

REGISTRAR OF COMPANIES

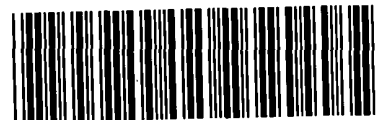
Bacon's College

Annual report and financial statements

Period from 1 September 2017
to 28 February 2018

Company Limited by Guarantee
Registration Number
02490773 (England and Wales)

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Reference and administrative information

Trustees and members	Mrs Caroline Donne Lord Harris of Peckham Mr Simon Hughes Mr Philip John Saunders Mrs Sandra Routledge The Revd Joshua Rey
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With effect from 1 March 2018, the College transferred all of its assets, liabilities and activities to United Learning Trust (company registration number 04439859). The reference and administration information below is as at 28 February 2018, except where indicated.

Governors	Mr Eugene O'Keeffe (Chairman) Ms Khiet Cheung (appointed 1 September 2017) Mr Darren Coghlan Mrs Caroline Donne Dr Charlotte Kearns (Teacher Governor) Mrs Juliette Marshall (Support Staff Governor) Mrs Jane Marwood Mrs Sandra Routledge Mr Neil Spence Mr Karl Williams
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Company Secretary	Mr Colin Powell
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Senior Leadership Team	
Principal	Mr Chris Mallaband (until 30 September 2017)
Acting Principal	Ms Fiona Morris (from 1 October 2017)
Vice Principal (Teaching Learning & Curriculum)	Ms Fiona Morris
Vice Principal (Inclusion & Behaviour)	Ms Norma Gould
Director of Finance	Mrs Kofo Ladele
Assistant Principal (College Ethos & Stakeholder Engagement)	Ms Fiona Foreman
Assistant Principal (Head of Sixth Form)	Mr Chris Hall
Assistant Principal (Assessment, Data & Tracking)	Ms Angela Tamufor
Assistant Principal	Ms Nazma Mataria (from 1 January 2018)
Assistant Principal	Mr Tom Sargeant (from 1 December 2017)
Assistant Principal	Mr Steven Knight (from 1 December 2017)
Assistant Principal	Mr Carl Duffett (from 1 December 2017)

Reference and administrative information

Principal Address	Timber Pond Road Rotherhithe London SE16 6AT
Registered Office	48 Union Street London SE1 1TD
Company Registration Number	02490773 (England and Wales)
Bankers	National Westminster Bank plc Southwark Branch PO Box 35 10 Southwark Street London SE1 1TT
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Solicitor	Memery Crystal LLP 44 Southampton Buildings London WC2A 1AP

Trustees' report 28 February 2018

The trustees present their report together with the audited financial statements for the period ended 28 February 2018 for Bacon's College (the "Academy Trust"). The report has been prepared in accordance with Part VIII of the Charities Act 2011. The annual report serves the purposes of both a trustees' report and a directors' report under company law.

The financial statements have been prepared in accordance with the accounting policies on pages 32 to 37 of these financial statements, and comply with the charitable company's Memorandum and Articles of Association, the Companies Act 2006, and the requirements of the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102).

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

Bacon's College is a company limited by guarantee (company registration no. 02490773). It became an exempt charity on 1 August 2011. The primary governing documents are the Memorandum and Articles of Association, which set out the procedures for appointing trustees and regulating the work of the Board. Trustees are appointed by the Southwark Diocesan Board of Education (SDBE), The Philip and Pauline Harris Charitable Trust (PPHCT) and the Secretary of State for Education. The members of the charitable company, the trustees, shall not be less than four but are not subject to any maximum number. They shall include:

- ◆ six trustees appointed by the Principal Sponsor (SDBE) or such other number that reflects the ratio of trustees appointed by the Principal Sponsor to trustees appointed by PPHCT;
- ◆ four trustees appointed by PPHCT or such other number that reflects the ratio of trustees appointed by PPHCT to trustees appointed by the Principal Sponsor; and
- ◆ one trustee appointed by the Secretary of State for Education.

The Articles of Association require the trustees of the charitable company to appoint governors, in proportion to reflect the balance of the composition of the trustees, to be responsible for the administration and running of the Academy Trust.

In accordance with the Articles of Association, the charitable company has adopted a "Scheme of Government" approved by the Secretary of State for Education. The Scheme of Government specifies, amongst other things, the basis for admitting students to the College, the catchment area from which the students are drawn, and that the curriculum should comply with the substance of the national curriculum with an emphasis on digital media. Such a curriculum shall have regard to the promotion of education in the principles of the Church of England.

With effect from 1 March 2018, in accordance with a legal transfer of undertakings, all activities, assets and liabilities of the Bacon's College were transferred as a going concern to United Learning Trust, company registration number 04439859.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Principal activities

Until 28 February 2018, the Academy Trust provided education for children of different abilities between the ages of 11 and 19, within the principles of the Church of England, and with an emphasis on digital media.

From 1 March 2018, the activities of Bacon's College have been incorporated into the activities of United Learning Trust. The overall objectives and activities of the College however remain substantially unchanged.

Members' liability

Every member of the charitable company undertakes to contribute to the assets of the charitable 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.

Trustees

The trustees are directors of the company for the purposes of the Companies Act 2006.

All trustees listed on page 1 served throughout the period and up to the date this report was signed.

The term of office for any trustee shall be four years, although the nominating bodies may re-nominate the trustees to serve for a further period. Whilst all serving trustees are experienced and have a good understanding of their role and responsibilities, training and development needs are reviewed on an ongoing basis to ensure all governance requirements are met

During the period under review, the trustees held meetings on a regular basis.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Trustees', governors' and officers' insurance

The College opted into the Department for Education's Risk Protection Arrangement (RPA), an alternative to insurance where UK Government funds cover losses that arise. This scheme protects trustees, governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on College business, and, provides cover up to £10,000,000.

