

**IVANHOE COLLEGE**  
**(A Company Limited by Guarantee)**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 AUGUST 2013**

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**IVANHOE COLLEGE**  
**(A Company Limited by Guarantee)**

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS  
FOR THE PERIOD ENDED 31 AUGUST 2013**

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**Trustees**

Anne-Marie Blewitt, Principal<sup>1,2,3,4,5</sup>  
Eddie Shephard<sup>3</sup>  
Norma Morris Chapman<sup>3</sup>  
Graham Mckay, Chair of Finance<sup>1,2,6</sup>  
James Eddy<sup>1,6</sup>  
Sharon Creber, Chair of Trustees (from May 2013)<sup>4,5</sup>  
David Berrow, Staff Trustee<sup>1,3</sup>  
Rowena Barnwell<sup>1,5,6</sup>  
Alison Allford, Staff Trustee<sup>3</sup>  
Susan Tarrant<sup>3,4,5</sup>  
Alison Barlow<sup>3</sup>  
Carol Eyley<sup>4,5</sup>  
Marie Fitzgerald<sup>1,6</sup>  
Alan Bell  
David Rushton  
Helen Wardle, Clerk to Governors (from September 2013)  
Mary Webster  
Karen Westwood, Staff Trustee  
Fiona Sellens (resigned 5 March 2013)<sup>4</sup>  
Katherine Jenkins, Chair of Trustees (resigned 5 March 2013)<sup>4</sup>  
Gary Bark (resigned 5 March 2013)<sup>1</sup>  
Karen Jones (deceased 20 April 2013)<sup>4</sup>  
Patricia Cromwell, Clerk to Governors (resigned 31 August 2013)  
Neal Malkin, Staff Trustee (resigned 3 October 2013)<sup>3</sup>  
Geraint Jones (resigned 3 October 2013)<sup>1</sup>

- <sup>1</sup> Finance Committee
- <sup>2</sup> Health and Safety Committee
- <sup>3</sup> Curriculum and Learning Committee
- <sup>4</sup> Personnel Committee
- <sup>5</sup> Under 5's Committee
- <sup>6</sup> Audit Committee

**Company registration number**

08100518

**Principal and registered office**

Ivanhoe College  
North Street  
Ashby De La Zouch  
Leicestershire  
LE65 1HX

**Company secretary**

Tracy Winfield

**Chief executive officer**

Anne-Marie Blewitt

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS  
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**Advisers (continued)**

**Senior management team**

Anne-Marie Blewitt, Principal  
Greg Bellmore, Vice Principal  
David Berrow, Assistant Principal  
Sarah Lane, Assistant Principal  
Richard Narraway, Assistant Principal  
Tracy Winfield, Business Manager

**Independent auditor**

MHA MacIntyre Hudson  
Chartered Accountants  
Lyndale House  
Ervington Court  
Harcourt Way, Meridian Business Park  
Leicester  
LE19 1WL

**Bankers**

NatWest Bank Plc  
54 Market Street  
Ashby-de-la Zouch  
Leicestershire  
LE65 1BB

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**IVANHOE COLLEGE**  
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**TRUSTEES' REPORT**  
**FOR THE PERIOD ENDED 31 AUGUST 2013**

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The Trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements of Ivanhoe College (the Academy) for the period from 11 June 2012 to 31 August 2013. The Trustees confirm that the Annual Report and financial statements of the Academy comply with the current statutory requirements, the requirements of the Academy's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005.

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**CONSTITUTION**

The Academy Trust is a company limited by guarantee and an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents of the Academy.

The Trustees of Ivanhoe College are also the directors of the charitable company for the purposes of company law. The charitable company is known as Ivanhoe College.

Details of the Trustees who served during the year are included in the Reference and Administrative Details on page 1.

**MEMBERS' LIABILITY**

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

**TRUSTEES' INDEMNITIES**

The Companies Act 2006 s236 requires disclosure concerning qualifying third party indemnity provisions. Governors benefit from indemnity insurance to cover the liability of the Governors which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy Trust. The cost of this insurance in the year was £1,380.

**PRINCIPAL ACTIVITIES**

The principal activity of Ivanhoe College is to improve learning outcomes and life chances for all students attending our school.

Our vision statement describes us being on a 'Journey to Excellence'.

On our journey we will:

- Learn together, ensuring everyone experiences success;
- Build a rich and creative learning community enhanced by technology;
- Value everyone and embrace diversity;
- Provide a safe and caring environment; and
- Build strong partnerships and look to the future.

We work in close partnership with parents and other schools for the benefit of all the young people in our area. Our aspirations, expectations and commitment are relentlessly high for all members of the college community.

**TRUSTEES' REPORT (continued)**  
**FOR THE PERIOD ENDED 31 AUGUST 2013**

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**METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF TRUSTEES**

Recruitment of Governors is outlined in the Articles of Association. The Members may appoint up to 24 Governors. The number of Governors shall be not less than 3 and shall be subject to a maximum of 24. Subject to Articles 48-49 and 64, the Academy Trust shall have the following Governors:

Not Used;

- up to 3 Staff Governors. The appointment of staff Governors is via a process of a staff ballot;
- up to 11 Community Governors;
- A minimum of 2, and up to 9 Parent Governors and Appointment of Parent Governors is made via parent ballot; and
- any additional Governors, who may bring specific expertise to the Governing Body.

**POLICIES AND PROCEDURES ADOPTED FOR THE INDUCTION AND TRAINING OF TRUSTEES**

Governor induction training alongside a menu of extensive specialized training is available through the local network of schools to support all new Governors. The Academy buys into the LA Governor Development Service who across the Governing Body offer further Governor training. A skills matrix is being developed to identify areas of strength and weakness.

**ORGANISATIONAL STRUCTURE**

The Academy Trust management structure consists of the Governors, the Senior Leadership Team and Middle Leaders.

The Governors are responsible for the strategic development of the Academy, adopting an annual School Development Plan and budget: monitoring the Academy by the use of budgets and management accounts and making major decisions about the direction of the Academy, capital expenditure and senior staff appointments.

To facilitate the work of the Governing Body some of the functions are delegated to committees, the Principal and the Senior Leadership Team. The Committees are Finance, Curriculum and Learning, Personnel, Health and Safety, Audit and Under 5s.

The Senior Leadership Team comprises of the Principal (who is the Accounting Officer), the Vice Principal, three Assistant Principals and the Business Manager (who is the Principal Finance Officer and Company Secretary)

The Accounting Officer has overall executive responsibility for the financial management of the charitable company, while the Principal Finance Officer assists in carrying out financial responsibilities. A system of financial control is in place to manage the process.

