

**IBSTOCK COMMUNITY COLLEGE**

**(A Company Limited by Guarantee)**

**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2017**

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**IBSTOCK COMMUNITY COLLEGE**  
**(A company limited by guarantee)**

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**REFERENCE AND ADMINISTRATIVE DETAILS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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**Members**

Members in office on the date the financial statements are approved and who served during the 2016/17 academic year are:

Richard Spurr (ceased being a member 8<sup>th</sup> September 2016)  
John Kailofer  
Gary Grey  
Robert Trigg  
Paul O'Connor (appointed 8<sup>th</sup> September 2016)

**Trustees / Governors**

Details of trustees in office on the date the financial statements are approved and others who served during the 2016/17 academic year are as follows:

Richard Spurr (ceased being chair 8<sup>th</sup> September 2016 but continued as trustee)  
John Kailofer (vice chair)  
Gary Grey (appointed chair 8<sup>th</sup> September 2016)  
Robert Trigg (appointed chair of the business management and audit committee 8<sup>th</sup> September 2016)  
Louise Reeve (staff trustee- appointed 27<sup>th</sup> October 2016 & resigned 21<sup>st</sup> March 2017)  
Rob Senior (staff trustee – resigned 12<sup>th</sup> July 2017)  
Eddie Hines  
Paul O'Connor (appointed chair of the teaching and learning committee 8<sup>th</sup> September 2016)  
David Phillips (Principal and Accounting Officer)  
Polly Todd (appointed 9<sup>th</sup> September 2016)

**Company Secretary**

Caroline Smithers

**Senior Management Team**

Principal	David Phillips
Vice Principal	Lee Sheldon
Assistant Principal	Sophie Williams
Assistant Principal	Matt Griggs
Director of Finance and Administration	Caroline Smithers

**Company Name**

Ibstock Community College

**Principal and registered office**

Central Avenue, Ibstock, Leicestershire. LE67 6NE

**Company registered number**

08135574 (England & Wales)

**Independent Auditor**

MHA MacIntyre Hudson, Abbey Place, 24 - 28 Easton Street, High Wycombe, Buckinghamshire, HP11 1NT

**Bankers**

Lloyds Bank PLC, 20 Belvoir Road, Coalville, LE67 3QH

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**TRUSTEES' REPORT (continued)**  
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The trustees present their annual report together with the financial statements and auditors' reports of the charitable company for the year ended 31 August 2017. 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 years old as a high school and community college serving a catchment area in Ibstock and the wide surrounding rural villages. It has a pupil capacity of 705 and had a roll of 548 in the school census on Thursday 13<sup>th</sup> October 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 Ibstock Community College Limited are also the directors of the charitable company for the purposes of company law. The charitable company is known as Ibstock Community 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 £694.38

### **Method of Recruitment and Appointment or Election of Trustees**

Members consist of the chair and vice chair of governors, chairs of the teaching and learning, and business management and audit, committees. The chair of governors automatically becomes a member and all other members are appointed by fellow members. During the previous financial year an additional member was appointed under Article 16 of the Articles of Association which made a total of five members.

During September 2016 the chair of governors resigned and therefore ceased being member reducing the total number of current members to four as the new chair was already an existing member.

Members can appoint up to eleven trustee governors to form the college governing body. In addition the governing body can appoint a further three community governors to provide balance and breadth of skills.

A total of four trustee governors have served during the period who were appointed by the members. In addition there were two parent governors, selected by a parent ballot, and two staff governors who members agreed could be appointed by a staff ballot. In addition the principal is an ex officio governor, and there is one governor appointed by the local authority (Leicestershire County Council).

The term of appointment, except for the principal, is four years.

A recruitment drive has been undertaken to secure new trustees with the support of Inspiring Governance which is a school governance recruitment and support service. This has proven successful and there are potentially four new trustees to appoint at the start of the next financial year.

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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**Policies and Procedures Adopted for the Induction and Training of Trustees**

Trustee induction training forms part of the overall specialist training which is available through the local network of schools to support all new trustees. The academy buys into the Leicestershire Trustee Development Service which offers a wide range of support and training to develop the necessary skills and knowledge to meet the needs of the academy trust.

A skills matrix is maintained by the clerk to help identify areas of strength and areas requiring further support. Attendance at training events is also recorded and when appropriate a report of the event is shared with all the trustees.

