

**The Isis Academy Trust
Company
(A Company Limited by
Guarantee)**

**Annual Report and Financial
Statements**

**Year ended 31 August
2014**



**Company Registration Number:
08334718 (England and Wales)**

The Isis Academy Trust Company

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The Isis Academy Trust Company

Reference and Administrative Details

Members

S Rodway
R Harvey
P Block (until 24/5/14)
J Dyson (from 4/6/14)

Trustees

S Rodway (Chairman)*+
S Smith*+
K Shaw
M Willett*+
R Harvey*+
P Block (until 24/5/14)*+
J Dyson (until 31/7/14)
A Edwards (from 2/12/14)
E Smith (from 2/12/14)

* members of the finance and personnel committee

+ members of the audit committee

Senior Leadership Team:

- Head Teacher
- Deputy Head Teacher
- Assistant Head Teacher
- Assistant Head Teacher
- Head of Pastoral Care
- Business Manager
- Finance Director

M Willett
L Smith
Y Eagle
T Procter-Legg
C Hatwell
S Hunston
R Thomas (until 9/11/14)

Principal and Registered Office

Company Registration Number

Independent Auditor

Iffley Turn, Oxford, OX4 4DU
08334718 (England and Wales)

Critchleys LLP
Greyfriars Court
Paradise Square
Oxford
OX1 1BE

Bankers

Lloyds Bank
Carfax, Oxford

Solicitors and Company Secretary

Blake Morgan, Seacourt Tower, West Way,
Oxford, OX2 0FB

The Isis Academy Trust Company

Trustees' Report

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 1 September 2013 to 31 August 2014. The annual report serves the purposes of both a Trustees' report, and a directors' report under company law.

The Isis Academy Trust Company operates an academy for pupils aged 5 – 18 years, all of whom have special educational needs. The Academy roll at the time of the Autumn school census on 3/10/2013 was 120.

Structure, Governance and Management

Constitution

The Academy trust is a company limited by guarantee and an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents of the Academy trust. The Trustees of The Isis Academy Trust Company are also the Directors of the charitable company for the purposes of company law. The charitable company is known as The Isis Academy Trust Company.

Details of the Trustees who served during the year are included in the Reference and Administrative Details on page 3.

Members' Liability

Each Member of the charitable company undertakes to contribute to the assets of the charitable company in the event of it being wound up while they are a Member, or within one year after they cease to be a Member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before they ceased to be a Member.

Trustees' Indemnities

In accordance with normal commercial practice, the Academy has purchased insurance to protect Trustees, governors and officers from claims arising from acts, errors or omissions occurring whilst on Academy business.

Method of Recruitment and Appointment or Election of Trustees

The Isis Academy Trust Company's Memorandum and Articles of Association are the primary governing documents of the Academy. The Articles of Association require that there shall be at least three Members and up to 10 Trustees, at least two of whom are parent Trustees.

Trustees are appointed through an agreed recruitment process, which includes an initial interview with the Chairman and Head Teacher; completion of a detailed application form; the receipt of two satisfactory references and a satisfactory Enhanced Disclosure and Barring Check. All Trustees are required to confirm that they comply with appropriate statutory eligibility regulations for their role.

All Trustees are nominated and seconded at a Trustees' meeting before their details are lodged by the Company Secretary at Companies House. Parent Trustees are elected from parent governors. The parent governor election process is in accordance with Department for Education guidelines. Two staff governors are elected from the staff body. Trustees are recruited and appointed to ensure that there is a breadth of skills and knowledge which can consolidate the Academy's successful position, and advance and promote its continuing development.

The Isis Academy Trust Company

Trustees' Report (continued)

Policies and Procedures Adopted for the Induction and Training of Trustees

An induction, training and support programme is in place, and is tailored to meet the needs of the individual trustee. A primary focus is to ensure that all Trustees have a knowledge and understanding of the Academy's day to day operation and strategic aims. It is also important that Trustees gain an awareness of the nature of pupils' special educational needs and how The Isis Academy, as a special academy, differs from mainstream education providers. A comprehensive induction folder is provided to new Trustees, which includes information regarding the role of trustee published by the Charity Commission, data and material about the Academy. An induction/training programme is organised and a mentor trustee is allocated to all new Trustees. Induction training for new Trustees is obtained from the Oxfordshire County Council's Governor Services and external training for Trustees is available from the Academy's legal advisers, Blake Morgan. All new Trustees are invited to tour the Academy, and meet staff and pupils, and are warmly welcomed to attend celebration assemblies and events.

Organisational Structure

The management structure of the Academy consists of the Members, Trustees, the local governing body and the senior leadership team. Each group within the structure meet regularly in accordance with a meeting schedule agreed at the beginning of the academic year. The Trustees provide strategic direction, ensuring the quality of the educational provision, challenging and monitoring the performance of the Academy, operating the Academy in accordance with the Funding agreement, and ensuring that the Academy complies with charity and company law. The local governing body supports the Trustees and senior leadership team, acting as a critical friend, and contributes to the operational activities and strategic development of the Academy. Detailed decision making, including the review of policies and processes, is delegated to sub committees who report to the local governing body and to Trustees. The senior leadership team is led by the Head Teacher, who is the Academy's accounting officer.

Connected Organisations including Related Party Relationships

The Academy, although formed as a multi academy trust, is not linked to other organisations.

Objectives and Activities

Objects and Aims

The main objectives and aims of the Academy are as follows:

- To ensure that every pupil enjoys a high quality of education in terms of resourcing, tuition and pastoral care
- To raise the standard of educational achievement and independence of all pupils
- To improve the effectiveness of the Academy by keeping the curriculum and organisational structure under continual review
- To provide value for money for the funds expended
- To comply with all appropriate statutory and curriculum requirements
- To conduct the Academy's business in accordance with the highest standards of integrity, probity and openness.

The Isis Academy Trust Company

Trustees' Report (continued)

Objectives, Strategies and Activities

Key activities are identified in the Academy's Raising Achievement Plan, which is written, monitored and reviewed on an annual cycle. Targets include:

- To improve outcomes for specific groups of learners in literacy
- To improve outcomes for all learners in numeracy and ICT
- To improve Key Stage 5 provision, preparing and equipping pupils for their future lives
- To improve outcomes for pupils in receipt of pupil premium
- To enhance the wellbeing and pastoral support of vulnerable pupils
- To maintain high standards of behaviour
- To ensure that the academic and pastoral needs of pupils with complex educational needs are met

Public Benefit

The primary focus of the activities of The Isis Academy is to advance the education of pupils with Statements of Special Education Needs throughout Oxfordshire. The Academy has links with all Oxfordshire Special Schools, and these links have been strengthened and consolidated through the Head Teacher's role as Chair of the Oxfordshire Association of Special School Head Teachers. The Academy also has strong links with mainstream primary and secondary schools who refer pupils to the Academy.

