

Registered number: 08100518 (England and Wales)

IVANHOE COLLEGE
(A Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

IVANHOE COLLEGE
(A company limited by guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2016

Members

Sharon Creber
James Eddy
Rowena Barnwell
Graham McKay
Jez Longhurst (appointed 3 Dec 15)
David Rushton (resigned 3 Dec 15)

Trustees (Governors)

Sharon Creber * (Chair of Trustees resigned 29 Sept 16)
Greg Allen (appointed 3 Dec 15)
Alison Allford (Staff Trustee resigned 1 Dec 15)
Adrian Baker
Alan Bell
Anne-Marie Blewitt * (Principal)
Emma Boussida (Staff Trustee resigned 1 Dec 15)
Craig Cubitt (Staff Trustee appointed 3 Dec 15)
Louisa Day (appointed 3 Dec 15)
Carol Eyley
Georgina Howick (Staff Trustee appointed 3 Dec 15)
John Lane *
Jez Longhurst *
Graham McKay * (Chair of Trustees appointed 29 Sept 16)
Norma Morris-Chapman
Jacqui Robinson (resigned 11 Nov 15)
Ailsa Rowles (appointed 3 Dec 15)
David Rushton *
Eddie Shephard
Mary Webster
Karen Westwood (Staff Trustee)
Helen Wardle (Clerk resigned 30 June 16)

*member of the finance committee

Company Secretary

Tracy Winfield

Accounting Officer

Anne-Marie Blewitt

Senior leadership team:

- | | |
|-----------------------|--------------------|
| • Principal | Anne-Marie Blewitt |
| • Vice Principal | Greg Bellmore |
| • Assistant Principal | Dave Berrow |
| • Assistant Principal | Sarah Lane |
| • Business Manager | Alison Allford |
| | Tracy Winfield |

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REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2016

Principal and Registered Office	Ivanhoe College North Street Ashby De La Zouch Leicestershire LE65 1HX
Company Registration Number	08100518 (England & Wales)
Independent Auditors	MHA MacIntyre Hudson Chartered Accountants & Statutory Auditor 11 Merus Court Meridian Business Park Leicester LE19 1RJ
Bankers	NatWest Bank Plc 54 Market Street Ashby De La Zouch Leicestershire LE65 1BB Lloyds Bank Plc 44 Market Street Ashby De La Zouch Leicestershire LE65 1FL

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

The Trustees present their annual report together with the financial statements and auditors' reports of the charitable company for the year ended 31 August 2016. The annual report serves the purposes of both a Trustees' Report, and a Directors' Report under company law.

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 912 in the school census on 21 January 2016.

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 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

Trustees benefit from indemnity insurance to cover the liability of the Trustees 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 £1,019.

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 three 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; (Appointment of Parent Governors is made via parent ballot;)
- 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

There is a programme of Governor induction training together with a menu of extensive specialised training available through the local network of schools which supports all new Governors. The Academy buys into the Local Authority Governor Development Service who offer further Governor training. A skills matrix is being developed to identify areas of strength and weakness.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

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.

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.

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

The Accounting Officer has overall executive responsibility for the financial management of the charitable company, while the Chief Financial 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.

Arrangements for setting pay and remuneration of Key Management Personnel

Key Management Personnel include the Governors, the Principal and members of the Senior Leadership Team.

All Ivanhoe College Governors are volunteers and do not receive any payment for their role.

The pay of the Principal and Senior Leadership Team is set out in the Pay Policies for Teachers and for Support Staff. All members of staff are subject to an annual appraisal process and appropriate objectives are set. Where applicable, performance related pay increases are awarded subject to successful review of appraisal objectives and overall performance against key Academy targets for the year. The pay and appraisal policies and practice are monitored by the Governing Body.

Related parties and other connected charities and organisations.

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

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

- 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 a strategic partner in the Forest Way Teaching School Alliance, and makes extensive use of its programmes for training and development. The college is a member of the highly effective North West Leicestershire School Sports Partnership.

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

OBJECTIVES AND ACTIVITIES

Objects and Aims

The 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
- 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 summarised 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 2015-16

To be the best that we can be on our 'Journey to excellence' by working to develop practice in the following key areas:

Achievement

- A1.** Manage effective transition from NC levels to new assessment 'pathways' approach ensuring all stakeholders understand new system and have confidence in it.
 - A2.** Regularly track student progress at all levels through new monitoring cycles, taking effective intervention actions quickly as needed.
 - A3.** Identify key groups of students, including PP, High Attainers and SEND, clearly and put strategies in place to close 'gaps' where they exist.
-

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

Teaching

- T1.** Promote “outstanding attitudes to learning” which enable students to display an intrinsic “thirst for knowledge and love of learning” regardless of individual need/context.
- T2.** Continue to make formative marking SMARTER to ensure progress is made and clearly evidenced in classwork and homework, aligning more accurately with our summative data.
- T3.** Develop all aspects of teaching further through Department CPD and Professional Learning Communities, closely linked to self-evaluation and increasingly personalised for teachers.

Behaviour, safety and wellbeing

- B1.** Emphasise the necessity of developing outstanding “attitudes to learning”, sharing and embedding positive behaviour management strategies for all staff so that they become increasingly skilled and confident.
- B2.** Make the role of the subject leader, teacher and tutor far more effective and rigorous in maintaining overall high standards of behaviour and ethos, working with the other key pastoral staff.
- B3.** Enhance our ethos and values across the whole college with sharper systems and consistent routines, placing more emphasis on student responsibility.