**Organisational Structure**

The management structure within the academy trust has three levels: the trustees (governing body), the senior leadership team and other leadership groups. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels.

The roles and responsibilities for the trustees are reviewed at the start of each academic year at a full governing body meeting. They include working with the principal to set out the aims, objectives and policies for the academy. Actual responsibilities include monitoring and reviewing the progress made against strategic development plan and providing support to the senior leadership team. The trustees also set the annual budget, review the five year financial forecast and ensures all process and procedures are in place to meet statutory and legal requirements.

To facilitate the working of the trustees, some of the functions are delegated to committees, the principal and to the senior leadership team. There are two committees which are the teaching and learning and the business management and audit.

Year ending 31 August 2017, the senior leadership team consisted of the principal who is the accounting officer, a vice principal, two assistant principals and the business manager who is the director of finance and administration and the company secretary.

The senior leadership team is responsible to the trustees for the management of the college, including implementing the strategic direction set and evaluating the progress made. The academy has a range of leadership groups at middle leader level to ensure consistency across the college. They also provide advice to trustees on a range of educational and business management functions.

The trustees have approved a scheme of financial delegation that allows financial responsibilities to be delegated within appropriate limits to facilitate the effective running of the academy.

The trustees meet as a board five times during the year and the delegated committees meet termly. The committees will discuss matters in detail relating to their terms of reference and provide recommendations to the full governing body for approval.

The spring term teaching and learning committee meeting was disaggregated in 2017 and the trustees met with the individual faculty leaders to discuss their self-evaluations face to face.

**Arrangements for setting pay and remuneration of key management personnel**

Key management personnel within the academy trust is determined as those persons having authority and responsibility for planning, directing and controlling college activities. This definition includes academy trustees and those staff who are the senior management personnel to whom the trustees have delegated significant authority or responsibility in the day-to-day running of the academy trust and within Ibstock Community College this is to the senior leadership team as described on page 1.

The contract of employment of all staff is with the academy trust and the governing body's prescribed responsibilities are detailed in the funding agreement between the college and Secretary of State for

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Education. The governing body's main responsibilities include the appointment of the principal and the appointment of the director of finance and administration, in conjunction with the principal.

**Pay range for principal**

The pay range for the principal is set upon appointment and is aligned to academy group size which is currently L21 to L27. The governing body will identify an appropriate range of consecutive points within this range. The governing body has the discretion to amend this range at any time if they have recruitment or retention difficulties or where there has been a significant change in responsibilities.

**Pay range for vice principal and assistant principals**

The governing body again identify a pay range of consecutive points on the leadership group pay spine which will be used as the pay range for the vice principal and assistant principals. Currently the range for the vice principal is L14 to L18 and for assistant principals L9 to L13.

Remuneration for the principal, vice and assistant principals is also subject to the teachers national terms and conditions and therefore, pay progression is not automatic and is subject to annual review of performance.

Annual inflationary rises are recommended by the School Teachers Review Body (STRB) and are subject to governor's approval.

**Director of finance and administration**

The director of finance and administration is a member of the support staff. Therefore the governing body will work within the National Joint Council for local government services national agreement on pay and conditions of service, and any local arrangements agreed with the trades unions recognised by the Leicestershire County Council as representing school and college based employees. The National Joint Council also provide recommendations for annual inflationary rises which are subject again to governor's approval.

All support staff grades, job descriptions and person specifications are defined utilising the Leicestershire County Council job evaluated details as the college buys into their HR services.

Pay policies have been agreed by governors and are shared with both the teaching and support staff which are subject to regular reviews.

**Related parties and other connected charities and organisations.**

Ibstock Community College is a member of the ACE Partnership (the Ashby & Coalville Educational Partnership), which comprises the six main secondary schools in Ashby, Coalville and Ibstock. Included are 11-14 high schools: Ibstock Community College, Ivanhoe College, Castle Rock High School, Newbridge High School and 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 the partnership 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
- To maximise the opportunity provided by any agreed pooled funding to help address local and national agendas through working collaboratively and enriching opportunities to learn.

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

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**TRUSTEES' REPORT (continued)**  
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The top priorities in the current ACE strategic plan are to create a curriculum and progression structure across the six schools, and to improve quality assurance across the partnership.