The Principal, supported by the Senior Leadership Team, manages the college, implementing the strategic direction and policies set by the Governing Body. Regular meetings are held to monitor and evaluate the work of the college. The college has a range of leadership groups at middle leader level to ensure consistent leadership and management across the college.

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**TRUSTEES' REPORT (continued)**  
**FOR THE PERIOD ENDED 31 AUGUST 2013**

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**RISK MANAGEMENT**

A thorough Risk Management Assessment is being conducted using guidelines provided by the EFA and will be assessed and approved via the Finance Committee along with the Statement of Internal Control. The assessment involved identifying the types of risk the Academy faces, prioritising them into operational and financial impacts, assessing the likelihood of the occurrence and the impact that the occurrence will have on the Academy, putting in place controls to mitigate such risks. Whilst reviewed via the Finance Committee on an annual basis the Risk Register will be a live document which will be reviewed regularly with Governors and Management.

**CONNECTED ORGANISATIONS, INCLUDING RELATED PARTY RELATIONSHIPS**

Ivanhoe College is a single Academy, financially independent. It is also a member of the ACE Partnership (the Ashby & Coalville Educational Partnership), comprising the six main secondary schools in Ashby, Coalville and Ibstock (11-14 high schools: Ibstock Community College, Ivanhoe College, Castle Rock High School, Newbridge High School; 14-19 upper schools: Ashby School, King Edward VII Science and Sport College). The partnership was formed in 2011 and its main purpose is to improve learning outcomes and life chances for all secondary aged students attending our schools.

The aims of the ACE partnership are:

- To support each young person to develop potential and thus raise aspirations and achievement across the region;
- To create cost-effective, structured and coherent opportunities for schools to learn from one another and elsewhere and to work together including the open sharing of best practice in order to provide the best possible range of educational experiences for all; and
- To maximize the opportunity provided by any agreed pooled funding to help address local and national agendas through working collaboratively and enriching opportunities to learn.

The six ACE Head Teachers meet regularly to ensure the shared vision and objectives are being embedded consistently across all six schools. The partnership work and the linked strategic plan are coordinated by a senior educational consultant who is employed part time by ACE. This collaborative approach filters down to senior leadership teams, who are increasingly working together on joint projects and via shared CPD sessions, to improve quality assurance across the partnership.

Together with all of the ACE schools and most of the partnership's feeder primary schools, the college is also an active member of the Forest Way Teaching School Alliance, and makes extensive use of its programmes for training and development. The college is a member of the highly effective North West Leicestershire School Sports Partnership.

Ivanhoe College is also a member of the Ashby Learning Community with its feeder primary schools, to ensure that transition from primary to secondary education benefits all students.

**OBJECTIVES AND ACTIVITIES**

**OBJECTS AND AIMS**

The core purpose of Ivanhoe College is to improve learning outcomes and life chances for all students attending our school.

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**TRUSTEES' REPORT (continued)**  
**FOR THE PERIOD ENDED 31 AUGUST 2013**

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**OBJECTIVES, STRATEGIES AND ACTIVITIES**

Ivanhoe College has a continuous programme of self-evaluation and this is summarized in our Self Evaluation Document. Areas for action and improvement are clearly identified and used to form our Key Priorities for the College Improvement Plan.

**Key Priorities 2012-13**

Priority 1: Outstanding student achievement through high quality teaching and learning experiences

Priority 2: Outstanding Behaviour and attendance

Priority 3: Outstanding Curriculum

Priority 4: Highly effective parental engagement and community links

Priority 5: Ensuring continuing success and development of college learning environment

**PUBLIC BENEFIT**

In setting objectives the Governors have given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education.

**ACHIEVEMENTS AND PERFORMANCE**

**ACTIVITIES FOR ACHIEVING OBJECTIVES**

The standards achieved by students at Ivanhoe College have improved each year.

The results of our End of Key Stage 3 Teacher Assessments in core subjects for Summer 2013 were well above the national average in English and Maths. For all other subjects our students' results were above the country averages in similar schools.

The progress made by students is also high and exceeds expected progress, for all students nationally across Key Stage 3. Our average progress for English and Maths for Summer 2013 was 1.9 levels progress. Progress in all other subjects is similarly strong.

Girls outperform boys at Ivanhoe College in English, although the gender gap is narrower than the performance gap nationally. In Maths boys perform as well as girls at Ivanhoe.

Students with Special Educational Needs (SEN) make very good progress in all subjects and achieve well compared with county averages.

Students for whom the school receives the Pupil Premium attained below and made less progress than other students. However the attainment gap has reduced over the last three years and this group achieve well compared to national and county averages.

**GOING CONCERN**

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

**KEY FINANCIAL PERFORMANCE INDICATORS**

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**TRUSTEES' REPORT (continued)**  
**FOR THE PERIOD ENDED 31 AUGUST 2013**

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Ivanhoe College has maintained a balanced budget with a sufficient carry forward into the next financial year to sustain the school during a short term period of reduced income due to a fall in student numbers on role. The College has continued to invest and retain a strong quorum of qualified teachers and a curriculum which is developing and looking to the future with resources to support this.

The College has also invested in the long term ICT infrastructure and work has commenced on the College 5-10 year building vision.

**FINANCIAL REVIEW**

**REVIEW OF ACTIVITIES**

The Academy's annual income is obtained from the Department of Education (DfE) via the Education Funding Agency (EFA) in the form of General Annual Grant (GAG), the use of which is restricted to particular purposes. The grants received from the DfE during the period ended 31 August 2013 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

Upon conversion to an Academy Trust the assets, liabilities and funds associated with the Governing Body of Ivanhoe College were transferred from Leicestershire County Council to Ivanhoe College the Academy on 1 July 2012.

A valuation has been completed on behalf of the Academy Trust by the DfE in relation to the fixed assets at the time of transfer. A similar estimate was undertaken in relation to the Academies inherent Local Government Pension Scheme (LGPS) liabilities. Both these items form part of the Academies balance sheet.

The Academy received an additional capital grant from the Local Authority of £150k and a Capital Maintenance Grant from the EFA which was used for capital expenditure to replace 50% of the windows in the building.

Pupil Premium funding received has allowed the Academy to support learning and help students to work on closing the achievement gap in English, Maths and other areas of learning for students that have been eligible for free school meals. Full details can be found on the College's website at [www.ivanhoe.co.uk](http://www.ivanhoe.co.uk)

**FINANCIAL AND RISK MANAGEMENT OBJECTIVES AND POLICIES**

The Academy Trust practices through its Board, namely the Governing Body and the constituted sub-committees, risk management principles. Any major risks highlighted at any sub-committee are brought to the main Board with proposed mitigating actions and they continue to be reported until the risk is adequately mitigated.