Leadership and management

- L1.** Develop and maximise the capacity and potential amongst our whole staff community to embed a Chimp Management/Growth Mindset culture.
- L2.** 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.
- L3.** Develop our capacity, financial stability and timetable to meet the needs of increasing student intake over the next 3-5 years.

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)
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STRATEGIC REPORT

Achievements and Performance

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

- Attainment and progress of all students in English and Maths is significantly above national expectations
- The achievement of disadvantaged students is strong when compared to national expectations for all other students and their progress is outstanding, in line with all other students at Ivanhoe during KS3
- Assessment is used to accurately inform planning and next steps for students
- Excellent teaching provides an outstanding curriculum which engages and challenges all students, including the more able, across all subjects

There is no national KS3 achievement data and, until Summer 2015, we compared our results with those of similar schools in Leicestershire, a very high performing region at KS3. Our results were always very strong against this comparator as evidenced by our Forest Way Teaching School/ACE Data Health check reports for 2014 and 2015.

In the absence of any national or local KS3 data sets, we compare the percentage of students making expected progress, and more than expected progress, from KS2-3 with RAISE online for KS2-4 progress. A significantly higher proportion of our students make expected progress, and more than expected progress, from their different starting points when compared with national figures. We also compare and moderate our TA and test results within the ACE Partnership.

English and Maths achievement is a strength of the school with students of all abilities normally making more than expected progress. Projected expected levels of progress and more than expected levels of progress for 2017 in English and Maths are above national expectations, including for disadvantaged and SEND students. Those with SEN S/EHCP make very strong progress and achieve significantly higher than national expectations.

Students typically attain above national expectations across 8 subjects for all groups of learners as measured by our KS3 approximation of Attainment 8.

All of our students study a full curriculum of 10+ subjects and are well prepared for the EBACC at KS4. A high proportion of our students have studied these subjects through to KS4 for several years and the % uptake for boys and girls studying a Language at KS4 is significantly higher than the national.

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 2015-16 when compared with the previous year. Our number of students on roll has also increased this year by 38. Because of this we have taken the following actions to ensure high standards of education have been maintained:

- Maintained cost of teaching staff with an increased student body and timetable requirements
- Improved financial planning
- Secured additional Section 106 funding for development of the building and facilities
- Invested in partnership working with other schools re school improvement
- Maintained staff training and professional development leading to continued improvements in student outcomes
- Centralised purchasing of stationery to improve value for money
- Reviewed utilities contracts

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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.

Ofsted safeguarding inspection, November 2015

- Very positive report following the one day inspection by HMI. This inspection does not make a judgement but the report indicates many strengths in terms of the school's performance relating to safeguarding, behaviour and wellbeing.

Student attendance:

- has risen each year and for 2015-16 was 95%, which was a continued improvement over the last three years.

Student intake numbers:

- Numbers of students joining us in Year 7 was 326 students which was over our Planned Admission Number (PAN) of 316 for 2015-16. We were significantly oversubscribed with a waiting list. 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.

Student achievement:

- Attainment in English and Maths is significantly above national levels.
- Proportions of students making expected progress, or exceeding expected progress 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 2016. 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

Ivanhoe College has used the income for the year ended 31 August 2016 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 2016 the total funds comprised:

		£000's
Unrestricted		22
Restricted:	Fixed asset funds	6,679
	Pension reserve	(1,618)
		<u>5,083</u>

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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 23. 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.

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 and monitoring and review by SLT and Governors of Risk Management Register
- 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
- Risks associated with personnel – mitigated by regular review and monitoring of HR Policies, Attendance, Recruitment and Personnel Appraisals
- Performance and Financial risk of increasing NOR and PAN – mitigated by continuous monitoring of NOR and forecast NOR and ensuring that the environment and teaching is sufficient and efficient to ensure continued learning and progress for all

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 PERIODS

The previous Ofsted inspection grade was a Good judgement in March 2014 and the Academy has continued to be ambitious and create a culture of continuous improvement based on sound evaluation. We have worked with Chimp Management consultancy to maximise our performance as a whole school and to drive further improvement in leadership development. We have also developed and taken part in a Peer Review programme together with our ACE partner schools which has provided us with rigorous external scrutiny and helped to inform

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

our continuous improvement actions. There is strong governance from an experienced and committed Governing Body who know the school well and support and challenge the Principal and senior leadership team. We welcome and proactively seek feedback evidence from a range of external sources. In order to identify the key priorities for the next year we have used evidence from the Ace Peer Review, a Pupil Premium review which we commissioned, feedback from our management consultant and our own internal self-evaluation process.

