

THE INDEPENDENT SCHOOLS ASSOCIATION

TRUSTEES' REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020

THE INDEPENDENT SCHOOLS ASSOCIATION

CONTENTS

	Page
Reference and Administrative Details of the Company, its Trustees and Advisers	1 - 2
Trustees' Report	3 - 11
Trustees' Responsibilities Statement	12
Independent Auditors' Report on the Financial Statements	13 - 15
Consolidated Statement of Financial Activities	16
Consolidated Balance Sheet	17
Company Balance Sheet	18
Consolidated Statement of Cash Flows	19
Notes to the Financial Statements	20 - 36

THE INDEPENDENT SCHOOLS ASSOCIATION

REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31 AUGUST 2020

Trustees	A Culley A S Hampton J T Wilding S J Lockyer (resigned 31 December 2020) A J Gear, Vice Chair (resigned 12 March 2020) M J Adshead (resigned 31 August 2020) C R Osborn, Chair B G Huggett P S Hutley J R Wood (resigned 31 August 2020) S McKernan P A Soutar R M Walden J Shaw, Vice Chair K M Lovejoy (resigned 31 August 2020) P M Wilson T A Wilson H Chalmers D E Seagrove J Southworth A Blake E Brown P Ford D Preston H Stanton-Tonner C Wardle J Hetherington J Duke (appointed 1 September 2019) D Price (appointed 7 January 2020) N Dangerfield (appointed 1 September 2020) N Roskilly (appointed 1 September 2020) C Salmon (appointed 1 September 2020) D Sayers (appointed 1 September 2020)
Company registered number	0045867
Charity registered number	1158943
Registered office	ISA House Great Chesterford Court Great Chesterford Essex CB10 1PF
Company secretary	Neil Roskilly (resigned 31/08/2020) Rudolf Alastair Elliott Lockhart (appointed 01/09/2020)

THE INDEPENDENT SCHOOLS ASSOCIATION

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
(CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020**

Independent auditors	Price Bailey LLP Chartered Accountants Causeway House 1 Dane Street Bishop's Stortford Hertfordshire CM23 3BT
Bankers	National Westminster Bank PLC 56 St Andrew's Street Cambridge Cambridgeshire CB2 3DA

THE INDEPENDENT SCHOOLS ASSOCIATION

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2020

The Trustees are pleased to present their annual Directors' report, together with the consolidated financial statements of the charitable limited company and subsidiary trading company for the year ending 31 August 2020, which are also prepared to meet the requirements for a Directors' report and accounts for Companies Act purposes. The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the charity's governing document, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard in the UK and Republic of Ireland published on 14 July 2019.

Chair's report

In taking over as Chair this year from Claire Osborn, Principal of the Oak-Tree Group of schools in Essex, I am pleased to commend the progress that the Association has made during her time while leading the Association. This has been a year made particularly challenging by COVID-19 with schools' physical sites closed by the Government between mid-March and the beginning of June, and a switch for employees of the Association from working from ISA House to working from Home from mid-March onwards. Despite the unprecedented challenge represented by COVID-19, the year was full of achievement for the Association with a healthy increase in membership, the further expansion of education support services to ISA Members and their schools, the growth in the variety and number of sports, arts and other competitions offered by the Association, and the co-operation and partnership, both formal and informal, with other organisations who share ISA's charitable aims. Claire was also able to oversee the successful process to appointment a new Chief Executive to start from September 2020, following the announcement of the retirement, after Neil Roskilly's extremely successful decade at the helm. Claire has provided a huge amount for all ISA Members, supporting schools in a time of uncertainty in our sector. It is also particularly pleasing to once again note that ISA's Members from all types of schools have continued to develop relationships with state school neighbours. ISA Members' partnerships continue to be featured at www.schoolstogether.org, the website of SchoolsTogether, promoted by the Independent Schools Council and the Department for Education.

The Association continues to grow and has now more than doubled in membership over the last ten years. During 2019-20 the Association increased its membership from 515 as of 1 September 2019, to 534 Members at the end of the Association's year, a net increase of 19 Members and their schools. In the context of the challenging COVID environment this is an extremely heartening performance. The resulting additional funding has allowed the Association to further enhance its services to its Members, including a further expansion of our arts-based activities, as well as new sports competitions in the first half of the year at the national level for Members' schools. From March onwards, competitions switched to an online format as a result of COVID. I pay tribute also to our Regional Representatives who continue to assist Members in each of our seven Areas, through regular pastoral visits and telephone and Zoom support. Their work is part of ISA's agreed strategy to encourage all Members to access our full range of support services and events for children. We have also successfully introduced our online community for the rapid dissemination of vital information to Members and to answer their questions expertly and without delay.

ISA continues to promote participation in sport, seeking to engage more schools and more children in those schools through the extensive programme of competitions. Efforts have been made this year to provide events for a wider range of ages in the sports currently offered, as well as looking to introduce new sports to the programme. Physical education and sport are important components of any curriculum, we believe, as these promote resilience and positive self-believe, which in turn impacts positively upon academic attainment and wellbeing. Sport in schools contributes to healthy lifestyles and to good mental health, which has been a focus of our work throughout the year. Our approach is to promote participation for as many children as possible in sport, so that pupils of all ages benefit from learning to play as part of a team and gain confidence from overcoming the challenges that sport provides. We continue to work with national governing bodies in sport (NGBs) and other organisations to help further the development of physical activity for children in the UK. In 2019-20 ISA was able to successfully offer 27 national sporting competitions and 92 regional events. These would have been augmented by a further 17 national events and 61 regional events but for the limitations imposed by COVID-19. Despite the challenges, there were significant successes for the Association's sport offer. In the Big Channel Challenge pupils were challenged to collectively swim the distance of the English Channel and fundraise for disabled children's swimming lessons.

THE INDEPENDENT SCHOOLS ASSOCIATION

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

ISA organised U16 and U18 football trials on a regional basis with a final selection of pupils invited to a national event hosted by a panel of University and College recruiters from the USA. The national hockey events, hosted at the Lee Valley Olympic Stadium in London attracted over 50 schools, our highest number of participating schools yet.