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

**TRUSTEES' REPORT (continued)**  
**FOR THE PERIOD ENDED 31 AUGUST 2013**

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**PRINCIPAL RISKS AND UNCERTAINTIES**

The principal risks facing the Academy will be included in the Risk Register and Management Plan and include:

- Strategic and Reputational Risks
- Operational Risks
- Compliance Risk
- Financial Risks

Control measures are in place to manage the identified risks, the key risks being that of reduced pupil numbers, that affect the level of funding and future Government cuts. Active promotion of the Academy is maintained and budgets monitored carefully over a 3 year period to manage any reduction in funding.

The Board of Trustees has considered the need for a specific internal audit function and has decided to appoint Leicestershire County Council Internal Audit Service as internal auditor.

The internal auditor's role includes giving advice on financial matters concerning risk and internal control and performing a range of checks on the Academy Trust's financial systems. On an annual basis, following the annual site visit to the Academy, the internal auditor reports to the Board of Trustees via the Finance Committee, on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities. The Board of Trustees is responsible for agreeing an action plan and monitoring that the action plan is successfully implemented.

**RESERVES POLICY**

A formal Reserves Policy has not been adopted by the Academy Trust due to it being newly formed. However, it is intended that the Governors will continue to regularly monitor the reserve levels of the Academy. This review will encompass the nature of income and expenditure streams and the need to match income with existing commitments.

**INVESTMENT POLICY**

Governors are firmly committed to ensuring that all funds under their control are administered in such a way as to maximise return while minimising risk.

The Academy manages its cash balances to provide for the day-to-day working operational requirements and longer term priorities, whilst protecting the real value of any surplus cash funds. The objective is to optimise returns, but also ensure that investments are such that there is no risk of loss to these funds and capital invested is protected against inflation.

No investment of funds was made during this accounting period.

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**TRUSTEES' REPORT (continued)**  
**FOR THE PERIOD ENDED 31 AUGUST 2013**

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**PLANS FOR FUTURE**

**FUTURE DEVELOPMENTS**

Ivanhoe College Key Priorities for 2013-14

The following areas have been identified through our self-evaluation processes and will form the basis of our improvement work next year.

To be the best that we can be on our 'Journey to excellence' by:

- Increasing the percentage of good and outstanding teaching from 94% to 100%, and increasing the percentage of outstanding teaching further;
- Increasing the progress of students in the Pupil Premium group and other vulnerable groups, so that we are closing the attainment gap at the end of Key Stage 3;
- Improving the learning and progress of all students through a focus on differentiation, SMSC and RWMC in all lessons and learning activities;
- Continuing to develop our whole college culture of improvement through highly effective self-evaluation in all areas and targeted improvement actions; and
- Actively promoting our inclusive and enriching ethos across the college which results in a wide range of high quality learning and personal development opportunities for all Ivanhoe students.

**FUNDS HELD AS CUSTODIAN**

There are no funds held as Custodian Trustee on behalf of others.

**DISCLOSURE OF INFORMATION TO AUDITOR**

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

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

This report was approved by order of the Board of Trustees on 5 December 2013 and signed on its behalf by:

**James Eddy**  
**Vice Chair of Trustees**

**Anne-Marie Blewitt**  
**Accounting Officer**

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**IVANHOE COLLEGE**  
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**GOVERNANCE STATEMENT**

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**SCOPE OF RESPONSIBILITY**

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

The Board of Trustees has delegated the day-to-day responsibility to the Principal, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Ivanhoe College and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

**GOVERNANCE**

The information on governance included here supplements that described in the Trustees' Report and in the Trustees' Responsibilities Statement. The Board of Trustees has formally met 5 times during the period. Attendance during the period at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
Anne-Marie Blewitt, Principal	5	5
Eddie Shephard	5	5
Norma Morris Chapman	3	5
Graham Mckay, Chair of Finance	5	5
James Eddy	5	5
Sharon Creber, Chair of Trustees (from May 2013)	5	5
David Berrow, Staff Trustee	3	5
Rowena Barnwell	4	5
Alison Allford, Staff Trustee	4	5
Susan Tarrant	4	5
Alison Barlow	3	5
Carol Eyley	3	5
Marie Fitzgerald	3	5
Alan Bell	1	1
David Rushton	1	1
Fiona Sellens (resigned 05/03/13)	1	3
Katherine Jenkins, Chair of Trustees (resigned 05/03/13)	2	3
Gary Bark (resigned 05/03/13)	2	3
Karen Jones (deceased 20/04/13)	2	3
Patricia Cromwell, Clerk to Governors (resigned 31/08/13)	5	5
Neal Malkin, Staff Trustee (resigned 03/10/13)	3	5
Geraint Jones (resigned 03/10/13)	1	5

Helen Wardle, Mary Webster and Karen Westwood were appointed as trustees following the period end.

The Finance Committee is a sub-committee of the main Board of Trustees. Its purpose is to monitor the financial operations of the college in accordance with the Ivanhoe College Funding Agreement and associated Academy Handbook, to keep the Governing Body fully informed on financial issues and to support the Principal on matters relating to the finances of the college.

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**GOVERNANCE STATEMENT (continued)**

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Attendance at meetings in the period was as follows:

Trustee	Meetings attended	Out of a possible
Anne-Marie Blewitt, Principal	5	5
Graham Mckay, Chair of Finance	4	5
James Eddy	5	5
David Berrow, Staff Trustee	1	5
Rowena Barnwell	5	5
Marie Fitzgerald	3	5
Gary Bark	1	2

**THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Ivanhoe College for the period 11 June 2012 to 31 August 2013 and up to the date of approval of the annual report and financial statements.

**CAPACITY TO HANDLE RISK**

The Board of Trustees has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy's significant risks, that has been in place for the period 11 June 2012 to 31 August 2013 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

**THE RISK AND CONTROL FRAMEWORK**

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

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

The Board of Trustees has considered the need for a specific internal audit function and has decided to appoint Leicestershire County Council as internal auditor.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems. On an annual basis, the internal auditor reports to the Board of Trustees on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

**GOVERNANCE STATEMENT (continued)**

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**REVIEW OF EFFECTIVENESS**

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

- the work of the internal auditor;
- the work of the external auditor;
- the financial management and governance self-assessment process; and
- the work of the executive managers within the Academy who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 5 December 2013 and signed on their behalf, by:

**James Eddy**  
**Vice Chair of Trustees**

**Anne-Marie Blewitt**  
**Accounting Officer**

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**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

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As Accounting Officer of Ivanhoe College I have considered my responsibility to notify the Academy Board of Trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the Academy and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook (2012).