Key improvement areas for 2016-17:

To focus on improving consistency across whole college and achievement of disadvantaged students;

- A1. Aim of outstanding progress for students across KS3 as measured on assessment pathways, ensuring all stakeholders confidently use and understand the system
- A2. Regularly track student progress at department and whole school level through monitoring cycles, taking effective intervention actions quickly as needed
- A3. Maximise progress of key groups of students, including PP, High Attainers and SEND, clearly and put strategies in place to close 'gaps' where they exist
- T1. Promote "outstanding attitudes to learning" which enable students to display an intrinsic "thirst for knowledge and love of learning" regardless of individual need/context
- T2. Ensure that teaching, including marking and feedback are directly linked to maximising student progress and clearly evidenced in classwork and homework
- T3. Develop all aspects of teaching further through Subject CPD and Professional Learning Communities, closely linked to self-evaluation and appraisal and increasingly personalised for teachers.
- B1. Further develop student attitudes to learning so that they are typically outstanding by ensuring that positive behaviour management strategies are used consistently by all staff
- B2. Actively develop and champion students' wellbeing and resilience, promoting positive mental health and growth mind set
- B3. Ensure high standards of uniform and students being 'prepared for learning', having consistent expectations and placing emphasis on student responsibility
- L1. Develop culture with a high level of consistency in the way that key policies are implemented across the school
- L2. 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
- L3. Develop our capacity, financial stability and timetable to meet the needs of increasing student intake over the next 3-5 years

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

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

AUDITOR

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Ivanhoe College has reappointed MHA MacIntyre Hudson as Auditors for 2016/17.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

Trustees' report, incorporating a Strategic Report, was approved by order of the Board of Trustees, as the company directors, on 1 December 2016 and signed on the Board's behalf by:

.....
Graham McKay

Chair of Trustees

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GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

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. She is 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 Statement of Trustees' Responsibilities. 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
Anne-Marie Blewitt, Principal	4	4
Eddie Shephard	4	4
Norma Morris Chapman	4	4
Graham McKay, Chair of Finance	2	4
Sharon Creber, Chair of Trustees	4	4
Alison Allford, Staff Trustee	1	1
Carol Eyley	4	4
Alan Bell	4	4
David Rushton	3	4
Jacqui Robinson	1	1
Helen Wardle (Clerk)	3	4
Mary Webster	4	4
Karen Westwood Staff Trustee	4	4
Jez Longhurst	4	4
Emma Boussida, Staff Trustee	0	1
John Lane	3	4
Adrian Baker	4	4
Louisa Day	2	3
Georgina Howick	3	3
Greg Allen	0	3
Craig Cubitt	1	3
Ailsa Rowles	3	3

The Ivanhoe Governing Body has a process of self-evaluation including an audit of skills. This is used to recruit Governors with required skills and experience and to identify areas of governance for improvement. For example, we have reviewed the process of new Governor induction and put an improved process in place for 2015-16. The procedures and work of the Governing Body are reviewed and improvement actions identified and implemented. The most recent Ofsted inspection in March 2014, and an Ofsted safeguarding inspection in November 2015, reported that governance is strong and effective.

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GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

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. The Finance Committee is also responsible for reviewing the findings of the audits, monitor planned actions as a result of recommendations from the audit and review the Anti-fraud policy.

Attendance during the period at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
Anne-Marie Blewitt, Principal	4	4
Graham McKay, Chair of Finance	3	4
Jez Longhurst	4	4
David Rushton	3	4
John Lane	4	4
Adrian Baker	1	4

REVIEW OF VALUE FOR MONEY

As Accounting Officer the Principal has responsibility for ensuring that the Academy Trust delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The Accounting Officer considers how the Trust's use of its resources has provided good value for money during each academic year, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer for the Academy Trust has delivered improved value for money during the year by:

- Replacing a card based catering system with a biometric system to improve efficiency and reduce administrative task and remove card purchase and replacement costs
- Investing in a staff welfare and staff absence insurance scheme for implementation in 2016/17
- Introduced a centralised stock ordering system for stationery
- Renegotiated utilities contracts
- Invested in an air source heating system with a Renewable Heat Incentive scheme payback
- In the process of changing banks to reduce bank charges and costs

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GOVERNANCE STATEMENT (continued)
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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 2016 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 2016 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

THE RISK AND CONTROL FRAMEWORK

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

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

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

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. In particular the checks carried out in the current period included:

- testing of payroll systems
- testing of purchase systems
- testing of control account/ bank reconciliations
- testing of cash and charge card transactions
- testing of pupil-generated income
- salary payments reconcile to contract information

On an annual basis, the internal auditor reports to the Board of Trustees, through the Finance Committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

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GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

The internal auditor has delivered their schedule of work as planned, provided details of any material control issues arising as a result of the internal auditor's work and, where relevant, described what remedial action is being taken to rectify the issues.

REVIEW OF EFFECTIVENESS

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
- 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 1 December 2016 and signed on its behalf by:

.....
Graham McKay
Chair of Trustees

.....
Accounting Officer

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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE
FOR THE YEAR ENDED 31 AUGUST 2016

As Accounting Officer of Ivanhoe College I have considered my responsibility to notify the Academy Trust 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 Trust 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 2015.

I confirm that I and the Academy Trust Board of Trustees are able to identify any material irregular or improper use of funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook 2015.