It is not possible to quantify the trustees', governors' and officers' indemnity element from the overall cost of the RPA scheme.

Organisational structure

The trustees appointed the governors. The trustees met periodically during the period, as required, and retained direct responsibility for:

- ◆ the approval of the College budget; and
- ◆ the position of the Principal.

The trustees delegated to the governors the responsibility for ensuring that an effective system of internal control, financial and otherwise, was maintained and operated by the College. This is further explained in the Governance Statement.

Arrangements for setting pay of the College and remuneration of key management personnel

The key management personnel comprised the Senior Leadership Team (SLT), the trustees and the governors as listed on page 1. The College operated its own pay spine made up of a number of points, subdivided into the Preliminary Scale and the Main Scale. All salary ranges, irrespective of their length, were located on the College's pay spine.

The Personnel Sub Committee, on behalf of the governing body, ensured that every staff member's salary was reviewed annually and that each received a written statement setting out their salary and any other financial benefits to which they were entitled. Typically, salary increases were introduced at the beginning of the relevant academic year as was any back pay arising from performance management reviews that occurred in the autumn term. Reviews also took place at other times of the year to reflect any changes in circumstances or job description that lead to a change in the basis for calculating an individual's pay.

The Chair of the Trustees and the Chair of Governors were responsible for the performance management of the Principal and for determining the Principal's pay. The Principal needed to demonstrate sustained high quality performance with particular regard to leadership, management and student progress at the College and was subject to a review of performance against performance objectives before any increase in salary was awarded.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Arrangements for setting pay of the College and remuneration of key management personnel (continued)

No trustees or governors were remunerated, other than the staff governors who were only remunerated in their capacity as employees of the College rather than for their role as governors.

Senior Leadership Team (SLT)

During the period ended 28 February 2018 an interim restructure of the SLT took place. In December 2017, the SLT was increased through the addition of four Assistant Principals.

These leaders were executives of the College and developed and implemented policies agreed by the governing body and were responsible for the authorisation of spending within agreed budgets. Curriculum spending was controlled by curriculum leaders, who in turn, were managed by a member of the SLT.

There were clear guidelines, which were monitored by the senior leaders, on how spending should be carried out.

Recruitment of staff was also carried out by members of the SLT, with the Principal directly involved in all appointments.

Risk management

The trustees and governors have been assured that the major risks to which the College is exposed have been reviewed and systems have been established to mitigate those risks.

During the period, the College had an effective system of internal financial controls and this is explained in more detail in the governance statement.

Related companies

During the period ended 28 February 2018, and up to that date, the following were considered related companies.

Bacon's College Educational and Community Services Limited

The College owned 100% of the issued ordinary share capital of Bacon's College Educational and Community Services Limited ("BCECS Ltd"), a company incorporated in the United Kingdom (Company Registration no. 02813215). Consolidated financial statements are not prepared on the basis that the results of the trading company were not deemed material.

On 1 March 2018, 100% of the issued share capital of BCECS Ltd was transferred to United Learning Trust.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Related companies (continued)

Bacon's College Community Services Limited

During the year ended 31 August 2005, the College set up a separate legal entity, Bacon's College Community Services Limited ("BCCS Ltd"), to develop and provide recreational facilities on the Mellish Fields site which adjoins the College.

BCCS Ltd was incorporated as a company limited by guarantee on 24 December 2004 (Company Registration No. 05321174) and registered as a charity on 2 September 2005 (Charity Registration No. 1111158).

The Acting Principal and two governors of the College served as directors of BCCS Ltd during the period ended 28 February 2018. Bacon's College did not control BCCS Ltd. Therefore BCCS Ltd was not consolidated within the College's financial statements.

On 1 March 2018, the Acting Principal and two governors of the College were removed as directors of BCCS Ltd. New directors were appointed who are representatives from United Learning Trust.

OBJECTIVES AND ACTIVITIES

Objects and activities

The Academy Trust's Mission Statement was "raising standards and creating opportunities within a framework of Christian values". The Academy Trust had a strong focus on academic outcomes at all levels and was committed to the personal development of all its students. There were significant funds provided for staff training with support and encouragement for higher qualifications and accreditation. There was a well-established Development Planning Cycle with individual target setting supported by appraisal for each member of staff. Without such a systematic and strategic approach, planned improvement and progress would not have happened.

OBJECTIVES AND ACTIVITIES (continued)

Objects and activities (continued)

In working towards the Academy Trust's mission emphasis was given to:

- ◆ Promoting the values appropriate to the Christian ethos of the Academy Trust;
- ◆ Providing a broad balance, coherent, relevant and innovative curriculum which met the requirements of the National Curriculum, research and development programme, encouraging all students regardless of age, to continue their learning;
- ◆ Ensuring that the Academy Trust had sufficient resources to enable it to achieve its objectives;
- ◆ Recruiting, retaining and developing a well-qualified staff committed to working in the Academy Trust;
- ◆ Involving all those with a stake in the Academy Trust in its management and;
- ◆ Developing close and mutually beneficial partnerships within the community.

Public benefit

In setting the Academy Trust's objectives and planning its activities the trustees gave careful consideration to the Charity Commission's general guidance on public benefit.

Equal opportunities policy

The trustees recognised that equal opportunities should be an integral part of good practice within the workplace. The Academy Trust established equal opportunity in all areas of its activities including creating a working environment in which the contribution and needs of all people were fully valued.