I confirm that I and the Academy Board of Trustees are able to identify any material, irregular or improper use of funds by the Academy, or material non-compliance with the terms and conditions of funding under the Academy's funding agreement and the Academies Financial Handbook (2012).

I confirm that any instances of material irregularity, impropriety or funding non-compliance discovered to date have been notified to the Board of Trustees and the EFA or, if occurring after the date of this statement, will be notified to the Board of Trustees and the EFA.

**Anne-Marie Blewitt**  
**Accounting Officer**

Date: 5 December 2013

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**TRUSTEES' RESPONSIBILITIES STATEMENT**  
**FOR THE PERIOD ENDED 31 AUGUST 2013**

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

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

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

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

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

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

Approved by order of the members of the Board of Trustees on 5 December 2013 and signed on its behalf by:

**James Eddy**  
**Vice Chair of Trustees**



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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IVANHOE COLLEGE**

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We have audited the financial statements of Ivanhoe College for the period ended 31 August 2013 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2013 issued by the Education Funding Agency.

This report is made solely to the Academy's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Academy's members those matters we are required to state to them in an 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 Academy and its members, as a body, for our audit work, for this report, or for the opinion we have formed.

**RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITOR**

As explained more fully in the Trustees' Responsibilities Statement, the Trustees (who are also the directors of the Academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

**SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS**

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

**OPINION ON FINANCIAL STATEMENTS**

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2013 and of its incoming resources and application of resources, including its income and expenditure, for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Academies Accounts Direction 2013 issued by the Education Funding Agency.

**OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006**

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

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**IVANHOE COLLEGE**  
**(A Company Limited by Guarantee)**

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IVANHOE COLLEGE**

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**MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Robert Nelson FCA (Senior Statutory Auditor)

for and on behalf of

**MHA MacIntyre Hudson**

Chartered Accountants  
Statutory Auditors

Lyndale House  
Ervington Court  
Harcourt Way, Meridian Business Park  
Leicester  
LE19 1WL  
24 December 2013

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**IVANHOE COLLEGE**  
**(A Company Limited by Guarantee)**

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**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO IVANHOE COLLEGE AND THE EDUCATION FUNDING AGENCY**

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In accordance with the terms of our engagement letter dated 31 October 2013 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2013, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Ivanhoe College during the period 11 June 2012 to 31 August 2013 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Ivanhoe College and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Ivanhoe College and the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Ivanhoe College and the EFA, for our work, for this report, or for the conclusion we have formed.

**RESPECTIVE RESPONSIBILITIES OF IVANHOE COLLEGE'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT**

The accounting officer is responsible, under the requirements of Ivanhoe College's funding agreement with the Secretary of State for Education dated 29 June 2012, and the Academies Financial Handbook extant from 1 September 2012, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2013. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 11 June 2012 to 31 August 2013 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

**APPROACH**

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

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

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

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

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**IVANHOE COLLEGE**  
**(A Company Limited by Guarantee)**

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**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO IVANHOE COLLEGE AND THE EDUCATION FUNDING AGENCY (continued)**

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The work undertaken to draw our conclusions includes:

- reviewing the information in the Financial Management and Governance Self-assessment (FMGS) return and making appropriate enquiries of the Accounting Officer;
- a review of the objectives and activities of the academy, with reference to the income streams and other information available to us as auditors of the academy;
- testing of a sample of grants received and other income streams;
- testing of a sample of payments to suppliers and other third parties;
- testing of a sample of payroll payments to staff;
- evaluating the internal control procedures and reporting lines, and testing as appropriate; and
- reviewing the Minutes of the meetings of the Governing Body and other evidence made available to us, relevant to our consideration of regularity.

**CONCLUSION**

In the course of our work we noted a number of weaknesses in regularity, most of which are included in a report to the Governing Body.

The most significant matters include failure to:

- prepare and adopt a Financial Procedures Manual;
- prepare cash flow forecasts;
- prepare and adopt a Risk Register; and
- develop a long term financial plan.

Except for the matters listed above, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 11 June 2012 31 August 2013 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Robert Nelson FCA (Senior Statutory Auditor)  
for and on behalf of  
**MHA MacIntyre Hudson**

Chartered Accountants  
Statutory Auditors

Lyndale House  
Ervington Court  
Harcourt Way, Meridian Business Park  
Leicester  
LE19 1WL

24 December 2013

**IVANHOE COLLEGE**  
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES**  
(Incorporating Income and Expenditure Account and Statement of Recognised Gains and Losses)  
FOR THE PERIOD ENDED 31 AUGUST 2013

	Note	Unrestricted funds 2013 £000	Restricted funds 2013 £000	Restricted fixed asset funds 2013 £000	Total funds 2013 £000
<b>INCOMING RESOURCES</b>					
Incoming resources from generated funds:					
Transfers on conversion	2	87	(631)	5,718	5,174
Voluntary income	2	-	4	18	22
Activities for generating funds	3	89	-	-	89
Investment income	4	4	-	-	4
Funding for the Academy's educational operations	5	1	4,634	663	5,298
Other incoming resources	6	-	121	-	121
<b>TOTAL INCOMING RESOURCES</b>		<b>181</b>	<b>4,128</b>	<b>6,399</b>	<b>10,708</b>
<b>RESOURCES EXPENDED</b>					
Costs of activities for generating funds	7	55	-	-	55
Charitable activities	8	-	4,501	219	4,720
Governance costs	9	-	45	-	45
<b>TOTAL RESOURCES EXPENDED</b>	10	<b>55</b>	<b>4,546</b>	<b>219</b>	<b>4,820</b>
<b>NET INCOMING/(OUTGOING) RESOURCES BEFORE TRANSFERS</b>					
		<b>126</b>	<b>(418)</b>	<b>6,180</b>	<b>5,888</b>
Transfers between funds	21	6	(145)	139	-
<b>NET INCOME/(EXPENDITURE) FOR THE YEAR</b>					
		<b>132</b>	<b>(563)</b>	<b>6,319</b>	<b>5,888</b>
Actuarial losses on defined benefit pension schemes		-	(96)	-	(96)
<b>NET MOVEMENT IN FUNDS FOR THE YEAR</b>		<b>132</b>	<b>(659)</b>	<b>6,319</b>	<b>5,792</b>
Total funds at 11 June 2012		-	-	-	-
<b>TOTAL FUNDS AT 31 AUGUST 2013</b>		<b>132</b>	<b>(659)</b>	<b>6,319</b>	<b>5,792</b>

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

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

The notes on pages 22 to 44 form part of these financial statements.

