

INSTITUTE OF SCHOOL BUSINESS LEADERSHIP
ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

Charity Registration No. 1114623
Company Registration No. 03425492 (England and Wales)

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LEGAL AND ADMINISTRATIVE INFORMATION

Trustees and Directors

Paul Armstrong	
Debra Beazer	
Nigel Brunning	
Helen Burge	
Matthew Burrell	
Cheryl Campbell	
Jonathan Coates	
Gary Corban	Chair of Finance
Wendy Farrier	
Alison Jefferson	Resigned 03 November 2022
Luci Jones	
Stephen Lester	Chair of Trustees
Ben March	
Stephen Rayner	
Yvonne Spencer	
Trevor Summerson	Resigned 29 September 2022
Sandy Tomlinson	Resigned 12 April 2023
Michael White	Resigned 31 May 2022

Chief Executive

Stephen Morales

Company Secretary

Stephen Morales

Charity number

1114623

Company number

3425492

Principal address and registered office

Highdown House
11 Highdown Road
Leamington Spa
CV31 1XT

Auditor

UHY Hacker Young (Birmingham) LLP
9 - 11 Vittoria Street
Birmingham
B1 3ND

Bankers

The Royal Bank of Scotland plc
757 Attercliffe Road
Sheffield
S9 3RF

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) FOR THE YEAR ENDED 31 MARCH 2023

The Trustees present their report and consolidated financial statements for the year ended 31 March 2023.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charitable group's Memorandum and Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019).

Objects of the Charity

- To advance education.
- To promote the efficiency and effectiveness of charities or the effective use of resources for charitable purposes in particular but without limitation by the collection and dissemination of information in order to promote the highest efficiency in the strategic leadership and business management of, and the pursuance of strategic educational management in, Educational Institutions.

Our Vision

To see school business professionals having the greatest possible positive impact on our education system at every level.

Our Mission

ISBL is the dedicated professional body for school business practitioners. We are committed to the continuous improvement and leadership development of those practitioners. We act to ensure the suitability, sufficiency and sustainability of the school business profession, and we advocate for its enhanced status.

Our Values

- **Integrity** We operate according to a code of practice demanding the highest ethical standards, and we set expectations of ourselves and our members commensurate with those expected of other highly respected professions.
- **Inclusivity** We strive to provide services and development opportunities for all education professionals involved in school business activity.
- **Impartiality** We have no political leaning or bias.
- **Insight** We speak from a position of authority, which is based on a well-founded understanding of resource management in education.

Statement on compliance with Charity Commission guidance on public benefit

The Trustees have paid due regard to the public benefit guidance issued by the Charity Commission in deciding what activities the charitable company should undertake.

Activity and key objectives

The focus of our activity may be categorised into a number of key areas including training and development, guidance and resources, government contracts, policy consultation, research, events, stakeholder collaboration and commercial partnerships.

Review of activity

1.1 Professional standards, training and development

- Professional Standards – We continue to use the professional standards to underpin all training and development commissioned or endorsed by ISBL.
- In 2022/23, we conducted a full review of Professional Standards and consulted extensively with the sector. We achieved full sector endorsement of the revised standards ready for publication in summer 2023.
- Qualifications Board – We continue to oversee all school business professional qualifications and ensure the quality of provision via a panel of stakeholder and providers.
- ISBL Qualifications Framework – We continue to provide extensive training in the area of Integrated Curriculum and Financial Planning (ICFP) supported by our unique I-SOT (ISBL School Optimisation Tool) and now the advanced market-leading version A-SOT (Advanced Strategic Optimisation Tool), which was developed in 2022/23 and launched in January 2023.

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) FOR THE YEAR ENDED 31 MARCH 2023 (cont'd)

- Our suite of training includes a range of programmes designed to support those new to the profession through to executive-level practitioners.
- In 2022/23, we launched a successful pilot with eight regional groups offering subsidised membership to their communities.

1.2 Consultations, discussion forums and policy work

- DfE School and Academy Funding Group (SAFG) – As one of the longest-standing members, ISBL continues to play an important role in this consultation group focused on funding policy reforms.
- DfE Efficiency SAFG – This subgroup focuses primarily on the sector's approach to resource management and how various Department for Education (DfE) tools might complement this effort.
- ESFA Academies Finance and Assurance Steering Group – ISBL is a standing member of this stakeholder consultation group created to provide feedback on the academies financial assurance framework.
- ESFA Academies Finance and Assurance Working Groups – ISBL Fellows contribute to these technical working groups designed to look more forensically at developments to the academies financial assurance framework including the Accounts Direction, the Academy Trust Handbook and associated returns.
- DfE Sustainability & Digital Standards Working Group – ISBL Fellows are contributing to these newly developed working groups which are working to develop DfE guidance for the sector.
- DfE Financial Reporting Programme Board – A strategic board presiding over sector accounting and financial assurance comprising senior officials from National Audit Office, Treasury, Education and Skills Funding Agency and DfE, and ISBL's CEO.
- Regional engagement via regional group chairs and monthly meetings.
- ISBL's Fellow Forum enjoyed high levels of engagement throughout 2022/23.
- We continue to host a meeting with key sector leaders on the subject of equality, diversity and inclusion (EDI).
- In 2022, we published a revised EDI statement of intent.
- International dialogue – ISBL continues to host an international education leaders meeting including representatives from the USA, Canada, Australia, New Zealand and South Africa.
- ISBL's CEO is the standing chair of the Schools and Academies Show advisory board.

1.3 Government contracts

- School Resource Management Adviser (SRMA) supply – during 2022/2023, we continued to be the largest national supplier of SRMAs and oversaw the supply of an average of 113 SRMAs during the financial year.
- Following the end of the pilot CFO Mentoring contract in August 2022, ISBL worked closely with the ESFA to establish CFO mentoring as a new SRMA deployment type, which came into effect for all SRMA suppliers from June 2023 and will provide 50 CFO mentoring deployment types each year until August 2024.

1.4 Research

- Barriers to joined-up leadership – In 2022, we published research into barriers to joined-up leadership in the English education system, led by ISBL's CEO.
- Hays Recruitment Trends and Salary Survey was undertaken in conjunction with ISBL in January 2023 with the results published in March 2023. The findings build on the 2022 findings to provide a longitudinal analysis of employment trends, professional development investment and engagement in annual performance management. These insights will be used to develop further employer guidance during 2023/24.