Disabled persons

The policy of the Academy Trust was to support the employment of disabled persons both in recruitment and by retention of employees who become disabled whilst in the employment of the Academy Trust. It also had an inclusive policy for the recruitment of students. Lifts, ramps and disabled toilets were installed and door widths were enlarged to enable wheelchair access to all the main areas of the Academy Trust.

ACHIEVEMENTS AND PERFORMANCE

Y11 2017/2018 cohort outcomes

Prior Ability

- ◆ The prior ability of the current year 11 cohort was above the National average with 96% of students falling into either the Middle or Higher ability profile.

Attainment:

Year 11 in 2017/18	Prior Attainment	5ACEM	Basics 9-4	Basics 9-5	Attainment 8	Progress 8	EBACC
Current	4.88	45.9%	51%	33	40.41	-0.85	7.5
Predictions		64%	66%	50%	44.51	-0.44	12.1%
2016/2017 Actual results	4.91	61%	66%	47%	46.86	-0.26	25.2%

- ◆ Basics: This included students who have achieved a C or above grade in both English and Maths. Based on the current set of predictions, students would achieve approximately the same grades as last year's cohort.
- ◆ Attainment 8: The National Average Attainment score for 2016/17 was 46.0. The previous cohort surpassed this and predictions currently indicate that students would be 1.49 points behind this. However, current grades indicate, particularly in grades 9-5, that attainment is increasing so we are confident that the final attainment figure will be in line with the National Average.

Progress

- ◆ Progress 8: Current grades and mock results indicate that the final Progress 8 figure will be below what was achieved last year. However, with the focus shifting to Higher ability students, conversion of students on grade 3 and 4 in key subjects, we aim to at least match last year's progress 8 figure.

Sub group attainment

- ◆ In comparison to national averages the College had a very high proportion of disadvantaged, ethnic minority and SEN Support students. In the current year 11 cohort, 64% are considered pupil premium; 17% are SEND and 3% have an EHCP plan.

ACHIEVEMENTS AND PERFORMANCE (continued)

Y11 2017/18 cohort outcomes (continued)

Disadvantaged students

- ◆ The disadvantaged cohort made up 64% of the Year 11 cohort and based on prior attainment, the attainment gap between disadvantaged and non-disadvantaged students is widening and is larger than the national gaps.
- ◆ In terms of Basics 9-4 and 9-5, as well as English and Maths 4+ and 5+ , the gap between disadvantaged and non-disadvantaged is about 20% (based on predictions). The P8 gap between disadvantaged and non-disadvantaged students was quite large, 0.6. The A8 gap was about 10 points different.

WBRI

- ◆ The white British cohort made up 20% of the Year 11 cohort, a slight reduction on the previous year, and was slightly less able than the non-WBRI students based on prior attainment. In comparison to the other ethnic groups, they were significantly underperforming and WBRI PP boys were the worst performing in terms of Attainment 8 which currently stands at 31.40 (based on predictions) and Progress 8 currently stands at -1.37 (based on predictions). They will have a significant negative impact on the final results.

Gender

- ◆ The percentage split in the cohort between girls and boys was 49/51%. Boys were significantly underperforming in comparison to girls in almost all subjects. One of the few exceptions was History where boys were performing better than girls.

Outliers

The impact of 'outliers', those who are statistically far away from the average:

- ◆ There are 11 'outliers' whose average P8 score was lower than -2.45.
- ◆ The calculation of P8, as an average of the year group's individual P8 scores, gives undue significance to the most challenging students' outcomes.
- ◆ Whilst there are usually outliers in any school's cohort, there was a particularly large number in the 2017/18 cohort.

Subject performance

- ◆ The Ebacc performance was below the National average because the number of students eligible for the Ebacc was only 36. The highest Ebacc percentage we could achieve was 21; however current predictions indicate that only 12.5% will achieve a strong pass (grade 5 or higher in all subjects) which is the new Ebacc measure.

ACHIEVEMENTS AND PERFORMANCE (continued)

Subject Performance (continued)

The A8P8 Buckets:

- ◆ Attainment 8 (A8) and Progress 8 (P8) are identified through the performance of subjects grouped together as shown below.
- ◆ Ebacc subjects: Science, including Computer Science, Humanities and Languages. Open Subjects: All others not including English, Maths or Ebacc.
- ◆ Attainment 8 is calculated using students' GCSE point scores. Progress 8 compares those individual A8 scores to national coefficients. Progress 8 is the difference between Bacon's students' average scores and the national coefficients.

	<i>A8</i>	<i>Estimated A8</i>	<i>P8</i>
English			
<i>2018 Predictions</i>	10.49	10.51	0.02
<i>2017 Results</i>	10.56	10.56	0.01
<i>NA 2017</i>	10.00		0.00
Maths			
<i>2018 Predictions</i>	9.24	9.54	-0.15
<i>2017 Results</i>	9.46	9.59	-0.07
<i>NA 2017</i>	9.00		0.00
EBACC			
<i>2018 Predictions</i>	11.85	13.36	-0.48
<i>2017 Results</i>	11.69	13.43	-0.60
<i>NA 2017</i>	13.00		0.00
Open			
<i>2018 Predictions</i>	14.67	15.68	-0.32
<i>2017 Results</i>	15.15	15.74	-0.21
<i>NA 2017</i>	15.00		0.00

ACHIEVEMENTS AND PERFORMANCE (continued)

Subject Performance (continued)

- ◆ Although English language results last year were not as strong as English Literature, it was the best performing of the buckets in terms of P8 and A8. This period, the English results showed a positive progress 8; however the Maths results were slightly lower and may impact on our overall progress 8 and Basics score.
- ◆ In comparison to the previous year, although the Ebacc predictions and progress are slightly higher than last year, the Ebacc will be the worst performing bucket particularly due to our Science results and still very far off from the National average. The open bucket will also be low due to Art and Design subjects.