At department / faculty level, middle leaders and subject teachers are working on ACE assessment projects which are led by facilitators across the six schools and include all subject areas. This is to ensure the transitions between schools are as smooth as possible to maximise learning potential, and fulfil the overarching purpose and aims of the partnership. The college was instrumental in establishing assessment systems which were implemented across all four high schools and the transfer of data included all relevant information from teacher assessment and summative assessments.

Together with its eleven feeder primary schools, the college is part of a learning development group to improve teaching and learning for all learners across our catchment area, and to again support a smooth transition from primary to secondary education.

Together with all of the ACE schools and most of the partnership's feeder primary schools, the college is also an active member of the Forest Way Teaching School Alliance, and makes extensive use of its programmes for training and development. The college facilities in the next academies year is also going to be used to host a wide range of their training programmes. The college is a member of the highly effective North West Leicestershire School Sports Partnership.

In order to support vulnerable students, the college has effective links with social services, the Youth Service, the National Health Service, Leicestershire Police, the Youth Offending Team, "Supporting Leicestershire Families."

The college works closely with North West Leicestershire District Council and Leicestershire County Council across the wide range of extended services that the college offers.

The nature of our work means that we develop many other partnerships on an on-going basis to support relevant strands of our curriculum and provision.

## **OBJECTIVES AND ACTIVITIES**

### **Objects and Aims**

The academy trust's objects is specifically restricted to the following:

- a) to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum ("the Academy"): and
- b) ancillary to the principal object set out in a) above to promote for the benefit of the inhabitants of Ibstock, Leicestershire and the surrounding areas the provision of facilities for the recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants.

### **Objectives, Strategies and Activities**

As students, staff, parents and governors, our core values are expressed in our mission statement:

Together, to learn and to grow – to learn through ambition, listening and reflecting, to grow through responsibility, openness and nurturing, and to do this together as a caring supportive team.

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**TRUSTEES' REPORT (continued)**  
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The college achieves its objectives by having high ambitions for all and a relentless drive at all levels to attain the highest achievement and personal development for all learners; by employing high calibre staff in all areas; by having high quality performance management; and by providing a wide range of appropriate professional development and training for staff.

The college has set up six staff "action groups" charged with taking the college forward in key aspects of teaching, learning, behaviour and national priorities.

**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. The activities undertaken to further the academy trust's purpose for the public benefit include:

- Providing subsidised access to leisure facilities and transport to after school sporting activities for students
- Providing subsidised visits to enhance future learning and employment opportunities (trips / visits)
- Providing additional curriculum activities (e.g. through NWLSSP)
- Supporting and encouraging the community to participate in leisure and health activities, including the use of community garden.

**STRATEGIC REPORT**

**Achievements and Performance**

Data for the end of key stage in 2016 shows that over 75% of students made expected or higher progress in the core subjects. Students with special educational need and pupil premium students made progress matching that of those without special educational need and non-pupil premium students. In year nine this was significantly so in art and music.

Data from the end of key stage in 20187 shows that again over 75% of students made expected or better than expected progress in the core subjects in line with college expectations of matching FFT 20 outcomes. Over 50% of students reached the secure pathway in all subjects and in English and mathematics the proportion of students in year nine reaching the secure pathway was above 70%.

Summative assessment have been in place for a number of years for assessment of students at the end of year nine. In these tests, students again reached over 50% across the curriculum achieving the secure pathway. Over 10% of students achieved the highest pathway (leading to GCSE expectations of 7,8 or 9)

Evidence from observations and faculty reviews show that students are confident in their discussions with teachers and understand the challenges presented to them. They respond positively to this challenge. The college in 2016-17 had a focus upon developing extended writing in all subjects following on from the work in 2015-16. This was in order to broaden the opportunities for students to develop their skills.

Students identified as working below the secure pathway or below the expectation from FFT20 were subject to a range of interventions, managed through the achievement and pastoral teams. The focus on intervention 2016-17 was identified as a college priority.

The quality of teaching also continued to improve. At the time of the Ofsted inspection in October 2014, teaching was defined as good in all subjects. This confirms the college's view. The college continues to invest in developing teaching through a focus upon literacy, curriculum development and intervention.



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**TRUSTEES' REPORT (continued)**  
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**Key Financial Performance Indicators (was key performance indicators last year)**

The key performance indicators include Ofsted inspection outcomes and student performance data which have been included in the previous section.

