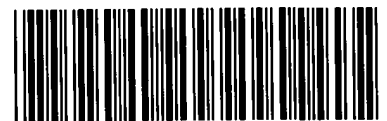

ISEBROOK SEN COGNITION & LEARNING COLLEGE

(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 AUGUST 2015

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ISEBROOK SEN COGNITION & LEARNING COLLEGE
(A company limited by guarantee)

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ISEBROOK SEN COGNITION & LEARNING COLLEGE
(A company limited by guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS MEMBERS/ TRUSTEES AND
ADVISERS
FOR THE PERIOD ENDED 31 AUGUST 2015**

Trustees

D C Williams, Head Teacher (appointed 16 January 2015)
A J Shiells (appointed 1 March 2015)
A C Burdett (appointed 1 March 2015)
E A Clipstone (appointed 1 March 2015)

Members / Trustees

J L Boyt (appointed 1 March 2015)
P Burch (appointed 1 March 2015)
R Burrows (appointed 1 March 2015)
S G Cooke (appointed 1 March 2015)
M S Frost (appointed 1 March 2015)

Company registered number

09392862

Principal and registered office

Eastleigh Road, Kettering, Northamptonshire, NN15 6PT

Senior management team

D C Williams, Headteacher
R M Gargon, Deputy Headteacher
J A Barton, Business Director
S Ross, Assistant Headteacher
T J Hall, Assistant Headteacher

Independent auditors

Streets Audit LLP, Charter House, 62-64 Hills Road, Cambridge, CB21LA

Bankers

Lloyds Bank Plc, Kettering, Northamptonshire, NN16 0AH

Solicitors

Duncan A Pickering, 4 Southfields, Bourne, PE10 9TZ

ISEBROOK SEN COGNITION & LEARNING COLLEGE
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE PERIOD ENDED 31 AUGUST 2015

The Trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements and Auditors' report of Isebrook SEN Cognition & Learning College (the academy) for the period ended 31 August 2015. The Trustees confirm that the Annual report and financial statements of the academy comply with the current statutory requirements, the requirements of the academy's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2015. The annual report serves the purposes of both a trustees' report and a directors' report under company law.

Structure, governance and management

a. CONSTITUTION

The academy is a charitable company limited by guarantee and was set up by a Trust deed on 16/01/2015.

The principal object of the academy is to provide educational services.

The charitable company was incorporated on 16 January 2015 and took over the activities of Isebrook SEN Cognition & Learning College on 1 March 2015.

Details of the Trustees who served during the period are included in the Reference and Administration details on page 1.

b. 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 £1 for the debts and liabilities contracted before they ceased to be a member.

c. TRUSTEES' INDEMNITIES

In accordance with normal commercial practice, the academy has purchased insurance to protect the Trustees and officers from claims arising from negligent acts, errors or omissions whilst on academy business. The insurance provides cover up to £5,000,000.

d. METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF TRUSTEES

The management of the academy is the responsibility of the Trustees who are elected and co-opted under the terms of the Trust deed.

e. POLICIES AND PROCEDURES ADOPTED FOR THE INDUCTION AND TRAINING OF TRUSTEES

All new trustees are expected to undertake formal induction training organised by the National Governor's Association or Local Authority. Trustees are also expected to undertake formal training in areas of responsibility such as Safeguarding, SEN, Health and Safety, Performance Management etc. The Clerk keeps a record of trustee training. There is a dedicated training budget for trustees.

New trustees are also provided with a Trustee Induction Pack which includes policies, procedures, minutes, accounts, budgets, plans and other relevant academy trust documents.

ISEBROOK SEN COGNITION & LEARNING COLLEGE
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2015

f. ORGANISATIONAL STRUCTURE

The trustees may delegate to any trustee, committee, the Principal or any other holder of executive office, such of their powers or functions as they consider desirable to be exercised by them.

Where delegation has occurred, reporting back to the board of trustees must occur at the earliest opportunity.

The trustees shall appoint the Principal. The trustees may delegate such powers and functions as they consider are required by the Principal for the internal organisation, management and control of the Special academy trust (including the implementation of all policies approved by the trustees and for the direction of teaching and curriculum at the Special academy trust).

g. CONNECTED ORGANISATIONS, INCLUDING RELATED PARTY RELATIONSHIPS

The academy is not part of any connected organisations.

h. RISK MANAGEMENT

The Trustees have assessed the major risks to which the academy is exposed, in particular those related to the operations and finances of the academy, and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks.

i. ARRANGEMENTS FOR SETTING PAY AND REMUNERATION OF KEY MANAGEMENT PERSONNEL

In accordance with the Term of Reference of the Governors Staffing, Pupils & Families Committee:

- In consultation with the Headteacher, to determine the staffing structure of the school.
- To oversee the appointment procedure for all staff.
- To consider recommendations on staff salaries made by the Headteacher or the Headteacher Performance Management Group and to make appropriate recommendations to the Finance committee
- To review, adopt and monitor a policy statement on staff consultation and to undertake any formal consultations.
- In consultation with staff, to oversee any process leading to staff reductions.
- To annually review, adopt and monitor the procedures for dealing with staff discipline and grievances and ensure that staff are informed of these.
- To act as "first committee" for formal disciplinary or complaints hearings.
- To review, adopt and monitor a Pay Policy.
- To review, adopt and monitor a Performance Management policy, and to determine the membership of the Headteacher Performance Management Group. Membership of the HTPM group need not be drawn from this committee, but the committee should seek to ensure that HTPM group members have received appropriate training. The Chair of Governors should not be a Performance Management Governor.
- To review, adopt and monitor the Equal Opportunities policy.