Prior ability

- ◆ The average grade for the cohort was a C+, a slight decline on the Average Grade of a B- last year. The gaps between national averages for A*-B are larger than for the gaps at C/D. Although the academic profile for the cohort was broadly similar to the previous year groups, too many students achieved C grades instead of B grades, and D grades instead of C grades.

<i>Sixth Form Data: 2018 v 2017</i>	<i>2018 Prediction</i>	<i>ALIS +1 Target</i>	<i>2017 Results</i>
A2 Grade Performance			
A*	2.4	1.1	3.9
A* - A	13.4	57.5	19.8
A* - B	26.5	78.4	37.5
A* - C	59.2	94.7	68.0
A* - D	85.3	100.0	81.0
A* - E	97.1	100.0	90.6
APS	29.5	44.2	30.4

ACHIEVEMENTS AND PERFORMANCE (continued)

Subject Performance (continued)

- ◆ The sixth form was not performing as well as it did in the previous year. Current predictions indicate that only 27% of students will achieve 3 A*-B grades – in comparison to last year where they achieved 38%. The APS currently is very similar - only 1 point different – however it is still about 14 points below their ALIS target. The focus will need to be on converting C/D to B/C grades as those are where the biggest gaps are in terms of attainments and targets – a trend that was visible last year as well.

FINANCIAL REVIEW

Financial report for the period

Most of the College's income was obtained from the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which was restricted to particular purposes. The grants received from the ESFA during the period and the associated expenditure are shown as restricted funds in the statement of financial activities on page 28.

The net deficit for the period, excluding the fixed assets fund and before gains and losses but after transfers, was £323,409 (year ended 31 August 2017 – deficit of £547,935). The net movement in funds for the period after actuarial gains on the pension liability and including the fixed asset fund was a deficit of £542,229 (year ended 31 August 2017 – deficit of £144,944).

At 28 February 2018, the net book value of tangible fixed assets was £15,059,846 (31 August 2017 – £15,387,666). The movements in the tangible fixed assets are shown in note 12 to the financial statements. Tangible fixed assets are all held for use by the College. The pension liability in relation to the London Borough of Southwark Pension Scheme was £919,000 (year ended 31 August 2017 - £929,000) at the period end. Details of the pension scheme are given in note 20 of these financial statements.

Going concern

The trustees have assessed whether the use of going concern is appropriate in preparing these financial statements.

With effect from 1 March 2018, in accordance with a legal transfer of undertakings, all activities, assets and liabilities of the Bacon's College were transferred to United Learning Trust, company registration number 04439859 (note 23). For this reason the trustees do not deem it appropriate to continue to adopt the going concern basis and therefore have prepared the financial statements on a basis other than going concern. No adjustments have been made to book values as a result of this.

The trustees of the Academy Trust have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of Bacon's College to continue as a going concern under the umbrella of United Learning Trust.

FINANCIAL REVIEW (continued)

Reserves policy and financial position

Financial position

At 28 February 2018, the Academy had total funds of £14,543,339 (31 August 2017 - £15,085,568). This comprised of £14,405,574 (31 August 2017 - £14,692,090) of total restricted funds and £137,765 of unrestricted general funds (31 August 2017 - £393,478). The pension reserve balance of £919,000 (31 August 2017 - £929,000), which was in deficit relates to the local government defined benefit scheme for non teaching staff (see note 20).

Reserves policy

At 1 March 2018, all funds and reserves of the Academy were transferred to United Learning Trust, in accordance with a legal transfer of undertakings. A summary of the transfer can be found at note 23.

The reserves of Bacon's College will be reviewed and monitored at a central level within the wider structure of United Learning Trust and by the local governing body going forward.

PLANS FOR THE FUTURE


The Academy successfully joined United Learning Trust on 1 March 2018 and its activities have remained largely unchanged following the transfer.

AUDITOR


In so far as the trustees are aware:

- ◆ there is no relevant audit information of which the College's auditor is unaware; and
- ◆ 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.

Signed on behalf of the board of trustees:

 (COLIN POWELL)

Company Secretary

Approved by the board on: 

Governance statement 28 February 2018

Scope of responsibility

The trustees and the governing body acknowledge that they have overall responsibility for ensuring that the Academy Trust 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 trustees and governing body delegated the day-to-day responsibility to the Acting 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 the College and the Secretary of State for Education. The Acting Principal is also responsible for reporting to the governing body 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 trustees formally met twice during the period from 1 September 2017 to 28 February 2018. Attendance during the period at this meeting was as follows:

Trustee	Number of meetings attended	Out of a possible number
Mrs Caroline Donne (Chair)	2	2
Lord Harris of Peckham	—	2
Mr Simon Hughes	2	2
Mr Philip John Saunders	1	2
The Revd Joshua Rey	2	2
Mrs Sandra Routledge	2	2

The Finance and General Purposes Committee was a sub-committee of the main governing body. Its purpose was to provide advice, support and guidance on all matters relating to the Academy Trust's finances and general purposes including health and safety; monitor the use of all public funds and report to the governing body on a termly basis; consider budget plans presented by the Acting Principal and the Director of Finance and monitor budgeted income and expenditure during the period; and consider the audit report and make recommendations to the governing body.