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) FOR THE YEAR ENDED 31 MARCH 2023 (cont'd)

1.5 Events

- **National conference** – In November 2022, ISBL delivered its annual conference focused on 'Leading Possibilities', and it remains the only two-day event focused solely on school business professionals (SBPs). The event saw over 13% of members attending, which was a 30% increase on the previous year's attendees. Although delivered as an in-person event, the main keynotes and workshops were recorded to allow delegates access post the event and the opportunity to share insights and professional development opportunities with their colleagues, to improve accessibility and increase value for money for schools.
- **Regional events** – ISBL delivered six regional conferences during 2022/23, including joint events with the Association of Business Leaders in Education (ABLE) and the Durham School Business Managers Group (DSBMG). These joint events saw increased attendance figures and supported school business managers locally in reducing the draw on their time of attending two SBP-focused events. These joint events will become an ongoing element of our conference strategy moving forward.
- **National Awards** – Hosted by Baroness Barran MBE at the House of Lords with eight categories.
- **Other events** – ISBL enjoyed visibility at a number of national events both virtually and in person including the Confederation of School Trusts' national conference, National Governance Association conference, EdExec LIVE North and Optimus Education. ISBL's CEO opened both the London and Birmingham Schools and Academies Shows, the largest education event in the UK.

Objectives for 2023/24

In the area of Professional Development, we aim to:

- 1 Embed and promote ISBL's revised Professional Standards, including the development of wider employer guidance.
- 2 Offer formal accreditation against standards.
- 3 Undertake an analysis of SBP workforce training needs using a combination of recent surveys, practitioner feedback, DfE research and training provider consultation.
- 4 Encourage all providers to use the revised professional standards for the development of future curriculum content design.
- 5 Develop training and guidance that responds to a range of SBP personas.
- 6 Develop a flow of technical notes related to school and trust finance and regulatory compliance issues.

In addition:

- We will look at new opportunities to develop more modular content in response to current demand. We will achieve this by working with providers to ensure commercial viability and subsequent sustainability.
- When developing and informing training resources and guidance, we will work harder to leverage off ISBL's access to sector experts, ISBL Fellows, SRMAs and CFO mentors.
- We intend to publish a revised version of Professional Standards in the summer of 2023.
- We aim to do more to support schools and trusts with their recruitment, retention and performance management.
- We will do more to support trusts and other collaborative school structures by way of a new group offer.
- We will take ownership of the delivery of the SchoolMark accreditation scheme.

On communication, we aim to:

- 1 Develop clear communication categories:

- | | |
|-----------------------------------|-----------------------------------|
| ● Information about ISBL activity | ● Policy updates |
| ● Promotions and campaigns | ● Official guidance |
| ● Approved Partner messages | ● Thought leadership and research |
| ● News | ● Practitioner perspectives |

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) FOR THE YEAR ENDED 31 MARCH 2023 (cont'd)

- 2 Agree and source owners for each of these categories. To support this objective, we will develop a network of accessible associates/consultants including subject matter experts, Fellows, SRMAs and academics to help shape and inform our content.
- 3 Develop a validation and quality assurance process for all external communication. To support this objective, we will create a validation process tree.
- 4 Develop a clear and consistent house style with accompanying policies and guidance.
- 5 Agree on a communication schedule that includes a balance of information, promotions, evidence-based opinion and practitioner perspectives.
- 6 Agree on the communication channels we will adopt for each of the categories. This will include email, LinkedIn, Facebook, Twitter, blogs and Crowdcast events.
- 7 Consider the range of personas we serve. To support this objective, we will ensure appropriate content to stretch and stimulate the more established practitioners but also enough digestible content to meet the needs of aspiring and junior practitioners.

In addition, we will ensure that our communication makes the ISBL proposition both accessible and engaging for a broader range of stakeholders including Academy Trust leaders, head teachers, governors, trustees and local authority officials.

On policy

We will continue to take a non-partisan approach to education policy. Our role is not to lobby for a particular outcome but to talk sense to power. We are the conduits between policy and practice.

- 1 Our strategy therefore will ensure we are in regular dialogue with practitioners from entry through to the executives that make up the SBP workforce. Through DfE consultation meetings, working groups and committees, we will review policy proposals, test these proposals with practitioners, convey concerns, suggestions and improvements back to the Government.
- 2 We will also help practitioners understand complex policy documents by producing summaries and analysis, cutting through technical or alienating language. In particular, we will attempt to explain the impact policy reforms might have on an individual's role.
- 3 We will work harder this year to involve a wider group in the consultation process by inviting appropriately experienced SBPs to participate in DfE meetings and working groups.
- 4 We will continue to participate in the following groups:
 - School and Academy Funding Group (SAFG)
 - Efficiency SAFG
 - Academies Finance and Assurance Steering Group and Working Groups
 - Good Estates Management
 - School Resource Management and Commercial Team
 - DfE Stakeholder Briefings
 - Financial Reporting Programme Board

On research

As an institute, it is our responsibility to both commission and carry out relevant research on behalf of the professional community we serve.

- 1 We will commence work on the evidence in support of particular trust structures and leadership configurations by hosting a series of round-table discussions.
- 2 We will work with other sector bodies on making the case for a fairer funding system.
- 3 We will work with other sector bodies on a pay framework designed to ensure fairer pay for SBPs.
- 4 We will complete our training needs analysis work.

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) FOR THE YEAR ENDED 31 MARCH 2023 (cont'd)

On events

We have a long tradition of delivering successful and high-quality regional events and an annual showcase national conference.

Following a year where our outsourcing approach was unsuccessful, we will be bringing events back in-house. We have recruited a new Head of Events and have exciting plans to reinvigorate our national conference and regional events.

Our members told us that they missed the ISBL personalised approach, and we listened.

The headline speakers, including policy leaders and motivational celebrities, promise to make the day very special for delegates in attendance.

On networks (Local and regional groups)

Networks are the lifeblood of our professional community. Practitioners congregate in a variety of ways, different locations and digital platforms.

It is ISBL's aim to facilitate these interactions, hosting where appropriate, and offering support where others are leading.

- 1 We will continue to support regional groups through our affiliation scheme.
- 2 We will extend the regional group membership offer following the successful pilot.
- 3 We will continue to host the regional chairs' meetings.
- 4 We will ensure greater visibility in the regions.
- 5 We will continue to facilitate the Fellow Forum.
- 6 We will continue to seek clarity with the DfE ownership/oversight of the SBP network.
- 7 We will engage in a professional dialogue on appropriate platforms (LinkedIn).
- 8 We will continue to host and chair the international leaders' meetings.