**IVANHOE COLLEGE**  
**(A Company Limited by Guarantee)**  
**REGISTERED NUMBER: 08100518**

**BALANCE SHEET**  
**AS AT 31 AUGUST 2013**

	Note	£000	2013 £000
<b>FIXED ASSETS</b>			
Tangible assets	16		6,319
<b>CURRENT ASSETS</b>			
Stocks	17	2	
Debtors	18	426	
Cash at bank		78	
		<u>506</u>	
<b>CREDITORS:</b> amounts falling due within one year	19	<u>(295)</u>	
<b>NET CURRENT ASSETS</b>			<u>211</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>6,530</u>
<b>CREDITORS:</b> amounts falling due after more than one year	20		<u>(32)</u>
<b>NET ASSETS EXCLUDING PENSION SCHEME LIABILITIES</b>			<u>6,498</u>
Defined benefit pension scheme liability	28		<u>(706)</u>
<b>NET ASSETS INCLUDING PENSION SCHEME LIABILITIES</b>			<u><u>5,792</u></u>
<b>FUNDS OF THE ACADEMY</b>			
Restricted funds:			
Restricted funds	21	47	
Restricted fixed asset funds	21	6,319	
		<u>6,366</u>	
Restricted funds excluding pension liability		6,366	
Pension reserve		<u>(706)</u>	
Total restricted funds			<u>5,660</u>
Unrestricted funds	21		<u>132</u>
<b>TOTAL FUNDS</b>			<u><u>5,792</u></u>

The financial statements were approved by the Trustees, and authorised for issue, on 5 December 2013 and are signed on their behalf, by:

**James Eddy**  
**Vice Chair of Trustees**

The notes on pages 22 to 44 form part of these financial statements.

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**IVANHOE COLLEGE**  
**(A Company Limited by Guarantee)**

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**CASH FLOW STATEMENT**  
**FOR THE PERIOD ENDED 31 AUGUST 2013**

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	<b>Note</b>	<b>2013 £000</b>
Net cash flow from operating activities	23	795
Returns on investments and servicing of finance	24	4
Capital expenditure and financial investment	24	(802)
Cash transferred on conversion to an Academy Trust	26	87
<b>CASH INFLOW BEFORE FINANCING</b>		<b>84</b>
Financing	24	(6)
<b>INCREASE IN CASH IN THE PERIOD</b>		<b>78</b>

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

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**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS**  
**FOR THE PERIOD ENDED 31 AUGUST 2013**

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	<b>2013 £000</b>
Increase in cash in the period	78
Cash outflow from decrease in debt and lease financing	6
<b>CHANGE IN NET DEBT RESULTING FROM CASH FLOWS</b>	<b>84</b>
Local Authority loan on conversion	(42)
<b>MOVEMENT IN NET FUNDS IN THE PERIOD</b>	<b>42</b>
<b>NET FUNDS AT 31 AUGUST 2013</b>	<b>42</b>

The notes on pages 22 to 44 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 AUGUST 2013**

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**1. ACCOUNTING POLICIES**

**1.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities' published in March 2005, the Academies Accounts Direction 2013 issued by the EFA, applicable accounting standards and the Companies Act 2006.

**1.2 Fund accounting**

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Department for Education where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received and include grants from the Department for Education.

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



**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 AUGUST 2013**

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**1. ACCOUNTING POLICIES (continued)**

**1.3 Incoming resources**

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

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

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund. Capital grants are recognised when receivable. Unspent amounts of capital grant are reflected in the balance in the restricted general fund.

Sponsorship income provided to the Academy which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable, where there is certainty of receipt and it is measurable.

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

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

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 AUGUST 2013**

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**1. ACCOUNTING POLICIES (continued)**

**1.4 Resources expended**

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

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

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

Governance costs include the costs attributable to the Academy's compliance with constitutional and statutory requirements, including audit, strategic management and Trustees' meetings and reimbursed expenses.

All resources expended are inclusive of irrecoverable VAT.

**1.5 Going concern**

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

**1.6 Tangible fixed assets and depreciation**

All assets costing more than £3,000 are capitalised.

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

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

Long leasehold property	-	2% straight line per annum
Leasehold land	-	not depreciated
Property improvements	-	10% straight line per annum
Plant and machinery	-	20% straight line per annum
Furniture and equipment	-	10% straight line per annum
Computer equipment	-	33.33% straight line per annum

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 AUGUST 2013**

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**1. ACCOUNTING POLICIES (continued)**

**1.7 Operating leases**

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

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

**1.8 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.

**1.9 Taxation**

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

**1.10 Pensions**

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in note 28, the TPS is a multi-employer scheme and the Academy is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 AUGUST 2013**

**1. ACCOUNTING POLICIES (continued)**

**1.11 Conversion to an Academy Trust**

The conversion from a state maintained school to an academy trust involved the transfer of identifiable assets and liabilities and the operation of the school for no consideration and has been accounted for under the acquisition accounting method.

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

**2. VOLUNTARY INCOME**

	<b>Unrestricted funds 2013 £000</b>	<b>Restricted funds 2013 £000</b>	<b>Total funds 2013 £000</b>
Local Authority surplus transferred on conversion	61	-	61
School fund transferred on conversion	26	-	26
Fixed assets transferred on conversion	-	5,718	5,718
Pension deficit on conversion	-	(589)	(589)
Borrowing obligations on conversion	-	(42)	(42)
	<u>87</u>	<u>5,087</u>	<u>5,174</u>
Transfers on conversion			
Donations	-	22	22
	<u>87</u>	<u>5,109</u>	<u>5,196</u>
Voluntary income			
	<u><u>87</u></u>	<u><u>5,109</u></u>	<u><u>5,196</u></u>

**3. ACTIVITIES FOR GENERATING FUNDS**

	<b>Unrestricted funds 2013 £000</b>	<b>Restricted funds 2013 £000</b>	<b>Total funds 2013 £000</b>
Hire of facilities	16	-	16
Catering income	49	-	49
Other income	4	-	4
Classroom resales	20	-	20
	<u>89</u>	<u>-</u>	<u>89</u>
	<u><u>89</u></u>	<u><u>-</u></u>	<u><u>89</u></u>

**IVANHOE COLLEGE**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 AUGUST 2013**

**4. INVESTMENT INCOME**

	Unrestricted funds 2013 £000	Restricted funds 2013 £000	Total funds 2013 £000
Interest receivable	4	-	4
	<u>4</u>	<u>-</u>	<u>4</u>