During the period, members of the Finance and General Purposes Committee considered the Academy Trust's budget at a time of austerity and oversaw the Academy Trust's continuing development to ensure expenditure was in line with overall budgets and that value for money is achieved.

Governance statement 28 February 2018

Governance (continued)

Attendance at the Finance and General Purposes Committee meetings in the period was as follows:

Membership	Number of meetings attended	Out of a possible number
Neil Spence	1	1
Fiona Morris	1	1
Eugene O'Keeffe	1	1
Karl Williams	1	1

Review of value for money

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

The Acting Principal considered how the College's use of its resources provided good value for money during the academic year, and reported to the board of trustees where value for money can be improved, including the use of benchmarking data where available. The Acting Principal for the College delivered and improved value for money during the period by:

Raising standards

- ◆ Having joined United Learning Trust on 1 March 2018, the College continues to work in collaboration with other academies within the Multi Academy Trust, sharing best practice, identifying strategies to tackle under-achievement and intervene as a result. There is a focus on the behaviour of pupils and under-performing groups including the key group of White British students.

Financial oversight and governance

- ◆ Regular meetings took place between the Director of Finance and the Acting Principal and also a weekly meeting took place between these two colleagues, the Vice Principals and Assistant Principals. This meeting in particular allowed the early identification of any significant financial risk – often associated with staffing.
- ◆ The Finance and General Purposes Committee received regular reports on the budget that was approved by trustees for the academic year and adherence to it. After the mid-point in the year, a re-budgeting exercise was conducted to allow all stakeholders to understand whether the College is on track to keep within the planned expenditure.

The most significant proportion of funding received was spent on staffing and the Personnel Committee had oversight of this key area.

Review of value for money (continued)

Reviewing controls

- ◆ The Acting Principal received monthly reports from the Director of Finance showing spend against plan and allowing variance from plan to be interrogated. Any significant variance was discussed and presented to the SLT and the governing body as and when necessary.
- ◆ The trustees and governors had a reserves strategy that aimed to keep a reasonable "safety net" in place for risks that were less predictable.
- ◆ The Director of Finance kept an updated risk register that was reviewed on a quarterly basis with the Acting Principal.
- ◆ All financial controls were subject to regular review through the Responsible Officer (RO) work programme delegated to the external auditors.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Academy Trust's 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 continued in place at the Academy Trust for the period ended 28 February 2018 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The trustees and the governing body reviewed the key risks to which the College was exposed together with the operating, financial and compliance controls that had been implemented to mitigate those risks. The trustees and the governing body are of the view that there was an ongoing process for identifying, evaluating and managing the College's significant risks in place for the period ended 28 February 2018 and up to the date of approval of the annual report and financial statements.

The risk and control framework

The College's system of internal financial control was 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 included:

- ◆ comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which were reviewed and agreed by the trustees and the governing body;

The risk and control framework (continued)

- ◆ regular reviews by the Finance and General Purposes Committee of reports which indicated 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 trustees and the governing body considered the need for a specific internal assurance function. They agreed the Responsible Officer (RO) work programme should be carried out by the external auditors, Buzzacott, as permitted by the Academies Financial Handbook. RO work and processes includes performing a range of checks on the College's financial systems and processes. The external auditor reported to the RO on the operations of the system of control and on the discharge of the RO's financial responsibilities.

Governance reviews

A governance and trustee review was commissioned by trustees and conducted by Alan Jenner, Independent Consultant and OFSTED Inspector (formerly Head of Governor Services at London Borough of Barking & Dagenham) on 17 May 2017. Following recommendations from the report, governors attended training on 26 September 2017 with Matt Miller, National Leader of Governance advocate. This included a review of Governance at the Academy Trust; impact, barriers and opportunities.

Review of effectiveness

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

- ◆ the RO work;
- ◆ the work of the external auditor;
- ◆ the financial management and governance self assessment process;
- ◆ the work of the Director of Finance within the College who had responsibility for the development and maintenance of the internal control framework.

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

Governance statement 28 February 2018

Approved by trustees and governors and signed on their behalf by:

Caroline Donne (CAROLINE DONNE)

(Chair of Trustees)

F.C. Morris (FIONA MORRIS)

(Acting Principal and Accounting Officer)

Approved on:

7th June 2018

7/6/18

Statement on regularity, propriety and compliance 28 February 2018

As Accounting Officer of the Academy Trust, I have considered my responsibility to notify the College's trustees, governing body 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 2017.

I confirm that I and the Academy Trust's trustees and the governing body were 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 College's funding agreement and the Academies Financial Handbook 2017.

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.

F. C. Morris (Fiona Morris)

Acting Principal and Accounting Officer

Date: 7/6/18

Statement of trustees' responsibilities 28 February 2018

The trustees (who act as directors of the College for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with the Annual Accounts Requirements issued by the ESFA, 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 period. 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 College and of its income 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 in the Charities' SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- ◆ make judgements and estimates that are reasonable and prudent;
- ◆ state whether applicable United Kingdom Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements; and
- ◆ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the College will continue in operation.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the College's transactions and disclose with reasonable accuracy at any time the financial position of the College 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 College 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 College 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 ESFA have been applied for the purposes intended.

The trustees are responsible for the maintenance and integrity of the College and financial information included on the College'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:

 (CAROLINE DONNE)

(Chair of Trustees)

Date: 7th June 2018

Independent auditor's report on the financial statements 28 February 2018

Independent auditor's report to the members of Bacon's College

Opinion

We have audited the financial statements of Bacon's College (the 'charitable company') for the period ended 28 February 2018 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies and the related notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), 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) (the Charities SORP 2015) and the Academies Accounts Direction 2016 to 2017.