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

1 December 2016

IVANHOE COLLEGE
(A Company Limited by Guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2016

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies' Accounts Direction 2015 to 2016;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

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

.....
Graham McKay
Chair of Trustees

1 December 2016

IVANHOE COLLEGE
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
IVANHOE COLLEGE**

We have audited the financial statements of Ivanhoe College for the year ended 31 August 2016 which comprise the Statement of Financial Activities Incorporating Income and Expenditure Account, the Balance Sheet, the Statement of Cash Flows 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) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

This report is made solely to the Academy's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Academy's members those matters we are required to state to them in an Auditor's Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Academy and its members, as a body, for our audit work, for this report, or for the opinion we have formed.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

As explained more fully in the Statement of Trustees' Responsibilities, 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 charitable company's affairs as at 31 August 2016 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, the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Trustees' report for the financial year for which the financial

IVANHOE COLLEGE
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
IVANHOE COLLEGE**

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

16 December 2016

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 20 September 2016 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, 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 2016 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

The Accounting Officer is responsible, under the requirements of Ivanhoe College's funding agreement with the Secretary of State for Education dated 29 June 2012, and the Academies Financial Handbook extant from 1 September 2015, 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 2015 to 2016. 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 2016 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 2015 to 2016 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw our conclusions includes:

- a review of the objectives and activities of the Academy, with reference to the income streams and other information available to us as auditors of the Academy;
- testing of a sample of grants received and other income streams;
- testing of a sample of payments to suppliers and other third parties;
- testing of a sample of payroll payments to staff;
- evaluating the internal control procedures and reporting lines, and testing as appropriate; and

- reviewing the Minutes of the meetings of the Governing Body and other evidence made available to us, relevant to our consideration of regularity.

CONCLUSION

In the course of our work, 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 2016 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Reporting Accountant
MHA MacIntyre Hudson

Chartered Accountants

11 Merus Court
Meridian Business Park
Leicester
LE19 1RJ

16 December 2016

IVANHOE COLLEGE
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2016**

		Unrestricted funds 2016 £000	Restricted funds 2016 £000	Restricted fixed asset funds 2016 £000	Total funds 2016 £000	As restated Total funds 2015 £000
	Note					
INCOME FROM:						
Donations and capital grants	2	4	1	-	5	662
Other trading activities	3	234	-	-	234	236
Funding for the Academy Trust's educational operations	4	-	4,203	5	4,208	3,823
TOTAL INCOME		238	4,204	5	4,447	4,721
EXPENDITURE ON:						
Raising funds	5	194	-	-	194	176
Academy Trust's educational operations	6	3	4,153	278	4,434	4,313
TOTAL EXPENDITURE	7	197	4,153	278	4,628	4,489
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS						
Transfers between funds	19	41 (19)	51 (651)	(273) 670	(181) -	232 -
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES						
Actuarial (losses)/gains on defined benefit pension schemes	23	-	(324)	-	(324)	35
NET MOVEMENT IN FUNDS		22	(924)	397	(505)	267
RECONCILIATION OF FUNDS:						
Total funds brought forward (as restated)	18	-	(694)	6,282	5,588	5,321
TOTAL FUNDS CARRIED FORWARD		22	(1,618)	6,679	5,083	5,588

The notes on pages 26 to 49 form part of these financial statements.

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

BALANCE SHEET
AS AT 31 AUGUST 2016

	Note	£000	2016 £000	£000	As restated 2015 £000
FIXED ASSETS					
Tangible assets	13		6,125		6,282
CURRENT ASSETS					
Stocks	14	2		2	
Debtors	15	738		787	
Cash at bank and in hand		104		31	
			<u>844</u>	<u>820</u>	
CREDITORS: amounts falling due within one year	16	(247)		(294)	
NET CURRENT ASSETS			<u>597</u>		<u>526</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>6,722</u>		<u>6,808</u>
CREDITORS: amounts falling due after more than one year	17		(21)		(25)
NET ASSETS EXCLUDING PENSION SCHEME LIABILITIES			<u>6,701</u>		<u>6,783</u>
Defined benefit pension scheme liability	23		(1,618)		(1,195)
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u>5,083</u>		<u>5,588</u>
FUNDS OF THE ACADEMY					
Restricted income funds:					
Restricted income funds	19	-		501	
Restricted fixed asset funds	19	6,679		6,282	
			<u>6,679</u>	<u>6,783</u>	
Restricted income funds excluding pension liability			6,679	6,783	
Pension reserve	19	(1,618)		(1,195)	
			<u>5,061</u>	<u>5,588</u>	
Total restricted income funds			5,061		5,588
Unrestricted income funds	19		22		-
TOTAL FUNDS			<u>5,083</u>	<u>5,588</u>	

IVANHOE COLLEGE
(A Company Limited by Guarantee)

BALANCE SHEET (continued)
AS AT 31 AUGUST 2016

The financial statements were approved by the Trustees, and authorised for issue, on 1 December 2016 and are signed on their behalf, by:

.....
Graham McKay
Chair of Trustees

.....
Anne-Marie Blewitt
Accounting Officer

The notes on pages 26 to 49 form part of these financial statements.

IVANHOE COLLEGE
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2016

	Note	2016 £000	As restated 2015 £000
Cash flows from operating activities			
Net cash provided by operating activities	21	<u>95</u>	<u>37</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		(121)	(273)
Capital grants from DfE/EFA		<u>103</u>	<u>229</u>
Net cash used in investing activities		<u>(18)</u>	<u>(44)</u>
Cash flows from financing activities:			
Repayments of other loans		(4)	(4)
Net cash used in financing activities		<u>(4)</u>	<u>(4)</u>
Change in cash and cash equivalents in the year		73	(11)
Cash and cash equivalents brought forward		<u>31</u>	<u>42</u>
Cash and cash equivalents carried forward	22	<u><u>104</u></u>	<u><u>31</u></u>

The notes on pages 26 to 49 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES

A summary of the principal accounting policies adopted (which have been applied consistently, except where noted), judgements and key sources of estimation uncertainty, is set out below.