Underlying this focus is the aim of contributing to the public good by enhancing the lives of children who have special needs, and providing support to their families.

Pupils are encouraged to recognise their potential contribution to their local, national and global communities by support of national and local charities through fundraising, participation in themed assemblies, participation in a weekly inter-generational activity linking local older volunteers with pupils, and support of local environmental work. Pupils also regularly visit a local care home and recently worked with the residents to create and bury a time capsule.

The Academy strives to provide a curriculum which maximises pupils' potential to develop into independent and confident citizens who respect the beliefs of others, and who can make a positive and meaningful contribution to their local community and society as a whole.

The Trustees have referred to the guidance in the Charity Commission's general guidance on public benefit when reviewing their aims and objectives and in planning future activities. In particular, the Trustees consider how planned activities will contribute to the aims and objectives they have set.

The Isis Academy Trust Company

Trustees' Report (continued)

Strategic Report

Achievements and Performance

In the 2013 – 2014 academic year:

- Outcomes in Literacy, Numeracy, ICT and Science continued to be outstanding for attainment and progress for all cohorts of learners
- In Numeracy and Literacy our learners exceeded progress made by similar learners nationally
- The majority of lessons observed were judged Outstanding (63%) or Good (26%)
- Students' behaviour was judged to be Outstanding in a majority of lessons (92%)
- Parent feedback was overwhelmingly positive and parental surveys, feedback through meetings and conversations with parents, indicate a high level of satisfaction with the Academy
- Teachers demonstrate high expectations for learners; challenging targets are set, planning lessons to a high standard, matching work to meet individual needs, including a wide range of teaching and learning approaches
- Behaviour and safety is outstanding: at least 90% of pupils receive star time for good behaviour each week. Pupils are supported in using restorative practices to deal with any behavioural difficulties
- There are clear and imaginative strategies in place to support vulnerable learners and their families, including family fun days, whole family and 1:1 interventions both inside and outside school time
- Attendance levels were maintained at 94%

Key Performance Indicators

Key performance indicators are included in the Achievements and Performance section above.

Going Concern

After making appropriate enquiries, the board of Trustees has a reasonable expectation that the Academy trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

Financial Review

The majority of the Academy's income is obtained from the Education Funding Agency, the use of which is restricted to educational purposes. Further income is obtained from Oxfordshire County Council in the form of high needs top up funding. The funding received from the EFA during the period ended 31 August 2014 is shown as restricted funds in the Statement of Financial Activities.

Excluding the fixed asset fund (representing the net book value of fixed assets) of £6,605k and the pension deficit fund of £(976)k, reserves balances amount to £363k, comprising GAG funds of £136k and unrestricted general funds of £227k.

Reserves Policy

The Academy's policy at this time is to maintain a level of reserves from its annual GAG and other funding that will be adequate to ensure that regular financial commitments can be met. These comprise of payroll and payments to suppliers. In addition, the Trustees will maintain reserves from revenue in order to deal with unforeseen costs and contingencies and to fund future expenditure related to the Academy's strategic long-term aims and developments. The Trustees are satisfied that the Academy currently holds an appropriate level of reserves and intends to formalise a policy on reserves, including identification of a target range of reserves, in the coming financial year.

The Isis Academy Trust Company Trustees' Report (continued)

The Academy's policy is to create a capital reserve from annual GAG funding in order to fund future capital expenditure. The Trustees are cognisant that the Academy's buildings are in a poor condition, and may require considerable investment in coming years. In view of the condition of the buildings, it is necessary to hold reserves for contingency repairs, maintenance and re-building. The Academy will continue to bid for funding from the EFA for refurbishment and rebuilding. As at November 2014, the Academy is waiting for the results of its Priority Schools Building Programme 2 bid, and is preparing a bid for the current round of the EFA's Condition Improvement Fund. The Academy is aware that if funding from external sources remains unavailable, it may require to use capital reserves.

Investment Policy

The Academy's policy at this time is to invest funds in a risk free and immediately available deposit account. While interest rates are so low, it is not considered worthwhile to transfer excess funds to and from a deposit account. Should interest rates rise, this policy will be re-visited.

Principal Risks and Uncertainties

The Academy's Risk Management and Risk Register is audited by the Audit Committee on a regular basis. A formal review takes place on an annual basis. The Risk Register is regarded as a live document and is discussed by the Audit Committee and the senior leadership team. Any risks highlighted at any committee are brought to the attention of the Trustees with proposed mitigated actions and they continue to be reported until the risk is adequately mitigated.

The principal risks and uncertainties faced by the Academy are recorded in the Risk Register. The areas covered in the Risk Register are listed under the following headings: strategic: public profile and reputation: organisation: management information: human resources and personnel issues: income: suppliers: employee legislation: environmental: financial reporting: changes in legislation: tax legislation: data protection: welfare compliance: sector compliance: financial risks including systems, expenditure, treasury, fixed assets, debtors, taxation, provisions, credit, liquidity, cash flow, funds, related parties, pensions deficit: business continuity, physical assets, site and facilities condition.

Principal risks facing the Academy are

- Financial: including a reduction in pupil numbers; reduction in funding from the DFE and unforeseen increase in costs or capital repairs due to the condition of the Academy's buildings.
- Site condition: It is not possible to ascertain with any degree of accuracy the risk of failure of areas of the premises that cannot be easily seen, eg buried services. The Academy is taking steps to mitigate the risks presented by the condition of the site and commissioned a detailed site condition survey in October 2014 which provides comprehensive information to inform premises priorities over the coming years.
- Personnel: the principal risks are associated with succession planning, recruitment and retention. The Senior Leadership Team was expanded in 2014 with the appointment of two Assistant Head Teachers to strengthen the leadership of the Academy and to provide a succession plan for senior staff.

Plans for Future Periods

The Academy will continue to strive to improve the outcomes for all pupils. Priorities include:

- A focus on the learning and social needs of each individual pupil, providing bespoke learning pathways which maximises the opportunities to succeed for all pupils
- Development of a broad, balanced and relevant curriculum which underpins the value of learning for personal growth throughout pupils' lives
- Opportunities to develop skills and abilities in all curriculum subjects, particularly focussing on core subjects - Literacy, Numeracy, ICT, and Science
- Ensuring that staff are highly trained and knowledgeable about pupils' special needs, and have the skills to support all pupils appropriately.