Further to our work in sport, the Association continues to develop offering within the arts and encourages participation through competition and events in the fields of Drama, Music, Art and Creative Writing. We introduced for the first time this academic year the Public Speaking and Debating Competition (6 schools took part), the first A Cappella Competition (11 schools taking part with over 100 pupils), and the first ISA Young Musician Competition (54 schools taking part and over 100 pupils). Feedback for these events were really positive and ISA will bring back these opportunities for its Members again next year. The National Art Competition generated over 1,000 entries with 104 Schools participating. ISA also distributed over 700 copies of a full-colour brochure featuring every entry at the Final National Art Competition, to recognise pupils' achievements and to further encourage participation. ISA successfully ran the Dance Competition for the second year with over 300 pupils taking part. The Drama South Competition in March brought together over 500 pupils, although the Drama North Competition had to be cancelled due to the COVID-19. The Pandemic also meant that the National Choral Celebration had to be also postponed. In these challenging times it more crucial than ever to champion the arts given the fragility of the national arts and entertainment industries. Effort have been made this year to provide more online opportunities (existing or new), with the Shakespeare Monologue Competition (37 schools taking part), the Musical Theatre Competition (new for this academic year - 39 schools taking part), the Comic Strip Competition (new this year - 20 schools taking part) and the Poetry Competition (new this year - 38 schools taking part). Finally, the ISA Art Gallery has been curated to share all the artwork created by pupils during lockdown. This has allowed pupils to show how art can be used positively to reflect on these different times. We have encouraged pupils of all ages and abilities to take part and have seen a wide variety of work representing each of our lives and experiences.

Trustees believe that the breadth and accessibility of our artistic and sporting programmes demonstrate the public benefit that our work brings to the wider community. To also further this public aim, ISA has continued to encourage schools to work in partnership with state schools in sharing resources and establishing joint curriculum projects. Throughout 2019-20, ISA remained an active supporter of the Systems Partnership Unit at the Department for Education, further encouraging the creation of partnerships between state and independent schools often with the aim of promoting understanding and shared working for the benefit of pupils in both the state and independent education sectors. Further, ISA continues to provide expert advice on curriculum, examinations and assessment to several organisations, including all the main Examinations Awarding Bodies in England and WJEC/Eduqas in Wales, and to the regulator, Ofqual. ISA also advises governmental bodies on matters related to education.

We continue to provide low-cost training for teachers on all aspects of education, with 2019-20 seeing a continued emphasis on inspection, compliance and developing skills for school evaluation, in response to requests via our annual survey of Members' opinions. All our training events continue to be open to teachers from the state and independent sectors, and the charity does not differentiate between Members and non-members in its pricing structure, in line with its values. From March 2020 onwards our courses have switched from being delivered in person to delivery via Zoom. We have been able to reduce the price of attending due to savings on overheads and have been able to attract a significantly greater number of people. From a wider geographical sweep of schools, to take the courses. Our Autumn Study Conference was extremely successful, attracting a good number of delegates and receiving strong feedback from them. Unfortunately our Annual Conference, planned for May 2020, had to be cancelled due to COVID-19.

While this has been a strange year for everyone involved in the Association, I am pleased that ISA has been able to adapt to the new environment and to continue to provide expert advice and guidance to our members and across the educational sector. To find out more, visit our website at www.isaschools.org.uk.

THE INDEPENDENT SCHOOLS ASSOCIATION

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

Our purposes, activities and main objectives for 2019-20

THE OBJECT OF THE ASSOCIATION IS THE ADVANCEMENT OF EDUCATION BY FOSTERING THE HIGHEST POSSIBLE EDUCATIONAL STANDARDS IN INDEPENDENT SCHOOLS THROUGH THE PROMOTION OF FELLOWSHIP AND CO-OPERATION AMONG MEMBERS, ASSOCIATES AND AFFILIATES OF THE ASSOCIATION AND THROUGH CO-OPERATION WITH OTHER BODIES WITH SIMILAR CHARITABLE OBJECTS.

Trustees also confirm that they have complied with the duty in Section 4 of the 2006 Act and the 2011 Act to have regard to guidance on public benefit as published by the Charity Commission. In shaping our objectives for the year and planning our activities, the Trustees have considered the Charity Commission's guidance on public benefit, including "Public benefit: running a charity" (PB2).

The Association relies on the income foremost from subscriptions and secondly from training charges to cover its operating costs, with a minor contribution from sponsorship that contributes under 10% of gross income. Affordability and accessibility to our training, sports and other pupil programmes remain important considerations for Trustees. ISA encourages as many young people as possible to take part in our activities, and as many teachers as feasible to take advantage of our highly-quality training events at ISA House in Great Chesterford, at venues across the country, and – since March 2020 – online via Zoom. The Association is keen to encourage teachers from a wide variety of schools, both state and independent, to attend our courses and we deliberately keep costs low to encourage participation. A full day's training with expert tuition in small groups and all materials cost £175 this year, with substantial reductions for a second delegate from the same institution. Our online courses cost £120 per delegate. Our approach to inclusive participation is embedded within our wider strategies employed to achieve the charity's aims and objectives. Specifically, in 2019-20 these were to:

- offer an even wider range of sports, arts and competitions for schoolchildren of all ages, at no additional cost to Members and their schools, with emphasis on participation and enjoyment. As well as adding new events to the sporting calendar, the Association's aim was to widen the participatory age ranges in our most popular sports;
- present a wide range of high quality and inexpensive training opportunities for teachers at accessible venues across the country, including ISA's main training suite in Great Chesterford near Cambridge. Courses are offered at the same cost for all participants, irrespective of membership or background. To keep costs low for participants, ISA aimed to utilise as many school venues as possible within its training programme;
- provide immediate expert advice to schools across the country, via email and telephone support, while further developing its vibrant online community;
- provide expert and free (and confidential, where required) advice for parents on all aspects of education;
- to develop new and to strengthen existing links with charities with similar objects, and other bodies and organisations working on behalf of children, including overseas, particularly where we can provide support and expertise.

Strategies for Achieving our Objectives

In putting these strategies into action throughout 2019-20, we have identified three major areas of activity:

1. Training events, including courses on all aspects of education, and conferences that feature expert speakers and practical breakout sessions;
2. Sports and arts-related events that encourage as many young people and schools as possible to take part; and,
3. Expert advice on all aspects of education for Members' schools, parents and the wider community.

THE INDEPENDENT SCHOOLS ASSOCIATION

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

Training Events

Our Autumn Study Conference each year aims to enhance pedagogy among senior leadership teams and the November 2019 event brought together 115 delegates from across our Members' schools. The conference also features ISA's annual awards ceremony, which recognises and celebrates best practice in schools across the country, particularly in areas such as mental health, sports and the arts. Categories for entry are reviewed annually to ensure relevancy to our schools and to the education sector as a whole. The Proprietors Conference in November 2019 had the highest number of delegates yet, with 62 attending for the day. This was partly due to it having a focus on Brexit and being free. Our January 2020 Heads Induction Conference welcomed 68 new Members to train for the challenges of leading a school in uncertain times.

