

IVANHOE COLLEGE
(A Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2015

IVANHOE COLLEGE
(A Company Limited by Guarantee)

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

Members

Sharon Creber
James Eddy
Rowena Barnwell
Graham McKay
David Rushton (appointed 4 December 2014, resigned 3 December 2015)
Jez Longhurst (appointed 3 December 2015)

Trustees

Anne-Marie Blewitt, Principal and Accounting Officer^{1,2}
Eddie Shephard
Norma Morris-Chapman
Graham McKay, Chair of Finance^{1,2}
James Eddy (resigned 12 January 2014)^{1,2}
Sharon Creber, Chair of Trustees¹
Rowena Barnwell (resigned 4 December 2014)¹
Alison Allford
Alison Barlow (resigned 4 October 2014)
Carol Eyley
Marie Fitzgerald (resigned 3 October 2014)^{1,2}
Alan Bell
David Rushton
Helen Wardle, Clerk to Governors
Mary Webster
Karen Westwood
Emma Boussida
Jacqui Robinson
Jez Longhurst¹
Adrian Baker (appointed 4 December 2014)
John Lane (appointed 20 January 2015)

¹ Finance Committee

² Audit Committee

Company registration number

08100518

Principal and registered office

Ivanhoe College
North Street
Ashby De La Zouch
LE65 1HX

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

Administrative details (continued)

Company secretary

Tracy Winfield

Accounting officer

Anne-Marie Blewitt

Senior management team

Anne-Marie Blewitt, Principal
Greg Bellmore, Vice Principal
David Berrow, Assistant Principal
Sarah Lane, Assistant Principal
Richard Narraway, Assistant Principal (to 20 April 2015)
Alison Allford, Assistant Principal
Tracy Winfield, Business Manager

Independent auditors

MHA MacIntyre Hudson
Chartered Accountants
Statutory Auditors
11 Merus Court
Meridian Business Park
Leicester
LE19 1RJ

Bankers

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

Solicitors

Walker Morris
Kings Court
12 King Street
Leeds
LS1 2HL

IVANHOE COLLEGE
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2015

The Trustees (who are also Directors of the charitable company for the purposes of the Companies Act) present their Annual Report together with the audited financial statements of Ivanhoe College (the Academy) for the year ended 31 August 2015. The Trustees confirm that the Annual Report and financial statements of the Academy comply with the current statutory requirements, the requirements of the Academy's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005.

The Trust operates an Academy for pupils aged 11 to 14 serving a catchment area in Leicestershire. It has a pupil capacity of 948 and had a roll of 881 in the school census on 15 January 2015.

STRUCTURE, GOVERNANCE AND MANAGEMENT

CONSTITUTION

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

The Trustees of Ivanhoe College Academy Trust Limited are also the Directors and Governors of the charitable company for the purposes of company law. The Charitable Company is known as Ivanhoe College.

Details of the Trustees who served throughout the year except as noted 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

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 £1,243 (2014 - £1,243).

IVANHOE COLLEGE
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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

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.

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:

- up to 3 Staff Governors, if appointed under Article 50A; The appointment of staff Governors is via a process of a staff ballot;
- up to 11 Community Governors appointed under Article 59;
- a minimum of 2, and up to 9 Parent Governors appointed under Articles 53-58;
- the Principal;
- any Additional Governors, if appointed under Article 62, 62A or 68A; and
- any Further Governors, if appointed under Article 63 or Article 68A.

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 used 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 College Improvement 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.

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

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.

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 Headteachers 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 and subject/middle leaders, who work 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.

IVANHOE COLLEGE
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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

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.

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.

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 2014-15

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

- Building on the strengths of teaching so that more is outstanding through a CPD focus (all classroom staff) on highest quality marking and questioning;
- Review of 'how we judge teaching' in light of national changes, so that leaders are sharper and more focused in monitoring quality of teaching;
- Continue to raise achievement for all students, ensuring that achievement of disadvantaged students is in line with that of other students;
- Work in partnership with ACE schools to introduce new curriculum and assessment structure for all subjects 11-16, in place for Autumn 2015;
- Clear focus on our whole college culture of high expectations and high standards for all in terms of respect, attitudes and behaviour, including development of House pastoral leadership and improvements to our rewards system; and
- Further develop 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.

PUBLIC BENEFIT

The Governors of the Academy Trust have complied with their duty to have due regard to the guidance on Public Benefit published by the Charity Commission in exercising their powers and duties. We ensure that all activities undertaken using our education funding are to further the Academy Trust's purpose in providing education and are used for the Public Benefit and not for making profit.

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

STRATEGIC REPORT

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 2015 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, 1.5 levels progress, for all students nationally across Key Stage 3. Our average progress for English and Maths for Summer 2015 was 2.2 levels progress. Progress in all other subjects is similarly strong.

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

Students with Special Educational Needs (SEN) make the same or better progress in English and Maths as all other students, SEN students make very good progress in all subjects, achieving well compared with county averages.

The attainment of students for whom the school receives the Pupil Premium has increased over the last three years and this group achieve well compared to national and county averages for all students. Pupil Premium students attained below but made very similar progress when compared with other students at the college.

KEY FINANCIAL PERFORMANCE INDICATORS

Ivanhoe College has received funding from the Education Funding Agency which was reduced by 1.5%, in line with cuts to funding for other schools nationally, for 2014-15 when compared with the previous year. Because of this we have taken the following actions to ensure high standards of education have been maintained:

- Reduced cost of teaching staff through more efficient timetabling;
- Improved financial planning;
- Secured additional funding for development of the building and facilities;
- Invested in partnership working with other schools re school improvement; and
- Maintained staff training and professional development leading to continued improvements in student outcomes.

Ofsted inspection March 2014:

- Ivanhoe College was inspected by Ofsted in March 2014 and was judged to be 'Good' in all areas with a very favourable report which showed that many improvements had been made since the previous inspection.

Student attendance:

- Has risen each year and for 2014-15 was 96.15%, which was a continued improvement over the last two years from 94.6% in 2012-13.