The Isis Academy Trust Company Trustees' Report (continued)

- Ensuring that pupils' behavioural and social difficulties are addressed appropriately, thus enabling full access to learning
- Ensuring that the curriculum reflects the interests and ambitions of pupils, offering a range of meaningful and relevant lessons
- Providing the opportunity to develop as well rounded and confident citizens in a diverse society
- Ensuring that spiritual, moral, social and cultural development of pupils is paramount, and reflected in the day to day life of the Academy
- Maintaining and developing access to extra-curricular activities which enrich pupils' lives, such as weekend and after school clubs
- Offering a range and variety of residential visits which enhance and develop pupils' independence and social skills
- Offering the opportunity for pupils to increase their self esteem and team working skills through curricular and extra curricular activities
- Ensuring that a range of strategies are employed to encourage full attendance
- Compliance with, and implementation of, the Education, Health and Care Plan
- Addressing the condition of the school buildings and facilities, continuing to bid for funding for rebuilding and refurbishment

Funds Held as Custodian Trustee on Behalf of Others

This does not apply to The Isis Academy Trust Company.

Auditor

Insofar as the Trustees are aware:

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

Critchleys LLP are deemed to be re-appointed under section 487 (2) of the Companies Act 2006.

Trustees' report, incorporating a strategic report, approved by order of the board of Trustees, as the company Directors, on 2 December 2014 and signed on the board's behalf by:



S Rodway, Chair of Trustees

The Isis Academy Trust Company

Governance Statement

Scope of Responsibility

As Trustees we acknowledge we have overall responsibility for ensuring that The Isis Academy Trust Company has an effective and appropriate system of control, financial and otherwise. However such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

The board of Trustees has delegated the day-to-day responsibility to the Head Teacher as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between The Isis Academy Trust Company and the Secretary of State for Education. They are also responsible for reporting to the board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of Trustees has formally met 7 times during the year. Attendance during the year at meetings of the board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
S Smith	3	7
K Shaw	6	7
M Willett	7	7
R Harvey	7	7
S Rodway	7	7
J Dyson	7	7
Pam Block	5	5

The Local Governing Body have met 4 times during the same period. Attendance during the year at meetings of the local governing body was as follows:

Governor	Meetings attended	Out of a possible
C Byrne	3	4
S Smith	1	4
K Shaw	4	4
M Willett	4	4
S Rodway	4	4
A Alvers	3	3
S Rawlings	3	4
S Wiater	3	4
P Block	3	3
J Dyson	3	4
R Harvey	4	4

The Trustees of The Isis Academy have undertaken a process of self review on the impact of their work. Emphasis has been placed on enhancing the Trustees' and governors' knowledge of the Academy, resulting in:

- Increased governor and director attendance at school events
- All governors and Trustees contribute to the work of a sub-committee
- All governors and Trustees are assigned a link responsibility (eg Safeguarding, SEN)
- A number of governors and Trustees have been involved in recruitment of senior staff
- Increased engagement with the senior leadership team and learning managers through visits and meetings

The Isis Academy Trust Company

Governance Statement (continued)

The **finance and personnel committee** is a sub-committee of the main board of Trustees. Its purpose is to:

- provide guidance and assistance to the Head Teacher in all matters relating to budgeting and finance;
- scrutinise and analyse the Academy budget and recommend approval to the Governors and Board of Trustees
- regularly monitor actual expenditure and income against budget;
- interact with all other committees, to advise on the appropriate means by which their requirements which have budget implications can best be met;
- ensure the annual accounts are produced in accordance with the requirements of the Companies Act 2006 and the DfE guidance issued to academies;
- authorise the award of contracts over £25,000
- authorise the disposal of surplus, obsolete or unserviceable items of equipment of value above £1,000 and below £5,000
- make recommendations to the Trustees regarding the disposal of surplus, obsolete or unserviceable items of equipment of value above £5,000 and below £20,000
- make recommendations to the DfE regarding the disposal of surplus, obsolete or unserviceable items of equipment of value above £20,000
- authorise changes to the Academy personnel establishment
- approve the scheme of delegation
- be responsible for the administration and review of finance and personnel policies, including discipline and grievance procedures
- oversee any process leading to staff restructures.

The Finance and Personnel Committee is chaired by S Smith, a qualified accountant. Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
S Smith	4	7
M Willett	7	7
R Harvey	7	7
S Rodway	7	7
P Block	4	5

The **audit committee** is also a sub-committee of the main board of Trustees. Its purpose is to:

- review the Academy's internal and external financial statements and reports to ensure that they reflect best practice and meet statutory guidelines.
- discuss with Internal Audit the nature and scope of each forthcoming audit and to ensure that the Internal Audit team has the fullest co-operation of staff.
- consider all relevant reports by the appointed Internal Auditor, including reports on the accounts, achievement of value for money and the response to any management letters.
- review the effectiveness of the internal control system established to ensure that the aims, objectives and key performance targets of the organisation are achieved in the most economic, effective and environmentally preferable manner.
- commission an Internal Audit service and to ensure that this meets, or exceeds, the standards specified in the Government Internal Audit Standards, complies in all other respects with these guidelines and meets agreed levels of service.
- review the Risk Register.
- consider and advise the Trustees on the annual and long-term audit programme
- consider any other matters where requested to do so by the Trustees
- report at least once a year to the Trustees on the discharge of the above duties.
- evaluate/monitor the Business Continuity Plan

The Isis Academy Trust Company Governance Statement (continued)

The Audit Committee was chaired for 2 out of 3 meetings by P Block, a management accountant. Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
S Smith	1	3
M Willett	3	3
R Harvey	3	3
S Rodway	3	3
P Block	2	2

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Isis Academy Trust Company for the period 1 September 2013 to 31 August 2014 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The board of Trustees has reviewed the key risks to which the Academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of Trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the Academy trust's significant risks that has been in place for the period 1 September 2013 to 31 August 2014 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of Trustees.

The Risk and Control Framework

The Academy trust's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular it includes:

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the finance and personnel committee and board of Trustees
- regular reviews by the finance and personnel committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines
- delegation of authority and segregation of duties;
- identification and management of risks
- regular review of policies and processes

The Isis Academy Trust Company

Governance Statement (continued)

The board of Trustees has considered the need for a specific internal audit function and has appointed James Cowper, Accountants, to provide internal assurance services.

James Cowper's role includes performing a range of checks on the Academy trust's financial systems and an internal assurance review took place in June 2014. James Cowper's Internal Assurance Review Report dated 16 June 2014 provided the following information:

Area Reviewed	Overall Assessment
Fixed assets	High
VAT	High
Corporation tax	High
Accounting systems	High/Medium
Information Technology	High
Income	High
Expenses and petty cash	High
Purchases	High
Payroll	High
Governance and other work	High

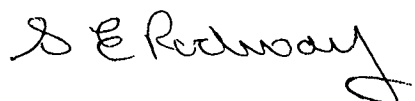
Review of Effectiveness

As accounting officer the Head Teacher has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the internal auditor, James Cowper
- the work of the external auditor, Critchleys LLP
- the financial management and governance self-assessment process
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the audit committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the Members of the board of Trustees on 2 December 2014 signed on its behalf by:



S Rodway
Trustee



M Willett
Accounting Officer

The Isis Academy Trust Company

Statement on Regularity, Propriety and Compliance

As accounting officer of The Isis Academy Trust Company, I have considered my responsibility to notify the Academy trust board of Trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the Academy trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

I confirm that I and the Academy Trust board of Trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook.