In addition to our programme of conferences, in 2019-20 ISA offered 84 training days to schools across the country. The range of topics covered, as usual, was broad and reflected the needs of Members and staff from their schools, with much of the programme developed through direct feedback. Inspection courses continued to be popular, but teaching and learning, and general leadership courses also had a lot of interest and high numbers of bookings. The end of the year changed quite dramatically, with all courses from mid March being cancelled, at quite short notice. We ended up running 12 courses in the summer term, all online, but they offered great insight for planning the following year's professional development programme, which, so far, has all been online. We reduced the price of courses to just £75 (a significant reduction from £175) and the feedback from delegates was very positive.

Support for Parents, Schools of All Types, Charities with Similar Objects and the Wider Community

ISA seeks to provide free and impartial educational advice not just to Members but to schools of all types and to parents who often seek advice on areas such as SEN(D) provision and school admissions. ISA's representatives also assist governmental agencies and NGOs working in education. In 2019-20 this included working with the Department for Education at ministerial level on maintaining high quality education during the period of COVID-19 pandemic and the promotion of independent-state school partnerships, with each of the examinations awarding bodies (including Pearson, WJEC/Eduqas and AQA, and the regulator Ofqual) on examination reform and quality of marking, and with the inspectorates (particularly the Independent Schools Inspectorate) on compliance and regulation, as well as providing responses as part of official government consultations. During this year we have maintained our work with organisations that promote safeguarding and child protection in schools, such as the community interest company Freedom from Abuse, and with bodies supporting mental health such as MindEd and Beat Eating Disorders (BEAT) where ISA has provided expertise at board level.

In addition to our work on child protection and mental health, and again in line with our charitable objects, we have continued to work with related charities, including: We (formerly Free the Children), which builds sustainable communities in places like Ecuador, Kenya and India) and provides important curriculum programmes for schools; Child Bereavement UK (supporting children where one or more parents have passed away); Debra (a national charity that supports patients affected by Epidermolysis Bullosa); United World Schools (building schools in remote locations in some of the world's poorest countries) and Beanstalk (a literacy charity that trains volunteers, including older school children, to work in primary schools with children who have fallen behind with their reading). All of ISA's charity partners are promoted by us and receive free places at our events and exhibitions.

The Association's Honorary President, Lord Lexden, speaks in parliament on educational and related matters such as equalities legislation, including in 2019-20 on special educational needs (October 2019 and March 2020), social mobility (January 2020), looked after children and boarding schools (February 2020), eating disorders and children (January and February 2020), choral music and singing (July 2020), partnerships work between the sectors (January and July 2020), child sexual abuse (June 2020), civil partnerships (November 2019), education funding (September 2019), childcare support during COVID-19 (March 2020) and opening of schools, COVID-19 (June and July 2020). Lord Lexden hosted the inauguration of Claire Osborn as Chair in September 2019, and hosted ISA's two academic awards for outstanding achievement by pupils at ISA schools.

THE INDEPENDENT SCHOOLS ASSOCIATION

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

Sports, the Arts and other Competitions

ISA strongly advocates for a broad range of curriculum experiences, particularly in the arts where many children go on to enjoy productive careers in the UK's creative industries. Our events in the expressive and fine arts help develop pupils' self-confidence and expression across the range of arts, from dramatic performance, two-dimensional and three-dimensional arts (including textiles and sculpture), as well as in areas such as creative writing. Given the ability of these sometimes-marginalised curriculum areas to raise confidence and attainment, as well as enhancing communication and expression, ISA encourages participation from children with special educational needs and disabilities. ISA's membership includes schools that specialise in SEN(D) and many use arts therapeutically to build confidence, often achieving impressive results in public examinations given the initial challenges often faced. Both local (Area) and national events are offered, so children from a wide ability range and a variety of backgrounds can represent their schools. Each of ISA's seven Areas across England and Wales arranges local arts competitions, sometimes with public display, presenting opportunities for pupils to have their work viewed outside of their school environment.

The Association's annual creative writing competition also includes the opportunity for schools to promote creative work, with winners often featured in the Association's magazine, the ISA Journal, with over 2,000 copies now distributed without cost across the wider educational community. The success of our Arts provision can be seen from the volume of entries for our competitions: there were over 1,000 entries for our National Art Competition, over 500 pupils in the Drama South competition (and many more were due to participate in the Drama North competition before it was cancelled due to COVID-19), and over 300 entries to the Dance competition. While COVID-19 did have a significant impact on the way in which we were able to deliver our Arts offer in the second half of the year, we were pleased that we were able to continue to offer an extensive range of competitions online.

While many pupils do have access to traditional team-sports, we recognise that children involved in individual pursuits often miss the chance for representation and so we have striven to provide a wide range of sports events for pupils to be involved in. In 2019-20 the impact of COVID-19 meant that events in the second half of the year had to be suspended, although we were pleased with the wide range of popular competitions that were delivered before this.

Financial review

2019-20 has been another good year financially for the Association, delivering an increasing range of services to Members and to budget. Having fulfilled the stated reserves policy, Trustees established the aim for the Association to break-even over all activities during 2019-20; this goal was once again exceeded. This was particularly encouraging given the challenges represented by COVID-19 and its impact on member schools.

Key financial achievements for 2019-20 included a 11% increase in subscription income and the continuing success of a small trading subsidiary, ISA Trading Ltd, which again reports within these consolidated accounts. Reflecting a net increase in membership of 19 over the previous twelve months, ISA's income from charitable activities rose by £12,602 during 2019-20 (2018-19 - £79,902), while expenditure on those activities increased by £58,242 (2019 - £81,223), the latter manifesting trustees' investment in areas such as staffing. Income from the Association's professional development activities fell by £106,846 (2019 - £14,007) compared to the preceding twelve months, suggesting an exceptional previous year rather than a trend away from face-to-face training. Direct staff costs increased by 21%, reflecting cost-of-living and performance increases awarded, as well as further staff appointments to support the agreed strategy, particularly in the arts. Signifying this priority, wages as a proportion of total income increased, to 57% in this accounting period. Trustees are pleased that any cost increases continue to reflect the increasing scale of operation.

The Association does not engage in grant-making activities.

THE INDEPENDENT SCHOOLS ASSOCIATION

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

The Independent Schools Association (Trading) Ltd – operation and financial review

Independent Schools Association (Trading) Limited, was established on 31 August 2016 (Company number 10352253) as a private limited support services company and it currently processes ISA's Gold Supplier scheme, comprising companies that we promote to our Members and who, in turn, support the Association. Three of ISA's Trustees are also directors of The Independent Schools Association (Trading) Ltd. External companies joining the scheme cover many of the common trading activities of Members' schools, including banking, insurances and IT provision. In return for an agreed fee, Gold Suppliers attend our events and are promoted to Members via our meetings and newsletters. ISA Trading Ltd reports under the small companies' exemptions as part of Section 415A of the Companies Act 2006 and returned an operating profit after taxation of £77,820 (2019 - £65,253), an increase on the previous year. The trading company's administrative expenses remain stable and represent just over 6% of turnover.