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

Student intake numbers:

- Numbers of students joining us in Year 7 were higher for 2014-15. We were significantly oversubscribed with a waiting list and admitted 316 students which is our Planned Admission Number (PAN). This is due to increased numbers in our feeder primary schools, the good reputation of the school and new building in the area. Our projected numbers for in-catchment children for the future are showing an increase year on year. The intake for August 2015 was 326, well over our PAN maximum and we were again oversubscribed, with a waiting list.

Student achievement:

- Attainment in English and Maths at level 5+, level 6+, level 7+ and average point score has steadily increased, over the last 3 years and is significantly above national levels.
- Levels of progress for all students in English and Maths over Key Stage 3 are also significantly above the national levels.
- Attainment of students for who we receive the Pupil Premium has increased over the last 3 years and is above the national levels for all students for 2015. The progress of this group is similar to the progress for all students although their attainment is still lower overall.

GOING CONCERN

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

FINANCIAL REVIEW

REVIEW OF ACTIVITIES

Ivanhoe College has used the income for the year ended 31 August 2015 to support learning and progress. During a year of restricted budget Ivanhoe College has maintained services to support our aims, and continues to grow.

RESERVES POLICY

At 31 August 2015 the total funds comprised:

		£000
Unrestricted:		-
Restricted:	Fixed asset funds	6,328
	GAG	(153)
	Pension reserve	(1,195)
	Other	654
		<u>5,495</u>

The deficit on the pension reserve relates to the non-teaching staff pension scheme where, unlike the teachers scheme, separate assets are held to fund future liabilities as discussed in note 26. The deficit can be met in the longer term from any combination of increased employer or employee contributions, increased government funding or changes to scheme benefits. The restricted funds will be spent in accordance with the terms of the particular funds. Unrestricted funds are for use on the general purposes of the Academy, at the discretion of the Governors. The aim of the Governors is to increase this reserve to meet future working capital requirements.

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

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.

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks facing the Academy are:

- Reputational risk – mitigated by Academy Staff Code of Conduct;
- Performance risk – mitigated by regular monitoring by Principal and Governors and relevant CPD;
- Financial Risk – The Principal financial risks are a reduction in pupil numbers, reduction in central government funding, unbudgeted increase in teaching or support staff costs, or unbudgeted major capital repairs. The risks presented here are mitigated by regular monitoring of Cash Flow and Projected Budgets by Finance Governors; and
- Risks associated with personnel – mitigated by regular review and monitoring of HR Policies, Attendance, Recruitment and Personnel Appraisals.

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

The 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.

PLANS FOR FUTURE

FUTURE DEVELOPMENTS

As part of our improvement work for the next year, the Academy will continue to strive:

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

- Manage effective transition from NC levels to new assessment 'pathways' approach ensuring all stakeholders understand new system and have confidence in it;
- Regularly track student progress at all levels through new monitoring cycles, taking effective intervention actions quickly as needed;
- Promote "outstanding attitudes to learning" which enable students to display an intrinsic "thirst for knowledge and love of learning" regardless of individual need/context;
- Continue to make formative marking 'smarter' to ensure progress is made and clearly evidenced in classwork and homework;
- Develop all aspects of teaching further through Department CPD and Professional Learning Communities;

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

- Emphasise the necessity of developing outstanding “attitudes to learning”, sharing and embedding positive behaviour management strategies for all staff;
- Enhance our ethos and values across the whole college with sharper systems and consistent routines, placing more emphasis on student responsibility;
- Develop and maximise the capacity and potential amongst our whole staff community through CPD programme;
- Ensure outstanding student progress is kept at the heart of all our leadership activities, meeting the requirements and challenges of all curriculum, assessment and other changes;
- Develop our capacity, financial stability and timetable to meet the needs of increasing student intake over the next 3-5 years; and
- Close monitoring of Cash Flow and budget projections, and to promote and encourage Community use of the premises to generate additional income.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

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.

AUDITOR

This report, incorporating the Strategic Report, was approved by order of the Board of Trustees, as the company directors, on 3 December 2015 and signed on the board's behalf by:

.....
Sharon Creber
Chair of Trustees

.....
Anne-Marie Blewitt
Accounting Officer

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GOVERNANCE STATEMENT

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 4 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
James Eddy	2	2
Rowena Barnwell	2	2
Anne-Marie Blewitt, Principal and Accounting Officer	4	4
Eddie Shephard	4	4
Graham McKay, Chair of Finance	3	4
Sharon Creber, Chair of Trustees	2	4
Alison Allford	2	4
Carol Eyley	3	4
Marie Fitzgerald	2	4
Alan Bell	3	4
David Rushton	4	4
Helen Wardle, Clerk to Governors	4	4
Mary Webster	3	4
Karen Westwood	3	4
Emma Boussida	3	4
Jacqui Robinson	4	4
Jez Longhurst	3	4
Adrian Baker	2	3
John Lane	1	2

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GOVERNANCE STATEMENT (continued)

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.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Anne-Marie Blewitt, Principal	4	4
Graham Mckay, Chair of Finance	3	4
James Eddy	2	2
David Rushton	2	3
Rowena Barnwell	1	2
Marie Fitzgerald	0	1
Jez Longhurst	4	4
John Lane	0	1

The Audit Committee is also a sub-committee of the main Board of Trustees. Its purpose is to:

Review the findings of the audits, monitor planned actions as a result of recommendations from the audit and review the anti-fraud policy.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Anne-Marie Blewitt, Principal	1	1
Graham McKay, Chair of Finance	1	1
Jez Longhurst	1	1

REVIEW OF VALUE FOR MONEY

The Principal accepts that as Accounting Officer of Ivanhoe College she is responsible and accountable for ensuring that the Academy Trust delivers good value in the use of public resources. She is aware of the guide to Academy value for money statements published by the Education Funding Agency and understand that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The Principal sets out below how she has ensured that the Academy Trust's use of its resources has provided good value for money during the academic year.