Student's attendance for 2016-17 was 95.2%. The data published on national averages for 2015-16 was 94.8%. The school's attendance has been above national averages for three consecutive years.

Student numbers have fallen over the last few years and the college has been negatively impacted by the age range change at a neighbouring school. Forecasts provided by the local authority however, now show the figures rising again particularly with the housing growth in the area. The college implemented a recruitment programme in 2015-16 and this has led to the college maintain the numbers on roll.

Financial key performance indicators are compared to local and national benchmarking data available.

**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**

The majority of the academy's income is obtained from the DFE in the form of recurrent grants, the use of which is restricted and therefore must be used for educational purposes. The grants received from the DFE during the year ended 31 August 2017 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities on [page XXXXX](#)

Trustees agreed an in-year overspend of £207,158 to the annual budget which was fully covered by reserves. This figure included CIF capital funding received in the previous financial year and carried over for the project to be completed autumn 2016. In addition, provision was made to carry out necessary repairs to the premises and to provide additional ICT equipment.

A five year budget forecast remains in place and was regularly reviewed by the director of finance and administration and the accounting officer. The data, which included the assumptions used to which the figures are based upon, were presented to the trustees at the business management and audit committee on a termly basis. The committee in turn, provided recommendations to the full governing body for approval. All opportunities continually, have been explored to save money which have minimal impact on teaching and learning.

The growth in student numbers did not quite materialise as expected from the local authority projections provided for September 2016 and with the continued constraints imposed upon the academy in terms of DFE funding it has been necessary to make redundancies during this period. The majority of which has come from support staff posts rather than cuts to student facing staff. The total of the redundancy costs and early release of pension costs have been detailed in [XXXXXX](#)

Student numbers are still projected to increase significantly due to new housing developments and growth already being seen in the feeder primary schools. However these numbers are under continued scrutiny and currently are not considered sufficiently robust to increase the numbers used for planning purposes.

The finance regulations manual and policy have been reviewed by the trustees and approval given to a scheme of financial delegation that allows responsibilities to be delegated to ensure the effective running of the academy.

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**TRUSTEES' REPORT (continued)**  
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The academy provides a wide range of facilities and services to pupils of the college, feeder primary schools, and members of the community to generate further income (unrestricted funds). The total income generated during the year ending 31 August 2017 was xxx and reported under note 5, other trading activities.

Pupil Premium and Year 7 literacy and numeracy catch-up premium received have allowed the academy to provide in whole or in part interventions including specific learning groups, additional mentoring and 1:1 working, early morning, lunchtimes, afterschool and holiday activities, and reduced class sizes. Full details can be found on the academies website at [www.ibstockcollege.leics.sch.uk](http://www.ibstockcollege.leics.sch.uk).

The overall balance (revenue and capital) at the end of the year 31<sup>st</sup> August 2017 was XXX made up of fixed assets of xxx, school fund balance of xxx and the pension liability of xxxx.

The net book value of fixed assets was xxxxxx and movements in tangible fixed assets are shown in note 12 to the financial statements. The assets were used exclusively for providing education and the associated extended and support services of the academy.

#### **Reserves Policy**

The trustees are responsible for managing and administering the assets of the academy which include funds and investments and their aim is to spend the DFE grants on the pupils in the current year to which it is intended but they also have a duty to balance the needs of current and future beneficiaries of the academy trust. Therefore an agreed level of reserves has been defined to help to protect the provision of the core activities by providing a financial comfort zone against an unpredictable environment and to make sufficient provision for future cash flow requirements.

The financial risks identified, determined the amount of reserves to be held subject to permitted levels set by the ESFA and which is agreed annually as part of the budget approval process.

Regular cashflows have been prepared by the director of finances and administration to monitor that there are adequate funds to meet all obligations. Where the cashflow identifies a level of cash funds that will be surplus to requirements, an appropriate range of options will be considered. These options will include releasing the funds into the revenue budget in support of the college's objectives, assigning funds to an appropriate designated activity, or investing to generate further income for the future.

#### **Target range of reserves for financial year ending 31st August 2017.**

The governing body decided to separate the reserves of cash from the general budget reserves and therefore set two limits.

- The cashflow reserve is required to fund at least one month's payroll, currently standing at £225k. This is should minimise a potential cashflow risk in the event of a delay in the receipt of the monthly payment from the ESFA.
- In addition governors recognise that the ESFA would expect to see contingency of at least 1% of the GAG income when approving budgets and therefore a budget reserve has been set at £24K.