ISEBROOK SEN COGNITION & LEARNING COLLEGE
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2015

Objectives and Activities

a. OBJECTS AND AIMS

Our aims are:

- To provide a creative and stimulating teaching and learning environment within which all students have an equal opportunity to develop to their full potential.
- To create a caring, welcoming and safe environment where all students will be able to build self-esteem and develop self confidence and independence.
- To work in partnership with parents and carers, supporting professionals and the local education community to meet students' educational needs.
- To deliver a broad, balanced, relevant and differentiated curriculum including elements which will promote the spiritual, moral, cultural and social development of all students and prepare them for opportunities, responsibilities and experiences of adult life.
- To continue to develop skills and expertise amongst the staff group to meet the specialist needs of students in the college.
- To prepare students for further education, employment and leisure, independent living and to take a positive role in a multi-cultural society.
- To develop the involvement of the Isebrook's Governing Body and the local community in the life of the college.
- To be an advocate for people with special educational needs within the wider community, developing awareness, understanding and acceptance.

b. OBJECTIVES, STRATEGIES AND ACTIVITIES

Our strategies and activities are:

- To ensure that every child enjoys the same high quality education in terms of resourcing, tuition and care;
- To raise the standard of educational achievement of all pupils;
- To improve the effectiveness of the academy trust 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 trust's business in accordance with the highest standards of integrity, probity and openness; and
- To facilitate families in the management of the additional demands associated with parenting a child with a disability and mitigate the emotional and capacity impact.

c. PUBLIC BENEFIT

The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the academy's objectives and aims and in planning future activities for the year. Given the activities of the academy and the student population that it services, the trustees consider that the company's aims are demonstrably to the public benefit.

ISEBROOK SEN COGNITION & LEARNING COLLEGE
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2015

Strategic report

Achievements and performance

a. GOING CONCERN

After making appropriate enquiries, the board of trustees has a reasonable expectation that the academy 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 Accounting Policies.

b. REVIEW OF ACTIVITIES INCLUDING KEY PERFORMANCE INDICATORS

The academy trust uses a number of financial key performance indicators to monitor the financial success of the academy trust and progress/improvement against the targets set.

The academy trust monitors the Cost Centres within the academy trust and reviews their balances termly to review their cash flow and maintain a positive cash balance.

Staffing costs are monitored as a percentage of restricted charitable income. For the period ended 31 August 2015 staffing costs amounted to 77.87%.

The academy trust also monitors its operating surplus or deficit as a percentage of total income. For the period ended 31 August 2015 the operating surplus equated to 19.32%.

Most of the academy trust's income is obtained from the DFE in the form of recurrent grants disbursed via the Education Funding Agency (EFA), the use of which is restricted to particular purposes. The grants received from the DFE during the period ended 31 August 2015 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

Financial review

a. PRINCIPAL RISKS AND UNCERTAINTIES AND RISK MANAGEMENT

The principal risks facing the academy trust are:

- Reputational risk – mitigated by having policies and practices relating to safeguarding, use of social media and the engagement of Plumsun as a liaison with media and mentoring risk management;
- Performance risk – mitigated by school evaluating its performance throughout the year and the school improvement plan makes provision in respect of recruitment, CPD and reorganisation in order to manage any risk;
- Financial risk – the principal financial risks are a reduction in pupil numbers, reduction in central government funding, unbudgeted increase in teaching or support staff costs, or unbudgeted major capital repairs. The risks presented here are mitigated by monitoring and reporting to trustees on a termly basis, liaison with EFA and NCC and predictive measures in financial planning and careful management of the carry forward; and
- Risks associated with personnel – mitigated by absence insurance being place, HR services to ensure legal compliance and the adoption of HR policies developed using the guidance of HR services.

ISEBROOK SEN COGNITION & LEARNING COLLEGE
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2015

The academy trust practices through its Board, namely the board of trustees and the constituted subcommittees, risk management principles. Any major risks highlighted at any sub-committee are brought to the main Board with proposed mitigating actions and they continue to be reported until the risk is adequately mitigated.

The board of trustees accepts managed risk as an inevitable part of its operations but maintains an objective not to run unacceptable levels of risk in any area. The subjective nature of this process requires major risks to be resolved by the board of trustees collectively, whilst more minor risks are dealt with by senior executive officers.

b. RESERVES POLICY

The Trustees require a revenue reserve to be created to fund future expenditure related to the Academy Development Plan's strategic long-term aims and developments and a capital reserve for future capital expenditure. The policy of the Academy is to carry forward a prudent level of resources designed to meet the long-term cyclical needs of renewal and any other unforeseen contingencies.

c. MATERIAL INVESTMENTS POLICY

The academy aims to manage its cash balances to provide for the day-to-day working capital requirements of its operations, whilst protecting the real long-term value of any surplus cash balances against inflation. In addition, the academy aims to invest surplus cash funds to optimise returns, whilst ensuring that the investment instruments are such that there is no risk to the loss of these funds.

Investments may only be made in accordance with written procedures approved by the Trustees.

Plans for future periods

a. FUTURE DEVELOPMENTS

The academy trust will continue striving to improve the levels of performance of its students at all levels and will continue its efforts to prepare students for further education, employment and leisure, independent living and to take a positive role in a multi-cultural society.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

The academy trust does not hold funds as custodian trustee on behalf of others

ISEBROOK SEN COGNITION & LEARNING COLLEGE
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2015

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

This report, incorporating the Strategic report, was approved by order of the board of trustees, as the company directors, on 16/12/15 and signed on the board's behalf by:

A handwritten signature in black ink, appearing to be 'R Burrows', with a long horizontal line extending to the right.