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

In our opinion, the financial statements:

- ◆ give a true and fair view of the state of the charitable company's affairs as at 28 February 2018 and of its income and expenditure for the period then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- ◆ have been prepared in accordance with the requirements of the Companies Act 2006; and
- ◆ have been prepared in accordance with the Charities SORP 2015 and Academies Accounts Direction 2016 to 2017.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independent auditor's report on the financial statements 28 February 2018

Conclusions relating to going concern

We draw attention to the accounting policy on going concern on page 32 of these financial statements which indicates that the trustees of Bacon's College has prepared the financial statements on a basis other than a going concern basis. This is due to a legal transfer of all activities, assets and liabilities of the College to United Learning Trust with effect from 1 March 2018. Our opinion is not modified in respect of this matter.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- ◆ the information given in the trustees' report including the strategic report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- ◆ the trustees' report including the strategic report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report including the strategic report.

Independent auditor's report on the financial statements 28 February 2018

Matters on which we are required to report by exception (continued)

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

- ◆ adequate accounting records have not been kept; or
- ◆ the financial statements are not in agreement with the accounting records; 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.

Responsibilities of trustees

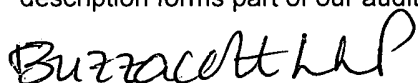
As explained more fully in the trustees' responsibilities statement, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

 28 June 2018

Shachi Blakemore (Senior Statutory Auditor)
For and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

Independent reporting accountant's report on regularity 28 February 2018

Independent reporting accountant's assurance report on regularity to Bacon's College and the Education and Skills Funding Agency (ESFA)

In accordance with the terms of our engagement letter dated 29 September 2016 and further to the requirements of the ESFA as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Bacon's College during the period from 1 September 2017 to 28 February 2018 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 Bacon's College and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Bacon's College and the ESFA 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 the Bacon's College and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Bacon's College's Accounting Officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of Bacon's College's funding agreement with the Secretary of State for Education and the Academies Financial Handbook, extant from 1 September 2016, 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 2016 to 2017. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period from 1 September 2017 to 28 February 2018 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 2016 to 2017 issued by the ESFA. 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.

Independent reporting accountant's report on regularity 28 February 2018

Approach (continued)

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

The work undertaken to draw to our conclusion includes:

- ◆ An assessment of the risk of material irregularity and impropriety across all of the College's activities;
- ◆ Further testing and review of the areas identified through the risk assessment including enquiry, identification of control processes and examination of supporting evidence across all areas identified as well as additional verification work where considered necessary; and
- ◆ Consideration of evidence obtained through the work detailed above and the work completed as part of our financial statements audit in order to support the regularity conclusion.

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 period from 1 September 2017 to 28 February 2018 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Buzzacott LLP 28 June 2018

Buzzacott LLP
Chartered Accountants
130 Wood Street
London
EC2V 6DL

Statement of financial activities Period ended 28 February 2018


	Notes	Unrestricted general funds £	Restricted general funds £	Restricted fixed assets fund £	Period to 28 February 2018 Total £	Year to 31 August 2017 Total £
Income from:						
Donations and capital grants	2	—	—	11,545	11,545	77,707
Charitable activities						
· Funding for the College's educational operations	3	2,134	4,394,131	—	4,396,265	8,962,656
Other trading activities	4	3,700	—	—	3,700	78,548
Investment income	5	5,170	—	—	5,170	11,739
Total income		11,004	4,394,131	11,545	4,416,680	9,130,650
Expenditure on:						
Charitable activities						
· College's educational operations	7	—	4,725,057	342,852	5,067,909	10,222,594
Total expenditure	6	—	4,725,057	342,852	5,067,909	10,222,594
Net income (expenditure)		11,004	(330,926)	(331,307)	(651,229)	(1,091,944)
Transfers between funds	17	(266,717)	263,230	3,487	—	—
Net deficit before other recognised gains and losses		(255,713)	(67,696)	(327,820)	(651,229)	(1,091,944)
Other recognised gains and losses						
Actuarial gain on defined benefit pension scheme	20	—	109,000	—	109,000	947,000
Net movement in funds		(255,713)	41,304	(327,820)	(542,229)	(144,944)
Balances brought forward at 1 September		393,478	(695,576)	15,387,666	15,085,568	15,230,512
Balances carried forward at 28 February		137,765	(654,272)	15,059,846	14,543,339	15,085,568

On 1 March 2018, the College transferred all of its assets, liabilities and activities to United Learning Trust (company registration number 04439859). The income and expenditure of the College for the period ended 28 February 2018 are therefore defined as discontinued activities of the College for the purposes of Financial Reporting Standard 102 (FRS 102).