Investment powers, policy and investment performance in 2019-20

The Trustees, having regard to the liquidity requirements of operating the charity, sweep funds into an interest-bearing liquidity account daily. Deposit interest rates remain unfavourable and so Trustees' longer-term aim of earning interest to match or exceed movements in the retail prices index (RPI) was again frustrated in 2019-20, with RPI at 2.8% in the twelve months to 31 August 2020. Bank interest realised at £11,418 (2019 - £447) and was an increase on the previous year. The Association's Finance Committee reviewed this performance and renewed its investment strategy as detailed below.

Reserves policy and going concern

Trustees recognise that reserves are needed to bridge the gap between the spending and receiving of income and to cover unplanned emergency repairs and other expenditure. Given that the charity owns its buildings, has no mortgages or loans, and holds restricted/unrestricted funds at a ratio of 1:17.3 (up from 1:16 in the previous year), Trustees take the view that reserves are currently more than sufficient for the stated purpose. Professional fees and non-cancellable operating leases remain minimal. Cash-flow remained positive in each month, augmented by a regular influx of new Members throughout the year. The association maintains a reserve balance at a minimum of £320,000 in easy access/short-term funds to cover its contractual obligations for both the Charity and its subsidiary which is currently regarded as three months.

Plans for future periods

The Association has been operating under a strategic plan for 2016-21 agreed by Trustees. A new five year plan is therefore currently being developed. A new Chief Executive was appointed to take on the role from September 2020 and is part of developing the new strategic plan.

In 2020-21 the Association is balancing its focus on completing the final year of the 2016-21 strategic plan with the inevitable requirement to adapt in the face of the COVID-19 crisis. The Association is maintaining the quality and range of what it offers to members while all employees are largely working from home, although we intend to return to ISA House in accordance with Government guidance and when it is safe to do so. ISA is delivering the full programme of conferences and training courses online, and looking to make a virtue out of this requirement by seeking to expand the numbers attending events now that geography and travel times are not an issue. ISA's arts provision has also been moved online with each of the competitions adapted where possible to work in these new circumstances. We seek to continue to expand and diversify our arts programmes to involve more schools and more children in those schools. COVID-19 has a significant impact on ISA's sports provision with the competitions that we have run in previous years not possible in current circumstances. ISA has been developing new events and challenges where pupils can compete online. We will develop these approaches while also planning for a resumption of our traditional sports competitions once COVID-19 allows.

THE INDEPENDENT SCHOOLS ASSOCIATION

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

There remains a focus on continuing membership growth while maintaining high Membership satisfaction. Trustees recognise that the Association is not required to add to reserves but will continue to enhance services to support Members and their schools, and the wider education community in general, while also ensuring that the Association runs efficiently. As part of the five-year plan ISA has worked to strengthen the links between ISA's HQ and its seven Areas around the country, including substantial grants to support the professional development of Members in those regions. All Members will continue to receive an expert-led compliance audit in the run-up to their next scheduled inspection. ISA plans to use its moderated online community based on the Discourse platform to encourage greater peer networking and peer support among members, and to use it to keep members updated and engaged with changing guidance from the Department for Education. ISA is expanding its network of strategic links with similar organisations overseas, developing relations with organisations in Australia, New Zealand, South Africa, Canada, and the USA in addition to the relationships already formed with those in other countries.

Looking further forward, ISA is prioritising the development of even stronger links with similar charities and education-based organisations, both in the UK and beyond; the further enhancement of support for ISA's seven Areas around the country, particularly in the area of professional development and training; an increase in the knowledge of comparative educational systems through direct research where this can benefit children in ISA Members' schools; to further enhance our training for teachers and headteachers, particularly in the areas of mental health and pupil welfare; and to widen and deepen opportunities for children, including those with additional educational needs, in the fine and performing arts, as well as in sports.

Governing Document

(1) The Independent Schools Association is a company limited by guarantee and governed by its Memorandum and Articles incorporated 06/11/1895, as amended by certificate of incorporation on change of name dated 24/05/1996 as amended by special resolution(s) dated 05/03/2011 as amended by special resolution(s) dated 01/10/2014 as registered at Companies House on 17/10/2014 as amended by special resolution(s) dated 03 December 2016.

Appointment of Trustees, organisation and duties

As set out in the Articles of Association, the Chair of the Trustees is nominated by the Executive Council for approval by Members at the Annual General Meeting in May, with term of office commencing 01 September. Members may also nominate other Members for election as Chair or as one of 14 Elective Councillors, one third of whom retire annually. ISA's Trustees also consist of seven Area Co-ordinators elected by each of ISA's Areas, plus up to five Vice-Presidents and three Honorary Officers, including the Chair and Vice-Chairs of the Association. ISA's Honorary President is not a Trustee of the Association. When considering co-opting Trustees, the Board has regard to the requirement for any specialist skills needed, but has not exercised this right in recent years and remains content with the range of expertise on the Council. The Executive Council (Board) normally meets three times annually and during 2019-20 there were sub-committees covering finance, education, inspections and membership, the latter considering all new applicants for election to membership, subject to subsequent Executive approval. A Chief Executive is appointed by the Trustees to manage the day-to-day operations of the charity, to advise the Board and its committees on educational and financial matters, and to advise Members across the country on matters that affect their operation. The Chief Executive has delegated authority, within terms of delegation approved by the Trustees, for operational matters including the Association's finance, employment and membership services.

Trustee induction and training

New Trustees are briefed on their legal obligations under charity and company law, the Charity Commission guidance on public benefit, and informed of the content of the Memorandum and Articles of Association, the committee and decision-making processes, the current strategic objectives and the recent financial performance of the charity. Trustees are also encouraged to attend appropriate external training events where these will enhance the undertaking of their roles. It is emphasised to trustees that their approach to governance is underpinned by the Seven Principles of Public Life ("The Nolan Principles"), as these resonate with the service-led values of the Association.

THE INDEPENDENT SCHOOLS ASSOCIATION

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

Related parties and co-operation with other organisations

Any connection between a Trustee and another Member, exhibitor, or outside body must be disclosed to the full Board of Trustees in the same way as any other contractual relationship with a related party. In the current year no such related party transactions were reported. During the year, Trustees' travel expenses totalled £9,277 (2019 - £10,466), representing less than 1% of income. A small number of Trustees claimed consultancy fees as outlined in Note 14, commissioned by the Association in direct support of Members and only where trustees' expertise was deemed both greater and less expensive than that commercially available, to the direct benefit of our Members. The Association is one of the five headteachers' associations that sit alongside representatives from independent school bursars and governors under the umbrella of the Independent Schools Council (ISC). The Chief Executive meets with his counterparts at these associations every month and Trustees offer their services as Board members for the ISC, The Boarding Schools Association, and the Independent Schools Teachers Induction Panel (ISTip). The Association has considerable links with other organisations and charities, to enhance its own expertise for the direct benefit of Members, and to help contribute to the wider educational health of the nation.