Strategic report

The description under the headings "Review of activity", "Objectives for 2022/23" and "Financial review" meet the company law requirements for the trustees to present a strategic report.

Financial review – Group

The financial year to 31 March 2023 saw the organisation generate a deficit of £61,677 (2022: deficit of £105,208).

The group's revenue of £2,303,295 for the 12-month period was £516,393 up on the previous year (£1,786,902). This position reflects a significant investment in system architecture, restructuring and the SLA with GovNet.

As the benefits of system change and restructuring crystallise, we are confident that the proposition will be stronger, our reach wider and the value to our members so much greater.

Cash reserves have remained healthy but have reduced over the period from £689,612 to £415,936 at the end of the financial period. The Trustees believe this is an appropriate level to allow the organisation to continue with the ISBL strategic aims to allow for a wider appeal to members.

Financial review – Charity

The financial year to 31 March 2023 saw the parent charity generate a surplus of £9,923 (2022: surplus of £84,277).

The charity, by being the main employer, incurs a disproportionate amount of costs; this has been addressed with the advent of a management charge to provide greater transparency of the relevant costs to operate each organisation, and this charge is under regular review to ensure an appropriate level. In addition, the trading subsidiary will make a post-year-end distribution from its reserves to the charity.

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) FOR THE YEAR ENDED 31 MARCH 2023 (cont'd)

Reserves policy

The Trustees believe the level of reserves within the organisation to be at an appropriate level for an organisation of its size and turnover. The current level gives the organisation a modest level of working capital to further grow its services to members in the form of courses and wider opportunities but to retain a degree of caution so as not to overcommit the organisation.

Risk management

The Trustees assessed the major risks to which the charitable group is exposed and are satisfied that systems are in place to mitigate exposure to the major risks.

The major risk faced by the organisation relates to education policy reform uncertainty and the impact on the SBP profession. The Trustees are aware of the needs to safeguard against such risks and regularly review the organisation to ensure that it has sufficient strategies in place to mitigate any risks.

Succession planning at board level is a short-term risk resulting from the length of tenure of a key individual. The Trustees have identified and are implementing actions to address this.

Risk mitigation

As a third sector organisation, ISBL has a responsibility not only to clearly articulate its strategic vision but also to highlight potential risks to these ambitions.

The Trustees maintain a register of risks to which ISBL is exposed, in particular those related to the reputation, operations, and finances of ISBL, and are satisfied that systems and procedures are in place to mitigate exposure.

Operational

ISBL is committed to optimising operational effectiveness and recognises the risks associated with negligence in any of the following areas:

- Systems and processes must be clear, robust and workable.
- Staff structures and outsourcing arrangements must provide appropriate levels of competency and capacity.
- The working environment must be conducive to productivity and staff wellbeing.
- Effective performance management must ensure staff engagement and career development.

Financial

Beyond its commitment to assurance, regularity and propriety, ISBL must demonstrate high levels of financial accountability and transparency, as this is at the core of school business leadership practice.

ISBL therefore takes very seriously its responsibility to its subscribing members for the effective safeguarding of all funds.

Management information systems are reviewed on a regular basis to ensure fitness for purpose. We have engaged the services of a reputable audit firm to carry out our annual audit and assist with the annual report, and, in addition, we have committed to periodic internal audits. The Trustees have created a finance subcommittee that presides over the detail of financial reports and periodic financial monitoring.

Fundraising practices

The main focus for the group in respect of raising funds is through its membership and through its various training programmes. As a result, the group does not engage in any direct or indirect fundraising practices with the general public or select groups.

The group does not use any professional fundraisers or involve any commercial participators. No complaints have been received in this regard.

The group has not signed up to any Fundraising Code of Practice as it does not see this as relevant to its activities; however, if deemed relevant, it would review this.

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) FOR THE YEAR ENDED 31 MARCH 2023 (cont'd)

External reputation

Our reputation hinges on the integrity of our communication. We must ensure we communicate authoritatively in the areas in which we are qualified to do so. This will be further underpinned as we develop our research capability. Whilst we do not have a direct national competitor, many of the institutes and education service providers occasionally overlap with our activities. By developing closer working relationships with key stakeholders and partners, we have been able to eradicate this overlap and ensure a sufficiently differentiated offer to mitigate against any potential duplication.

We are working with regional school business network leaders to ensure they are clear about the distinction between ISBL as a professional body and the local support offered to their members through regional activity.

Governance

Strong governance is important in any organisation, but arguably of particular importance in the charity sector, where the objects of the organisation are clearly defined and for public benefit.

It is essential that in this context Trustees discharge their governance duties with integrity and absolute impartiality. It is important that they understand the scope and limitations of their responsibility and that they hold the Chief Executive to account through effective performance management and oversight of adherence to the organisation's statutory responsibilities.

Long-term plans for the future

ISBL plans to continue the activities outlined under the "Objectives of the Charity" and "Objectives for 2023/24" sections of this document, enhance the current offer, and embrace technological advancements. We continue to build strong relationships with all education stakeholders, and we are committed to working with the Department for Education and indeed other government agencies, irrespective of the political orientation of the Government.

We are committed to raising the profile and status of school business leadership practice and ensuring that it is seen as a credible profession in its own right.

Structure, governance and management

Governing document, company status and constitution

The charitable company is a company limited by guarantee, which was incorporated on 27 August 1997.

The Trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements, were:

Paul Armstrong	
Debra Beazer	
Nigel Brunning	
Helen Burge	
Matthew Burrell	
Cheryl Campbell	
Jonathan Coates	
Gary Corban	Chair of Finance
Wendy Farrier	
Alison Jefferson	Resigned 03 November 2022
Luci Jones	
Stephen Lester	Chair of Trustees
Ben March	
Stephen Morales	
Stephen Rayner	
Yvonne Spencer	
Trevor Summerson	Resigned 29 September 2022
Sandy Tomlinson	Resigned 12 April 2023
Michael White	Resigned 31 May 2022

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) FOR THE YEAR ENDED 31 MARCH 2023 (cont'd)

The directors of the company are also charity Trustees for the purpose of charity law and under the company's Articles are known as Trustees and Directors. Under the requirements of the Articles of Association, the members of the Trustee Board are elected to serve for a period of three years, after which they must be re-elected at the next Annual General Meeting (AGM) or co-opted by existing Trustees until the earlier of the next AGM or 12 months from the date of co-option.