Balance sheet 28 February 2018

	Notes	28 February 2018 £	28 February 2018 £	31 August 2017 £	31 August 2017 £
Fixed assets					
Tangible fixed assets	12		15,059,846		15,387,666
Investments	13		3		3
			<u>15,059,849</u>		<u>15,387,669</u>
Current assets					
Debtors	14	409,579		333,478	
Cash at bank and in hand		<u>818,065</u>		<u>1,188,452</u>	
		<u>1,227,644</u>		<u>1,521,930</u>	
Liabilities					
Creditors: amounts falling due within one year	15	<u>(722,569)</u>		<u>(784,555)</u>	
Net current assets			<u>505,075</u>		<u>737,375</u>
Total assets less current liabilities			<u>15,564,924</u>		<u>16,125,044</u>
Creditors: amounts falling due after more than one year	16		<u>(102,585)</u>		<u>(110,476)</u>
Net assets excluding pension scheme liability			<u>15,462,339</u>		<u>16,014,568</u>
Pension scheme liability	20		<u>(919,000)</u>		<u>(929,000)</u>
Total net assets			<u>14,543,339</u>		<u>15,085,568</u>
Restricted funds					
Fixed assets fund			15,059,846		15,387,666
Restricted income fund			264,728		233,424
Pension reserve			<u>(919,000)</u>		<u>(929,000)</u>
Total restricted funds	17		<u>14,405,574</u>		<u>14,692,090</u>
Unrestricted income funds					
General fund	17		<u>137,765</u>		<u>393,478</u>
Total funds			<u>14,543,339</u>		<u>15,085,568</u>

The financial statements on pages 28 to 52 were approved by the trustees and are signed on their behalf by:

 (CAROLINE DONNE)

(Chair of Trustees)

Approved by the Board on: 7th June 2018

Company Registration Number: 02490773 (England and Wales)

Statement of cash flows Period ended 28 February 2018

		Period to 28 February 2018 Total £	Year to 31 August 2017 Total £
Net cash flows from operating activities			
Net cash used in operating activities	A	(364,179)	(264,001)
Cash flows provided by (used in) investing activities	B	1,683	(265,619)
Cash flows used in financing activities	C	(7,891)	—
Change in cash and cash equivalents in the period		(370,387)	(529,620)
Reconciliation of net cash flow to movement in net funds:			
Cash and cash equivalents at the beginning of the period		1,188,452	1,718,072
Cash and cash equivalents at the end of the period	D	818,065	1,188,452

A Reconciliation of net expenditure to net cash flow from operating activities:

	Period to 28 February 2018 Total £	Year to 31 August 2017 Total £
Net expenditure for the period (as per the statement of financial activities)	(651,229)	(1,091,944)
Adjusted for:		
Depreciation charges (note 12)	342,852	736,707
Capital grants from DfE and other capital income	(11,545)	(37,259)
Interest receivable (note 5)	(5,170)	(11,739)
Defined benefit pension scheme cost less contributions payable (note 20)	88,000	265,000
Defined benefit pension scheme finance cost (note 20)	11,000	30,000
(Increase) decrease in debtors	(76,101)	88,751
Decrease in creditors	(61,986)	(243,517)
Net cash used in operating activities	(364,179)	(264,001)

B Cash flows from investing activities

	Period to 28 February 2018 Total £	Year to 31 August 2017 Total £
Interest from investments and loans receivable	5,170	11,739
Purchase of tangible fixed assets	(15,032)	(314,617)
Capital grants from DfE/ESFA	11,545	37,259
Net cash provided by (used in) investing activities	1,683	(265,619)

Statement of cash flows Period ended 28 February 2018

C Cash flows from financing activities

	Period to 28 February 2018 Total £	Year to 31 August 2017 Total £
Salix loan repayments	(7,891)	—
Net cash used in financing activities	(7,891)	—

D Analysis of cash and cash equivalents

	Period to 28 February 2018 Total £	Year to 31 August 2017 Total £
Cash at bank and in hand	818,065	1,188,452
Total cash and cash equivalents	818,065	1,188,452

Principal accounting policies Period ended 28 February 2018

Statement of 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.

Basis of preparation

The financial statements of the College, 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 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Bacon's College meets the definition of a public benefit entity under FRS 102.

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 College to continue as a going concern.

With effect from 1 March 2018, in accordance with a legal transfer of undertakings, all activities, assets and liabilities of the Bacon's College were transferred as a going concern to United Learning Trust, company registration number 04439859. For this reason the trustees do not deem it appropriate to continue to adopt the going concern basis for the Academy Trust and therefore have prepared the financial statements on a basis other than going concern. No adjustments have been made to book values as a result of this.

Income

All incoming resources are recognised when the College has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

Grants

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 and there is not unconditional entitlement to the income, 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.

Principal accounting policies Period ended 28 February 2018

Income (continued)

Grants (continued)

The General Annual Grant is recognised in full in the statement of financial activities in the period 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

Donations are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.

Other income

Other income is recognised in the period it is receivable and to the extent the College has provided the goods or services.

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.

Charitable activities

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

All expenditure are stated net of recoverable VAT.

Principal accounting policies Period ended 28 February 2018

Tangible fixed assets

Tangible fixed assets acquired since the College was established are included in the financial statements at cost.

Where tangible fixed assets have been acquired with the aid of specific grants, either from Government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed assets fund (in the statement of financial activities and carried forward in the balance sheet). The depreciation on such assets is charged in the statement of financial activities over the expected useful economic life of the related asset on a basis consistent with the depreciation policy.

Leasehold costs relate to classrooms built by Bacon's College Community Services Ltd as part of the Mellish Fields facilities. These are depreciated over the life of the lease.

Computer equipment and IT software (with the exception of iMac computers) are written off in the year of acquisition. Equipment, other than computer equipment and IT software, costing less than £500 per individual item or groups of related items is written off in the year of acquisition. All other equipment is capitalised.

Assets under construction include direct costs incurred to date on building work that is in progress at the period end. This includes professional costs. These costs are not depreciated until the asset is brought into use.

Tangible fixed assets are written off over their estimated useful lives on the following basis:

◆ Leasehold costs	2% straight line
◆ Freehold land	Nil
◆ Buildings	2% straight line
◆ Furniture and equipment	25% straight line
◆ Motor vehicles	25% straight line
◆ Computer equipment	25% straight line

A full year of depreciation is charged in the year of acquisition.