The Principal has ensured the economic, efficient and effective use of all the resources in her charge to allow those resources to be focussed on achieving outstanding educational outcomes for our students. This includes; the avoidance of waste and extravagance, the prudent and economical administration of the organisation, the maintenance of a system of financial governance, including sound internal spending controls, keeping up to date financial records, continuous financial monitoring and timely reporting, ensuring all financial transactions represent value for money.

GOVERNANCE STATEMENT (continued)

Improving educational outcomes:

During the period ended 31 August 2015, the Academy's specific objectives were as follows:

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

- Building on the strengths of teaching so that more is outstanding through a CPD focus (all classroom staff) on highest quality marking and questioning.
- Review of 'how we judge teaching' in light of national changes, so that leaders are sharper and more focused in monitoring quality of teaching.
- Continue to raise achievement for all students, ensuring that achievement of disadvantaged students is in line with that of other students.
- Work in partnership with ACE schools to introduce new curriculum and assessment structure for all subjects 11-16, in place for Autumn 2015.
- Clear focus on our whole college culture of high expectations and high standards for all in terms of respect, attitudes and behaviour, including development of House pastoral leadership and improvements to our rewards system.
- Further develop 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.

Underpinning these objectives are:

- A high quality CPD programme, maximising CPD opportunities and developing active research based CPD.
- A clear focus for all staff on the progress and attainment of our Pupil Premium group.
- Improved parental engagement and communications for disadvantaged students.
- Improved monitoring and evaluation of quality of teaching through a range of ways which better measure the impact of teaching on learning.
- A continued focus on development of students' spiritual, moral, social and cultural development.
- Significant active collaborative work with the Forest Way Teaching School Alliance and Ashby and Coalville Education (ACE) Partnership developing CPD across the local area and a new curriculum and assessment structure for partnership secondary schools.

The Academy learning outcomes for the year ending 31 August 2015 were:

- The Academy's self-evaluation judges that the Academy has made very good progress towards its strategic intent to be outstanding in everything it does.
- Key Stage 3 Teacher attainment at level 5+, 6+, 7+, and by Average Point Score, are significantly higher than the national level and our local comparator schools.
- Our attainment levels put us in the top 10% nationally for all key measures for core subjects.
- The percentage of our students achieving 2 or more levels progress over Key Stage 3 in English and maths has increased to an average of 90%.
- The progress gaps for pupil premium students in English have reduced significantly over the last 3 years, with the APS progress gap having disappeared in 2015. The progress gaps for PP students in maths and science have also reduced. This is a result of PP progress increasing rather than a consequence of falling progress of non-PP.
- The percentages of students making expected progress was well above national proportions in both English and Maths.

GOVERNANCE STATEMENT (continued)

- During the course of the 2014-15 year, the Academy completed the latest phase of its investment programme in its buildings and grounds, having replaced all windows and significantly improving the learning facilities and social spaces for students over the past four years. The overall condition of the Academy's building stock is better than for several decades.
- We had our highest ever intake of Year 7 students for September 2015 and our numbers in all years have continued to rise.
- The College was judged by Ofsted to be 'Good' in every category during our most recent inspection, March 2014.

Financial governance and oversight:

The Finance Committee met four times during the year to receive and review financial reports and set the college budget for the coming year. The Full Governing Body approves the budget each year and receives and approves the accounts and is mindful of the need to ensure that the focus is on educational outcomes.

The college arranged for an external audit in July 2015 and October 2015, to prepare the accounts, which were carried out by MacIntyre Hudson Accountants. The audit findings were very positive for 2014-15 with no significant issues identified. The Finance Committee reviews the feedback from the audit and monitors the actions taken on a regular basis.

Governors in the Finance Committee and at the Full Governing Body meetings regularly ask questions and provide support and challenge to the Principal and Business Manager about the budget and financial policies and practice. This can be seen in the minutes of these meetings.

Better purchasing

In 2015, the college renegotiated contracts for printers and photocopiers, and introduced a managed print system resulting in changed working practices and a further reduced numbers of printers and photocopiers. This has ensured the same level of resources and provision for a significantly reduced cost overall.

We obtain a minimum of 3 quotes for all new purchases and 'one-off' expenditure over £1,000, including booking buses for school trips.

We work with our ACE Partnership (Ashby and Coalville Education) secondary and primary schools, and other Leicestershire Academies, to benefit from economies of scale, specifically in 2014-15 working closely to reduce the costs of our insurance and obtain best value for money.

Maximising income generation

We took our catering service and staffing in-house during 2013 and this has resulted in a benefit to the college of approximately £10,000 for the year compared with a previous cost. We continue to develop and improve the effectiveness of this service and numbers of students and staff choosing to buy our improved and better value meals is increasing each year. We have also provided some catering for external letting which has generated further income.

Our building and facilities were hired by a range of clubs and local groups and this income raised approximately, £14,000 in 2014-15, an increase of approx. £3,000 from the previous year.

Reviewing controls and managing risk

The Governing Body has implemented a number of systems to assess and reduce risks that the college faces, especially in operational areas in relation to teaching, health and safety, behaviour management and in relation to control of finances. They have reviewed the risk register and the anti-fraud risk assessment this year.

GOVERNANCE STATEMENT (continued)

Lessons learned

Our student numbers were lower over the previous 2 years due to smaller cohorts in our primary schools. The larger intake for Year 7 in 2014 and 2015, has meant that we are educating more students with a smaller budget this year.

While Governors had planned for the changes in numbers and funding in terms of maintaining the staffing structure, we identified an overall budget deficit due to an overspend on capital development work. We have therefore identified the need for improved budget sign-off procedures, tighter controls and better project management for capital expenditure projects. We have recruited governors with expertise in this area of work to ensure that improvements are made next year. We have also implemented improved budget monitoring and planning and control for the tighter monthly cashflow.

We identified a need to improve our publicity and advertising relating to the opportunities for the community to hire our facilities. We have taken steps to improve this in order to maximise our income from our buildings.