If any Trustee is a corporate body, it must act through a named representative whose contact details are notified to the Trustees.

A Trustee who retires at the AGM may, if willing to act, be re-elected in accordance with the Articles up to a maximum of two further consecutive terms of office and must then not seek further re-election for a period of 12 months.

ISBL has a Board of Trustees who meet a minimum of four times per year and are responsible for the strategic direction and policy of the charitable company. The Board of Trustees had 16 members at the 31 March 2023.

A scheme of delegation is in place, and day-to-day responsibility for the provision of the services rests with the Chief Executive.

The Chief Executive is responsible for ensuring that the charity delivers the services specified and that key performance indicators are met.

Aspects of the charitable company's work are then monitored on a routine basis by standing subcommittees of the Board of Trustees and ad hoc working parties as required.

The Board of Trustees is made up of practising school business professionals (or equivalent) and individuals with relevant professional expertise that will enhance ISBL's ability to deliver its core objects. Board members complete self-review assessments against relevant benchmark standards, the results of which are discussed by the Nominations and Remuneration Committee.

The Nominations and Remuneration Committee then make training and induction recommendations to the Board of Trustees in order to increase the knowledge, skills and experience of the Board as a whole.

New Trustees undertake an induction workshop coordinated by the Chair of Trustees. They are also encouraged to familiarise themselves with the charitable company and the context within which it operates through dialogue with the Chair of Trustees, the Chair of the Nominations and Remuneration Committee and the Chief Executive of the charity. All new Trustees are each linked with an experienced Trustee who supports and guides them for their initial period in their role.

The Trustees have determined that the process for making decisions on the pay of staff shall be delegated to a Staffing Committee. There shall be a quorum of three. Trustees have decided that no Trustee who is an employee of ISBL will be a member of any committee that makes decisions about the pay of other staff. The committee shall decide the pay of all staff by the effective application of the policy in all circumstances, including upon appointment and when the staffing structure changes. In the case of the Chief Executive's salary review, the two Trustees appointed to undertake the Chief Executive's appraisal will make a recommendation about performance pay where the Chief Executive is eligible.

The Chief Executive is responsible for the appraisal of all staff and the recommendation regarding performance pay decisions if relevant. However, the Chief Executive may delegate responsibility for the appraisal of staff but retain the responsibility for any associated recommendation regarding performance pay decisions or may delegate responsibility in its entirety for the appraisal of staff and the associated recommendation regarding performance pay decisions.

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) FOR THE YEAR ENDED 31 MARCH 2023 (cont'd)

Insofar as it is complementary to the charitable company's objectives, ISBL is guided by both local and national policy. ISBL works closely with the Department for Education and the Education and Skills Funding Agency. The representation of local and regional groups within this group has proved invaluable to the charitable company in establishing improved links within the community and identifying relevant policy developments and prospective funding.

Related parties

Where Trustees are conflicted due to positions held within organisations or local and/or regional groups, this conflict is recorded in the charitable company's register of pecuniary interests, and conflicted Trustees withdraw from discussions and decisions.

At the end of 2017, ISBL established a trading subsidiary, ISBL Trading Limited, for the purposes of organising and running the trading activities previously within the main charitable company. The trading company became active as of 01 January 2018. The results have been incorporated in this set of consolidated financial statements.

Disclosure of audit information

Each of the Trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

Auditor

UHY Hacker Young (Birmingham) LLP were appointed as auditor to the charitable group and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at the General Meeting.

The trustees' report was approved by the Board of Trustees.



Stephen Lester

Chair of Trustees

Dated: 28 September 2023

STATEMENT OF TRUSTEES' RESPONSIBILITIES FOR THE YEAR ENDED 31 MARCH 2023

The trustees, who are also the directors of Institute of School Business Leadership for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that year.

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 judgements and 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 group will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable group 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 group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE INSTITUTE OF SCHOOL BUSINESS LEADERSHIP FOR THE YEAR ENDED 31 MARCH 2023

Opinion

We have audited the financial statements of Institute of School Business Leadership (the charitable company) and its subsidiaries (the group) for the period ended 31 March 2023 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charitable Company Balance Sheets, the Consolidated Statement of Cash Flows and the related notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice) and the Charities SORP (FRS 102) 2019.

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the charitable company's affairs as at 31 March 2023 and of the group's income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and the provisions available for small entities and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statement is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the parent charitable company or group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the financial statements. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE INSTITUTE OF SCHOOL BUSINESS LEADERSHIP FOR THE YEAR ENDED 31 MARCH 2023

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

- In the light of the knowledge and understanding of the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report. 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 by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company 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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 11, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the group and the sector in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to the acts by the charitable company, which were contrary to applicable laws and regulations including fraud, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls, and determined that the principal risks were related to inflated revenue and the charitable company's net income for the year.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE INSTITUTE OF SCHOOL BUSINESS LEADERSHIP FOR THE YEAR ENDED 31 MARCH 2023

Audit procedures performed included: review of the financial statement disclosures to underlying supporting documentation, review of correspondence with and reports to the regulators, including correspondence with the Charities Commission review of correspondence with legal advisors and enquiries of management so far as they related to the financial statements, and testing of journals and evaluating whether there was evidence of bias by the trustees that represented a risk of material misstatement due to fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the parent charitable company and group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the parent charitable company's and group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the parent charitable company and group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we

Use of our report

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

**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE INSTITUTE OF SCHOOL BUSINESS LEADERSHIP FOR
THE YEAR ENDED 31 MARCH 2023**



Malcolm Winston, Senior Statutory Auditor

UHY Hacker Young (Birmingham) LLP

9-11 Vittoria Street

Birmingham

B1 3ND

Date 28 September 2023

UHY Hacker Young (Birmingham) LLP is eligible for appointment as auditor of the charitable group by virtue of its eligibility for appointment as auditor of a company under of section 1212 of the Companies Act 2006.