1.1 Basis of preparation of financial statements

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2015 to 2016 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

The Financial Statements are prepared in £ sterling, the functional currency, rounded to the nearest £1,000.

First time adoption of FRS 102

These financial statements are the first financial statements of Ivanhoe College prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) and the Charities SORP 2015 (SORP 2015). The financial statements of Ivanhoe College for the year ended 31 August 2015 were prepared in accordance with previous Generally Accepted Accounting Practice ('UK GAAP') and SORP 2005.

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the Trustees have amended certain accounting policies to comply with FRS 102 and SORP 2015.

Reconciliations to previous UK GAAP for the comparative figures are included in note 29.

The company is incorporated in the UK.

The registered office is North Street, Ashby De La Zouch, Leicestershire, LE65 1HX.

1.2 Fund accounting

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

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

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder and include grants from the Department for Education.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES (continued)

1.3 Income

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

Grants are included in the 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 meeting any performance related conditions there is not an unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance related conditions are met. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

Donations are recognised on a receivable basis where the receipt is probable, there are no performance related conditions 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.

1.4 Expenditure

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

Expenditure on raising funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities are costs incurred on the Academy's educational operations, including support costs and costs relating to the governance of the Academy apportioned to charitable activities.

All resources expended are inclusive of irrecoverable VAT.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES (continued)

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 at least one year from the date of authorisation for issue of the financial statements and have concluded that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy Trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements..

1.6 Tangible fixed assets and depreciation

All assets costing more than £1,000 are capitalised and are carried at cost, net of depreciation and any provision for impairment.

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. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Long leasehold land	-	125 years over period of the lease
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

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES (continued)

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 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Academy; this is normally upon notification of the interest paid or payable by the bank.

1.11 Debtors

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

1.12 Cash at bank and in hand

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

1.13 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Academy anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are recognised when the Academy Trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES (continued)

1.14 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 quadrennial valuations using a prospective unit credit method. As stated in note 23, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded scheme and the assets are held separately from those of the academy trust 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 credit 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 the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities Incorporating Income and Expenditure Account and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

1.15 Financial instruments

The Academy only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES (continued)

1.16 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions:

The Academy Trust makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

The annual depreciation charge for tangible fixed assets is sensitive to changes in the estimated useful economic lives and residual value of the assets. The useful economic lives and residual values are reassessed annually. See note 13 for the carrying amount of the tangible fixed assets and note 1.6 for the useful economic lives for each class of assets.

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 23, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2016 £000	Restricted funds 2016 £000	Restricted fixed asset funds 2016 £000	Total funds 2016 £000	As restated Total funds 2015 £000
Donations	4	1	-	5	5
Capital grants	-	-	-	-	220
Section 106 funding	-	-	-	-	437
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total donations and capital grants	4	1	-	5	662
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

In 2015, of the total income from donations and capital grants, £3,000 was by way of unrestricted income and £659,000 restricted income.

IVANHOE COLLEGE
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

3. OTHER TRADING ACTIVITIES

	Unrestricted funds 2016 £000	Restricted funds 2016 £000	Total funds 2016 £000	As restated Total funds 2015 £000
Hire of facilities	18	-	18	14
Catering income	195	-	195	188
Other income	21	-	21	32
Classroom resales	-	-	-	2
	<u>234</u>	<u>-</u>	<u>234</u>	<u>236</u>

In 2015, of the total income from other trading activities, £232,000 was by way of unrestricted income and £4,000 restricted income.

4. FUNDING FOR ACADEMY TRUST'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2016 £000	Restricted funds 2016 £000	Total funds 2016 £000	As restated Total funds 2015 £000
DfE/EFA grants				
General Annual Grant (GAG)	-	3,720	3,720	3,390
Pupil Premium	-	167	167	157
Capital grants	-	19	19	18
Other EFA/DfE grants	-	37	37	87
	<u>-</u>	<u>3,943</u>	<u>3,943</u>	<u>3,652</u>
Other government grants				
Local Authority grants	-	47	47	62
	<u>-</u>	<u>47</u>	<u>47</u>	<u>62</u>
Other funding				
School trips and parental contributions	-	130	130	103
Other non government grants	-	12	12	6
Other recoverable costs	-	76	76	-
	<u>-</u>	<u>218</u>	<u>218</u>	<u>109</u>
	<u>-</u>	<u>4,208</u>	<u>4,208</u>	<u>3,823</u>

In 2015, of the total income from charitable activities, £ NIL was by way of unrestricted income and £3,823,000 restricted income.

IVANHOE COLLEGE
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

5. RAISING FUNDS

	Unrestricted funds 2016 £000	Restricted funds 2016 £000	Total funds 2016 £000	As restated Total funds 2015 £000
Catering costs	99	-	99	92
Kitchen staff salaries	95	-	95	84
	194	-	194	176

In 2015, of the total raising funds expenditure, £176,000 was out of unrestricted costs and £ *NIL* restricted costs.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