#### **At 31 August 2017 the total funds comprised:**

Unrestricted		£XXX,XXX
Restricted:	Fixed asset funds	£X,XXX,XXX
	Pension reserve	£(XXX,XXX)
	Other	£XXX,XXX
		<u>£X,XXX,XXX</u>

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**TRUSTEES' REPORT (continued)**  
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**Investments policy:**

To try and protect the real value of any surplus cash funds, investments have been made in accordance with agreement of the trustees. Accounts have been opened in the name of Ibstock Community College and match the signatory instructions already in place for the main bank account.

Funds are only be invested in low risk, UK interest bearing accounts such as treasury deposits and savings accounts where it is considered that there is no risk of loss in the capital value.

On maturity, the Director of finance and administration reviews new investment opportunities available at that time that comply with the parameters of the investment reserves policy and the level of reserves set. Authorisation is obtained in accordance with the policy before any new investments are made.

Funds during this period have continued to be invested in a Virgin deposit account and with Lloyds Bank in a fixed term deposit (Treasury Deposit) and a 30 day notice account. All interest accrued is paid into the **academy trusts current account. Amounts can be found under note XXXXXX page XXXX**

**Pension Reserves:**

The college calculates its reserves without setting aside a designated reserve to cover the pension liability. The presence of the local government pension deficit on the balance sheet in **note 29** does not constitute an immediate liability and therefore resulting in the funds not being available to the college. However any changes to pension contributions will generally result in a cashflow effect over a period of years. The college is confident that it can meet the current pension contributions from projected income without significantly impacting upon its planned level of activities. However, this situation will subject to on-going review.

**Principal Risks and Uncertainties**

The trustees have a responsibility to assess the strategic risks of the academy trust and they have considered the following to be the principal risks:

- Financial risk – The principal financial risks are a continued reduction in central government funding. A reduction in pupil numbers, increases in staff costs, or unbudgeted major capital repairs.

The risks identified are mitigated by regular budget forecasting, a full review of staffing costs including an organisation change which reduced staff numbers, pupil forecasts taken from demographic data and site maintenance plans. The leadership team and governors have identified strategies to address the potential deficit and long term future financial stability.

- Performance risk – mitigated by self-evaluations, regular training, CPD and DFE guidance.
- Reputational risk – mitigated by policies, procedures and internal controls
- Risks associated with personnel (including recruitment and retention) - mitigated by staff policies, procedures, CPD and regular meetings.

Like every business, risk is an inherent aspect of the academy and if not managed appropriately it has the potential to adversely impact on the success. Sound risk management principles must be in place and become part of the routine management activity. The academy aims to use risk management to take better informed decisions and improve the probability of achieving its strategic and operational objectives.

Controls are in place to mitigate the risk or minimise any potential impact, include:

- A risk management policy and register
- Regular review and re-assessment of the risks
- Delegated committees with the necessary skills and experience
- Internal & external auditors

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**TRUSTEES' REPORT (continued)  
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**PLANS FOR FUTURE PERIODS**

The key priorities that the college has identified for 2017-18 are as follows:

**1) Excellence of pathway provision**

- a) Develop breadth of experiences for students across all pathways and enrichment activities
- b) Ensure skills and understanding are rigorously developed for all students, especially in literacy

**2) Strong partnerships and structures**

- a) Clear structures and approaches in classroom and pastoral management to ensure excellent behaviour
- b) Develop structures to ensure students develop positive approaches to lifestyle choices and habits
- c) Develop formal structures across the local area to ensure a clear cross phase educational provision for young people and the community

**3) Inspirational teaching for all**

- a) Ensure staff plan based upon clear intervention groups and strategies to develop and share strong and effective practice in teaching.
- b) Ensure teaching uses breadth of information about students to inform planning and challenge.

These areas have built upon the progress undertaken in 2015-16 and 2016-17 and are informed by the self-evaluation work that college undertakes on an annual basis. In addition these priorities build upon the OFSTED objectives from 2014, identified below:

**OFSTED objectives (Oct 2014)**

- Ensure that marking and other feedback makes clear to students how they can improve their work, and checking rigorously that they act on the advice they are given.
- Provide more opportunities across the school, in subjects other than English, for students to practise and extend their writing skills, particularly for boys in Key Stage 3.
- Ensure that checks on the quality of teaching made by leaders at all levels focus on how well it promotes students' learning over time and that improvement planning takes account of this.