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING A CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 MARCH 2023

	Notes	Unrestricted Funds £	Designated Funds £	2023 Total Funds £	2022 Total Funds £
Incoming from:					
Donations and legacies	3	-	-	-	-
Income from charitable activities: Charitable activities	4	201,176	-	201,176	224,910
Income from other trading activities: Other trading activities	5	1,033,618	1,066,839	2,100,457	1,561,757
Investments	6	1,662	-	1,662	237
Total income		1,236,456	1,066,839	2,303,295	1,786,904
Expenditure on:					
Expenditure on charitable activities: Charitable activities	7	859,985	-	859,985	723,916
Expenditure from other trading activities: Other trading activities	10	476,455	1,028,532	1,504,987	1,168,195
Total expenditure		1,336,440	1,028,532	2,364,972	1,892,111
Net incoming/(outgoing) resources before transfers		(99,984)	38,307	(61,677)	(105,207)
Gross transfers between funds	21	38,307	(38,307)	-	-
Net expenditure for the year/Net movement in funds		(61,677)	-	(61,677)	(105,207)
Funds balances at 31 March 2022		209,186	-	209,186	314,393
Funds balances at 31 March 2023		147,509	-	147,509	209,186

The statement of financial activities includes all gains and losses recognised in the year.

All incoming resources and resources expended relate to continuing activities of the group.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Charities Act 2011.

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING A CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 MARCH 2022

PRIOR FINANCIAL YEAR	Notes	Unrestricted Funds £	Designated Funds £	2022 Total Funds £
Incoming from:				
Donations and legacies	3	-	-	-
Income from charitable activities: Charitable activities	4	224,910	-	224,910
Income from other trading activities: Other trading activities	5	796,594	765,163	1,561,757
Investments	6	237	-	237
Total income		1,021,741	765,163	1,786,904
Expenditure on:				
Expenditure on charitable activities: Charitable activities	7	723,916	-	723,916
Expenditure from other trading activities: Other trading activities	10	486,327	681,868	1,168,195
Total expenditure		1,210,243	681,868	1,892,111
Net incoming/(outgoing) resources before transfers		(188,502)	83,295	(105,207)
Gross transfers between funds	21	83,295	(83,295)	-
Net expenditure for the year/Net movement in funds		(105,207)	-	(105,207)
Funds balances at 31 March 2021		314,393	-	314,393
Funds balances at 31 March 2022		209,186	-	209,186

The statement of financial activities includes all gains and losses recognised in the year.

All incoming resources and resources expended relate to continuing activities of the group.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Charities Act 2011.

CHARITY AND CONSOLIDATED BALANCE SHEETS FOR THE YEAR ENDED 31 MARCH 2023

	Notes	Group 2023 £	Charity 2023 £	Group 2022 £	Charity 2022 £
Fixed assets					
Intangible assets	14	54,490	54,490	68,402	68,402
Tangible assets	15	630	630	2,994	2,994
Fixed asset investments	16	-	1	-	1
		55,120	55,121	71,396	71,397
Current assets					
Debtors	17	1,022,784	47,406	402,988	95,416
Cash at bank and in hand	27	415,936	241,490	689,612	268,932
		1,438,720	288,896	1,092,600	364,348
Creditors: amounts falling due within one year	18	(1,346,331)	(264,334)	(954,810)	(365,985)
Net current assets/(liabilities)		92,389	24,562	137,790	(1,637)
Total assets less current liabilities		147,509	79,683	209,186	69,760
Net assets		147,509	79,683	209,186	69,760
Income funds					
Unrestricted funds					
Other unrestricted funds		147,509	79,683	209,186	69,760
Designated funds	21	-	-	-	-
		147,509	79,683	209,186	69,760

The charitable company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 March 2023, although an audit has been carried out under section 151 of the Charities Act 2011. No member of the charitable company has deposited a notice, pursuant to section 476, requiring an audit of these financial statements under the requirements of the Charities Act 2011.


The trustees acknowledge their responsibilities for ensuring that the group and charitable company keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the group and charitable company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Charities Act 2011 relating to financial statements, so far as applicable to the charitable company.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements on pages 20 to 32 were approved by the Trustees, and authorised for issue on 28 Sept. 2023 and are signed on their behalf by:



Stephen Lester
Chair of Trustees



Gary Corban
Trustee

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2023

	Notes	2023 £	2022 £
Cash flows from operating activities			
Cash (used in)/generated from operations	26	(275,338)	56,300
Investing activities			
Purchase of tangible fixed assets	15	-	-
Purchase of intangible assets	14	-	(69,561)
Interest received	6	1,662	237
Net cash generated/(used in) investing activities		<u>1,662</u>	<u>(69,324)</u>
Net decrease in cash and cash equivalents		(273,676)	(13,024)
Cash and cash equivalents at beginning of period	27	689,612	702,636
Cash and cash equivalents at end of period		<u>415,936</u>	<u>689,612</u>
Cash per balance sheet		<u>415,936</u>	<u>689,612</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023**1 Accounting policies****Charitable group information**

Institute of School Business Leadership is a private company limited by guarantee incorporated in England and Wales.

ISBL Trading Limited is a private company limited by shares incorporated in England and Wales. The registered office for both organisations is 53 Butts, Coventry, West Midlands, CV1 3BH.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charitable group's Memorandum and Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019). The charitable group is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charitable group. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Group financial statements

The financial statements consolidate the results of the charity and its wholly owned subsidiary ISBL Trading Limited on a line-by-line basis. A separate Statement of Financial Activities and Income and Expenditure Account for the charity has not been presented because the charity has taken advantage of the exemption afforded by Companies Act 2006, s.408.

1.3 Going concern

The current year's deficit resulted from the Board needing to continue to invest in system architecture improvements in addition to those made in the prior year. The new infrastructure and outsourcing solution identified and undertaken in 2022/2023 was not realising the results that had been anticipated and proposed under the third-party arrangement and therefore required a comprehensive review with significant re-engineering.

The Executive Team undertook a full strategic review of the organisation's priorities. This resulted in investment in new personnel to help the organisation achieve these objectives, alongside the implementation of further infrastructure upgrades. The Executive Team and Board are optimistic in our future and our ability to meet and exceed our members' needs.

During the financial year 2022/2023, the charitable group also committed to additional and previously unplanned investment in infrastructure and systems as part of its growth strategy. It also invested in consulting on its professional standards which underpin all aspects of the charity's work. The combination of all these investments has meant using funds from reserves and the resulting delivery of a deficit position.

The Board remain optimistic that following several years of investment in technology, personnel and sector needs that the organisation is now well placed and can return to building its reserves position in future years.