**5. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS**

	Unrestricted funds 2013 £000	Restricted funds 2013 £000	Total funds 2013 £000
<b>DfE/EFA grants</b>			
General Annual Grant (GAG)	-	4,409	4,409
Pupil Premium	-	144	144
Capital grants	-	269	269
Start up grants	-	25	25
Other DfE/EFA grants	-	20	20
Local Authority grants	-	430	430
	<u>-</u>	<u>5,297</u>	<u>5,297</u>
	<u>-</u>	<u>5,297</u>	<u>5,297</u>

**6. OTHER INCOMING RESOURCES**

	Unrestricted funds 2013 £000	Restricted funds 2013 £000	Total funds 2013 £000
School trips and parental contributions	-	121	121
	<u>-</u>	<u>121</u>	<u>121</u>

**7. COSTS OF GENERATING VOLUNTARY INCOME**

	Unrestricted funds 2013 £000	Restricted funds 2013 £000	Total funds 2013 £000
Kitchen staff salaries	27	-	27
Catering costs	28	-	28
	<u>55</u>	<u>-</u>	<u>55</u>
	<u>55</u>	<u>-</u>	<u>55</u>

**IVANHOE COLLEGE**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 AUGUST 2013**

**8. CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS**

	Unrestricted funds 2013 £000	Restricted funds 2013 £000	Total funds 2013 £000
<b>DIRECT COSTS</b>			
Wages and salaries	-	2,528	2,528
National insurance	-	181	181
Pension costs	-	342	342
Depreciation	-	219	219
Educational supplies	-	52	52
Staff development	-	18	18
Travel and subsistence	-	4	4
Other direct costs	-	116	116
	<u>-</u>	<u>3,460</u>	<u>3,460</u>
<b>SUPPORT COSTS</b>			
Wages and salaries	-	437	437
National insurance	-	23	23
Pension costs	-	73	73
Pension finance costs (note 15)	-	28	28
Recruitment and support	-	6	6
Maintenance of premises and equipment	-	254	254
Cleaning	-	71	71
Rent and rates	-	12	12
Energy costs	-	72	72
Insurance	-	71	71
Legal and professional	-	111	111
Other support costs	-	99	99
Bank charges and interest	-	3	3
	<u>-</u>	<u>1,260</u>	<u>1,260</u>
	<u>-</u>	<u>4,720</u>	<u>4,720</u>

**9. GOVERNANCE COSTS**

	Unrestricted funds 2013 £000	Restricted funds 2013 £000	Total funds 2013 £000
Legal and professional fees	-	33	33
Auditors' remuneration	-	9	9
Governance Auditors' non audit costs	-	3	3
	<u>-</u>	<u>45</u>	<u>45</u>

**IVANHOE COLLEGE**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 AUGUST 2013**

**10. ANALYSIS OF RESOURCES EXPENDED BY EXPENDITURE TYPE**

	Staff costs 2013 £000	Depreciation 2013 £000	Other costs 2013 £000	Total 2013 £000
Costs of generating voluntary income	29	-	26	55
<b>Costs of generating funds</b>	<b>29</b>	<b>-</b>	<b>26</b>	<b>55</b>
Educational Operations	3,051	219	190	3,460
Support costs	533	-	727	1,260
<b>Charitable activities</b>	<b>3,584</b>	<b>219</b>	<b>917</b>	<b>4,720</b>
<b>Governance</b>	<b>-</b>	<b>-</b>	<b>45</b>	<b>45</b>
	<b>3,613</b>	<b>219</b>	<b>988</b>	<b>4,820</b>

**11. NET INCOMING RESOURCES / (RESOURCES EXPENDED)**

This is stated after charging:

	<b>2013</b>
	<b>£000</b>
Depreciation of fixed assets	219
Auditor's remuneration	9
Auditor's remuneration - non-audit	3
Operating lease rentals	32
	<b>363</b>

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**IVANHOE COLLEGE**  
**(A Company Limited by Guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 AUGUST 2013**

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**12. STAFF COSTS**

Staff costs were as follows:

	<b>2013</b>
	<b>£000</b>
Wages and salaries	2,901
Social security costs	205
Other pension costs	418
	<hr/>
	<b>3,524</b>
Supply teacher costs	77
Compensation payments	12
Pension finance costs (note 15)	28
	<hr/>
	<b>3,641</b>
	<hr/> <hr/>

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

	<b>2013</b>
	<b>No.</b>
Teaching	42
Administration and support	41
Management	6
	<hr/>
	<b>89</b>
	<hr/> <hr/>

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

	<b>2013</b>
	<b>No.</b>
In the band £80,001 - £90,000	1
	<hr/>

The above employee participated in the Teachers' Pension Scheme. The annualised pension contributions amounted to £12,394.



**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 AUGUST 2013**

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**13. TRUSTEES' REMUNERATION AND EXPENSES**

	<b>2013</b>
	<b>£000</b>
Remuneration	<b>262</b>

During the period retirement benefits were accruing to 4 Trustees in respect of defined benefit pension schemes.

The highest paid Trustee received remuneration of £117,008.

The Principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Principal and staff, and not in respect of their services as Trustees. Other Trustees did not receive any payments, other than expenses, from the Academy in respect of their role as Trustees. The value of Trustees' remuneration (including employer's pension contributions) over the 14 month period fell within the following bands:

	<b>2013</b>
	<b>£000</b>
Anne-Marie Blewitt, Principal	<b>115-120</b>
Staff Governor 1	<b>65-70</b>
Staff Governor 2	<b>15-20</b>
Staff Governor 3	<b>55-60</b>

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

**14. TRUSTEES' AND OFFICERS' INSURANCE**

In accordance with normal commercial practice the Academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £3,000,000 on any one claim and the cost for the period ended 31 August 2013 was £1,380.

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

**15. PENSION FINANCE COST**

	<b>2013</b>
	<b>£000</b>
Expected return on pension scheme assets	<b>26</b>
Interest on pension scheme liabilities	<b>(54)</b>
	<b>(28)</b>

**IVANHOE COLLEGE**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 AUGUST 2013**

**16. TANGIBLE FIXED ASSETS**

	Long leasehold property £000	Property Improvements £000	Plant and machinery £000	Furniture and equipment £000	Computer equipment £000	Total £000
<b>Cost or valuation</b>						
Additions	-	631	80	29	80	820
Transfer on conversion	5,352	304	6	23	33	5,718
At 31 August 2013	5,352	935	86	52	113	6,538
<b>Depreciation</b>						
Charge for the period	82	80	15	4	38	219
At 31 August 2013	82	80	15	4	38	219
<b>Net book value</b>						
At 31 August 2013	5,270	855	71	48	75	6,319

Included in land and buildings is long term leasehold land valued at £1,837,540 which is not depreciated.