The longer term strategy of the college is ensure that outcomes for students are excellent and this will be through ensuring that curriculum planning is challenging and partnership processes are rigorously implemented.

**FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS**

*None are held.*

**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.

Trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on .....2017 and signed on the board's behalf by:

.....  
**[Gary Grey]**  
Chair of Trustees

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**TRUSTEES' REPORT (continued)**  
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**SCOPE OF RESPONSIBILITY**

As trustees we acknowledge we have overall responsibility for ensuring that Ibstock Community 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 Ibstock Community College and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

**GOVERNANCE**

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The **board of trustees** has formally met four times during the year.

Attendance during the year at meetings of the board of trustees was as follows:

<b>Trustee</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
John Kailofer (vice Chair)	2	4
Gary Grey (Chair)	4	4
Richard Spurr	1	4
Eddie Hines	3	4
Paul O'Conner	3	4
Robert Trigg	4	4
Polly Todd	1	3
David Phillips (principal & accounting Officer)	4	4
Robert Senior (staff trustee)	4	4
Louise Reeve (staff trustee)	2	2

The total movement saw one term of office expire, two new appointments and one resignation.

**The business management and audit committee** is a sub-committee of the main board of trustees and the purpose is to assist the decision making of the full board of trustees.

The sub-committee enables more detailed consideration to be given and therefore fulfil the trustee's responsibilities to ensure sound management of the academy trust's finances and resources, including forecasting, monitoring and probity. This includes statutory responsibilities, policy review, ensuring the publication of information and other statutory responsibilities including those set out in funding agreements and the Academies Financial Handbook.

The scope includes the operation of the college, the nursery, leisure and any other responsibilities of the trust.

The sub-committee includes all audit responsibilities as outlined in the Academies Financial Handbook. This includes maintaining an oversight of the academy trust's governance, risk management, internal control and value for money. Also it provides assurance to the board of trustees that risks are being adequately identified and managed.

The business management and audit committee will make decisions, comments or recommendations on such matters relating to finance, audit, staffing, health and safety and facilities management within the schemes of financial and general delegation and in relevant policies and procedures.

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**TRUSTEES' REPORT (continued)**  
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The sub-committee met three times during the year and attendance at the meetings during the year were are follows:

<b>Trustee</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
John Kailofer	3	3
Gary Grey	3	3
Richard Spurr	0	3
Eddie Hines	0	3
Paul O'Conner	1	3
Robert Trigg (Chair)	3	3
Polly Todd	1	3
David Phillips	3	3
Robert Senior	2	3
Louise Reeve	2	2

**The teaching and learning committee** is again a sub-committee of the main board of trustees with the same purpose to assist the decision making of the full board.

Its focus is to ensure there are appropriate arrangements for the planning, implementation, support, monitoring and evaluation of teaching and learning. This includes safeguarding, policy review, ensuring the publication of information and other statutory responsibilities of the whole academy trust.

The teaching and learning committee will make decisions, comments or recommendations on such matters relating to teaching and learning and within the committees delegation and relevant policies and procedures.

The sub-committee met three times during the year and attendance at the meetings during the year were are follows:

<b>Trustee</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
John Kailofer	1	2
Gary Grey	0	2
Eddie Hinds	2	2
Paul O'Conner (Chair)	2	2
Robert Trigg	0	2
Polly Todd	2	2
David Phillips	2	2

Governors agreed to disaggregate the third meeting scheduled for spring term 2017 and they undertook faculty reviews with the principal and faculty leads.

**Governance reviews:**

Trustees updated their skills audit in the summer term 2017 and used this to prioritise desirable skills for further trustee recruitment and to confirm where additional expertise should be brought in on an ad-hoc basis (e.g. legal support). Trustees continue to attend regular training & briefing events held by Governors Development Service (GDS). Records are maintained of training undertaken.

Trustees engage external educational advisers to guide governance of specific tasks and give overall feedback on governance. This includes support and challenge through the School Improvement Partner and support through the ACE partnership.