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date. If any instances are identified after the date of this statement, these will be notified to the board of Trustees and EFA.



M Willett
Accounting Officer

Date: 11/12/14

The Isis Academy Trust Company

Statement of Trustees' Responsibilities

The Trustees (who act as governors of The Isis Academy Trust Company and are also the Directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Annual Accounts Direction published by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

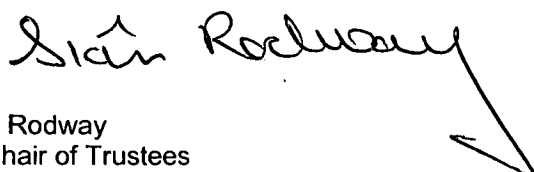
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from EFA/DfE have been applied for the purposes intended.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by order of the Members of the board of Trustees on 2 December 2014 and signed on its behalf by:



S Rodway
Chair of Trustees

Independent Auditor's Report to the members of The Isis Academy Trust Company

We have audited the financial statements of The Isis Academy Trust Company for the year ended 31 August 2014 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow 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) and the Academies Accounts Direction 2013 to 2014 issued by the EFA.

This report is made solely to the charitable company's members, 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 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 charitable company and its members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the academy 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.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the academy's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the governors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Governors' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the academy's affairs as at 31 August 2014 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;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been properly prepared in accordance with the Academies Accounts Direction 2013 to 2014 issued by the EFA.

**Independent Auditor's Report to the members of The Isis Academy Trust Company
(continued)**

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Annual Report (which includes the strategic report and the directors' report) 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.



Robert Kirtland (Senior statutory auditor)
For and on behalf of Critchleys LLP
Statutory Auditor
Oxford

Date:

12/12/2014

Independent Reporting Accountant's Assurance Report on Regularity to The Isis Academy Trust Company and the Education Funding Agency

In accordance with the terms of our engagement letter dated 5 November 2013 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2013 to 2014, we have carried out an engagement to obtain limited assurance about whether, the expenditure disbursed and income received by The Isis Academy Trust Company during the period 1 September 2013 to 31 August 2014 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to the governing body and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to The Isis Academy Trust Company and the EFA those matters we are required to state in a 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 Isis Academy Trust Company and the EFA, for our review work, for this report, or for the conclusion we have formed.

Respective responsibilities of The Isis Academy Trust Company's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of The Isis Academy Trust Company's funding agreement with the Secretary of State for Education and the Academies Financial Handbook, extant from 1 September 2013, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2013 to 2014. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2013 to 31 August 2014 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2013 to 2014 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity.

A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion.

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the academy trust's income and expenditure.

Independent Reporting Accountant's Assurance Report on Regularity to The Isis Academy Trust Company and the Education Funding Agency (continued)

The work undertaken to draw to our conclusion includes:

1. Reviewing of minutes of meetings of the Board of Trustees and obtaining representations concerning access to information, disclosure and provision of information.
2. Evaluation of the general control environment of the academy trust, extending the procedures required for financial statements to include regularity.
3. Assessment and testing of a sample of the specific control activities over regularity of a particular activity.
4. Carrying out substantive testing to cover authorisation of expenditure within internal delegated authorities and externally imposed limits.
5. Consideration of whether activities carried out are within the charitable objects.

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2013 to 31 August 2014 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Critchleys LLP
Reporting Accountant
Oxford

Date:

12/12/2014.

The Isis Academy Trust Company
Statement of Financial Activities
For the year ended 31 August 2014

		Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total 2014	Total 2013 7 months
	Note	£	£	£	£	£
Incoming resources						
<i>Incoming resources from generated funds:</i>						
Voluntary income - transfer on conversion	2	-	-	-	-	7,292,234
Other voluntary income	3	434	-	39,000	39,434	-
Investment income	4	550	-	-	550	180
<i>Incoming resources from charitable activities:</i>						
Funding for the Academy's educational operations	5	-	2,298,283	17,541	2,315,824	1,204,728
Other income for educational operations	6	97,536	-	-	97,536	62,606
Total incoming resources		98,520	2,298,283	56,541	2,453,344	8,559,748
Resources expended						
<i>Other resources expended:</i>						
Transfer from LA on conversion - pension deficit		-	-	-	-	591,000
<i>Cost of generating funds:</i>						
Costs of activities for generating funds	7	-	-	-	-	-
<i>Charitable activities:</i>						
Academy's educational operations	7,8	97,970	2,110,059	386,067	2,594,096	1,454,517
<i>Governance costs</i>	9	-	11,039	-	11,039	34,596
Total resources expended		97,970	2,121,098	386,067	2,605,135	2,080,113
Net incoming / (outgoing) resources before transfers		550	177,185	(329,526)	(151,791)	6,479,635
Gross transfers between funds	16	-	(80,587)	80,587	-	-
Net income/(expenditure) for the period		550	96,598	(248,939)	(151,791)	6,479,635
Actuarial gains and losses in period for defined benefit pension schemes	16,26	-	(203,000)	-	(203,000)	(133,000)
Net movement in funds		550	(106,402)	(248,939)	(354,791)	6,346,635
Funds brought forward at 1 September 2013		226,863	(734,000)	6,853,772	6,346,635	-
Funds carried forward at 31 August 2014		227,413	(840,402)	6,604,833	5,991,844	6,346,635

The comparative figures for 2013 represent activity for the 7 months from conversion to 31 August 2013.

All of the Academy's activities derive from acquisitions in the previous accounting period.

A Statement of Total Recognised Gains and Losses is not required as all gains and losses are included in the Statement of Financial Activities.