Pay policy for senior staff

The pay of the senior staff is reviewed annually and normally increased in accordance with average earnings, plus any performance uplift, on agreed scales. The directors do not currently benchmark against pay levels in other associations that form part of the Independent Schools Council, or via associations supporting members outside of independent education, but base remuneration on performance and Member satisfaction. The CEO pay is signed off by both the Chair and the Chair of Finance Committee.

Risk management

The Trustees have a risk management strategy which encompasses a regular review of the risk and issues log collated by the Chief Executive; the establishment of policies, systems and procedures to mitigate those risks identified (including finance); and the implementation of procedures designed to minimise or manage any potential impact on the charity should those risks materialise. This work has again identified that the increased burden faced by Members of inspection and compliance is the major financial risk for the charity, as Members who suffer from reputational damage following an inspection are at risk of closure. The continuing economic uncertainty faced by private businesses throughout the UK also remains a significant challenge to schools and, if resulting in closure, potentially threatens the Association's income. The Association recognises that recent changes to teachers' pension arrangements and possible changes to local business rates will serve to augment operating pressures for Members. The Association itself mitigates through continuing growth in membership and prudent financial management. The Association's internal cost control measures are regarded as robust and are reviewed at least annually.

The below key risks have been assessed and mitigated by the Board of Trustees:

Reputational damage to Sector

Mitigated by close work with ISC and other Associations to ensure a united sector public position and strong sector representation in Westminster and Whitehall.

Participation in regular cross Association comms group.

Monthly participation in ISC Execs meetings.

Liquidity problems

Mitigated by regular monitoring of situation in ISA schools and in year flexibility to adapt to changing demand.

THE INDEPENDENT SCHOOLS ASSOCIATION

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

Financial risk

Mitigated by the following steps:

- Un-budgeted spending has to be justified
- Approval Max used to ensure all spending is appropriately approved
- Budget approved through ExCo
- Scrutiny of financial activity at FinCom, GPC, and ExCo
- ISA banks with a reputable and longstanding bank
- Savings held in a different (reputable and longstanding) bank.

Hostile political environment

Mitigated by close work with ISC in this area and ISC's work is monitored and held to account through ISC Board meetings on which there are two individuals nominated by ISA.

Hostile economic environment

Mitigated by sensitivity to challenging context for member schools. A freeze in subscription price increases this year and change in subscription calculation this year to charge based on a lower of January or September pupil headcount.

Fundraising policy

The Charity understands its duty to protect the public, including vulnerable people, from unreasonable intrusive or persistent fundraising approaches, and undue pressure to donate but does not currently fundraise from the public or use any internal fundraisers or external fundraising agencies for either telephone or face to face campaigns and received no fundraising complaints during the year.

Covid-19 Control Measures

Trustees have reviewed the implications of Covid-19 on the activities of the charity and have agreed the following. ISA's income is largely subscription-based and does not rely on more variable voluntary donations. Subscriptions are based on the number of pupils on roll at each school. For the year following this report, the subscriptions have been based on a more recent measure of numbers on roll for those schools who have seen significant reductions in the number of pupils. In addition the rate of subscriptions has been frozen for 2020-21. Despite this, the amount of subscription income likely to come in during 2020-21 is comparable to that which was initially budgeted for 2019-20 and only slightly down on the actual subscription income in 2019-20. The impact of different levels of lockdown due to COVID-19 means reduced costs for the Association in terms of spending on in-person conferences, sport events, in-person training events, along with other costs such as travel. This means that as long as COVID-19 does not significantly reduce the Association's primary source of income, viz members paying subscription fees, periods of lockdown do not directly lead to a critical financial situation. Trustees are therefore not anticipating any staff redundancies or reduction in services for members throughout 2020-21. As reported above, investments are in interest-bearing accounts and not equities, and returns are still expected to rise in 2020-21 and beyond. Overall, trustees' analysis of the long-term impact of Covid-19 shows that the charity remains robust and healthy.

In preparing this report, the Trustees have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

By order of the Board of Trustees

J Shaw

Vice Chair of Trustees

Date: 14 May 2021

THE INDEPENDENT SCHOOLS ASSOCIATION

STATEMENT OF TRUSTEES' RESPONSIBILITIES FOR THE YEAR ENDED 31 AUGUST 2020

The Trustees (who are also the directors of the Company for the purposes 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. 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 Group and the Company and of their incoming resources and application of resources, including their 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 (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the 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 Group and the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by order of the members of the board of Trustees on _____ and signed on its behalf by:

14 May 2021



J Shaw
Vice Chair of Trustees

THE INDEPENDENT SCHOOLS ASSOCIATION

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE INDEPENDENT SCHOOLS ASSOCIATION

Opinion

We have audited the financial statements of The Independent Schools Association (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 August 2020 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Company Balance Sheet, the Consolidated Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent charitable company's affairs as at 31 August 2020 and of the Group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 Auditors' 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 United Kingdom, including the Financial Reporting Council's Ethical Standard, 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group's or the parent charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

THE INDEPENDENT SCHOOLS ASSOCIATION

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE INDEPENDENT SCHOOLS ASSOCIATION (CONTINUED)

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. 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.

In connection with our audit of the financial statements, 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 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.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the 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.
- 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 our knowledge and understanding of the 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 in relation to which Companies Act 2006 requires us to report to you if, in our opinion:

- the parent charitable company has not kept adequate and sufficient accounting records, 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
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' Report and from the requirement to prepare a Strategic Report.

THE INDEPENDENT SCHOOLS ASSOCIATION

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE INDEPENDENT SCHOOLS ASSOCIATION (CONTINUED)

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement, the Trustees (who are also the directors of the charitable company 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, 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 and the parent charitable company'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 the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditors' 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 Auditors' 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body. Our audit work has been undertaken so that we might state to the charitable company'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 charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Helena Wilkinson
Senior Statutory Auditor
for and on behalf of
Price Bailey LLP
Chartered Accountants
Statutory Auditors
Causeway House

1 Dane Street
Bishop's Stortford
Hertfordshire
CM23 3BT

Date: 14 May 2021

THE INDEPENDENT SCHOOLS ASSOCIATION

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND
EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2020**

	Note	Unrestricted funds 2020 £	Total funds 2020 £	As restated Total funds 2019 £
Income from:				
Charitable activities	4	1,041,198	1,041,198	1,080,882
Other trading activities	5	84,352	84,352	70,843
Investments	6	10,294	10,294	355
Other income		52,286	52,286	-
Total income		<u>1,188,130</u>	<u>1,188,130</u>	<u>1,152,080</u>
Expenditure on:				
Raising funds		6,532	6,532	5,590
Charitable activities		1,199,856	1,199,856	1,098,676
Total expenditure		<u>1,206,388</u>	<u>1,206,388</u>	<u>1,104,266</u>
Net movement in funds		<u>(18,258)</u>	<u>(18,258)</u>	<u>47,814</u>
Reconciliation of funds:				
Total funds brought forward		1,202,343	1,202,343	1,154,529
Total funds carried forward		<u>1,184,085</u>	<u>1,184,085</u>	<u>1,202,343</u>

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

The notes on pages 20 to 36 form part of these financial statements.