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Ivanhoe College for the year ended 31 August 2015 and up to the date of approval of the Annual Report and Financial Statements

CAPACITY TO HANDLE RISK

The Board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year ended 31 August 2015 and up to the date of approval of the Annual Report and Financial Statements. This process is regularly reviewed by the Board of Trustees.

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 and General Purposes 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; and
- identification and management of risks.

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. 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.

GOVERNANCE STATEMENT (continued)

REVIEW OF EFFECTIVENESS

The Governing Body of Ivanhoe College have a programme of self-evaluation and use the Local Authority GSET evaluation tool to monitor and improve the effectiveness of its work. Several Governors are involved in the process. The Governing Body also checks the skills of Governors through a skills audit and uses this to inform decisions when recruiting new Governors. There have been improvements in the work of the whole Governing Body and the role and delegated powers of the committees which have helped the school to move forward.

The Governing Body works with an external leadership consultant to ensure that they are well informed about the changes and expectations of governance by the DfE and Ofsted on a regular basis.

The Ofsted inspection report for Ivanhoe College, March 2014, reviewed the effectiveness of governance:

“The governance of the Academy:

The Governing Body is business-like and professional. There is a clear vision and ambition for the future development of the Academy, and Governors have demonstrated the capacity to make improvements quickly. They evaluate their own strengths and areas for development and make every effort to develop their skills to best support and challenge Academy leaders. Governors are experienced in managing financial resources and ensure that budgets and additional funding are used effectively to raise achievement. Governors check how Pupil Premium funding is spent and the impact it has on students’ learning, although they have not identified why it has not proven more effective in narrowing the attainment gap for eligible students. Governors are well informed, supportive and positive in their oversight of the Academy, but are also effective in acting as a critical friend to the Principal and holding the Academy and themselves to account. Governors use data to evaluate the performance of the Academy and work closely with the Principal to develop plans for improvement. Members of the Governing Body are rigorous in using performance data and their knowledge of the Academy to ensure that teachers are rewarded for good performance and to challenge underperformance.”

The internal reviews of governance are conducted as an annual process. The next Ofsted review of governance will be as part of the next inspection of the school, expected every 3 years.

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

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

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the 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 3 December 2015 and signed on its behalf, by:

.....
Sharon Creber
Chair of Trustees

.....
Anne-Marie Blewitt
Accounting Officer

IVANHOE COLLEGE
(A Company Limited by Guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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 for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook .

I confirm that I and the Academy 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 .

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

.....
Anne-Marie Blewitt
Accounting Officer

Date: 3 December 2015

IVANHOE COLLEGE
(A Company Limited by Guarantee)

TRUSTEES' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2015

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 (including the Strategic Report) and the financial statements in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

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

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

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

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

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

.....
Sharon Creber
Chair of Trustees

Date: 3 December 2015

IVANHOE COLLEGE
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF IVANHOE COLLEGE

We have audited the financial statements of Ivanhoe College for the year ended 31 August 2015 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

This report is made solely to the Academy's Trustees, 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 Trustees 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 Trustees, as a body, for our audit work, for this report, or for the opinion we have formed.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

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

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

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

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

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2015 and of its incoming resources and application of resources, including its income and expenditure, for the 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 and the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF IVANHOE COLLEGE

EMPHASIS OF MATTER

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 32 to the financial statements concerning the Academy's ability to continue as a going concern. The matters explained in this note relating to the in year deficit on the General Annual Grant of £100,000 leading to a deficit on the GAG fund carried forward of £153,000, indicate the existence of a material uncertainty which may cast significant doubt about the Academy's ability to continue as a going concern. The financial statements do not include any adjustments that would result if the Academy was unable to continue as a going concern.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

Robert Nelson BA FCA DChA (Senior Statutory Auditor)

for and on behalf of

MHA MacIntyre Hudson

Chartered Accountants
Statutory Auditors

11 Merus Court
Meridian Business Park
LE19 1RJ
18 December 2015

IVANHOE COLLEGE
(A Company Limited by Guarantee)

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO IVANHOE COLLEGE AND THE EDUCATION FUNDING AGENCY

In accordance with the terms of our engagement letter dated 7 August 2015 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2014 to 2015, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Ivanhoe College during the year ended 31 August 2015 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Ivanhoe College and EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Ivanhoe College and EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Ivanhoe College and 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 2014, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2014 to 2015. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year ended 31 August 2015 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

APPROACH

We conducted our engagement in accordance with the Academies Accounts Direction 2014 to 2015 issued by EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw 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;

IVANHOE COLLEGE
(A Company Limited by Guarantee)

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

- 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, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year ended 31 August 2015 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

MHA MacIntyre Hudson

Chartered Accountants
Statutory Auditors

11 Merus Court
Meridian Business Park
LE19 1RJ

18 December 2015

IVANHOE COLLEGE
(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating Income and Expenditure Account and Statement of Total Recognised Gains and Losses)
FOR THE YEAR ENDED 31 AUGUST 2015

	Note	Unrestricted funds 2015 £000	Restricted funds 2015 £000	Restricted fixed asset funds 2015 £000	Total funds 2015 £000	As restated Total funds 2014 £000
INCOMING RESOURCES						
Incoming resources from generated funds:						
Voluntary income	2	3	2	-	5	8
Activities for generating funds	3	232	4	-	236	193
Investment income	4	-	-	-	-	1
Incoming resources from charitable activities:						
Funding for the Academy Trust's educational operations	5	-	4,251	229	4,480	4,270
TOTAL INCOMING RESOURCES		235	4,257	229	4,721	4,472
RESOURCES EXPENDED						
Costs of generating funds:						
Costs of activities for voluntary and other income	6	176	-	-	176	155
Charitable activities:						
Academy Trust educational operations	7	-	3,984	273	4,257	4,434
Governance costs	8	-	23	-	23	10
TOTAL RESOURCES EXPENDED	9	176	4,007	273	4,456	4,599
NET INCOMING/(OUTGOING) RESOURCES BEFORE TRANSFERS, CARRIED FORWARD		59	250	(44)	265	(127)