6. ACADEMY TRUST'S EDUCATIONAL OPERATIONS

	Total funds 2016 £000	As restated Total funds 2015 £000
DIRECT COSTS		
Wages and salaries	2,252	2,276
National insurance	179	152
Pension cost	420	384
Depreciation	278	288
Educational supplies	33	36
Staff development	14	17
Travel and subsistence	4	4
Other direct costs	141	114
	3,321	3,271
SUPPORT COSTS		
Wages and salaries	554	458
National insurance	27	20
Pension cost	93	83
Pension finance costs (note 12)	47	43
Recruitment and support	6	6
Maintenance of premises and equipment	115	97
Cleaning	15	10
Rates	25	25
Energy costs	45	65
Insurance	39	60
Legal and professional	66	59
Other support costs	61	86
Bank charges and interest	8	7
Governance costs	12	23
	1,113	1,042
Total Academy's educational operations	4,434	4,313

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

7. TOTAL RESOURCES EXPENDED

	Staff costs	Premises	Other costs	Total	As restated
	2016	2016	2016	2016	total
	£000	£000	£000	£000	2015
					£000
Expenditure on raising voluntary income	95	-	99	194	176
Educational operations:					
Direct costs	2,851	266	204	3,321	3,271
Support costs	721	112	280	1,113	1,042
	<u>3,667</u>	<u>378</u>	<u>583</u>	<u>4,628</u>	<u>4,489</u>

In 2016, of the total expenditure, £273,000 (2015 - £176,000) was out of unrestricted funds and £4,355,000 (2015 - £4,344,000) restricted funds.

8. NET INCOMING RESOURCES/(RESOURCES EXPENDED)

This is stated after charging:

	2016	2015
	£000	£000
Depreciation of tangible fixed assets	278	288
Auditors' remuneration - audit	11	11
Auditors' remuneration - comparison audit	-	11
Governance Internal audit costs	1	1
Operating lease rentals	27	20
	<u>27</u>	<u>20</u>

IVANHOE COLLEGE
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

9. STAFF COSTS

Staff costs were as follows:

	2016	2015
	£000	£000
Wages and salaries	2,832	2,697
Social security costs	208	173
Operating costs of defined benefit pension schemes	525	478
	<hr/>	<hr/>
	3,565	3,348
Supply teacher costs	55	109
Pension finance costs (note 12)	47	25
	<hr/>	<hr/>
	3,667	3,482
	<hr/> <hr/>	<hr/> <hr/>

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

	2016	2015
	No.	No.
Teaching	50	50
Administration and support	76	74
Management	7	7
	<hr/>	<hr/>
	133	131
	<hr/> <hr/>	<hr/> <hr/>

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

	2016	2015
	No.	No.
In the band £60,001 - £70,000	1	1
In the band £90,001 - £100,000	1	1

The above employees participated in the Teachers' Pension Scheme. The pension contributions during the year in respect of these employees amounted to £25,938 (2015 - £21,764).

The Key Management Personnel of the Academy Trust comprise the Staff Trustees and the Senior Leadership Team as listed on page 1. The total amount of employer benefits (including employer pension contributions) received by Key Management Personnel for their services to the Academy Trust was £571,513 (2015 - £569,417).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

10. 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:

		2016	2015
		£000	£000
Anne-Marie Blewitt	Remuneration	95-100	90-95
	Pension contributions paid	15-20	10-15
Alison Allford	Remuneration	10-15	45-50
	Pension contributions paid	0-5	5-10
Emma Boussida	Remuneration	10-15	40-45
	Pension contributions paid	0-5	5-10
Karen Westwood	Remuneration	30-35	30-35
	Pension contributions paid	5-10	5-10
Craig Cubitt	Remuneration	25-30	-
	Pension contributions paid	0-5	-
Georgina Howick	Remuneration	15-20	-
	Pension contributions paid	0-5	-

Yearly comparisons are not comparable due to the term served by individual Trustees during each academic year.

Other related party transactions involving the Trustees are set out in note 25.

11. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £3,000,000 on any one claim and the cost for the year ended 31 August 2016 was £1,019 (2015 - £1,243).

12. PENSION FINANCE COST

	2016	2015
	£000	£000
Interest income on pension scheme assets	46	36
Interest on pension scheme liabilities	(93)	(79)
	(47)	(43)

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

13. TANGIBLE FIXED ASSETS

	Long leasehold property £000	Plant and machinery £000	Furniture and equipment £000	Computer equipment £000	Total £000
Cost					
At 1 September 2015	6,827	87	58	122	7,094
Additions	80	7	5	29	121
At 31 August 2016	<u>6,907</u>	<u>94</u>	<u>63</u>	<u>151</u>	<u>7,215</u>
Depreciation					
At 1 September 2015 (as previously stated)	592	50	16	108	766
Prior year adjustment	46	-	-	-	46
At 1 September 2015 (as restated)	638	50	16	108	812
Charge for the year	242	18	6	12	278
At 31 August 2016	<u>880</u>	<u>68</u>	<u>22</u>	<u>120</u>	<u>1,090</u>
Net book value					
At 31 August 2016	<u>6,027</u>	<u>26</u>	<u>41</u>	<u>31</u>	<u>6,125</u>
At 31 August 2015 (as restated)	<u>6,189</u>	<u>37</u>	<u>42</u>	<u>14</u>	<u>6,282</u>

14. STOCKS

	2016 £000	2015 £000
Catering stock	<u>2</u>	<u>2</u>

15. DEBTORS

	2016 £000	2015 £000
Trade debtors	6	4
VAT recoverable	11	24
Other debtors	89	11
Prepayments and accrued income	632	748
	<u>738</u>	<u>787</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

16. CREDITORS: Amounts falling due within one year

	2016	2015
	£000	£000
Other loans	3	4
Trade creditors	20	99
Other taxation and social security	61	55
Other creditors	135	52
Accruals and deferred income	28	84
	<u>247</u>	<u>294</u>
	2016	2015
	£000	£000
Deferred income		
Deferred income at 1 September 2015	7	-
Resources deferred during the year	13	7
Amounts released from previous years	(7)	-
Deferred income at 31 August 2016	<u>13</u>	<u>7</u>

At the 31 August 2016 the Academy Trust was holding funds received in advance of a school trip taking place in the next academic year and school dinner money held in respect of pupils next academic year expenditure.