R Burrows
Chair of Trustees

ISEBROOK SEN COGNITION & LEARNING COLLEGE
(A company limited by guarantee)

GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

As trustees, we acknowledge we have overall responsibility for ensuring that Isebrook SEN Cognition & Learning College 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 Principal, 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 Isebrook SEN Cognition & Learning College 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 Trustees' responsibilities statement. The board of trustees has formally met 2 times during the period. Attendance during the period at meetings of the board of trustees was as follows:

| Trustee | Meetings attended | Out of a possible |
|----------------------------|-------------------|-------------------|
| D C Williams, Head Teacher | 2 | 2 |
| A J Shiells | 2 | 2 |
| A C Burdett | 2 | 2 |
| E A Clipstone | 2 | 2 |
| J L Boyt | 1 | 2 |
| P Burch | 2 | 2 |
| R Burrows | 2 | 2 |
| S G Cooke | 1 | 2 |
| M S Frost | 1 | 2 |

Governance reviews:

The Full Governing Body has the following specific remit:

1. To provide a strategic view of how the school will effectively use the financial resources under its control to raise standards of achievement and promote effective teaching and learning;
2. To oversee and ensure that procedures are in place which ensure accountability and the proper stewardship of the public money delegated to the school.

In addition to these the Full Governing Body also ensures that there are sufficient skills across the Academy's Board of Trustees.

The Finance Committee is a sub-committee of the main board of trustees. Its purpose is to ensure proper financial administration arrangements are in place that enables the Governing Body to fulfil its statutory responsibilities for financial management and also demonstrate the achievement of key financial administration standards required by Ofsted and the Audit Commission.

ISEBROOK SEN COGNITION & LEARNING COLLEGE
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)

Attendance at meetings in the period was as follows:

| Trustee | Meetings attended | Out of a possible |
|-----------------------------|-------------------|-------------------|
| D C Williams, Head Teacher | 2 | 3 |
| P Burch | 3 | 3 |
| R Burrows | 2 | 3 |
| S G Cooke | 2 | 3 |
| J Barton, Business Director | 3 | 3 |

REVIEW OF VALUE FOR MONEY

As accounting officer, the Principal has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The accounting officer considers how the trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where available. The accounting officer for the academy trust has delivered improved value for money during the year by:

- Due regard should be given to value for money considerations, that is, of quality or fitness for and delivery against price, in all purchases of works, equipment, goods and services. Except where there is a good reason to the contrary, contracts should normally be placed on a competitive basis, the lowest tender of three to be accepted; where a different decision is taken the reasons for it should be documented. Contracts should also be reviewed and renegotiated at regular intervals as appropriate.

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 ongoing process designed to identify and prioritise the risks to the achievement of academy 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 Isebrook SEN Cognition & Learning College for the period 16 January 2015 to 31 August 2015 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 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 ongoing process for identifying, evaluating and managing the academy's significant risks, that has been in place for the period 16 January 2015 to 31 August 2015 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

ISEBROOK SEN COGNITION & LEARNING COLLEGE
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)

THE RISK AND CONTROL FRAMEWORK

The academy'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 board of trustees;
- regular reviews by the Finance 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.

The board of trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Trustees have appointed S G Cooke, the Trustee of Isebrook SEN Cognition & Learning College to perform reviews.

The reviewer's role includes giving advice on financial matters and performing a range of checks on the academy's financial systems.

On a termly basis, the reviewer reports to the board of trustees on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

REVIEW OF EFFECTIVENESS

As accounting officer, the Principal has responsibility for reviewing the effectiveness of the system of internal control. During the period in question the review has been informed by:

- the work of the peer reviewer;
- the work of the external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the academy 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 Finance 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 16/12/15 and signed on its behalf, by:


R Burrows
Chair of Trustees


D C Williams, Head Teacher
accounting officer

ISEBROOK SEN COGNITION & LEARNING COLLEGE
(A company limited by guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Isebrook SEN Cognition & Learning College I have considered my responsibility to notify the academy 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 and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook (2014).

I confirm that I and the academy board of trustees are able to identify any material, irregular or improper use of funds by the academy, or material non-compliance with the terms and conditions of funding under the academy's funding agreement and the Academies Financial Handbook (2014).

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.



D C Williams, Head Teacher
accounting officer

Date: 16/12/15

ISEBROOK SEN COGNITION & LEARNING COLLEGE
(A company limited by guarantee)

**TRUSTEES' RESPONSIBILITIES STATEMENT
FOR THE PERIOD ENDED 31 AUGUST 2015**

The Trustees (who act as governors of Isebrook SEN Cognition & Learning College and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' report (including the Strategic report) and the financial statements in accordance with the Annual Accounts Direction issued 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 of the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- 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 16/12/15 and signed on its behalf by:



R Burrows
Chair of Trustees

ISEBROOK SEN COGNITION & LEARNING COLLEGE

(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ISEBROOK SEN COGNITION & LEARNING COLLEGE

We have audited the financial statements of Isebrook SEN Cognition & Learning College for the period ended 31 August 2015 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, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

This report is made solely to the academy'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 academy's members those matters we are required to state to them in an Auditors' 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 academy and its members, as a body, for our audit work, for this report, or for the opinion we have formed.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

As explained more fully in the Trustees' responsibilities statement, 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 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 Trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' 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 2015 and of its incoming resources and application of resources, including its income and expenditure, for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Trustees' report, incorporating the Strategic report, for the financial period for which the financial statements are prepared is consistent with the financial statements.