IVANHOE COLLEGE
(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

	Note	Unrestricted funds 2015 £000	Restricted funds 2015 £000	Restricted fixed asset funds 2015 £000	Total funds 2015 £000	As restated Total funds 2014 £000
NET INCOMING / (OUTGOING) RESOURCES BEFORE TRANSFERS, BROUGHT FORWARD		59	250	(44)	265	(127)
Transfers between funds	21	(59)	16	43	-	-
NET INCOME/(EXPENDITURE) FOR THE YEAR		-	266	(1)	265	(127)
Actuarial gains/(losses) on defined benefit pension schemes		-	17	-	17	(327)
NET MOVEMENT IN FUNDS FOR THE YEAR		-	283	(1)	282	(454)
Total funds at 1 September 2014 (as restated)		-	(977)	6,329	5,352	5,650
Prior period adjustment	20	-	-	-	-	156
TOTAL FUNDS AT 31 AUGUST 2015		-	(694)	6,328	5,634	5,352

All activities relate to continuing operations.

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

The notes on pages 27 to 48 form part of these financial statements.

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

BALANCE SHEET
AS AT 31 AUGUST 2015

	Note	£000	2015 £000	As restated 2014 £000
FIXED ASSETS				
Tangible assets	15		6,328	6,329
CURRENT ASSETS				
Stocks	16	2		2
Debtors	17	787		378
Cash at bank		31		23
		<u>820</u>		<u>403</u>
CREDITORS: amounts falling due within one year	18	<u>(294)</u>		<u>(224)</u>
NET CURRENT ASSETS			<u>526</u>	<u>179</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>6,854</u>	<u>6,508</u>
CREDITORS: amounts falling due after more than one year	19		<u>(25)</u>	<u>(29)</u>
NET ASSETS EXCLUDING PENSION SCHEME LIABILITY			<u>6,829</u>	<u>6,479</u>
Defined benefit pension scheme liability	26		<u>(1,195)</u>	<u>(1,127)</u>
NET ASSETS INCLUDING PENSION SCHEME LIABILITY			<u>5,634</u>	<u>5,352</u>
FUNDS OF THE ACADEMY				
Restricted funds:				
Restricted funds	21	501		150
Restricted fixed asset funds	21	6,328		6,329
Restricted funds excluding pension liability		<u>6,829</u>		<u>6,479</u>
Pension reserve	21	<u>(1,195)</u>		<u>(1,127)</u>
Total restricted funds			<u>5,634</u>	<u>5,352</u>
TOTAL FUNDS			<u>5,634</u>	<u>5,352</u>

The financial statements were approved by the Trustees, and authorised for issue, on 3 December 2015 and are signed on their behalf, by:

.....
Sharon Creber
Chair of Trustees

.....
Anne-Marie Blewitt
Accounting Officer

The notes on pages 27 to 48 form part of these financial statements.

IVANHOE COLLEGE
(A Company Limited by Guarantee)

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2015

	Note	2015 £000	As restated 2014 £000
Net cash flow from operating activities	23	55	154
Returns on investments and servicing of finance	24	-	1
Capital expenditure and financial investment	24	(43)	(207)
CASH INFLOW/(OUTFLOW) BEFORE FINANCING		12	(52)
Financing	24	(4)	(3)
INCREASE/(DECREASE) IN CASH IN THE YEAR		8	(55)

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET (DEBT)/FUNDS
FOR THE YEAR ENDED 31 AUGUST 2015

	2015 £000	2014 £000
Increase/(decrease) in cash in the year	8	(55)
Decrease in debt and lease financing	4	3
MOVEMENT IN NET FUNDS/(DEBTS) IN THE YEAR	12	(52)
Net (debt)/funds at 1 September 2014	(10)	42
NET FUNDS/(DEBT) AT 31 AUGUST 2015	2	(10)

The notes on pages 27 to 48 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention. 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 2014 to 2015 issued by EFA, applicable accounting standards and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

1.2 Fund accounting

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

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

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

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

1.3 Incoming resources

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

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

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in restricted funds..

Capital grants are recognised when receivable and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance sheet as restricted funds.

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

1. ACCOUNTING POLICIES (continued)

1.4 Resources expended

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

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. Note 32 includes further details in relation to going concern issues. In the opinion of the Trustees, the Academy will continue as a going concern.

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

Leasehold land	-	not depreciated
Long leasehold property	-	2% and 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 YEAR ENDED 31 AUGUST 2015

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.

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 26, 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. Actuarial gains and losses are recognised immediately in other gains and losses.

IVANHOE COLLEGE
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

2. VOLUNTARY INCOME

	Unrestricted funds 2015 £000	Restricted funds 2015 £000	Total funds 2015 £000	Total funds 2014 £000
Donations	<u>3</u>	<u>2</u>	<u>5</u>	<u>8</u>

3. ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds 2015 £000	Restricted funds 2015 £000	Total funds 2015 £000	Total funds 2014 £000
Hire of facilities	14	-	14	11
Catering income	188	-	188	166
Other income	28	4	32	-
Classroom resales	2	-	2	16
	<u>232</u>	<u>4</u>	<u>236</u>	<u>193</u>

4. INVESTMENT INCOME

	Unrestricted funds 2015 £000	Restricted funds 2015 £000	Total funds 2015 £000	Total funds 2014 £000
Interest receivable	<u>-</u>	<u>-</u>	<u>-</u>	<u>1</u>

IVANHOE COLLEGE
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

5. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2015 £000	Restricted funds 2015 £000	Total funds 2015 £000	Total funds 2014 £000
DfE/EFA revenue grants				
General Annual Grant (GAG)	-	3,390	3,390	3,616
Pupil Premium	-	157	157	175
Capital grants	-	238	238	19
Other DfE/EFA grants	-	87	87	25
	-	3,872	3,872	3,835
Other government grants				
Local Authority grants	-	62	62	30
	-	62	62	30
Other funding				
School trips and parental contributions	-	103	103	138
Other non government grants	-	6	6	3
Section 106 funding	-	437	437	264
	-	546	546	405
	-	4,480	4,480	4,270