THE INDEPENDENT SCHOOLS ASSOCIATION
REGISTERED NUMBER: 0045867

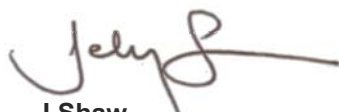
CONSOLIDATED BALANCE SHEET
AS AT 31 AUGUST 2020

	Note	2020 £	As restated 2019 £
Fixed assets			
Tangible assets	15	505,056	507,187
Investments	16	-	752
		<u>505,056</u>	<u>507,939</u>
Current assets			
Stocks	18	5,254	5,254
Debtors	19	98,623	44,084
Cash at bank and in hand		833,816	777,553
		<u>937,693</u>	<u>826,891</u>
Creditors: amounts falling due within one year	20	(258,664)	(132,487)
Net current assets		<u>679,029</u>	<u>694,404</u>
Total net assets		<u><u>1,184,085</u></u>	<u><u>1,202,343</u></u>
Charity funds			
Restricted funds	22	-	-
Unrestricted funds	22	1,184,085	1,202,343
Total funds		<u><u>1,184,085</u></u>	<u><u>1,202,343</u></u>

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

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

The financial statements were approved and authorised for issue by order of the Board of Trustees on 14 May 2021 and signed on their behalf by:



J Shaw
(Vice Chair of Trustees)

The notes on pages 20 to 36 form part of these financial statements.

THE INDEPENDENT SCHOOLS ASSOCIATION
REGISTERED NUMBER: 0045867

COMPANY BALANCE SHEET
AS AT 31 AUGUST 2020

	Note	2020 £	As restated 2019 £
Fixed assets			
Tangible assets	15	505,056	507,187
Investments	16	1	753
		<u>505,057</u>	<u>507,940</u>
Current assets			
Stocks	18	5,254	5,254
Debtors	19	66,834	21,733
Cash at bank and in hand		797,137	744,542
		<u>869,225</u>	<u>771,529</u>
Creditors: amounts falling due within one year	20	(240,280)	(130,657)
		<u>628,945</u>	<u>640,872</u>
Net current assets			
		<u>1,134,002</u>	<u>1,148,812</u>
Total net assets			
		<u>1,134,002</u>	<u>1,148,812</u>
Charity funds			
Unrestricted funds	22	1,134,002	1,148,812
		<u>1,134,002</u>	<u>1,148,812</u>
Total funds			
		<u>1,134,002</u>	<u>1,148,812</u>

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

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

The financial statements were approved and authorised for issue by order of the Board of Trustees on 14 May 2021 and signed on their behalf by:



J Shaw
(Vice Chair of Trustees)

The notes on pages 20 to 36 form part of these financial statements.

THE INDEPENDENT SCHOOLS ASSOCIATION

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2020**

	2020 £	As restated 2019 £
Cash flows from operating activities		
Net cash used in operating activities	53,697	49,094
	<hr/>	<hr/>
Cash flows from investing activities		
Dividends, interests and rents from investments	11,418	447
Purchase of tangible fixed assets	(9,604)	(12,721)
Proceeds from sale of investments	752	-
	<hr/>	<hr/>
Net cash provided by/(used in) investing activities	2,566	(12,274)
	<hr/>	<hr/>
Change in cash and cash equivalents in the year	56,263	36,820
Cash and cash equivalents at the beginning of the year	777,553	740,733
	<hr/>	<hr/>
Cash and cash equivalents at the end of the year	833,816	777,553
	<hr/> <hr/>	<hr/> <hr/>

The notes on pages 20 to 36 form part of these financial statements

THE INDEPENDENT SCHOOLS ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

1. General information

The Independent Schools Association is a charity, incorporated in England and Wales. Its Registered Office is ISA House, Great Chesterford Court, Great Chesterford, Saffron Walden, Essex, England, CB10 1PF. Its Registered Number is 00045867 Charity number 1158943.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - 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 Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Independent Schools Association meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The Consolidated Statement of Financial Activities (SOFA) and Consolidated Balance Sheet consolidate the financial statements of the Company and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

The Company and group's functional and presentational currency is pound sterling.

2.2 Going concern

The Trustees consider that there are no material uncertainties about the charitable company and its subsidiary (the group) ability to continue as a going concern.

Following the World Health Organisation's declaration of COVID-19 as an international pandemic in March 2020 and the subsequent restrictions imposed by the UK government, ISA Group has been affected in a number of ways and following measures have been taken to date:

- Office closures and use of the Coronavirus Job Retention Scheme
- A move from face-to-face courses to online courses
- Cancellation of the annual conference meeting.

The Trustees believe that the forecasted results and good level of cash flow of the charity together with the measures taken to date will enable the charity to continue as a going concern and, as a result, do not include any adjustments that would result if the charity was not able to continue as a going concern.

THE INDEPENDENT SCHOOLS ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

2. Accounting policies (continued)

2.3 Income

All income is recognised once the Company and group has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the Consolidated 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.

Other income 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.

2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Group's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

2.5 Tangible fixed assets and depreciation

Tangible fixed assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, .

Depreciation is provided on the following basis:

Freehold property	-	2% to an estimated residual value of £490,000
Fixtures and fittings	-	25% reducing balance

THE INDEPENDENT SCHOOLS ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

2. Accounting policies (continued)

2.6 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance Sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Consolidated Statement of Financial Activities.

Investments in subsidiaries are valued at cost less provision for impairment.

2.7 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

2.8 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.9 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.10 Liabilities

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

2.11 Financial instruments

The charity and group have financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their fair value as at the balance sheet date. All financial instruments of the charity and group are measured at cost with the exception of investments in the charity's portfolio, which are measured at fair value as at the balance sheet date using the closing market value. The value of investments as well as their original cost is stated in note .

Financial assets include investments in the portfolio, the bank balances, trade debtors, accrued income and other debtors but exclude prepayments and taxation.

Financial liabilities include trade creditors, other creditors, accruals and deferred income but exclude social security and other taxes due.