ISEBROOK SEN COGNITION & LEARNING COLLEGE
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ISEBROOK SEN COGNITION & LEARNING COLLEGE

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 Anderson (Senior statutory auditor)

for and on behalf of

Streets Audit LLP

Charter House
62-64 Hills Road
Cambridge
CB21LA

Date: 16/12/15

ISEBROOK SEN COGNITION & LEARNING COLLEGE
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO ISEBROOK
SEN COGNITION & LEARNING COLLEGE AND THE EDUCATION FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 21 April 2015 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2014 to 2015, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Isebrook SEN Cognition & Learning College during the period 16 January 2015 to 31 August 2015 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 Isebrook SEN Cognition & Learning College and EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Isebrook SEN Cognition & Learning College and 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 Isebrook SEN Cognition & Learning College and EFA, for our work, for this report, or for the conclusion we have formed.

**RESPECTIVE RESPONSIBILITIES OF ISEBROOK SEN COGNITION & LEARNING COLLEGE'S
ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT**

The accounting officer is responsible, under the requirements of Isebrook SEN Cognition & Learning College's funding agreement with the Secretary of State for Education dated 26 February 2015, and the Academies Financial Handbook extant from 1 September 2014, 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 2014 to 2015. 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 16 January 2015 to 31 August 2015 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 2014 to 2015 issued by 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's income and expenditure.

The work undertaken to draw to our conclusion includes:

- A review of the academy's systems and controls and confirmation of the operation and effectiveness during the year;
- A review of expenditure to confirm the appropriateness and value for money; and
- A review of connected party arrangements, transactions and balances.

ISEBROOK SEN COGNITION & LEARNING COLLEGE
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO ISEBROOK
SEN COGNITION & LEARNING COLLEGE AND THE EDUCATION FUNDING AGENCY (continued)**

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 16 January 2015 to 31 August 2015 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Robert Anderson (Senior statutory auditor)

Streets Audit LLP

Charter House
62-64 Hills Road
Cambridge
CB21LA

Date: 16/12/15

ISEBROOK SEN COGNITION & LEARNING COLLEGE
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES
(incorporating income and expenditure account and statement of total recognised gains and losses)
FOR THE PERIOD ENDED 31 AUGUST 2015

| | Note | Unrestricted funds 2015 £ | Restricted funds 2015 £ | Restricted fixed asset funds 2015 £ | Total funds 2015 £ |
|---|------|------------------------------------|----------------------------------|---|-----------------------------|
| INCOME FROM: | | | | | |
| Transfer from local authority on conversion | 3 | 338,376 | (802,000) | 11,471,000 | 11,007,376 |
| Other trading activities | 4 | 13,826 | - | - | 13,826 |
| Investments | 5 | 111 | - | - | 111 |
| Charitable activities: Funding for the academy's educational operations | 6 | 19,251 | 1,427,506 | 3,537 | 1,450,294 |
| TOTAL | | 371,564 | 625,506 | 11,474,537 | 12,471,607 |
| EXPENDITURE ON: | | | | | |
| Charitable activities: Funding for the academy's educational operations | 8 | - | 1,469,331 | 6,144 | 1,475,475 |
| TOTAL | 7 | - | 1,469,331 | 6,144 | 1,475,475 |
| NET INCOME / (EXPENDITURE) BEFORE TRANSFERS | | 371,564 | (843,825) | 11,468,393 | 10,996,132 |
| Transfers between Funds | 17 | (19,250) | 2,512 | 16,738 | - |
| NET INCOME FOR THE PERIOD | | 352,314 | (841,313) | 11,485,131 | 10,996,132 |
| Actuarial gains and losses on defined benefit pension schemes | | - | 39,000 | - | 39,000 |
| NET MOVEMENT IN FUNDS | | 352,314 | (802,313) | 11,485,131 | 11,035,132 |
| <i>Total funds at 16 January 2015</i> | | <i>-</i> | <i>-</i> | <i>-</i> | <i>-</i> |
| TOTAL FUNDS CARRIED FORWARD | | 352,314 | (802,313) | 11,485,131 | 11,035,132 |

All of the academy's activities derive from acquisitions in the current financial period.

The Statement of Financial Activities includes all gains and losses recognised in the period.

The notes on pages 20 to 37 form part of these financial statements.

ISEBROOK SEN COGNITION & LEARNING COLLEGE

(A company limited by guarantee)
REGISTERED NUMBER: 09392862

**BALANCE SHEET
AS AT 31 AUGUST 2015**

| | Note | £ | 2015 £ |
|---|------|-------------------|--------------------------|
| FIXED ASSETS | | | |
| Tangible assets | 14 | | 11,485,131 |
| CURRENT ASSETS | | | |
| Debtors | 15 | 62,019 | |
| Cash at bank and in hand | | 396,152 | |
| | | <u>458,171</u> | |
| CREDITORS: amounts falling due within one year | 16 | <u>(102,170)</u> | |
| NET CURRENT ASSETS | | | <u>356,001</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | <u>11,841,132</u> |
| Defined benefit pension scheme liability | 22 | | <u>(806,000)</u> |
| NET ASSETS INCLUDING PENSION SCHEME LIABILITY | | | <u><u>11,035,132</u></u> |
| FUNDS OF THE ACADEMY | | | |
| Restricted funds: | | | |
| Restricted funds | 17 | 3,687 | |
| Restricted fixed asset funds | 17 | 11,485,131 | |
| | | <u>11,488,818</u> | |
| Restricted funds excluding pension liability | | | |
| Pension reserve | | <u>(806,000)</u> | |
| Total restricted funds | | | 10,682,818 |
| Unrestricted funds | 17 | | <u>352,314</u> |
| TOTAL FUNDS | | | <u><u>11,035,132</u></u> |

The financial statements were approved by the Trustees, and authorised for issue, on 16/12/15 and are signed on their behalf, by:



R Burrows
Chair of Trustees

The notes on pages 20 to 37 form part of these financial statements.