6. COSTS OF GENERATING VOLUNTARY AND OTHER INCOME

	Unrestricted funds 2015 £000	Restricted funds 2015 £000	Total funds 2015 £000	Total funds 2014 £000
Catering costs	92	-	92	82
Kitchen staff salaries	84	-	84	73
	176	-	176	155

IVANHOE COLLEGE
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

7. CHARITABLE ACTIVITIES

	Total funds 2015 £000	As restated Total funds 2014 £000
DIRECT COSTS - EDUCATIONAL OPERATIONS		
Wages and salaries	2,276	2,246
National insurance	152	154
Pension costs	384	325
Depreciation	273	271
Educational supplies	36	46
Staff development	17	13
Travel and subsistence	4	5
Other direct costs	114	139
Bad debt written off	-	5
	<hr/>	<hr/>
Total	3,256	3,204
	<hr/>	<hr/>
SUPPORT COSTS - EDUCATIONAL OPERATIONS		
Wages and salaries	458	423
National insurance	20	21
Pension costs	83	76
Pension finance costs (note 14)	25	28
Recruitment and support	6	10
Maintenance of premises and equipment	97	211
Cleaning	10	70
Rates	25	22
Energy costs	65	61
Insurance	60	51
Legal and professional	59	168
Other support costs	86	84
Bank charges and interest	7	5
	<hr/>	<hr/>
Total	1,001	1,230
	<hr/>	<hr/>
Total Academy's educational operations	4,257	4,434
	<hr/> <hr/>	<hr/> <hr/>

8. GOVERNANCE COSTS

	Total funds 2015 £000	Total funds 2014 £000
Auditors' remuneration	22	9
Governance costs	1	1
	<hr/>	<hr/>
	23	10
	<hr/> <hr/>	<hr/> <hr/>

IVANHOE COLLEGE
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

9. TOTAL RESOURCES EXPENDED

	Staff costs	Non Pay Premises	Expenditure Other costs	Total	As restated Total
	2015	2015	2015	2015	2014
	£000	£000	£000	£000	£000
Costs of generating voluntary income	84	-	92	176	155
Costs of generating funds	84	-	92	176	155
Educational Operations	2,812	223	221	3,256	3,204
Support costs	586	143	272	1,001	1,230
Charitable activities	3,398	366	493	4,257	4,434
Governance	-	-	23	23	10
	3,482	366	608	4,456	4,599

10. NET INCOMING / (OUTGOING) RESOURCES

This is stated after charging:

	2015	2014
	£000	£000
Depreciation of fixed assets	273	271
Auditors' remuneration: Audit fees	11	9
Auditors' remuneration: Comparison audit	11	-
Operating lease rentals	20	12

IVANHOE COLLEGE
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

11. STAFF

a. Staff costs

Staff costs were as follows:

	2015	2014
	£000	£000
Wages and salaries	2,697	2,617
Social security costs	173	177
Pension costs	478	409
	<hr/>	<hr/>
	3,348	3,203
Supply teacher costs	109	107
Compensation payments	-	10
Pension finance costs (note 14)	25	28
	<hr/>	<hr/>
	3,482	3,348
	<hr/> <hr/>	<hr/> <hr/>

b. Staff numbers

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

	2015	2014
	No.	No.
Teaching	43	39
Administration and support	51	52
Management	7	7
	<hr/>	<hr/>
	101	98
	<hr/> <hr/>	<hr/> <hr/>

c. Higher paid staff

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

	2015	2014
	No.	No.
In the band £60,001 - £70,000	1	0
In the band £90,001 - £100,000	1	1
	<hr/> <hr/>	<hr/> <hr/>

The above employees participated in the Teachers' Pension Scheme. The annualised pension contributions amounted to £21,764 (2014 - £12,917).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

12. TRUSTEES' REMUNERATION AND EXPENSES

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

	2015	2014
	£000	£000
Anne-Marie Blewitt	90-95	90-95
Anne-Marie Blewitt Pension	10-15	10-15
Allison Allford	45-50	40-45
Allison Allford Pension	5-10	5-10
Emma Boussida	40-45	-
Emma Boussida Pension	5-10	-
Karen Westwood	30-35	25-30
Karen Westwood Pension	5-10	5-10

During the year, no Trustees received any reimbursement of expenses (2014 - £NIL).

Other related party transactions involving the Trustees are set out in note 28.

13. 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 year ended 31 August 2015 was £1,243 (2014 - £1,243). The cost of this insurance is included in the total insurance cost.

14. PENSION FINANCE COST

	2015	2014
	£000	£000
Expected return on pension scheme assets	54	39
Interest on pension scheme liabilities	(79)	(67)
	<u>(25)</u>	<u>(28)</u>

IVANHOE COLLEGE
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

15. TANGIBLE FIXED ASSETS

	Long leasehold property £000	Plant and machinery £000	Furniture and equipment £000	Computer equipment £000	Total £000
Cost					
At 1 September 2014 (as previously stated)	6,390	86	58	113	6,647
Prior year adjustment	175	-	-	-	175
At 1 September 2014 (as restated)	6,565	86	58	113	6,822
Additions	262	1	-	9	272
At 31 August 2015	6,827	87	58	122	7,094
Depreciation					
At 1 September 2014 (as previously stated)	356	33	10	75	474
Prior year adjustment	19	-	-	-	19
At 1 September 2014 (as restated)	375	33	10	75	493
Charge for the year	217	17	6	33	273
At 31 August 2015	592	50	16	108	766
Net book value					
At 31 August 2015	6,235	37	42	14	6,328
At 31 August 2014 (as restated)	6,190	53	48	38	6,329

Included in long leasehold property is land at a valuation £1,838,000 (2014 - £1,838,000) which is not depreciated.