2.12 Operating leases

Rentals paid under operating leases are charged to the Consolidated Statement of Financial Activities on a straight line basis over the lease term.

THE INDEPENDENT SCHOOLS ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

2. Accounting policies (continued)

2.13 Pension costs

The charity operates a defined contribution pension scheme for employees. These assets of the scheme are held separately from those of the charity. The annual contributions payable are charged to the statement of financial activities. The charity also makes contributions into individual's own personal pension arrangements.

2.14 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Group and which have not been designated for other purposes.

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

3. Critical accounting estimates and areas of judgment

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The Trustees make estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. There are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

4. Income from charitable activities

	Unrestricted funds 2020 £	Total funds 2020 £
Subscriptions received	764,910	764,910
Conference and course income	272,507	272,507
Other income	3,781	3,781
	<u>1,041,198</u>	<u>1,041,198</u>

THE INDEPENDENT SCHOOLS ASSOCIATION

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

4. Income from charitable activities (continued)

	Unrestricted funds 2019 £	Total funds 2019 £
Subscriptions received	690,975	690,975
Conference and course income	379,353	379,353
Other income	10,554	10,554
	<u>1,080,882</u>	<u>1,080,882</u>

5.

Income from non charitable trading activities

	Unrestricted funds 2020 £	Total funds 2020 £
Sponsorship fees	<u>84,352</u>	<u>84,352</u>

	Unrestricted funds 2019 £	Total funds 2019 £
Sponsorship fees	<u>70,843</u>	<u>70,843</u>

6. Investment income

	Unrestricted funds 2020 £	Total funds 2020 £
Bank interest receivable	<u>10,294</u>	<u>10,294</u>

THE INDEPENDENT SCHOOLS ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

6. Investment income (continued)

	Unrestricted funds 2019 £	As restated Total funds 2019 £
Bank interest receivable	355	355
	<u>355</u>	<u>355</u>

7. Other income resources

	Unrestricted funds 2020 £	Total funds 2020 £
Brexit Preparation grant	26,348	26,348
Coronavirus Job Retention Scheme	25,938	25,938
	<u>52,286</u>	<u>52,286</u>

THE INDEPENDENT SCHOOLS ASSOCIATION

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

8. Costs of Charitable activities by activity type

	Direct costs 2020 £	Support costs 2020 £	Total funds 2020 £
Advancement of education	330,246	869,610	1,199,856

Included in Direct costs are Grants to institutions of £50,000 (2019: £Nil).

	As restated Direct costs 2019 £	As restated Support costs 2019 £	As restated Total funds 2019 £
Advancement of education	371,007	727,669	1,098,676

9. Analysis of expenditure for raising funds

	Unrestricted funds 2020 £	Total funds 2020 £
Administration costs for preferred suppliers	6,532	6,532

	Unrestricted funds 2019 £	Total funds 2019 £
Administration costs for preferred suppliers	5,590	5,590

THE INDEPENDENT SCHOOLS ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

10. Analysis of support costs

	Support 2020 £	Governance 2020 £	Total funds 2020 £
Staff costs	676,920	-	676,920
Premises costs	22,478	-	22,478
Other costs	147,885	-	147,885
Audit and accountancy	-	8,664	8,664
Legal and professional	-	1,928	1,928
Depreciation	11,735	-	11,735
	<u>859,018</u>	<u>10,592</u>	<u>869,610</u>

	As restated Support 2019 £	Governance 2019 £	As restated Total funds 2019 £
2019			
Staff costs	557,860	-	557,860
Premises costs	18,748	-	18,748
Other costs	124,331	-	124,331
Audit and accountancy	-	8,017	8,017
Legal and professional	-	6,460	6,460
Depreciation	12,253	-	12,253
	<u>713,192</u>	<u>14,477</u>	<u>727,669</u>

11. Auditors' remuneration

	2020 £	2019 £
Fees payable to the Company's auditor for the audit of the Company and Subsidiary's annual accounts	7,795	6,711
Fees payable to the Company's auditor in respect of: All non-audit services not included above	<u>1,265</u>	<u>1,306</u>

THE INDEPENDENT SCHOOLS ASSOCIATION

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

12. Net income/(expenditure) for the year

	2020 £	2019 £
This is stated after charging:		
Operating lease rentals - Equipment	-	4,228
Depreciation	11,735	12,253
Disposal of investment	752	-
	<u>752</u>	<u>-</u>

13. Staff costs

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Wages and salaries	564,562	472,877	564,562	472,877
Social security costs	50,654	43,787	50,654	43,787
Contribution to defined contribution pension schemes	61,704	41,196	61,704	41,196
	<u>676,920</u>	<u>557,860</u>	<u>676,920</u>	<u>557,860</u>

The average number of persons employed by the Company during the year was as follows:

	Group 2020 No.	Group 2019 No.	Company 2020 No.	Company 2019 No.
Management	20	19	20	19

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	Group 2020 No.	Group 2019 No.
In the band £120,001 - £130,000	-	1
In the band £140,001 - £150,000	1	-

The key management personnel of the charity comprise of the Chief Executive and the Deputy Chief Executive of The Independent Schools Association. The total employee benefits of the key management personnel of the Charity were £252,340 (2019: £186,790).

THE INDEPENDENT SCHOOLS ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

14. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration (2019 - £NIL).

During the year ended 31 August 2020, expenses totalling £9,277 were reimbursed or paid directly to 22 Trustees (2019 - £10,466 to 29 Trustees). The expenses related to travel reimbursements.

2 Trustees (2019: 2) claimed fees for educational consultancy which is not included in the above, under the authority of the Articles of Association as follows:

	2020 £	2019 £
John Wood	6,550	9,000
Stephen McKernan	1,000	1,000
	<u>7,550</u>	<u>10,000</u>

Other related party transactions are disclosed within Note 29 of the financial statements.