ISEBROOK SEN COGNITION & LEARNING COLLEGE
(A company limited by guarantee)

**CASH FLOW STATEMENT
FOR THE PERIOD ENDED 31 AUGUST 2015**

| | Note | 8 months ended 31 August 2015 £ |
|--|------|---|
| Net cash flow from operating activities | 19 | 75,840 |
| Returns on investments and servicing of finance | 20 | (111) |
| Capital expenditure and financial investment | 20 | (17,953) |
| Cash transferred on conversion to an academy trust | 2 | 338,376 |
| INCREASE IN CASH IN THE PERIOD | | 396,152 |

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

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS
FOR THE PERIOD ENDED 31 AUGUST 2015**

| | 8 months ended 31 August 2015 £ |
|--|---|
| Increase in cash in the period | 396,152 |
| MOVEMENT IN NET FUNDS IN THE PERIOD | 396,152 |
| NET FUNDS AT 31 AUGUST 2015 | 396,152 |

The notes on pages 20 to 37 form part of these financial statements.

ISEBROOK SEN COGNITION & LEARNING COLLEGE
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2015**

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities' published in March 2015, the Academies Accounts Direction 2014 to 2015 issued by EFA, applicable accounting standards and the Companies Act 2006.

1.2 Fund accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by 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.

Investment income, gains and losses are allocated to the appropriate fund.

1.3 Incoming resources

All incoming resources are included in the Statement of financial activities when the academy has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

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

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

ISEBROOK SEN COGNITION & LEARNING COLLEGE
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2015**

1. ACCOUNTING POLICIES (continued)

1.4 Resources expended

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 central 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.

Charitable activities are costs incurred in the academy's educational operations.

All resources expended are inclusive of irrecoverable VAT.

1.5 Going concern

The Trustees 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 to continue as a going concern. The Trustees make this assessment in respect of a period of one year from the date of approval of the financial statements.

1.6 Tangible fixed assets and depreciation

All assets costing more than £1,000 are capitalised.

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 are 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's depreciation policy. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Long leasehold buildings are not depreciated on the grounds of immateriality. Long leasehold buildings are subject to regular maintenance and repair such that in the governors opinion the residual value is not materially different from the value in the financial statements and have a long useful economic life. The governors consider the need for impairment at each period end.

Tangible fixed assets are stated at cost less depreciation. Depreciation is not charged on freehold land. Depreciation on other tangible fixed assets is provided at rates calculated to write off the cost of those assets, less their estimated residual value, over their expected useful lives on the following bases:

| | | |
|------------------------|---|-------------------|
| Leasehold improvements | - | 10% Straight Line |
| Motor vehicles | - | 20% Straight Line |
| Fixtures and fittings | - | 20% Straight Line |
| Computer equipment | - | 33% Straight Line |

ISEBROOK SEN COGNITION & LEARNING COLLEGE
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2015**

1. ACCOUNTING POLICIES (continued)

1.7 Taxation

The academy 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 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.

1.8 Pensions

Retirement benefits to employees of the academy are provided by the Teachers' Pension Scheme ("TPS") and the Local Government Pension Scheme ("LGPS"). These are defined benefit schemes and the assets are held separately from those of the academy.

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 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 22, the TPS is a multi-employer scheme and the academy 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 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.

1.9 Conversion to an academy trust

The conversion from a state maintained school to an academy trust involved the transfer of identifiable assets and liabilities and the operation of the school for £NIL consideration and has been accounted for under the acquisition accounting method.

The assets and liabilities transferred on conversion from Isebrook SEN Cognition & Learning College to an academy trust have been valued at their fair value, being a reasonable estimate of the current market value that the Trustees would expect to pay in an open market for an equivalent item. Their fair value is in accordance with the accounting policies set out for Isebrook SEN Cognition & Learning College. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in the Statement of financial activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

ISEBROOK SEN COGNITION & LEARNING COLLEGE
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2015**

2. CONVERSION TO AN ACADEMY TRUST

On 1 March 2015 Isebrook SEN Cognition & Learning College converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Isebrook SEN Cognition & Learning College from Northamptonshire County Council for £NIL consideration.

The transfer has been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the Balance sheet under the appropriate headings with a corresponding net amount recognised as net incoming resources in the Statement of financial activities as voluntary income.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of financial activities.

| | Unrestricted funds £ | Restricted funds £ | Restricted fixed asset funds £ | Total funds £ |
|--|----------------------------|--------------------------|---|---------------------|
| Freehold/leasehold land and buildings | - | - | 11,471,000 | 11,471,000 |
| Budget surplus/(deficit) on LA funds | 318,805 | - | - | 318,805 |
| Budget surplus/(deficit) on other school funds | 19,571 | - | - | 19,571 |
| LGPS pension surplus/(deficit) | - | (802,000) | - | (802,000) |
| Net assets/(liabilities) | <u>338,376</u> | <u>(802,000)</u> | <u>11,471,000</u> | <u>11,007,376</u> |

The above net assets include £338,376 that were transferred as cash.

The premises of Isebrook SEN Cognition & Learning College are under the ownership of Northampton City Council. They are used by the academy under the terms of a 125 year lease which transfers the benefit of the ownership to the trust.