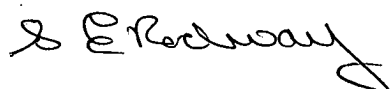
The Isis Academy Trust Company
Balance sheet
As at 31 August 2014

Company number:
08334718

	Notes	2014 £	2014 £	2013 £	2013 £
Fixed assets					
Tangible assets	13		6,604,833		6,840,305
Current assets					
Debtors	14	74,264		83,294	
Cash at bank and in hand		<u>483,757</u>		<u>439,493</u>	
		558,021		522,787	
Creditors: Amounts falling due within one year	15	(195,010)		(282,457)	
Net current assets			<u>363,011</u>		<u>240,330</u>
Total assets less current liabilities			6,967,844		7,080,635
Net assets excluding pension liability			6,967,844		7,080,635
Pension scheme liability	26		<u>(976,000)</u>		<u>(734,000)</u>
Net assets including pension liability			<u>5,991,844</u>		<u>6,346,635</u>
Funds of the academy:					
Restricted fixed asset funds	16		6,604,833		6,853,772
Restricted funds					
Restricted funds excluding pension liability	16	135,598		-	
Pension reserve	16	<u>(976,000)</u>		<u>(734,000)</u>	
Total restricted funds			(840,402)		(734,000)
Unrestricted funds	16		227,413		226,863
Total funds			<u>5,991,844</u>		<u>6,346,635</u>

The financial statements were approved by the Board of Trustees and authorised for issue on 2 December 2014

Signed on behalf of the Board of Trustees



S Rodway
Chair of Trustees

The Isis Academy Trust Company
Cash Flow Statement
For the year ended 31 August 2014

		2014	2013
	Notes	£	7 months £
Net cashflow from operating activities	20	186,461	197,417
Returns on investments and servicing of finance	21	550	180
Capital expenditure and financial investment	22	(142,747)	(50,046)
Increase/(decrease) in cash in the period	23	44,264	147,551
Reconciliation of net cash flow to movement in net funds			
Cash transferred on conversion to an Academy Trust		-	291,942
Net funds at 1 September 2013		439,493	-
Net funds at 31 August 2014		483,757	439,493

All of the cash flows are derived from acquisitions in the previous financial period.

1. Statement of Accounting Policies

Basis of Preparation

The financial statements have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Charity Commission 'Statement of Recommended Practice: Accounting and Reporting by Charities' ('SORP 2005'), the Academies Accounts Direction issued by the EFA and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, is set out below.

Going Concern

The governors assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy Trust to continue as a going concern. The governors make this assessment in respect of a period of one year from the date of approval of the financial statements.

Incoming Resources

All incoming resources are recognised when the Academy Trust has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

Grants receivable

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of entitlement of receipt its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund. Capital grants are recognised when receivable and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

Donations

Donations are recognised on a receivable basis where there is certainty of receipt and the amount can be reliably measured.

Other income

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the goods have been provided or on completion of the service.

Donated Services and gifts in kind

The value of donated services and gifts in kind provided to the Academy Trust are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the Academy Trust can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the Statement of Financial Activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with Academy Trust's policies.

1. Statement of Accounting Policies (continued)

Resources Expended

All expenditure is recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with other relevant staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Costs of generating funds

These are costs incurred in activities that raise funds.

Charitable activities

These are costs incurred on the Academy Trust's educational operations.

Governance Costs

These include the costs attributable to the Academy Trust's compliance with constitutional and statutory requirements, including audit, strategic management and Governors' meetings and any reimbursed expenses.

All resources expended are inclusive of any irrecoverable VAT.

Tangible Fixed Assets

Assets costing £2,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

The property transferred on conversion has been valued on a depreciated replacement cost basis which is not representative of market value (see note 13 for further details.)

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy Trust's depreciation policy.

Depreciation is provided on all tangible fixed assets, at rates calculated to spread the cost of each asset on a straight-line basis over its expected useful life, as follows:

Leasehold buildings	20 years (from conversion)
Leasehold improvements	10-20 years
Fixtures, fittings and equipment	5 years
ICT equipment	3 years
Motor Vehicles	5 years

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

1. Statement of Accounting Policies (continued)

Leased Assets

Rentals under operating leases are charged on a straight line basis over the lease term.

Stock

Any significant catering stocks are valued at the lower of cost or net realisable value.

Taxation

The Academy Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Academy Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Pensions Benefits

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes, are contracted out of the State Earnings-Related Pension Scheme ('SERPS'), and the assets are held separately from those of the Academy Trust.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in Note 26, the TPS is a multi employer scheme and the Academy Trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

The LGPS is a funded scheme and the assets are held separately from those of the Academy Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

Fund Accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the Academy Trust at the discretion of the governors.

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Department for Education and other funders where the asset acquired or created is held for a specific purpose. Restricted general funds comprise all other restricted funds received and include grants from the Department for Education and other funders.

The Isis Academy Trust Company
Notes to the financial statements
For the year ended 31 August 2014

2 Voluntary income on conversion to academy

	Unrestricted Funds	Restricted Funds	Total 2014	Total 2013
	£	£	£	£
Fixed assets transferred to academy	-	-	-	7,000,292
Other capital funds	-	-	-	35,424
Other revenue funds:				
Budget surplus on LA funds	-	-	-	224,523
Other school funds	-	-	-	31,995
	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,292,234</u>

3 Voluntary income

	Unrestricted Funds	Restricted Funds	Total 2014	Total 2013
	£	£	£	7 months £
Gifts in kind	-	39,000	39,000	-
Other grants and donations	434	-	434	-
	<u>434</u>	<u>39,000</u>	<u>39,434</u>	<u>-</u>

4 Investment Income

	Unrestricted Funds	Restricted Funds	Total 2014	Total 2013
	£	£	£	7 months £
Bank interest	550	-	550	180
	<u>550</u>	<u>-</u>	<u>550</u>	<u>180</u>

The Isis Academy Trust Company
Notes to the financial statements
For the year ended 31 August 2014

5 Funding for Academy's educational operations

	Unrestricted	Restricted	Total	Total
	Funds	Funds	2014	7 months
	£	£	£	2013
				£
DfE/EFA capital grants				
Devolved formula capital grant	-	7,848	7,848	7,409
	-	7,848	7,848	7,409
DfE/EFA revenue grants				
General Annual Grant (GAG)	-	1,406,236	1,406,236	869,502
Other DfE grants	-	85,525	85,525	17,417
	-	1,491,761	1,491,761	886,919
Other Government grants				
Local authority top-up funding	-	789,876	789,876	310,400
Other local authority funding: revenue	-	16,646	16,646	-
Other local authority funding: capital	-	9,693	9,693	-
	-	816,215	816,215	310,400
	-	2,315,824	2,315,824	1,204,728

6 Other income for educational operations

	Unrestricted	Restricted	Total	Total
	Funds	Funds	2014	2013
	£	£	£	7 months
				£
Trip and activity income	783	-	783	7,115
Catering income	12,464	-	12,464	3,270
Pupil transport income	64,146	-	64,146	34,170
Other educational income	20,143	-	20,143	18,051
	97,536	-	97,536	62,606