Included in other loans above is a loan of £3,000 from Leicestershire County Council, Willow Fund, which is repayable over 10 year finishing 2023.

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

	2016	2015
	£000	£000
Other loans	<u>21</u>	<u>25</u>

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

	2016	2015
	£000	£000
Repayable by instalments	<u>7</u>	<u>10</u>

Included in other loans above is a loan of £21,000 from Leicestershire County Council, Willow Fund, which is repayable over 10 year finishing 2023.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

18. PRIOR YEAR ADJUSTMENT

The prior period adjustment reflects depreciation of long leasehold land from the date of conversion until 31 August 2015. The cumulative depreciation charge for the period ended 31 August 2015 amounted to £46,000. This adjustment has been made to align the Academy's accounting policy in this area with now generally accepted best practice in the sector. Total funds were previously stated at 31 August 2015 as £5,634,000.

IVANHOE COLLEGE
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

19. STATEMENT OF FUNDS

	Brought forward £000	Income £000	Expenditure £000	Transfers in/(out) £000	Gains/ (losses) £000	Carried forward £000
Unrestricted funds						
General funds	-	238	(197)	(19)	-	22
Restricted funds						
General Annual Grant (GAG)	(153)	3,720	(3,574)	7	-	-
Other DfE/EFA grants	-	57	(57)	-	-	-
S106 income	672	-	-	(672)	-	-
Pupil Premium	-	167	(167)	-	-	-
Capital grants	10	-	-	(10)	-	-
Other income	-	137	(137)	-	-	-
Other recoverable costs	-	76	(76)	-	-	-
Local Authority grant	-	47	(47)	-	-	-
LA loans on conversion	(28)	-	4	24	-	-
LGPS Defined Benefit Scheme	(1,195)	-	(99)	-	(324)	(1,618)
	<u>(694)</u>	<u>4,204</u>	<u>(4,153)</u>	<u>(651)</u>	<u>(324)</u>	<u>(1,618)</u>
Restricted fixed asset fund						
Net book value of fixed assets	6,282	5	(278)	116	-	6,125
Unspent capital grants	-	-	-	578	-	578
Local Authority loan on conversion	-	-	-	(24)	-	(24)
	<u>6,282</u>	<u>5</u>	<u>(278)</u>	<u>670</u>	<u>-</u>	<u>6,679</u>
Total restricted funds	<u>5,588</u>	<u>4,209</u>	<u>(4,431)</u>	<u>19</u>	<u>(324)</u>	<u>5,061</u>
Total of funds	<u><u>5,588</u></u>	<u><u>4,447</u></u>	<u><u>(4,628)</u></u>	<u><u>-</u></u>	<u><u>(324)</u></u>	<u><u>5,083</u></u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

19. 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 2016. Transfers of £10,000 from capital grants and £672,000 from Section 106 to the restricted fixed asset fund represents contributions towards property improvements, plant and machinery, furniture and equipment, computer equipment and future fixed asset purchases. The Local Authority loan on conversion balance of £24,000 has also been transferred to restricted fixed asset funds as the loan is in respect of past fixed asset costs.

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. A transfer of £12,000 from unrestricted funds to restricted fixed asset fund represents contributions towards computer equipment.

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 fund

The net book value of fixed asset fund has been set up to recognise the tangible assets held by the Academy Trust and is equivalent to the net book value of tangible fixed assets. Depreciation of tangible fixed assets is allocated to this fund.

The unspent capital grant fund has been created to recognise unspent capital grants and Section 106 funding received for the purpose of the acquisition of tangible fixed assets. As tangible fixed assets are purchased, a transfer is made to the restricted fixed assets fund.

This fund includes 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2016 £000	Restricted funds 2016 £000	Restricted fixed asset funds 2016 £000	Total funds 2016 £000	As restated Total funds 2015 £000
Tangible fixed assets	-	-	6,125	6,125	6,282
Current assets	97	170	578	845	820
Creditors due within one year	(75)	(170)	(3)	(248)	(294)
Creditors due in more than one year	-	-	(21)	(21)	(25)
Pension scheme liability	-	(1,618)	-	(1,618)	(1,195)
	<u>22</u>	<u>(1,618)</u>	<u>6,679</u>	<u>5,083</u>	<u>5,588</u>

21. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW
FROM OPERATING ACTIVITIES

	2016 £000	2015 £000
Net (expenditure)/income for the year	(181)	232
Adjustment for:		
Depreciation charges	278	288
Decrease/(increase) in debtors	125	(409)
(Decrease)/increase in creditors	(123)	70
Capital grants from DfE and other capital income	(103)	(229)
Defined benefit pension scheme cost less contributions payable	52	60
Defined benefit pension scheme finance cost	47	25
Net cash provided by operating activities	<u>95</u>	<u>37</u>

22. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2016 £000	2015 £000
Cash in hand and at bank	104	31
Total	<u>104</u>	<u>31</u>

23. 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-Employer Defined Benefit Pension Schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2013.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

23. PENSION COMMITMENTS (continued)

Contributions amounting to £58,000 were payable to the schemes at 31 August 2016 (2015 - £51,000) and are included within creditors.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) 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
- 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 previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS will be as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the year amounted to £299,000 (2015 - £253,000).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx).

