INSPECTORATE**

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

**FOR THE YEAR ENDED 31 DECEMBER 2008**

7. TANGIBLE FIXED ASSETS	Leasehold fittings	Office furniture and equipment	Computer equipment	Total
	£	£	£	£
<b>Cost</b>				
Additions	32,990	31,527	19,008	83,525
At 31 December 2008	<u>32,990</u>	<u>31,527</u>	<u>19,008</u>	<u>83,525</u>
<b>Depreciation</b>				
Charge for the year	4,124	4,729	6,336	15,189
At 31 December 2008	<u>4,124</u>	<u>4,729</u>	<u>6,336</u>	<u>15,189</u>
<b>Net book value</b>				
At 31 December 2008	<u>28,866</u>	<u>26,798</u>	<u>12,672</u>	<u>68,336</u>

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

8. OTHER DEBTORS	2008 £
Accrued income	<u>14,116</u>

9. ACCRUALS AND DEFERRED INCOME	2008 £
Cost accruals	163,735
School inspection received in advance	312,000
Benefit of rent-free period spread over term of lease	<u>12,526</u>
	<u>488,261</u>

10. RESERVES	Transfer of reserves £	Surplus for the year £	Carried Forward £
Independent Schools Inspectorate	<u>289,906</u>	<u>55,624</u>	<u>345,530</u>

**INDEPENDENT SCHOOLS INSPECTORATE**

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

**FOR THE YEAR ENDED 31 DECEMBER 2008**

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**11. FINANCIAL COMMITMENTS**

At 31 December 2008 the company had annual commitments under operating leases as set out below:

	<b>2008</b>	
	<b>Land and buildings £</b>	<b>Other £</b>
Operating leases that expire:		
Within one year	-	-
In the second to fifth years	-	2,185
Over five years	75,107	-