15. Tangible fixed assets

Group and Company

	Freehold property £	Fixtures and fittings £	Total £
Cost or valuation			
At 1 September 2019	499,855	71,174	571,029
Additions	-	9,604	9,604
At 31 August 2020	<u>499,855</u>	<u>80,778</u>	<u>580,633</u>
Depreciation			
At 1 September 2019	10,588	53,254	63,842
Charge for the year	-	11,735	11,735
At 31 August 2020	<u>10,588</u>	<u>64,989</u>	<u>75,577</u>
Net book value			
At 31 August 2020	<u>489,267</u>	<u>15,789</u>	<u>505,056</u>
At 31 August 2019	<u>489,267</u>	<u>17,920</u>	<u>507,187</u>

THE INDEPENDENT SCHOOLS ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

16. Fixed asset investments

	Unlisted investments £
At 1 September 2019	752
Disposals	(752)

Net book value

At 31 August 2019	<u>752</u>
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Company	Investments in subsidiary companies £	Unlisted investments £	Total £
Cost or valuation			
At 1 September 2019	1	752	753
Disposals	-	(752)	(752)
At 31 August 2020	<u>1</u>	<u>-</u>	<u>1</u>
Net book value			
At 31 August 2020	1	-	1
At 31 August 2019	<u>1</u>	<u>752</u>	<u>753</u>

THE INDEPENDENT SCHOOLS ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

17. Principal subsidiaries

The following were subsidiary undertakings of the Company:

Names	Company number	Registered office or principal place of business	Principal activity
The Independent Schools Association (Trading) Limited 2020 results	10352253	ISA House, 5-7 Chesterford Course, Great Chesterford, Saffron Walden, CB10 1PF.	Educational support services
Class of shares	Holding	Included in consolidation	
Ordinary	100%	Yes	

The financial results of the subsidiaries for the year were:

Names	Income £	Expenditure £	Profit/(Loss)/ Surplus/ (Deficit) for the year £	Net assets £
The Independent Schools Association (Trading) Limited 2020 results	84,352	(6,532)	77,820	50,084
The Independent Schools Association (Trading) Limited 2019 results	70,843	(5,094)	5,590	53,531

18. Stocks

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Finished goods and goods for resale	5,254	5,254	5,254	5,254

19. Debtors

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Due within one year				
Trade debtors	69,964	38,980	38,176	16,629
Other debtors	45	80	45	80
Prepayments and accrued income	28,614	5,024	28,613	5,024
	98,623	44,084	66,834	21,733

THE INDEPENDENT SCHOOLS ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

20. Creditors: Amounts falling due within one year

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Trade creditors	45,791	20,798	45,125	20,798
Amounts owed to group undertakings	-	-	35,366	38,737
Other taxes and social security costs	20,778	-	20,778	-
Other creditors	102,236	61,204	102,236	61,204
Accruals and deferred income	89,859	50,485	36,775	9,918
	<u>258,664</u>	<u>132,487</u>	<u>240,280</u>	<u>130,657</u>
	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Deferred income at 1 September 2019	38,948	31,020	1,950	7,320
Resources deferred during the year	74,035	38,948	26,825	1,950
Amounts released from previous periods	(38,948)	(31,020)	(1,950)	(7,320)
Deferred income at 31 August 2020	<u>74,035</u>	<u>38,948</u>	<u>26,825</u>	<u>1,950</u>

21. Prior year adjustments

A prior year adjustment has been posted to remove the restricted Deakins Funds. The impact of this adjustment to 2019 has resulted in a decrease in restricted funds brought forward of £70,292, a reduction in income of £92 and a reduction of expenditure of £1,031.

THE INDEPENDENT SCHOOLS ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

22. Statement of funds

Statement of funds - current year

	Balance at 1 September 2019 £	Income £	Expenditure £	Balance at 31 August 2020 £
Unrestricted funds				
General funds	1,202,343	1,135,844	(1,154,102)	1,184,085
Coronavirus job retention scheme	-	25,938	(25,938)	-
Brexit preparation grant	-	26,348	(26,348)	-
	<u>1,202,343</u>	<u>1,188,130</u>	<u>(1,206,388)</u>	<u>1,184,085</u>

Statement of funds - prior year

	Balance at 1 September 2018 £	As restated Income £	As restated Expenditure £	Balance at 31 August 2019 £
Unrestricted funds				
General Funds	<u>1,154,531</u>	<u>1,152,080</u>	<u>(1,104,268)</u>	<u>1,202,343</u>

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

Unrestricted general funds

This represents funds with no restrictions applied.

Coronavirus job retention scheme

This represents income received from the Government job retention scheme during 2020 to cover staff costs during the COVID-19 pandemic.

Brexit government funds

This represents government grants received to assist with covering the costs of training employees for the changes in regulations.

THE INDEPENDENT SCHOOLS ASSOCIATION

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

23. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2020 £	Total funds 2020 £
Tangible fixed assets	505,056	505,056
Current assets	937,693	937,693
Creditors due within one year	(258,664)	(258,664)
Total	<u>1,184,085</u>	<u>1,184,085</u>

Analysis of net assets between funds - prior period

	Unrestricted funds 2019 £	Total funds 2019 £
Tangible fixed assets	507,187	507,187
Fixed asset investments	752	752
Current assets	826,891	826,891
Creditors due within one year	(132,487)	(132,487)
Total	<u>1,202,343</u>	<u>1,202,343</u>

24. Reconciliation of net movement in funds to net cash flow from operating activities

	Group 2020 £	Group As restated 2019 £
Net income/expenditure for the period (as per Statement of Financial Activities)	(18,258)	47,814
Adjustments for:		
Depreciation charges	11,735	12,253
Dividends, interests and rents from investments	(11,418)	(447)
Decrease/(increase) in debtors	(54,539)	25,254
Increase/(decrease) in creditors	126,177	(35,780)
Net cash provided by operating activities	<u>53,697</u>	<u>49,094</u>

THE INDEPENDENT SCHOOLS ASSOCIATION

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

25. Analysis of cash and cash equivalents

	Group 2020 £	Group 2019 £
Cash in hand	833,816	777,553
Total cash and cash equivalents	833,816	777,553

26. Analysis of changes in net debt

	At 1 September 2019 £	Cash flows £	At 31 August 2020 £
Cash at bank and in hand	777,553	56,264	833,817
	<u>777,553</u>	<u>56,264</u>	<u>833,817</u>

27. Pension commitments

The Charity operates a defined contribution scheme. The assets of the scheme are held separately from those of the Charity in an independently administered fund. The pension cost charge represents contributions payable by the Charity to the fund and amounted to £61,704 (2019:£41,196). Balances owing to the fund at the year end amounted to £1,815 (2019: £1,770).

28. Operating lease commitments

At 31 August 2020 the Group and the Company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group 2020 £	Group 2019 £
Not later than 1 year	4,228	4,228
Later than 1 year and not later than 5 years	14,964	12,892
	<u>19,192</u>	<u>17,120</u>

THE INDEPENDENT SCHOOLS ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

29. Related party transactions

During the year the charity procured services of £11,110 (2019: £7,306) from More House Foundation Ltd in relation to pre inspection visit and compliance reviews, a company of which Mr B Huggett (Trustee) is a Director.

During the year the charity paid a grant of £50,000 (2019: £NIL) from Deakins Scholarship Fund, a charity of which six of the seven Trustees are also Trustees of The Independent Schools Association.

The Charity has authority to transact with its Trustees under its Memorandum and Articles of Association. There were no other related party transactions or transactions with Trustees to report other than those reported in note 14.