7 Resources Expended (excluding transfer on conversion)

	Staff Costs	Premises Costs	Other Costs	Total 2014	Total 2013 7 months
	£	£	£	£	£
Costs of activities for generating funds	-	-	-	-	-
Academy's educational operations					
Direct costs (note 8)	1,412,380	-	184,656	1,597,036	906,835
Allocated support costs (note 8)	326,985	132,810	537,265	997,060	547,682
	<u>1,739,365</u>	<u>132,810</u>	<u>721,921</u>	<u>2,594,096</u>	<u>1,454,517</u>
Governance costs (note 9)	-	-	11,039	11,039	34,596
	<u>1,739,365</u>	<u>132,810</u>	<u>732,960</u>	<u>2,605,135</u>	<u>1,489,113</u>

Incoming/outgoing resources for the period include:

	2014	2013 7 months
	£	£
Operating leases		
Plant and machinery	-	-
Other	<u>5,965</u>	<u>901</u>

8 Charitable Activities - Academy's educational operations

	Total 2014	Total 2013
	£	7 months £
Direct costs		
Teaching and educational support staff costs	1,412,380	829,113
Educational supplies, services and trip costs	127,631	49,771
Examination fees	5,426	1,947
Staff development	9,011	4,916
Other direct costs	42,588	21,088
	1,597,036	906,835
Allocated support costs		
Support staff costs	230,605	119,164
Depreciation	386,067	217,442
Technology costs	50,580	18,517
Premises and cleaning staff costs	57,380	37,509
Maintenance (excluding staff costs)	51,160	22,759
Cleaning (excluding staff costs)	33,315	22,570
Energy and other utilities	24,873	11,157
Security and transport	7,239	4,467
Catering costs	30,425	23,660
Insurance	42,146	17,364
Other pension costs	16,000	(3,000)
Other finance costs (FRS17)	23,000	13,000
Other support costs	44,270	43,073
	997,060	547,682
Total	2,594,096	1,454,517

9 Governance Costs

	Total 2014	Total 2013
	£	7 months £
Legal and professional fees	1,539	24,486
Auditors' remuneration		
Audit services	6,750	6,400
Other services	2,750	3,710
	11,039	34,596

The Isis Academy Trust Company
Notes to the financial statements
For the year ended 31 August 2014

10 Staff Costs

	2014	2013
		7 months
Staff costs for the period were:	£	£
Wages and salaries	1,397,351	804,081
Social security costs	105,422	61,616
Pension costs	197,592	120,089
FRS17 Other pension and finance costs	39,000	10,000
	<u>1,739,365</u>	<u>995,786</u>
Agency supply teacher costs	-	-
Compensation payments	-	-
	<u>1,739,365</u>	<u>995,786</u>

The average number of persons (including senior leadership team) employed by the Academy during the period expressed as full time equivalents was as follows:

	2014	2013
	No.	No.
Charitable Activities		
Teachers	16	12
Administration and support	26	36
Management	5	5
	<u>47</u>	<u>53</u>

The number of employees whose annualised emoluments fell within the following bands was:

	2014	2013
	No.	No.
£60,001 - £70,000	1	1
£80,001 - £90,000	1	1

The above employees also participated in either the Teachers' Pension Scheme or the Local Government Pension Scheme. During the period ended 31 August 2014, pension contributions for these staff amounted to £21,078 (2013: £11,948).

11 Governors' remuneration and expenses

The Headteacher and staff governors only receive remuneration in respect their employment to undertake the roles of Headteacher and staff and not in respect of their additional roles as governors. Other governors did not receive any payments from the Academy in respect of their role as governors. Remuneration for the period (including employers' pension contributions) is disclosed in £5,000 bands for governors who are also Trustees of the academy trust, as follows:

	2014	2013
	£	7 months
	£100k-£105k	£
M K Willett, Headteacher Governor and Trustee		£55k-£60k

During the period ended 31 August 2014, no expenses were reimbursed to governors for travel and subsistence expenditure incurred in their roles as governors (2013: Nil).

12 Governors' and Officers' Insurance

In accordance with normal commercial practice the Academy has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £2m on any one claim and the cost for the period ended 31 August 2014 was £737 (2013: £1,910).

The cost of this insurance is included in the total insurance cost.

13 Tangible Fixed Assets

	Leasehold Buildings £	Furniture and Equipment £	Computer Equipment £	Motor Vehicles £	Total £
Cost					
As at 1 September 2013	6,962,000	34,573	23,637	37,537	7,057,747
Additions	57,572	83,627	9,396	-	150,595
As at 31 August 2014	7,019,572	118,200	33,033	37,537	7,208,342
Depreciation					
As at 1 September 2013	203,058	-	10,417	3,967	217,442
Charges in period	353,857	7,973	13,410	10,827	386,067
As at 31 August 2014	556,915	7,973	23,827	14,794	603,509
Net book values					
As at 31 August 2014	6,462,657	110,227	9,206	22,743	6,604,833
As at 1 September 2013	6,758,942	34,573	13,220	33,570	6,840,305

The academy took out 125 year leases over the property at the date of conversion. Leasehold buildings have been valued by Mouchel as commissioned by the EFA. The valuation was carried out on a desktop depreciated replacement cost basis as at 31 March 2013 and this valuation was used to reflect the transfer on conversion at 1 February 2013.

14 Debtors

	2014 £	2013 £
Trade debtors	32,862	17,463
Prepayments and accrued income	21,437	43,479
Other debtors	19,965	22,352
	<u>74,264</u>	<u>83,294</u>

The Isis Academy Trust Company
Notes to the financial statements
For the year ended 31 August 2014

15 Creditors: amounts falling due within one year

	2014 £	2013 £
Trade creditors	20,824	50,895
PAYE and NIC creditor	31,794	30,816
Other creditors	24,427	125,004
Accruals and deferred income	117,965	75,742
	<u>195,010</u>	<u>282,457</u>

Deferred income

	2014 £	2013 £
Deferred income at 1 September 2013	7,815	-
Resources deferred in the period	15,783	7,815
Amounts released from previous period	(7,815)	-
Deferred income at 31 August 2014	<u>15,783</u>	<u>7,815</u>