16. STOCKS

	2015 £000	2014 £000
Catering stock	2	2

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

17. DEBTORS

	2015	2014
	£000	£000
General debtors	4	1
VAT recoverable	24	38
Other debtors	11	13
Prepayments and accrued income	748	326
	<u>787</u>	<u>378</u>

18. CREDITORS:
Amounts falling due within one year

	2015	2014
	£000	£000
Other loans	4	4
General creditors	99	67
Other taxation and social security	55	55
Other creditors	52	52
Accruals and deferred income	84	46
	<u>294</u>	<u>224</u>

	£000
Deferred income	
Resources deferred during the year	<u>7</u>

At the 31 August 2015 the Academy Trust was holding funds received in advance for a school trip.

Included in other loans above is a loan of £3,664 from Leicestershire County Council, Willow Fund, which is repayable over 10 year finishing 2023.

19. CREDITORS:
Amounts falling due after more than one year

	2015	2014
	£000	£000
Other loans	<u>25</u>	<u>29</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

19. CREDITORS:
Amounts falling due after more than one year (continued)

Creditors include amounts not wholly repayable within 5 years as follows:

	2015	2014
	£000	£000
Repayable by instalments	10	14

Included in other loans above is a loan of £25,136 from Leicestershire County Council, Willow Fund, which is repayable over 10 year finishing 2023.

20. PRIOR PERIOD ADJUSTMENT

In the course of the current financial year it has been identified that the Academy's capitalisation policy had been applied inconsistently in the period ended 31 August 2013 and year ended 31 August 2014. Capital expenditure amounting to £175,000 was identified as having been accounted for as revenue expenditure rather than being capitalised in accordance with the Academy's accounting policy as detailed in note 1.6 above.

It has also been recognised that capital expenditure in the year ended 31 August 2014 was met out of unrestricted funds and the General Annual Grant rather than from Section 106 funding.

A prior period adjustment has been accounted for:

- to recognise capital expenditure of £175,000 as fixed assets in accordance with note 1.6 above and to charge depreciation of £19,000 thereon; and
- to reflect the use of unrestricted funds and the General Annual Grant to fund £179,000 of capital expenditure rather than that expenditure being met out of restricted Section 106 funding.

IVANHOE COLLEGE
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

21. STATEMENT OF FUNDS

	As restated brought forward £000	Incoming resources £000	Resources expended £000	Transfers in/(out) £000	Gains/ (losses) £000	Carried forward £000
Unrestricted funds						
General funds	-	235	(176)	(59)	-	-
Restricted funds						
General Annual Grant (GAG)	(53)	3,390	(3,506)	16	-	(153)
Other DfE/EFA grants	-	87	(87)	-	-	-
S106 income	235	437	-	-	-	672
Pupil Premium	-	157	(157)	-	-	-
Capital grants	-	10	-	-	-	10
Other income	-	115	(115)	-	-	-
Local Authority grant	-	61	(61)	-	-	-
Local Authority loan on conversion	(32)	-	4	-	-	(28)
LGPS Defined Benefit Pension Scheme	(1,127)	-	(85)	-	17	(1,195)
	(977)	4,257	(4,007)	16	17	(694)
Restricted fixed asset fund						
Restricted fixed asset funds	6,329	229	(273)	43	-	6,328
Total restricted funds	5,352	4,486	(4,280)	59	17	5,634
Total of funds	5,352	4,721	(4,456)	-	17	5,634

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

21. STATEMENT OF FUNDS (continued)

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.

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

Other DfE/EFA Grants

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

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.

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. Transfers of £27,000 from S106 funds and £16,000 from unrestricted funds to restricted fixed asset fund for fixed asset additions and capital projects during the year.

Local Authority loan on conversion

This fund consists of a loan from the Local Authority which was taken out prior to conversion to an Academy. The fund is in deficit and the balance is being paid off through the GAG over the term of the loan.

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.

Restricted fixed asset funds

The restricted fixed asset fund was funded predominantly by the funds inherited on conversion to an Academy from the Local Authority following the transfer of assets. It includes further amounts invested in fixed assets.

IVANHOE COLLEGE
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

22. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2015 £000	Restricted funds 2015 £000	Restricted fixed asset funds 2015 £000	Total funds 2015 £000	As restated Total funds 2014 £000
Tangible fixed assets	-	-	6,328	6,328	6,329
Current assets	-	820	-	820	403
Creditors due within one year	-	(294)	-	(294)	(224)
Creditors due in more than one year	-	(25)	-	(25)	(29)
Pension scheme liability	-	(1,195)	-	(1,195)	(1,127)
	<u>-</u>	<u>(694)</u>	<u>6,328</u>	<u>5,634</u>	<u>5,352</u>

23. NET CASH FLOW FROM OPERATING ACTIVITIES

	2015 £000	As restated 2014 £000
Net incoming resources	265	(127)
Returns on investments and servicing of finance	-	(1)
Depreciation of tangible fixed assets	273	271
Capital grants	(229)	(8)
(Increase)/decrease in debtors	(409)	48
(Decrease)/increase in creditors	70	(71)
FRS 17 pension cost less contributions payable	60	14
FRS 17 pension finance income (note 14)	25	28
Net cash inflow from operations	<u>55</u>	<u>154</u>

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

	2015 £000	2014 £000
Returns on investments and servicing of finance		
Interest received	<u>-</u>	<u>1</u>

IVANHOE COLLEGE
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

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

	2015	As restated
	£000	2014
		£000
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(272)	(215)
Capital grants	229	8
	<u>(43)</u>	<u>(207)</u>
Net cash outflow capital expenditure	<u>(43)</u>	<u>(207)</u>
	2015	2014
	£000	£000
Financing		
Repayment of other loans	(4)	(3)
	<u>(4)</u>	<u>(3)</u>

25. ANALYSIS OF CHANGES IN NET (DEBT)/FUNDS

	1	Cash flow	Other	31 August
	September		non-cash	2015
	2014	£000	changes	£000
	£000		£000	£000
Cash at bank and in hand	23	8	-	31
Debt:				
Debts due within one year	(4)	4	(4)	(4)
Debts falling due after more than one year	(29)	-	4	(25)
	<u>(10)</u>	<u>12</u>	<u>-</u>	<u>2</u>
Net (debt)/funds	<u>(10)</u>	<u>12</u>	<u>-</u>	<u>2</u>

26. 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 multi-employee defined benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2013.