The ACE Partnership performs an annual health-check, which includes a view on governance. The ACE

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**TRUSTEES' REPORT (continued)**  
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partnership has trained a team to undertake a quality assurance process across the partnership – this will involve evaluating governance

The Key for School Governors and National Governors Association subscription services provide a knowledge bank of guidance and up to date information which ensures the trustees are kept up to date with important changes nationally and good practice in other areas of the country. Local good practice is shared through GDS briefings and local partnership arrangements.

### **REVIEW OF VALUE FOR MONEY**

As accounting office, 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 outcome achieved in return for the taxpayer resources received.

The accounting officer considers how the trusts' 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 available. The accounting officer for the academy trust has delivered improved value for money during the year by:

- Undertaking an organisational review of the staffing structure and reduce the FTE down by 0.6 for teachers and 2.47 support staff. This was achieved through compulsory redundancy but resulted in a balanced budget for 2017/18.
- Further funding secured via the ESFA Condition Improvement funds (CIF) has enabled a continuation of replacement windows and a new roof on the old block of the school this will deliver further energy efficiencies.
- Energy contracts have been benchmarked and new contracts signed which have also delivered cost savings.
- Extensive in-house maintenance continues to save money and reduce the time taken for necessary repairs and therefore minimises any impact on the availability of college resources.

### **Further funding programmes:**

Additional funding has been made available to support basic literacy, by way of 1:1 support with reading. There is clear evidence that there has been a direct increase in the reading ages of all individuals who received this support. In some cases, students' reading ages increased by 4, 5 or even 6 years.

The academy has audited its use of Pupil Premium money and a summary of the outcomes achieved are presented on the college website. Whilst the outcomes for Pupil Premium students across the curriculum are below other students, the progress is above and as a result gaps are closing. Pupil premium attendance and behaviour is also in line with other students.

### **Partnership responses:**

Evidence shown above in "Achievements and performance" demonstrates the effectiveness of the improvements made. Student and parent responses to surveys are overwhelmingly positive demonstrating dramatically increased attitudes of school from all stakeholders. 98% of parents are happy with the progress their children make at school and 98% of the parents say that the college deals with their concerns in a timely and effective way.

### **Better purchasing**

The academy trust ensures it achieves best value for money from all purchases. The financial regulations manual sets out its meaning and considerations in relation to quality, quantity and best price. Acknowledging that a large proportion of the purchases made have been paid for with public funds and therefore working practices adopted by the academy have been based on the Seven Principles of Public Life.

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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 Ibstock Community College Limited for the period 1st September 2016 to 31 August 2017 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 period 1<sup>st</sup> September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees and the risk register is a standard agenda item at all full governing body meetings as a consideration on all matter discussed.

**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 and general purposes committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes
- setting targets to measure financial and other performance
- clearly defined purchasing (asset purchase or capital investment) guidelines
- delegation of authority and segregation of duties
- 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 (LCC) as an internal auditor.

A visit by members of LCC's Audit Service was made to the academy trust on the 7<sup>th</sup> April 2017 to undertake a full review of the financial systems and procedures and a review of the internal controls in place surrounding both financial and governance issues. The audit coverage was determined by the service level agreement in place between LCC and the board of trustees.

In particular the testing carried out in the current period included:

- Payroll
- Purchases
- Payment



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**TRUSTEES' REPORT (continued)**  
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- Control account and bank reconciliations
- Governance and statutory responsibilities

A report was issued to the chair of governors which was tabled at the business management and audit sub-committee on the 22<sup>nd</sup> June 2017 and at the full governor's meeting on the 29<sup>th</sup> June 2017, providing **full assurance**.

The report stated that they found everything to be operating effectively and no issues were found nor recommendations made.

**REVIEW OF EFFECTIVENESS**

As accounting officer the principal has responsibility for reviewing the effectiveness of the system of internal control. During the year/period in question the review has been informed by:

- the work of the internal auditor;
- the work of the external auditor;
- the work of the executive managers within the academy trust who has 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 business management and audit sub-committee.

Approved by order of the members of the board of trustees on 4th December 2017 and signed on its behalf by:

.....  
**Gary Grey**  
Chair of Trustees

.....  
**David Phillips**  
Accounting Officer

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**TRUSTEES' REPORT (continued)  
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As accounting officer of Ibstock Community College I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA 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 2016.

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 2016.

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 ESFA.

**Signed**

**David Phillips**  
Accounting officer

4<sup>th</sup> December 2017