3. DONATIONS AND CAPITAL GRANTS

| | Unrestricted funds 2015 £ | Restricted funds 2015 £ | Total funds 2015 £ |
|----------------------|------------------------------------|----------------------------------|-----------------------------|
| Assets on conversion | <u>338,376</u> | <u>10,669,000</u> | <u>11,007,376</u> |

4. OTHER TRADING ACTIVITIES

| | Unrestricted funds 2015 £ | Restricted funds 2015 £ | Total funds 2015 £ |
|------------------|------------------------------------|----------------------------------|-----------------------------|
| Hire of premises | <u>13,826</u> | <u>-</u> | <u>13,826</u> |

ISEBROOK SEN COGNITION & LEARNING COLLEGE
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2015**

5. INVESTMENT INCOME

| | Unrestricted funds 2015 £ | Restricted funds 2015 £ | Total funds 2015 £ |
|-------------------|------------------------------------|----------------------------------|-----------------------------|
| Investment income | 111 | - | 111 |

6. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

| | Unrestricted funds 2015 £ | Restricted funds 2015 £ | Total funds 2015 £ |
|--------------------------------|------------------------------------|----------------------------------|-----------------------------|
| DfE/EFA revenue grants | | | |
| General Annual Grant (GAG) | - | 704,891 | 704,891 |
| EFA grants | - | 61,702 | 61,702 |
| Capital grants | - | 3,537 | 3,537 |
| | - | 770,130 | 770,130 |
| Other government grants | | | |
| Other Government grants | - | 660,913 | 660,913 |
| | - | 660,913 | 660,913 |
| Other funding | | | |
| Other income | 19,251 | - | 19,251 |
| | 19,251 | - | 19,251 |
| | 19,251 | 1,431,043 | 1,450,294 |

7. EXPENDITURE

| | Staff costs 2015 £ | Non Pay Premises 2015 £ | Expenditure Other costs 2015 £ | Total 2015 £ |
|---------------|--------------------------|----------------------------------|---|--------------------|
| Direct costs | 1,001,706 | - | 156,818 | 1,158,524 |
| Support costs | 132,994 | 79,378 | 104,579 | 316,951 |
| | 1,134,700 | 79,378 | 261,397 | 1,475,475 |

ISEBROOK SEN COGNITION & LEARNING COLLEGE
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2015**

8. CHARITABLE ACTIVITIES

| | Total funds 2015 £ |
|---|-----------------------------|
| DIRECT COSTS - EDUCATIONAL OPERATIONS | |
| Wages and salaries | 804,035 |
| National insurance | 58,795 |
| Pension cost | 127,449 |
| Educational supplies | 44,743 |
| Examination fees | 3,570 |
| Staff development | 20,072 |
| Technology costs | 13,531 |
| Educational consultancy | 28,805 |
| Travel and subsistence | 2,563 |
| Insurance | 5,926 |
| Other | 49,035 |
| | <hr/> 1,158,524 <hr/> |
| SUPPORT COSTS - EDUCATIONAL OPERATIONS | |
| Wages and salaries | 91,313 |
| National insurance | 4,773 |
| Pension cost | 24,596 |
| Depreciation | 3,822 |
| Pension finance costs | 33,000 |
| Maintenance of premises and equipment | 57,164 |
| Cleaning | 1,809 |
| Energy | 20,407 |
| Insurance | 1,007 |
| Catering | 15,103 |
| Other | 57,557 |
| Governance costs | 6,400 |
| | <hr/> 316,951 <hr/> |
| | <hr/> 1,475,475 <hr/> <hr/> |

ISEBROOK SEN COGNITION & LEARNING COLLEGE
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2015**

9. NET INCOMING / (OUTGOING) RESOURCES

This is stated after charging:

| | 8 months ended 31 August 2015 £ |
|--|---|
| Depreciation of tangible fixed assets: - owned by the charity | 3,822 |

10. STAFF

a. Staff costs

Staff costs were as follows:

| | 8 months ended 31 August 2015 £ |
|-------------------------------|---|
| Wages and salaries | 895,348 |
| Social security costs | 63,568 |
| Other pension costs (Note 22) | 152,045 |
| | <u>1,110,961</u> |
| Supply teacher costs | 23,739 |
| | <u>1,134,700</u> |

b. Staff numbers

The average number of persons employed by the academy during the period expressed as full time equivalents was as follows:

| | 8 months ended 31 August 2015 No. |
|----------------------------|---|
| Teachers | 20 |
| Administration and support | 67 |
| Management | 5 |
| | <u>92</u> |

ISEBROOK SEN COGNITION & LEARNING COLLEGE
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2015**

10. STAFF (continued)

c. Higher paid staff

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

| | 8 months ended 31 August 2015 No. |
|-------------------------------|--|
| In the band £70,001 - £80,000 | <u><u>1</u></u> |

The above employee participates in the Teachers' Pension Scheme.

Key Management personnel

The key management personnel of the academy comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £153,606.

11. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the period ended 31 August 2015 was £1,007. The cost of this insurance is included in the total insurance cost.

12. TRUSTEES' REMUNERATION AND EXPENSES

During the period retirement benefits were accruing to 3 Trustees in respect of defined contribution pension schemes.

ISEBROOK SEN COGNITION & LEARNING COLLEGE
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2015**

One or more Trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The Principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and other staff members under their contracts of employment, and not in respect of their role as Trustees. The value of Trustees' remuneration and other benefits was as follows:

| | 8 months ended 31 August 2015 £'000 |
|---|---|
| D C Williams - Remuneration | 35-40 |
| D C Williams - Employer pension contributions | 5-10 |
| A C Burdett - Remuneration | 20-25 |
| A C Burdett - Employer pension contributions | 0-5 |
| A J Shiells - Remuneration | 5-10 |
| A J Shiells - Employer pension contributions | 0-5 |

During the period, no Trustees received any reimbursement of expenses.