Contributions amounting to £51,000 were payable to the schemes at 31 August 2015 (2014 - £51,000) and are included within creditors.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

26. PENSION COMMITMENTS (continued)

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

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

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

The employers pension costs paid to Teachers Pension Scheme in the period amounted to £164,000 (2014 - £143,000).

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

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The Academy has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Academy has set out above the information available on the scheme.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

26. PENSION COMMITMENTS (continued)

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 year ended 31 August 2015 was £211,000, of which employer's contributions totalled £164,000 and employees' contributions totalled £47,000. The agreed contribution rates for future years are 21.7% for employers and between 5.5% and 12.5% for employees.

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

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

	Expected return at 31 August 2015 %	Fair value at 31 August 2015 £000	Expected return at 31 August 2014 %	Fair value at 31 August 2014 £000
Equities	3.80	739	6.30	625
Bonds	3.80	235	3.30	152
Property	3.80	123	4.50	89
Cash	3.80	22	3.30	27
Total market value of assets		<u>1,119</u>		<u>893</u>
Present value of scheme liabilities		<u>(2,314)</u>		<u>(2,020)</u>
Deficit in the scheme		<u><u>(1,195)</u></u>		<u><u>(1,127)</u></u>

The expected rates of return are set equal to the discount rate.

The amounts recognised in the Balance Sheet are as follows:

	2015 £000	2014 £000
Present value of funded obligations	(2,314)	(2,020)
Fair value of scheme assets	1,119	893
Net liability	<u><u>(1,195)</u></u>	<u><u>(1,127)</u></u>

IVANHOE COLLEGE
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

26. PENSION COMMITMENTS (continued)

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

	2015	2014
	£000	£000
Current service cost	(224)	(157)
Interest on pension liabilities	(79)	(67)
Expected return on pension scheme assets	54	39
	<u> </u>	<u> </u>
Total	(249)	(185)
	<u> </u>	<u> </u>
Actual return on scheme assets	39	83
	<u> </u>	<u> </u>

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

	2015	2014
	£000	£000
Opening defined benefit obligation	2,020	1,370
Current service cost	224	157
Interest cost	79	67
Contributions by scheme participants	47	42
Actuarial (gains)/losses	(32)	406
Benefits paid	(24)	(22)
	<u> </u>	<u> </u>
Closing defined benefit obligation	2,314	2,020
	<u> </u>	<u> </u>

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

	2015	2014
	£000	£000
Opening fair value of scheme assets	893	612
Expected return on assets	54	39
Actuarial (losses)/gains	(15)	79
Contributions by employer	164	143
Contributions by employees	47	42
Benefits paid	(24)	(22)
	<u> </u>	<u> </u>
	1,119	893
	<u> </u>	<u> </u>

The cumulative amount of actuarial losses recognised in the Statement of Financial Activities was £455,000 (2014 - £472,000).

The Academy expects to contribute £174,000 to its Defined Benefit Pension Scheme in 2016.

IVANHOE COLLEGE
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

26. PENSION COMMITMENTS (continued)

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

	2015	2014
Equities	66.00 %	70.00 %
Bonds	21.00 %	17.00 %
Property	11.00 %	10.00 %
Cash	2.00 %	3.00 %

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

	2015	2014
Discount rate for scheme liabilities	3.80 %	3.70 %
Expected return on scheme assets at 31 August	3.80 %	5.50 %
Rate of increase in salaries	4.60 %	4.50 %
Rate of increase for pensions in payment / inflation	2.70 %	2.70 %
Inflation assumption (CPI)	2.70 %	2.70 %

Sensitivity analysis:

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below:

Change in assumptions at 31 August 2015:	Approximate percentage increase to Employer Liability (%)	Approximate monetary amount (£000)
0.5% decrease in Real Discount Rate	13	298
1 year increase in member life expectancy	3	69
0.5% increase in Salary Increase Rate	6	149
0.5% increase in the Pension Increase Rate	6	140

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

	2015	2014
Retiring today		
Males	22.2	22.2
Females	24.3	24.3
Retiring in 20 years		
Males	24.2	24.2
Females	26.6	26.6

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

26. PENSION COMMITMENTS (continued)

Amounts for the current and previous two periods are as follows:

Defined benefit pension schemes

	2015	2014	2013
	£000	£000	£000
Defined benefit obligation	(2,314)	(2,020)	(1,370)
Scheme assets	1,119	893	612
Deficit	(1,195)	(1,127)	(758)
Experience adjustments on scheme liabilities	32	(406)	(183)
Experience adjustments on scheme assets	(15)	79	38

27. OPERATING LEASE COMMITMENTS

At 31 August 2015 the Academy had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2015	2014	2015	2014
	£000	£000	£000	£000
Expiry date:				
Within 1 year	-	-	5	3
Between 2 and 5 years	-	-	23	17
After more than 5 years	-	-	-	1

28. RELATED PARTY TRANSACTIONS

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

At the year end Ivanhoe College was owed £11,248 (2014 - £11,148) by Ivanhoe Under 5s Limited, a nursery operated on the college site.

29. CONTROLLING PARTY

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

30. COMPANY LIMITED BY GUARANTEE

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

31. 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.

32. GOING CONCERN

During the year ended 31 August 2015 the Academy has reported net income of £265,000. This is stated after accounting for depreciation of £273,000 and before actuarial gains of £17,000. At 31 August 2015 the Academy had no unrestricted funds and a deficit of the General Annual Grant of £153,000. The Academy also held restricted funds, including S106 funding, amounting to £654,000 not including the pension deficit of £1,195,000.

The Governors are aware of the Academy's year end financial position and are taking appropriate steps to address the deficit in General Annual Grant funding. Future budgets will address the need to make good the deficit over a period of time.

The EFA provided the Academy with an advance in the year of £15,000 which was paid off before the year end.