16 Funds

	Balance at 1 September 2013 £	Incoming Resources £	Resources Expended £	Transfers & actuarial loss on pension £	Balance at 31 August 2014 £
Restricted general funds					
General Annual Grant (GAG)	-	1,406,236	(1,190,051)	(80,587)	135,598
Pupil Premium funding	-	75,592	(75,592)	-	-
Other DfE funding	-	9,933	(9,933)	-	-
Local authority top-up funding	-	789,876	(789,876)	-	-
Other local authority funding	-	16,646	(16,646)	-	-
Pension reserve (note 26)	(734,000)	-	(39,000)	(203,000)	(976,000)
	<u>(734,000)</u>	<u>2,298,283</u>	<u>(2,121,098)</u>	<u>(283,587)</u>	<u>(840,402)</u>
Restricted fixed asset funds					
Devolved formula capital	7,409	7,848	-	(15,257)	-
Capital funds transferred on conversion	6,058	-	-	(6,058)	-
Local authority capital funding	-	9,693	-	(9,693)	-
Gift in kind	-	39,000	-	(39,000)	-
Fixed asset fund (note 13)	6,840,305	-	(386,067)	150,595	6,604,833
	<u>6,853,772</u>	<u>56,541</u>	<u>(386,067)</u>	<u>80,587</u>	<u>6,604,833</u>
Total restricted funds	<u>6,119,772</u>	<u>2,354,824</u>	<u>(2,507,165)</u>	<u>(203,000)</u>	<u>5,764,431</u>
Unrestricted funds					
Unrestricted funds	226,863	98,520	(97,970)	-	227,413
Total unrestricted funds	<u>226,863</u>	<u>98,520</u>	<u>(97,970)</u>	<u>-</u>	<u>227,413</u>
Total funds	<u>6,346,635</u>	<u>2,453,344</u>	<u>(2,605,135)</u>	<u>(203,000)</u>	<u>5,991,844</u>

Under the funding agreement with the Secretary of State, the academy trust was not subject to limits on the amount of GAG that it could carry forward at 31 August 2014.

17 Analysis of net assets between funds

Fund balances at 31 August 2014 are represented by:

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total Funds £
Tangible fixed assets	-	-	6,604,833	6,604,833
Current assets	422,423	135,598	-	558,021
Current liabilities	(195,010)	-	-	(195,010)
Pension Scheme liability	-	(976,000)	-	(976,000)
Total net assets	227,413	(840,402)	6,604,833	5,991,844

18 Capital commitments

	2014 £	2013 £
Contracted for, but not provided in the financial statements	-	-

19 Financial commitments

Operating leases

At 31 August 2014 the Academy had annual commitments under non-cancellable operating leases as follows:

	2014 £	2013 £
<u>Land and buildings</u>		
Expiring within one year	-	-
Expiring within two and five years inclusive	-	-
Expiring in over five years	-	-
	-	-
<u>Other</u>		
Expiring within one year	3,487	-
Expiring within two and five years inclusive	2,345	3,210
Expiring in over five years	-	-
	5,832	3,210

The Isis Academy Trust Company
Notes to the financial statements
For the year ended 31 August 2014

20 Reconciliation of net income to net cash flow from operating activities

	2014	2013
	£	£
Net income	(151,791)	6,479,635
Cash transferred on conversion	-	(291,942)
Depreciation (note 13)	386,067	217,442
Capital income re fixed assets transferred on conversion	-	(7,000,292)
Capital grants from DfE	(7,848)	(7,409)
Interest receivable (note 4)	(550)	(180)
FRS 17 pension liability on transfer to Academy	-	591,000
FRS 17 pension costs less contributions payable (note 26)	16,000	(3,000)
FRS 17 pension finance income (note 26)	23,000	13,000
(Increase)/decrease in debtors	9,030	(83,294)
Increase/(decrease) in creditors	(87,447)	282,457
Net cash inflow from operating activities	186,461	197,417

21 Returns on investments and servicing of finance

	2014	2013
	£	£
Interest received	550	180
Net cash inflow from returns on investment and servicing of finance	550	180

22 Capital expenditure and financial investment

	2014	2013
	£	£
Purchase of tangible fixed assets	(150,595)	(57,455)
Capital grants from DfE	7,848	7,409
Receipts from sale of tangible fixed assets	-	-
Net cash outflow from capital expenditure and financial investment	(142,747)	(50,046)

23 Analysis of changes in net funds

	At 1 Sept 2013	Cashflows	At 31 August 2014
	£	£	£
Cash at bank and in hand	439,493	44,264	483,757
	<u>439,493</u>	<u>44,264</u>	<u>483,757</u>

24 Contingent liabilities

There are no contingent liabilities that require disclosure.

25 Members' liability

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he/she ceases to be a member.

26 Pension and similar obligations

The Academy's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for teaching and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Oxfordshire County Council. Both are defined-benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS was 31 March 2004 and of the LGPS 31 March 2013.

Contributions amounting to £24,427 were payable to the schemes at 31 August 2014 (2013: £24,566) and are included within creditors.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme governed by the Teachers' Pension Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007 automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis - these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

The Teachers' Pension Regulations require an annual account to be kept of receipts and expenditure (including the cost of pensions' increases). From 1 April 2001, the account has been credited with a real rate of return, which is equivalent to assuming that the balance in the account is invested in notional investments that produce that real rate of return.

Valuation of the Teachers' Pension Scheme

At the last valuation, the contribution rate to be paid into the TPS was assessed in two parts. First, a standard contribution rate (SCR) was determined. This is the contribution, expressed as a percentage of the salaries of teachers and lecturers in service or entering service during the period over which the contribution rate applies, which if it were paid over the entire active service of these teachers and lecturers would broadly defray the cost of benefits payable in respect of that service. Secondly, a supplementary contribution is payable if, as a result of the actuarial review, it is found that accumulated liabilities of the Account for benefits to past and present teachers, are not fully covered by standard contributions to be paid in future and by the notional fund built up from past contributions. The total contribution rate payable is the sum of the SCR and the supplementary contribution rate.

26 Pension and similar obligations (continued)

Teachers' Pension Scheme (continued)

The last valuation of the TPS related to the period 1 April 2001 - 31 March 2004. The Government Actuary's report of October 2006 revealed that the total liabilities of the Scheme (pensions in payment and the estimated cost of future benefits) amounted to £166,500 million. The value of the assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) was £163,240 million. The assumed real rate of return was 3.5% in excess of prices and 2% in excess of earnings. The rate of real earnings growth was assumed to be 1.5%. The assumed gross rate of return was 6.5%. From 1 January 2007, the SCR was assessed at 19.75%, and the supplementary contribution rate was assessed to be 0.75% (to balance assets and liabilities as required by the regulations within 15 years). This resulted in a total contribution rate of 20.5%, which translated into an employee contribution rate of 6.4% and employer contribution rate of 14.1% payable.

The Public Service Pensions Bill provides for future scheme valuations to be conducted in accordance with Treasury directions. The actuarial valuation report in summer 2014 takes effect from September 2015.

Teachers' Pension Scheme Changes

Lord Hutton published his final report in 2011 about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation with trade unions and other representative bodies. In March 2012 the Department for Education published proposals for the design for a reformed TPS.

The key provisions of the reformed scheme include: a pension based on career average earnings; an accrual rate of 1/57th; and a Normal Pension Age equal to State Pension Age, but with options to enable members to retire earlier or later than their Normal Pension Age. Pension benefits built up before 1 April 2015 will be fully protected.