13. OTHER FINANCE INCOME

| | 8 months ended 31 August 2015 £ |
|--|---|
| Expected return on pension scheme assets | (13,000) |
| Interest on pension scheme liabilities | (20,000) |
| | <hr/> (33,000) <hr/> |

ISEBROOK SEN COGNITION & LEARNING COLLEGE
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2015**

14. TANGIBLE FIXED ASSETS

| | Long-term leasehold property £ | Motor vehicles £ | Fixtures and fittings £ | Computer equipment £ | Total £ |
|-------------------------|---|------------------------|-------------------------------|----------------------------|------------|
| Cost | | | | | |
| Additions | - | - | 5,187 | 12,766 | 17,953 |
| Additions on conversion | 11,445,000 | 26,000 | - | - | 11,471,000 |
| At 31 August 2015 | 11,445,000 | 26,000 | 5,187 | 12,766 | 11,488,953 |
| Depreciation | | | | | |
| Charge for the period | - | 2,607 | 199 | 1,016 | 3,822 |
| At 31 August 2015 | - | 2,607 | 199 | 1,016 | 3,822 |
| Net book value | | | | | |
| At 31 August 2015 | 11,445,000 | 23,393 | 4,988 | 11,750 | 11,485,131 |

Long-term leasehold property is stated at the valuation provided to the Academy by the EFA on conversion. The valuation includes land at £410,000 which is not depreciated.

15. DEBTORS

| | |
|--------------------------------|---------------|
| | 2015 £ |
| Trade debtors | 12,245 |
| Other debtors | 23,271 |
| Prepayments and accrued income | 26,503 |
| | <u>62,019</u> |

**16. CREDITORS:
Amounts falling due within one year**

| | |
|--------------------------------------|----------------|
| | 2015 £ |
| Other taxation and social security | 33,118 |
| Accruals and deferred income | 69,052 |
| | <u>102,170</u> |
| Deferred income | |
| Resources deferred during the period | <u>4,952</u> |

ISEBROOK SEN COGNITION & LEARNING COLLEGE
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2015**

16. CREDITORS:
Amounts falling due within one year (continued)

At the balance sheet date, the academy had received income in advance in relation to the new term for the Devolved Formula Capital fund.

17. STATEMENT OF FUNDS

| | Brought Forward £ | Incoming resources £ | Resources Expended £ | Transfers in/out £ | Gains/ (Losses) £ | Carried Forward £ |
|-------------------------------------|-------------------------|----------------------------|----------------------------|--------------------------|-------------------------|-------------------------|
| Unrestricted funds | | | | | | |
| General Funds | - | 371,564 | - | (19,250) | - | 352,314 |
| Restricted funds | | | | | | |
| General Annual Grant (GAG) | - | 704,891 | (703,716) | 2,512 | - | 3,687 |
| Other EFA Grants | - | 61,702 | (61,702) | - | - | - |
| Other Government Grants | - | 660,913 | (660,913) | - | - | - |
| Pension reserve | - | (802,000) | (43,000) | - | 39,000 | (806,000) |
| | - | 625,506 | (1,469,331) | 2,512 | 39,000 | (802,313) |
| Restricted fixed asset funds | | | | | | |
| EFA Capital Grants | - | 3,537 | (3,537) | - | - | - |
| Assets transferred on conversion | - | 11,471,000 | (2,607) | - | - | 11,468,393 |
| Assets acquired with funding | - | - | - | 16,738 | - | 16,738 |
| | - | 11,474,537 | (6,144) | 16,738 | - | 11,485,131 |
| Total restricted funds | - | 12,100,043 | (1,475,475) | 19,250 | 39,000 | 10,682,818 |
| Total of funds | - | 12,471,607 | (1,475,475) | - | 39,000 | 11,035,132 |

The specific purposes for which the funds are to be applied are as follows:

Unrestricted funds:

General funds - those resources which may be used towards meeting any of the objects of the academy at the discretion of the governors. These have not been designated for particular purposes.

ISEBROOK SEN COGNITION & LEARNING COLLEGE
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2015**

17. STATEMENT OF FUNDS (continued)

Restricted funds:

General Annual Grant (GAG) - made up of a number of different funding streams from the EFA, all of which are to be used to cover the running costs of the academy.

Other EFA/Government grants - represent EFA grants received for specific purposes.

Pension reserve - represents the current deficit balance of the Local Government Pension Scheme (LGPS).

Restricted fixed asset funds:

EFA capital grants - represents unspent grants received for which the specific purpose of capital expenditure has been imposed by the funder.

Assets transferred on conversion - represents land, buildings and other assets transferred to the academy by the Local Authority upon conversion.

Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2015.

SUMMARY OF FUNDS

| | Brought Forward £ | Incoming resources £ | Resources Expended £ | Transfers in/out £ | Gains/ (Losses) £ | Carried Forward £ |
|---------------------------------|-------------------------|----------------------------|----------------------------|--------------------------|-------------------------|-------------------------|
| General funds | - | 371,564 | - | (19,250) | - | 352,314 |
| Restricted funds | - | 625,506 | (1,469,331) | 2,512 | 39,000 | (802,313) |
| Restricted fixed asset funds | - | 11,474,537 | (6,144) | 16,738 | - | 11,485,131 |
| | - | 12,471,607 | (1,475,475) | - | 39,000 | 11,035,132 |

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

| | Unrestricted funds 2015 £ | Restricted funds 2015 £ | Restricted fixed asset funds 2015 £ | Total funds 2015 £ |
|--|------------------------------------|----------------------------------|---|-----------------------------|
| Tangible fixed assets | - | - | 11,485,131 | 11,485,131 |
| Current assets | 454,484 | 3,687 | - | 458,171 |
| Creditors due within one year | (102,170) | - | - | (102,170) |
| Provisions for liabilities and charges | - | (806,000) | - | (806,000) |
| | 352,314 | (802,313) | 11,485,131 | 11,035,132 |