Under the definitions set out in FRS 102, the TPS is a multi-employer pension scheme. The trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has set

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

23. PENSION COMMITMENTS (continued)

out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2016 was £223,000 (2015 - £211,000), of which employer's contributions totalled £176,000 (2015 - £164,000) and employees' contributions totalled £47,000 (2015 - £47,000). The agreed contribution rates for future years are 21.7% for employers and between 5.5% - 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.

Principal actuarial assumptions:

	2016	2015
Discount rate for scheme liabilities	2.10 %	3.80 %
Rate of increase in salaries	3.10 %	4.60 %
Rate of increase for pensions in payment / inflation	2.10 %	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 2016	Approximate increase to Employer liability (%)	Approximate monetary amount (£000)
0.5% decrease in real discount rate	13	417
1 year increase in member life expectancy	3	96
0.5% increase in the salary increase rate	5	150
0.5% increase in the pension increase rate	8	254

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

	2016	2015
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

The Academy expects to contribute £188,000 to its defined benefit pension scheme in 2017.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

23. PENSION COMMITMENTS (continued)

The Academy's share of the assets in the scheme was:

	Fair value at 31 August 2016 £000	Fair value at 31 August 2015 £000
Equities	1,136	739
Debt instruments	284	235
Property	142	123
Cash	16	22
Total market value of assets	<u>1,578</u>	<u>1,119</u>

The amounts recognised in the Statement of Financial Activities Incorporating Income and Expenditure Account are as follows:

	2016 £000	2015 £000
Current service cost (net of employee contributions)	(228)	(224)
Net interest cost	(47)	(43)
Total	<u>(275)</u>	<u>(267)</u>
Actual return on scheme assets	<u>260</u>	<u>39</u>

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

	2016 £000	2015 £000
Opening defined benefit obligation	2,314	2,020
Current service cost	228	224
Interest cost	93	79
Contributions by employees	47	47
Actuarial losses/(gains)	538	(32)
Benefits paid	(24)	(24)
Closing defined benefit obligation	<u>3,196</u>	<u>2,314</u>

IVANHOE COLLEGE
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

23. PENSION COMMITMENTS (continued)

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

	2016	2015
	£000	£000
Opening fair value of scheme assets	1,119	893
Expected return on assets	46	36
Actuarial gains	214	3
Contributions by employer	176	164
Contributions by employees	47	47
Benefits paid	(24)	(24)
	<hr/>	<hr/>
Closing fair value of scheme assets	1,578	1,119
	<hr/> <hr/>	<hr/> <hr/>

24. OPERATING LEASE COMMITMENTS

At 31 August 2016 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2016	2015
	£000	£000
Amounts payable:		
Within 1 year	14	24
Between 1 and 5 years	19	33
	<hr/>	<hr/>
Total	33	57
	<hr/> <hr/>	<hr/> <hr/>

25. 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 the Trust 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 (2015 - £11,248) by Ivanhoe Under 5s Limited, a nursery operated on the college site.

26. CONTROLLING PARTY

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

27. 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 2016

28. MEMBERS' LIABILITY

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

29. FIRST TIME ADOPTION OF FRS 102

It is the first year that the Academy Trust has presented its financial statements under SORP 2015 and FRS 102. The following disclosures are required in the year of transition. The last financial statements prepared under previous UK GAAP were for the year ended 31 August 2015 and the date of transition to FRS 102 and SORP 2015 was therefore 1 September 2014. As a consequence of adopting FRS 102 and SORP 2015, a number of accounting policies have changed to comply with those standards.

Comparative figures have been restated to reflect the adjustments made, except to the extent that the Trustees have taken advantage of exemptions to retrospective application of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'.

Reconciliations and descriptions of the effect of the transition to FRS 102 and SORP 2015 on total funds and net income/(expenditure) for the comparative period reported under previous UK GAAP and SORP 2005 are given below.

RECONCILIATION OF TOTAL FUNDS	1 September 2014	31 August 2015
	£000	£000
Total funds under previous UK GAAP	5,352	5,588
Total funds reported under FRS 102	<u>5,352</u>	<u>5,588</u>

Reconciliation of net income before gains and losses	Note	31 August 2015
		£000
Net income previously reported under UK GAAP		219
Defined benefit pension scheme finance cost	A	(18)
Net income reported under FRS 102		<u>201</u>

Explanation of changes to previously reported funds and net income:

A - Change in recognition of LGPS interest cost

Under previous UK GAAP the Academy Trust accounted for an expected return on plan assets. FRS102 requires the expected return on scheme assets to be analysed between two components; interest income on plan assets and other actuarial gains on plan assets.

Under FRS102 the latter component of the expected return on scheme assets, other actuarial gains, is reported within actuarial gains and losses in the Statement of Financial Activities rather than being accounted for in arriving at net income or expenditure for the year, as it was under previous UK GAAP.

The effect of the change has been to reduce reported net income for the year. Actuarial losses for the year have decreased correspondingly. Net movement in funds reported in the year is unchanged.