The Board continue to adopt the going concern basis of accounting in preparing the financial statements and no adjustments to the results or the carrying values declared in these financial statements are required, and none have been made.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (cont'd)

1.4 Fund accounting

Unrestricted Funds are available to spend on activities that further any of the purposes of the charity.

Designated Funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose.

Restricted Funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.5 Incoming resources

Income is recognised when the charitable group is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charitable group has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

1.6 Resources expended

Expenditure is accounted for on an accruals basis and has been included under expense categories that aggregate all costs for allocation to activities. Where costs cannot be directly attributed to particular activities, they have been allocated on a basis consistent with the use of the resources.

Support costs are those costs incurred directly in support of expenditure on the objects of the company and include project management carried out at headquarters. Governance costs are those incurred in connection with administration of the company and compliance with constitutional and statutory requirements.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

1.7 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Software	over 5 years
----------	--------------

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

1.8 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

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

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures and Fittings	between 4 and 5 years
Computers	over 3 years

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (cont'd)

1.9 Investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price, except for the shares in the trading subsidiary which are carried at cost. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

The charity does not acquire put options, derivatives or other complex financial instruments.

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year-end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement

A subsidiary is an entity controlled by the charitable company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.10 Impairment of fixed assets

At each reporting end date, the charitable company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

1.11 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.12 Financial instruments

The charitable company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charitable company's balance sheet when the charitable company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (cont'd)

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charitable company's contractual obligations expire or are discharged or cancelled.

1.13 Taxation

Charitable company

The activities of the charitable company are exempt from Corporation Tax to the extent that they are applied to the organisation's charitable objectives.

Trading subsidiary

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

It is the policy of the company to make a corporate donation equivalent to the taxable profits for the period ended to its parent company and registered charity under the applicable regulations. This payment is to be made within 9 months of the end of the accounting period and as such, under corporation tax regulations, the company is eligible to carry back the effect of this payment to the current year. No provision for corporation tax is made within the financial statements.

1.14 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received. Termination benefits are recognised immediately as an expense when the charitable company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.15 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.16 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to net income/(expenditure) for the year so as to produce a constant periodic rate of interest on the remaining balance of the liability.

1.17 Legal status

Charitable company

The charitable company is a company limited by guarantee. In accordance with the Articles of Association, the members of the charitable company are the Trustees, who must sign a declaration of willingness to act as a Member. Membership is terminated when the individual ceases to be a Trustee.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (cont'd)

In the event of the charitable company being wound up, the liability in respect of the guarantee is limited to £1 per member of the charitable company.

Trading subsidiary

The trading subsidiary is a company limited by shares. The members of the company are its shareholders. Directors are appointed on behalf of the members to oversee the day-to-day operations of the subsidiary and ensure good governance in its activities.

2 Critical accounting estimates and judgements

In the application of the charitable company's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (cont'd)

3 Donations and legacies

	Unrestricted funds	Designated funds	2023	2022
	£	£	£	£
Grants receivable for core activities				
For year ended 31 March 2023	-	-	-	-

4 Charitable activities

	Memberships	Other activities	2023	2022
	£	£	£	£
Membership income	187,738	-	187,738	211,886
Conference income	-	-	-	-
Training income	-	-	-	-
Consultancy income	-	2,600	2,600	6,852
Other income	-	10,838	10,838	6,172
	<u>187,738</u>	<u>13,438</u>	<u>201,176</u>	<u>224,910</u>
<i>Prior financial year</i>				
Membership income	211,886	-		211,886
Conference income	-	-		-
Training income	-	6,852		6,852
Consultancy income	-	6,172		6,172
	<u>211,886</u>	<u>13,024</u>		<u>224,910</u>

5 Other trading activities

	Unrestricted funds	Designated funds	2023	2022
	£	£	£	£
Income from trading activities	<u>1,033,618</u>	<u>1,066,839</u>	<u>2,100,457</u>	<u>1,561,757</u>
For the year ended 31 March 2022	<u>796,594</u>	<u>765,163</u>		<u>1,561,757</u>

6 Investments

	Unrestricted funds	Designated funds	2023	2022
	£	£	£	£
Interest receivable	<u>1,662</u>	<u>-</u>	<u>1,662</u>	<u>237</u>
For the year ended 31 March 2022	<u>237</u>	<u>-</u>		<u>237</u>

7 Expenditure

	Staff Costs	Premises Costs	Other Costs	2023	2022
	£	£	£	£	£
Expenditure on charitable activities					
Charitable activities	<u>390,109</u>	<u>42,911</u>	<u>426,965</u>	<u>859,985</u>	<u>723,916</u>
For the year ended 31 March 2022	<u>456,405</u>	<u>40,274</u>	<u>227,237</u>		<u>723,916</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (cont'd)

8 Charitable activities	Member ships £	Conference & training £	Other activities £	2023 £	2022 £
Training costs	-	-	-	-	2,297
Marketing	-	-	-	-	13,404
					15,701
Share of support costs (see note 9)	840,011	-	-	840,011	659,480
Share of governance costs (see note 9)	19,974	-	-	19,974	64,436
	859,985	-	-	859,985	723,916
Analysis by fund					
Unrestricted funds	859,985	-	-	859,985	723,916
Designated funds	-	-	-	-	-
	859,985	-	-	859,985	723,916
For the period ended 31 March 2022					
Unrestricted funds	723,916	-	-		723,916
Designated funds	-	-	-		-
	723,916	-	-		723,916

Description of charitable activities

Memberships

Membership income and related services connected to assisting and administering memberships.

Conference and training

Income and costs related to hosting national and regional conferences and supplying training courses for members.

Other activities

General charitable activities undertaken by the organisation.