In addition, the proposed final agreement includes a Government commitment that those within 10 years of Normal Pension Age on 1 April 2012 will see no change to the age at which they can retire, and no decrease in the amount of pension they receive when they retire. There will also be further transitional protection, tapered over a three and a half year period, for people who would fall up to three and a half years outside of the 10 year protection.

In his interim report of October 2010, Lord Hutton recommended that short-term savings were also required, and that the only realistic way of achieving these was to increase member contributions. At the Spending Review 2010 the Government announced an average increase of 3.2 percentage points on the contribution rates by 2014-15. The increases have been phased in from April 2012 on a 40:80:100% basis.

The Department for Education has continued to work closely with trade unions and other representative bodies to develop the reformatted Teachers' Pension Scheme and regulations giving effect to it came into force on 1 April 2014. Communications are being rolled out and the reformatted scheme will commence on 1 April 2015.

Under the definitions set out in Financial Reporting Standard (FRS17) Retirement Benefits, the TPS is a multi-employer pension scheme. The academy is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the academy has taken advantage of the exemption in FRS17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy has set out above the information available on the scheme.

26 Pension and similar obligations (continued)

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the period ended 31 August 2014 was £176,000 of which employer's contributions totalled £132,000 and employees' contributions totalled £44,000. The agreed contribution rates for future years are 14.4% for employers (until 31 March 2017) and 5.5-12.5% for employees. The agreed additional lump sum employer contributions due are £31,000 for the year ended 31 March 2015, £33,000 for the year ended 31 March 2016 and £34,000 for the year ended 31 March 2017.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding local government pension scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

Principal Actuarial Assumptions

	At 31 August 2014	At 31 August 2013
Rate of increase in salaries	4.50%	5.10%
Rate of increase for pensions in payment / inflation	2.70%	2.90%
Discount rate for scheme liabilities	4.00%	4.70%
Inflation assumption (CPI)	2.70%	2.90%
Commutation of pensions to lump sums	50.00%	50.00%

The following table sets out the impact of a small change in the discount rates on the defined benefit obligation and

Sensitivity Analysis

	£'000	£'000	£'000
Adjustment to discount rate	+0.1%	0.0%	-0.1%
Present value of total obligation	1,910	1,956	2,003
Projected service cost	170	174	178
Adjustment to mortality age rating assumption	+1 year	None	-1 year
Present value of total obligation	1,890	1,956	2,022
Projected service cost	168	174	180

The current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement age 65 are:

	At 31 August 2014	At 31 August 2013
<i>Retiring today</i>		
Males	23.2	19.2
Females	25.5	23.2
<i>Retiring in 20 years</i>		
Males	25.4	21.1
Females	27.9	25.1

26 Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

The academy's share of the assets and liabilities in the scheme and the expected rates of return were:

	Expected return at 31 August 2014 %	Fair value at 31 August 2014 £	Expected return at 31 August 2013 %	Fair value at 31 August 2013 £
Equities	6.70%	697,000	7.00%	512,000
Gilts	3.00%	95,000	3.50%	89,000
Other bonds	3.60%	64,000	4.40%	30,000
Property	5.90%	62,000	6.00%	45,000
Cash	2.90%	44,000	0.50%	30,000
Other (hedge funds)	6.70%	18,000	5.00%	37,000
Total market value of assets		980,000		743,000
Present value of scheme liabilities				
- Funded		(1,956,000)		(1,477,000)
Surplus/(deficit) in the scheme		(976,000)		(734,000)

The expected return on assets is based on the long-term future expected investment return for each asset class as at the beginning of the period (i.e. as at 1 September 2014 for the year to 31 August 2015).

The returns on gilts and other bonds are assumed to be the gilt yield and corporate bond yield respectively at the relevant date. The returns on equities and property are then assumed to be a margin above gilt yields.

The actual return on scheme assets was £88,000 (2013: £53,000).

Amounts recognised in the statement of financial activities

	2014 £	2013 £
Current service cost (net of employee contributions)	148,000	72,000
Past service cost	-	-
Total operating charge	148,000	72,000

Analysis of pension finance income / (costs)

Expected return on pension scheme assets	50,000	22,000
Interest on pension liabilities	(73,000)	(35,000)
Pension finance income / (costs)	(23,000)	(13,000)

26 Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

The actuarial gains and losses for the current year are recognised in the statement of financial activities.
The cumulative amount of actuarial gains and losses recognised in the statement of financial activities since the adoption of FRS17 is a £336,000 loss (2013: £133,000 loss).

Movements in the present value of defined benefit obligations were as follows:

	2014 £	2013 £
At 1 September	1,477,000	1,188,000
Current service cost	148,000	72,000
Interest cost	73,000	35,000
Employee contributions	44,000	25,000
Actuarial (gain)/loss	215,000	164,000
Estimated benefits paid	(1,000)	(7,000)
Past Service cost	-	-
Curtailments and settlements	-	-
At 31 August	1,956,000	1,477,000

Movements in the fair value of academy's share of scheme assets:

	2014 £	2013 £
At 1 September	743,000	597,000
Expected return on assets	50,000	22,000
Actuarial gain/(loss)	12,000	31,000
Employer contributions	132,000	75,000
Employee contributions	44,000	25,000
Estimated benefits paid	(1,000)	(7,000)
At 31 August	980,000	743,000

Reconciliation of opening and closing deficit

	2014		2013	
	£	£	£	£
Pension deficit at 1 September		(734,000)		(591,000)
Current service cost	(148,000)		(72,000)	
Employer contributions	132,000		75,000	
Additional pension cost		(16,000)		3,000
Other finance costs		(23,000)		(13,000)
Actuarial losses		(203,000)		(133,000)
Pension deficit at 31 August		(976,000)		(734,000)

26 Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

The estimated value of employer contributions for the year ended 31 August 2015 is £134,000 (2014: £128,000)

The history of experience adjustments is as follows:

	2014 £	2013 £
Present value of defined benefit obligations	(1,956,000)	(1,477,000)
Fair value of share of scheme assets	980,000	743,000
Deficit in the scheme	<u>(976,000)</u>	<u>(734,000)</u>
Experience adjustments on share of scheme assets	<u>12,000</u>	<u>31,000</u>
Experience adjustments on scheme liabilities	<u>(136,000)</u>	<u>-</u>

27 Related party transactions

Owing to the nature of the academy trust's operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the trust's financial regulations and normal procurement procedures.

Mr R Willett (spouse of Mrs M Willett, Trustee and Accounting Officer) is employed by the academy as Additional Educational Needs Coordinator (having previously been employed by the predecessor local authority maintained school since 2007). Mr Willett's remuneration during the year was £40,122 (7 months to 31 August 2013: £23,177) and employer pension contributions amounted to £6,542 (7 months to 31 August 2013: £4,089).