**17. STOCKS**

	2013 £000
Catering stock	2

**18. DEBTORS**

	2013 £000
Trade debtors	10
VAT recoverable	70
Other debtors	34
Prepayments and accrued income	312
	426

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 AUGUST 2013**

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**19. CREDITORS:**

**Amounts falling due within one year**

	<b>2013</b>
	<b>£000</b>
Other loans	4
Trade creditors	101
Other taxation and social security	56
Other creditors	50
Accruals and deferred income	84
	<hr/>
	<b>295</b>
	<hr/> <hr/>
	<b>£000</b>
<b>Deferred income</b>	
Resources deferred during the year	12
	<hr/> <hr/>

At the balance sheet date the Academy Trust was holding funds received in advance for a school trip.

**20. CREDITORS:**

**Amounts falling due after more than one year**

	<b>2013</b>
	<b>£000</b>
Other loans	32
	<hr/> <hr/>
Creditors include amounts not wholly repayable within 5 years as follows:	
	<b>2013</b>
	<b>£000</b>
Repayable by instalments	18
	<hr/> <hr/>

**IVANHOE COLLEGE**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 AUGUST 2013**

**21. STATEMENT OF FUNDS**

	Brought forward £000	Incoming resources £000	Resources expended £000	Transfers in/out £000	Gains/(losses) £000	Carried forward £000
<b>Unrestricted funds</b>						
General funds	-	181	(55)	6	-	132
<b>Restricted funds</b>						
General Annual Grant (GAG)	-	4,409	(4,200)	(145)	-	64
Other EFA grants	-	38	(20)	-	-	18
Start up grant	-	25	(25)	-	-	-
Pupil Premium	-	144	(144)	-	-	-
Other income	-	143	(142)	-	-	1
LA loans on conversion	-	(42)	6	-	-	(36)
LGPS Defined Benefit Scheme	-	(589)	(21)	-	(96)	(706)
	-	4,128	(4,546)	(145)	(96)	(659)
<b>Restricted fixed asset funds</b>						
Restricted fixed asset funds	-	6,399	(219)	139	-	6,319
Total restricted funds	-	10,527	(4,765)	(6)	(96)	5,660
Total of funds	-	10,708	(4,820)	-	(96)	5,792

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

**General Annual Grant (GAG)**

Funds from the Education Funding Agency for the provision of education, in line with the funding agreement.

**Other DfE/EFA Grants**

Other funds provided by the DfE/EFA for particular purposes within the academy's educational operations.

**Start up grant**

Being the fund from the Education Funding Agency to cover development costs to prepare the Academy for opening.

**Pupil Premium**

Additional funds from the Education Funding Agency to support their disadvantaged pupils and close the attainment gap between them and their peers. This is allocated for every pupil who receives free school meals.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 AUGUST 2013**

**21. STATEMENT OF FUNDS (continued)**

**Capital grants**

This consists of Devolved Formula Capital (DFC) and other capital funding from the Education Funding Agency. The DFC is to be used for ICT items, improvements to building and other facilities or capital repairs and refurbishments and minor works. Other capital grants are to be used as per the individual terms of the agreement and for the specific capital projects as applied for.

**Other Local Authority grants**

These are funds and grants received from the local authority and other institutions for use on specific educational projects.

**Other income**

These consist of income from all other sources to be used primarily for the Academy's educational operations.

**LGPS Defined Benefit Pension Scheme**

Being the fund in relation to the defined benefit pension scheme liability included in the balance sheet. The fund is in deficit given the nature of the liability, however, this is not payable immediately.

Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2013.

**SUMMARY OF FUNDS**

	<b>Brought forward</b>	<b>Incoming resources</b>	<b>Resources expended</b>	<b>Transfers in/out</b>	<b>Gains/ (losses)</b>	<b>Carried forward</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
General funds	-	181	(55)	6	-	132
Restricted funds	-	4,128	(4,546)	(145)	(96)	(659)
Restricted fixed asset funds	-	6,399	(219)	139	-	6,319
	-	10,708	(4,820)	-	(96)	5,792

**IVANHOE COLLEGE**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 AUGUST 2013**

**22. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Unrestricted funds 2013 £000	Restricted funds 2013 £000	Restricted fixed asset funds 2013 £000	Total funds 2013 £000
Tangible fixed assets	-	-	6,319	6,319
Current assets	132	374	-	506
Creditors due within one year	-	(295)	-	(295)
Creditors due in more than one year	-	(32)	-	(32)
Provisions for liabilities and charges	-	(706)	-	(706)
	<u>132</u>	<u>(659)</u>	<u>6,319</u>	<u>5,792</u>

**23. NET CASH FLOW FROM OPERATING ACTIVITIES**

	2013 £000
Net incoming resources before revaluations	5,888
Returns on investments and servicing of finance	(4)
Pension transferred from Local Authority on conversion	589
Fixed assets transferred on conversion	(5,718)
Depreciation of tangible fixed assets	219
Capital grants	(18)
Increase in stocks	(2)
Increase in debtors	(426)
Increase in creditors	291
Borrowings transferred on conversion	42
Cash transferred from LA on conversion	(87)
FRS 17 adjustments	21
<b>Net cash inflow from operations</b>	<u>795</u>

**24. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT**

	2013 £000
<b>Returns on investments and servicing of finance</b>	
Interest received	<u>4</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 AUGUST 2013**

**24. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT (continued)**

	2013 £000
<b>Capital expenditure and financial investment</b>	
Purchase of tangible fixed assets	(820)
Capital grants	18
	<u>(802)</u>
<b>Net cash outflow capital expenditure</b>	<u>(802)</u>
	2013 £000
<b>Financing</b>	
Repayment of other loans	(6)
	<u>(6)</u>

**25. ANALYSIS OF CHANGES IN NET FUNDS**

	11 June 2012 £000	Cash flow £000	Other non-cash changes £000	31 August 2013 £000
Cash at bank and in hand	-	78	-	78
<b>Debt:</b>				
Debts due within one year	-	-	(4)	(4)
Debts falling due after more than one year	-	-	(32)	(32)
	<u>-</u>	<u>78</u>	<u>(36)</u>	<u>42</u>
<b>Net funds</b>	<u>-</u>	<u>78</u>	<u>(36)</u>	<u>42</u>

**26. CONVERSION TO AN ACADEMY TRUST**

On 1 July 2012 Ivanhoe College converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Ivanhoe College from Leicestershire County Council for no consideration.