ISEBROOK SEN COGNITION & LEARNING COLLEGE
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2015**

19. NET CASH FLOW FROM OPERATING ACTIVITIES

| | 8 months ended 31 August 2015 £ |
|---|--|
| Net incoming resources before revaluations | 10,996,132 |
| Returns on investments and servicing of finance | 111 |
| Assets on conversion | (11,007,376) |
| Depreciation of tangible fixed assets | 3,822 |
| Increase in debtors | (62,019) |
| Increase in creditors | 102,170 |
| FRS 17 adjustments | 43,000 |
| Net cash inflow from operations | 75,840 |

20. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

| | 8 months ended 31 August 2015 £ |
|--|--|
| Returns on investments and servicing of finance | |
| Interest received | (111) |
| | 8 months ended 31 August 2015 £ |
| Capital expenditure and financial investment | |
| Purchase of tangible fixed assets | (17,953) |

21. ANALYSIS OF CHANGES IN NET FUNDS

| | 16 January 2015 £ | Cash flow £ | Other non-cash changes £ | 31 August 2015 £ |
|---------------------------|-------------------------|----------------|-----------------------------------|------------------------|
| Cash at bank and in hand: | - | 396,152 | - | 396,152 |
| Net funds | - | 396,152 | - | 396,152 |

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**NOTES TO THE FINANCIAL STATEMENTS
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22. PENSION COMMITMENTS

The academy's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Northamptonshire 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 related to the period ended 31 March 2012 and of the LGPS 31 March 2013.

There were no outstanding or prepaid contributions at either the beginning or the end of the financial period.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions 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.

Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%);
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%

During the year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4% from September 2015, which will be payable during the implementation period until the next valuation as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

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22. PENSION COMMITMENTS (continued)

The pension costs paid to TPS in the period amounted to £66,000.

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The academy 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.

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the period ended 31 August 2015 was £77,000, of which employer's contributions totalled £70,000 and employees' contributions totalled £17,000. The agreed contribution rates for future years are 22% for employers and 12.5% for employees.

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.

As described in note 2 the LGPS obligation relates to the employees of the academy, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the scheme in the period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy at the balance sheet date.

The amounts recognised in the Balance sheet are as follows:

| | |
|-------------------------------------|--|
| | 8 months ended 31 August 2015 £ |
| Present value of funded obligations | (1,169,000) |
| Fair value of scheme assets | 363,000 |
| | <hr/> |
| Net liability | (806,000) |
| | <hr/> |

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**NOTES TO THE FINANCIAL STATEMENTS
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22. PENSION COMMITMENTS (continued)

The amounts recognised in the Statement of financial activities are as follows:

| | 8 months ended 31 August 2015 £ |
|----------------------------------|---|
| Current service cost | (80,000) |
| Interest on obligation | (20,000) |
| Expected return on scheme assets | (13,000) |
| | <hr/> |
| Total | (113,000) |
| | <hr/> <hr/> |

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

| | 8 months ended 31 August 2015 £ |
|--------------------------------------|---|
| Opening defined benefit obligation | 1,085,000 |
| Current service cost | 80,000 |
| Interest cost | 20,000 |
| Contributions by scheme participants | 17,000 |
| Actuarial Gains | (33,000) |
| | <hr/> |
| Closing defined benefit obligation | 1,169,000 |
| | <hr/> <hr/> |

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

| | 8 months ended 31 August 2015 £ |
|-------------------------------------|---|
| Opening fair value of scheme assets | 283,000 |
| Expected return on assets | (13,000) |
| Actuarial gains and (losses) | 6,000 |
| Contributions by employer | 70,000 |
| Contributions by employees | 17,000 |
| | <hr/> |
| | 363,000 |
| | <hr/> <hr/> |

The cumulative amount of actuarial gains and losses recognised in the Statement of total recognised gains and losses was £39,000.

The academy expects to contribute £152,000 to its Defined benefit pension scheme in 2016.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2015**

22. PENSION COMMITMENTS (continued)

The major categories of scheme assets as a percentage of total scheme assets are as follows:

| | 2015 |
|----------|----------------|
| Equities | 70.00 % |
| Bonds | 19.00 % |
| Property | 9.00 % |
| Cash | 2.00 % |

Principal actuarial assumptions at the Balance sheet date (expressed as weighted averages):

| | 2015 |
|--|---------------|
| Discount rate for scheme liabilities | 3.80 % |
| Rate of increase in salaries | 4.60 % |
| Rate of increase for pensions in payment / inflation | 2.70 % |

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

| | 2015 |
|----------------------|-------------|
| Retiring today | |
| Males | 22.3 |
| Females | 24.3 |
| Retiring in 20 years | |
| Males | 24 |
| Females | 26.6 |

Amounts for the current period are as follows:

Defined benefit pension schemes

| | 2015 |
|--|--------------------|
| | £ |
| Defined benefit obligation | (1,169,000) |
| Scheme assets | 363,000 |
| Deficit | (806,000) |
| Experience adjustments on scheme liabilities | 33,000 |
| Experience adjustments on scheme assets | 6,000 |

23. CONTINGENT LIABILITIES

In the event of Isebrook SEN Cognition and Learning College ceasing to operate as an academy, provisions are included in the funding agreement relating to the clawback of assets and monies paid to the academy.

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NOTES TO THE FINANCIAL STATEMENTS
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24. RELATED PARTY TRANSACTIONS

Owing to the nature of the academy'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 a trustees has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the academy's financial regulations and normal procurement procedures.

No related party transactions were noted during the period.