9 Support costs	Support costs £	Governance costs £	2023 £	2022 £
Staff costs	390,109	-	390,109	456,405
Staff training and other staff costs	470	-	470	2,297
Depreciation	16,276	-	16,276	27,728
Operating lease charges	24,947	-	24,947	39,173
Premises costs	881	-	881	1,101
Travel and subsistence costs	6,118	-	6,118	3,200
Computer and website costs	31,356	-	31,356	49,819
Office costs	22,401	-	22,401	31,020
VAT partial exemption	23,411	-	23,411	25,406
Trustee expenses	59	-	59	733
Bank and finance charges	4,637	-	4,637	6,200
Loss on disposal of assets	-	-	-	16,398
GovNet support fees	273,168	-	273,168	-
Audit fees	-	8,800	8,800	8,925
Legal and professional costs	-	11,174	11,174	55,511
GovNet Profit Share	46,178	-	46,178	-
	840,011	19,974	859,985	723,916

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (cont'd)

10 Other trading activities	Unrestricted funds	Designated funds	2023	2022
	£	£	£	£
Expenditure from trading activities (see note 25)	476,455	1,028,532	1,504,987	1,168,195
For the year ended 31 March 2022	468,327	681,868		1,168,195

11 Net movement in funds	2023	2022
	£	£
Net movement in funds is stated after charging/(crediting):		
Depreciation of owned tangible fixed assets	2,364	4,704
Amortisation of intangible assets	13,912	23,024
Operating lease charges	24,947	39,173
Audit of the group's annual accounts	8,800	8,950

12 Trustees
None of the Trustees (or any persons connected with them) received any remuneration from the charity during the period, but two of them were reimbursed a total of £332 (2022: £732) for travelling and subsistence expenses (2022: 2 were reimbursed).

During the period, directors S Lester, M Burrell, P Armstrong, S Rayner, J Coates, A Jefferson, H Burge and G Corban had access to free attendance at the National Conference at a cost of £525 each; J Marchant and S Tomlinson had access to free attendance to part of the National Conference at a total cost of £775. The £4,975 of conference expenses have been included in the cost of the National Conference (2022: £4,470).

13 Employees

Number of employees

The average monthly number of employees during the period was:

	2023	2022
	Number	Number
Direct charitable and support staff	9	12

Employment costs (Group)

	2023	2022
	£	£
Wages and salaries	307,795	361,918
Social security costs	30,651	36,152
Other pension costs	37,052	41,834
	375,498	439,904

Employment costs (Charity)

	2023	2022
	£	£
Wages and salaries	199,010	272,002
Social security costs	17,347	26,806
Other pension costs	23,812	35,467
	240,169	334,275

The number of employees whose annual remuneration was £60,000 or more were:

	2023	2022
£60,001 - £70,000	1	1
£70,001 - £80,000	-	-
£90,001 - £100,000	-	-
£100,001 - £110,000	1	1

Contributions for the 12-month period totalling £24,364 (2022: £14,900) were made to defined contribution pension schemes on behalf of employees whose emoluments exceed £60,000.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (cont'd)

14	Intangible assets		Software	Total
	Group and Charity		£	£
	Cost			
	As at 1 April 2022		69,561	69,561
	Additions		-	-
	Disposals		-	-
	As at 31 March 2023		69,561	69,561
	Amortisation			
	As at 1 April 2022		1,159	1,159
	Amortisation charge for the period		13,912	13,912
	Disposals			
	At 31 March 2023		15,071	15,071
	Net book value			
	As at 1 April 2022		68,402	68,402
	At 31 March 2023		54,490	54,490
15	Tangible assets			
	Group and Charity	Fixtures & Fittings	Computers	Total
		£	£	£
	Cost			
	At 01 April 2022	16,861	17,040	33,901
	Additions	-	-	-
	At 31 March 2023	16,861	17,040	33,901
	Depreciation			
	At 01 April 2022	16,856	14,051	30,907
	Depreciation charge for the period	5	2,359	2,364
	At 31 March 2023	16,861	16,410	33,271
	Net book value			
	At 31 March 2022	5	2,989	2,994
	At 31 March 2023	-	630	630

16 Fixed asset investments

The charity holds 1 share of £1 in its wholly owned trading subsidiary company, ISBL Trading Limited, which is incorporated in the United Kingdom. These are the only shares allotted, called up and fully paid. The activities and results of this company are summarised in note 25.

17 Debtors

	Group		Charity	
	2023	2022	2023	2022
	£	£	£	£
Trade debtors	543,277	180,817	11,305	250
Amounts owed to group undertakings	-	-	-	82,329
Other taxation and social security	-	-	12,730	-
Other debtors	433,200	195,819	-	-
Prepayments and accrued income	46,307	26,352	23,371	12,837
	1,022,784	402,988	47,406	95,416

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (cont'd)

18 Creditors: amounts falling due within one year

	Group		Charity	
	2023	2022	2023	2022
	£	£	£	£
Other taxation and social security	78,734	67,952	11,126	14,934
Deferred income (see Note 19)	493,867	395,140	66,251	79,158
Trade creditors	26,462	167,590	4,311	26,696
Amounts owed by group undertakings	-	-	43,403	202,771
Other creditors	5,697	10,200	4,250	1,267
Accruals	741,571	313,928	134,993	41,159
	<u>1,346,331</u>	<u>954,810</u>	<u>264,334</u>	<u>365,985</u>

19 Deferred income

	Group		Charity	
	2023	2022	2023	2022
	£	£	£	£
Arising from charitable activities	66,251	79,158	66,251	79,158
Arising from trading activities	427,616	315,982	-	-
	<u>493,867</u>	<u>395,140</u>	<u>66,251</u>	<u>79,158</u>

Deferred income is included in the financial statements as follows:

	Group		Charity	
	2023	2022	2023	2022
	£	£	£	£
Deferred income at 01 April 2022	395,140	390,228	79,158	97,055
Resources deferred during the period	493,867	389,630	66,251	79,158
Amounts released from previous period	(395,140)	(384,718)	(79,158)	(97,055)
Deferred income at 31 March 2023	<u>493,867</u>	<u>395,140</u>	<u>66,251</u>	<u>79,158</u>

Deferred income arises where income has been received in respect of membership income, approved partner income, conference events and training courses that have not yet been fully provided by the company.

20 Retirement benefit schemes

Defined contribution schemes

The charitable company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charitable company in an independently administered fund. The charge to profit or loss in respect of the defined contribution schemes was £37,051 (2022: £49,153).