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

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

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	<b>Unrestricted funds £000</b>	<b>Restricted funds £000</b>	<b>Restricted fixed asset funds £000</b>	<b>Total funds £000</b>
Tangible fixed assets				
Leasehold land and buildings	-	-	5,352	5,352
Other tangible fixed assets	-	-	366	366
Budget surplus on LA funds	61	-	-	61
Budget surplus on other school funds	26	-	-	26
LGPS pension deficit	-	(589)	-	(589)
Borrowing obligations	-	(42)	-	(42)
Net assets/(liabilities)	<u>87</u>	<u>(631)</u>	<u>5,718</u>	<u>5,174</u>

**27. CAPITAL COMMITMENTS**

At 31 August 2013 the Academy had capital commitments as follows:

	<b>2013 £000</b>
Contracted for but not provided in these financial statements	<u>24</u>

**28. PENSION COMMITMENTS**

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2004 and of the LGPS 31 March 2010.

Contributions amounting to £48,713 were payable to the scheme at 31 August 2013 and are included within creditors.

**Teachers' Pension Scheme**

**Introduction**

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010). These regulations apply to teachers in schools that are maintained by local authorities and other educational establishments, including academies, in England and Wales. In addition teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and from 1 January 2007 automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.



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

**The Teachers' Pension Budgeting and Valuation Account**

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a "pay as you go" basis – these contributions along with those made by employers are credited to the Exchequer under arrangements governed by the above Act.

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

**Valuation of the Teachers' Pension Scheme**

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

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

Actuarial scheme valuations are dependent on assumptions about the value of future costs, the design of benefits and many other factors. Many of these assumptions are being considered as part of the work on the reformed TPS, as set out below. Scheme valuations therefore remain suspended. The Public Service Pensions Bill, which is being debated in the House of Commons, provides for future scheme valuations to be conducted in accordance with Treasury directions. The timing for the next valuation has still to be determined, but it is likely to be before the reformed schemes are introduced in 2015.

**Teachers' Pension Scheme Changes**

Lord Hutton published his final report in March 2011 and made recommendations about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation and Ministers engaged in extensive discussions with trade unions and other representative bodies on reform of the TPS. Those discussions concluded on 9 March 2012 and the Department published a Proposed Final Agreement, setting out the design for a reformed TPS to be implemented from 1 April 2015.

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

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

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

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

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The Academy is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the Academy has taken advantage of the exemption in FRS 17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Academy has set out above the information available on the scheme.

**Local Government Pension Scheme**

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the period ended 31 August 2013 was £169,000, of which employer's contributions totalled £130,000 and employees' contributions totalled £39,000. The agreed contribution rates for future years are 13% for employers and 6.5% for employees.

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

As described in note 26 the LGPS obligation relates to the employees of the Academy, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the scheme in the period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Academy at the balance sheet date.

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

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

The amounts recognised in the Balance Sheet are as follows:

	<b>2013</b> <b>£000</b>
Present value of funded obligations	<b>(1,318)</b>
Fair value of scheme assets	<b>612</b>
	<hr/>
Net liability	<b>(706)</b>
	<hr/> <hr/>

The amounts recognised in the Statement of Financial Activities are as follows:

	<b>2013</b> <b>£000</b>
Current service cost	<b>(123)</b>
Interest on pension liabilities	<b>(54)</b>
Expected return on pension scheme assets	<b>26</b>
	<hr/>
Total	<b>(151)</b>
	<hr/> <hr/>
Actual return on scheme assets	<b>66</b>
	<hr/> <hr/>

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

	<b>2013</b> <b>£000</b>
Opening defined benefit obligation	<b>968</b>
Current service cost	<b>123</b>
Interest cost	<b>54</b>
Contributions by scheme participants	<b>39</b>
Actuarial Losses	<b>134</b>
	<hr/>
Closing defined benefit obligation	<b>1,318</b>
	<hr/> <hr/>

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

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

	<b>2013</b>
	<b>£000</b>
Opening fair value of scheme assets	379
Expected return on assets	26
Actuarial gains and (losses)	38
Contributions by employer	130
Contributions by employees	39
	<hr/>
	<b>612</b>
	<hr/> <hr/>

The Academy expects to contribute £136,000 to its Defined Benefit Pension Scheme in 2014.

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

	<b>2013</b>
Equities	<b>64.00 %</b>
Bonds	<b>26.00 %</b>
Property	<b>9.00 %</b>
Cash	<b>1.00 %</b>

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

	<b>2013</b>
Discount rate for scheme liabilities	<b>4.60 %</b>
Expected return on scheme assets at 31 August	<b>5.70 %</b>
Rate of increase in salaries	<b>5.10 %</b>
Rate of increase for pensions in payment / inflation	<b>2.80 %</b>

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

	<b>2013</b>
Retiring today	
Males	<b>20.9</b>
Females	<b>23.3</b>
Retiring in 20 years	
Males	<b>23.3</b>
Females	<b>25.6</b>

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

Amounts for the current period are as follows:

Defined benefit pension schemes

	<b>2013</b> <b>£000</b>
Defined benefit obligation	(1,318)
Scheme assets	612
Deficit	<u>(706)</u>
Experience adjustments on scheme liabilities	(134)
Experience adjustments on scheme assets	<u>38</u>

**29. OPERATING LEASE COMMITMENTS**

At 31 August 2013 the Academy had annual commitments under non-cancellable operating leases as follows:

	<b>Land and buildings</b>	<b>Other</b>
	<b>2013</b>	<b>2013</b>
	<b>£000</b>	<b>£000</b>
<b>Expiry date:</b>		
Within 1 year	-	10
Between 2 and 5 years	-	15
After more than 5 years	-	1
	<u>-</u>	<u>26</u>

**30. RELATED PARTY TRANSACTIONS**

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

The following related party transactions took place in the period of account:

Optimised Buildings Limited - a company in which Mr Gary Bark, a trustee, is a Director. Purchases from the company took place throughout the period totalling £5,634. There were no amounts outstanding as at 31 August 2013.

Swadlincote Aluminium & Welding Co Limited - a company in which Mrs Tracy Winfield, Business Manager, is a wife of a Director of the company. Purchases from the company took place throughout the period totalling £13,613. The amount outstanding as at 31 August 2013 was £1,857.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 AUGUST 2013**

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**31. CONTROLLING PARTY**

The Academy is ultimately controlled by the Governing Body, which includes the Principal.

**32. COMPANY LIMITED BY GUARANTEE**

The Academy Trust is a company limited by Guarantee and does not have share capital.

**33. MEMBERS LIABILITY**

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