21 Designated funds

Group	As at 1 April 2022	Incoming resources	Resources expended	Transfers	As at 31 March 2023
	£	£	£	£	£
Training – SRMA Induction & Accreditation	-	-	-	-	-
Training – SRMA Deployment	-	840,933	(840,933)	-	-
Training – SRMA Supply	-	170,446	(147,433)	(23,013)	-
Training – Clerking Programme	-	-	-	-	-
Training – DfE CFO Mentoring	-	55,460	(40,166)	(15,294)	-
Training – DfE – ICFP Contract	-	-	-	-	-
	<u>-</u>	<u>1,066,839</u>	<u>(1,028,532)</u>	<u>(38,307)</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (cont'd)

21 Designated funds (cont'd)

Group	As at 1 April 2021	Incoming resources	Resources expended	Transfers	As at 31 March 2022
	£	£	£	£	£
Training – DfE CFO Mentoring	-	5,240	(3,409)	(1,831)	-
Training – SRMA Induction & Accreditation	-	545,891	(545,891)	-	-
Training – SRMA Deployment	-	158,305	(107,832)	(50,473)	-
Training – Clerking Programme	-	121	-	(121)	-
Training – DfE – ICFP Contract	-	55,606	(24,736)	(30,870)	-
	-	765,163	(681,868)	(83,295)	-
Charity	2022	Incoming resources	Resources expended	Transfers	2023
	£	£	£	£	£
Training – Clerking Programme	-	-	-	-	-
	-	-	-	-	-
Charity	2021	Incoming resources	Resources expended	Transfers	2022
	£	£	£	£	£
Training – SRMA Supply	-	-	-	-	-
Training – Clerking Programme	-	-	-	-	-
	-	-	-	-	-

Description of Designated Funds:

Training – CFO Mentoring Programme relates to funds received in conjunction with the contract awarded to ISBL from DfE to supply and train school/trust CFOs to support new, aspiring and existing CFOs within schools and trusts.

Training – SRMA Induction & Accreditation relates to funds received in conjunction with the contract awarded to ISBL from DfE to induct and undertake all accreditation of School Resource Management Advisers (SRMAs).

Training – SRMA Deployment relates to funds received in conjunction with the contract awarded to ISBL by the DfE to supply and manage SRMA deployments.

Training – Clerking Programme relates to funds received, in conjunction with another organisation (Confederation of School Trusts) to deliver training and accreditation to school clerks.

During the financial year, a review of the fund accounting and their individual funding streams was undertaken by the Trustees. Further to this review, it was agreed that the previous reported restricted funds relating to the training programmes were conducted under a service level agreement with the funder and were not as the result of restricted grants received. As a consequence, the previous designation as being a restricted fund was considered to be incorrect by reference to Charity Commission guidance relating to restricted funds.

The Trustees have agreed that the correct designation should be to report the income and expenditure as unrestricted funds, and in furtherance have agreed to report designated funds within unrestricted funds, with all necessary corrections to the prior year figures to be made as a prior-period adjustment.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (cont'd)

22	Analysis of net assets between funds	Unrestricted Funds	Designated Funds	2023
	Group	£	£	£
	Fund balances at 31 March 2023 are represented by:			
	Intangible assets	54,490	-	54,490
	Tangible assets	630	-	630
	Current assets/(liabilities)	92,389	-	92,389
		147,509	-	147,509
	Group	Unrestricted Funds	Designated Funds	2022
	Fund balances at 31 March 2022 are represented by:	£	£	£
	Intangible assets	68,402	-	68,402
	Tangible assets	2,994	-	2,994
	Current assets/(liabilities)	137,790	-	137,790
		209,186	-	209,186
	Charity	Unrestricted Funds	Designated Funds	2023
	Fund balances at 31 March 2023 are represented by:	£	£	£
	Intangible assets	54,490	-	54,490
	Tangible assets	630	-	630
	Fixed Asset Investments	1	-	1
	Current assets/(liabilities)	24,562	-	24,562
		79,683	-	79,683
	Charity	Unrestricted Funds	Designated Funds	2022
	Fund balances at 31 March 2022 are represented by:	£	£	£
	Intangible assets	68,402	-	68,402
	Tangible assets	2,994	-	2,994
	Fixed Asset Investments	1	-	1
	Current assets/(liabilities)	(1,637)	-	(1,637)
		69,760	-	69,760

23	Operating lease commitments		
	Lessee		
	At the reporting end date, the charitable group had outstanding commitments for future minimum lease payments under non- cancellable operating leases, which fall due as follows:		
	Group and charity	2023	2022
	Expiry date:	£	£
	Within one year	34,701	34,701
	Between two and five years	8,513	42,213
		43,214	76,914

24	Related party transactions		
	Remuneration of key management personnel	2023	2022
	The remuneration of key management personnel is as follows:	£	£
	Aggregate compensation	191,977	163,478
		191,977	163,478

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (cont'd)

24 Related party transactions (cont'd)

Key management personnel includes the senior management team and trustees. Trustees are not remunerated for their role in the charitable company.

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

The following related party transactions were approved during the period.

Expenditure of £5,493 (2022: £9,696) was invoiced by SKL Consultancy in relation to work completed by S Lester, a director, on behalf of the charity. The expenditure was in relation to consultancy and support services provided to assist with the charitable objects of the charity.

The Articles of Association permit a Trustee or Connected Person to supply goods or services in return for a payment or other material benefit only where circumstances outlined in the Articles are applicable.

25 Subsidiaries

The wholly owned subsidiary, ISBL Trading Limited, is incorporated in the United Kingdom (company number 11105488) and pays all of its taxable surpluses to the parent charitable company as a distribution under gift

The summary financial performance of the subsidiary alone is:

	2023	2022
	£	£
Turnover	2,100,457	1,564,310
Cost of sales	(1,886,120)	(1,328,925)
Gross profit	214,337	235,385
Administrative expenses	(146,512)	(95,957)
Profit on ordinary activities before taxation	67,825	139,428
Tax on profit	-	-
Profit on ordinary activities after taxation	67,825	139,428
Distributions to parent charity under gift aid	139,428	328,910
The assets and liabilities of the subsidiary were:		
Current assets	1,205,957	1,013,352
Current liabilities	(1,138,131)	(873,923)
Total net assets	67,826	139,429

26 Cash (used in)/generated from operations

Group	2023	2022
	£	£
(Deficit) for the period	(61,677)	(105,207)
Adjustments for:		
Investment income recognised in statement of financial activities	(1,662)	(237)
Amortisation and impairment of intangible assets	13,912	23,024
Depreciation and impairment of tangible fixed assets	2,364	4,704
Movements in working capital:		
(Increase)/decrease in debtors	(619,796)	20,543
Increase in creditors	391,521	97,075
Loss on disposal of fixed assets	-	16,398
Cash (used in)/generated from operations	(275,338)	56,300

27 Analysis of cash and cash equivalents

Group	2023	2022
	£	£
Cash in hand and at bank	415,936	689,612
Total cash and cash equivalents	415,936	689,612