Investments

The College's shareholding in the wholly owned trading subsidiary Bacon's College Educational and Community Services ("BCECS Ltd") is included in the balance sheet at the cost of the share capital owned. Consolidated financial statements are not prepared on the basis that the results of the trading company are not deemed material.

Principal accounting policies Period ended 28 February 2018

Liabilities

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

Leased assets

Rentals under operating leases are charged on a straight line basis over the lease term.

Financial instruments

The College only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the College and their measurement basis are as follows:

Financial assets – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 14. Prepayments are not financial instruments. Amounts due to the charity's wholly owned subsidiary are held at face value less any impairment.

Cash at bank – is classified as a basic financial instrument and is measured at face value.

Financial liabilities – trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 15 and 16. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to charity's wholly owned subsidiary are held at face value less any impairment.

Taxation

The College 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 College 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.

Pensions benefits

Retirement benefits to employees of the College are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes.

Principal accounting policies Period ended 28 February 2018

Pensions benefits (continued)

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the College 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 20, 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 the statement of financial activities 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 is also recognised in the statement of financial activities 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.

Fund accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes improved by funds 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 or donor and include grants from the Education and Skills Funding Agency.

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.

Principal accounting policies Period ended 28 February 2018

Critical accounting estimates and areas of judgement (continued)

Critical accounting estimates and assumptions

The College 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 period are discussed below.

The net book value of tangible fixed assets is based on the original cost/value of the asset net of provision for depreciation. The depreciation provision to date is based on the trustees' assessment of the estimated useful economic lives of such 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 for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 20, 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 2016 has been used by the actuary in valuing the pensions liability at 28 February 2018. 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.

Critical areas of judgement

Other than the estimates discussed above, the trustees do not consider that there are any key judgements made in the preparation of the financial statements.

1 General Annual Grant (GAG)

Under the funding agreement with the Secretary of State, the College was subject to limits at 28 February 2018 on the amount of GAG that could be carried forward from one year to the next. An amount equal to 12% of GAG could be carried forward, of which up to 2% could be used for general recurrent purposes, with any balance being available for premises/capital purposes.

The College has not exceeded these limits during the period ended 28 February 2018.

2 Donations and capital grants

	Unrestricted funds £	Restricted fixed assets funds £	Period to 28 February 2018 Total £	Year to 31 August 2017 Total £
Capital grants	—	11,545	11,545	37,259
Other donations	—	—	—	40,448
	—	11,545	11,545	77,707

3 Funding for the College's educational operations

	Unrestricted funds £	Restricted general funds £	Period to 28 February 2018 Total £	Year to 31 August 2017 Total £
DfE/ESFA grants				
General Annual Grant (GAG)	—	4,025,080	4,025,080	8,189,621
Other DfE/ESFA grants	—	261,251	261,251	529,503
	—	4,286,331	4,286,331	8,719,124
Other Government grants				
Local authority grants	—	80,033	80,033	172,945
Special educational projects	—	27,767	27,767	47,593
	—	107,800	107,800	220,538
Other income from the College's educational operations	2,134	—	2,134	22,994
	2,134	4,394,131	4,396,265	8,962,656

4 Other trading activities

	Unrestricted funds £	Restricted general funds £	Period to 28 February 2018 Total £	Year to 31 August 2017 Total £
Trips income	—	—	—	62,388
Miscellaneous income	3,700	—	3,700	16,160
	3,700	—	3,700	78,548

5 Investment income

	Unrestricted funds	
	Period to 28 February 2018 Total £	Year to 31 August 2017 Total £
Interest receivable	263	1,925
Loan interest	4,907	9,814
	5,170	11,739

6 Expenditure

	Staff costs (note 9) £	Premises £	Other £	Period to 28 February 2018 Total £	Year to 31 August 2017 Total £
College's educational operations					
Direct costs	3,027,887	460,240	530,914	4,019,041	8,311,596
Support costs	539,801	58,079	450,988	1,048,868	1,910,998
	3,567,688	518,319	981,902	5,067,909	10,222,594

	Period to 28 February 2018 Total £	Year to 31 August 2017 Total £
Net expenditure for the period includes:		
Operating lease rentals	18,095	36,190
Depreciation (note 12)	342,852	736,707
Fees payable to auditor for		
Audit	12,610	12,800
Other services	13,635	15,610

7 Charitable activities - College's educational operations

	Period to 28 February 2018 Total £	Year to 31 August 2017 Total £
Direct costs	4,019,041	8,311,596
Support costs	1,048,868	1,910,998
	5,067,909	10,222,594

Analysis of support costs	Period to 28 February 2018 Total £	Year to 31 August 2017 Total £
Support staff costs **	539,801	1,096,172
Depreciation	58,285	125,240
Technology costs	36,564	79,107
Premises costs	58,079	108,330
Other support costs	281,272	470,353
Governance costs	74,867	31,796
Total support costs	1,048,868	1,910,998

7 Charitable activities - College's educational operations (continued)

** Support staff costs includes £88,000 (2017: £265,000) in relation to adjustments to the LGPS pension liability.

The method used for the apportionment of support costs is disclosed within the accounting policies.

8 Comparative information (for the year ended 31 August 2017)

	Unrestricted general funds £	Restricted general funds £	Restricted fixed assets fund £	Total 2017 £
Income from:				
Donations and capital grants	40,448	—	37,259	77,707
Charitable activities				
· Funding for the College's educational operations	22,994	8,939,662	—	8,962,656
Other trading activities	16,160	62,388	—	78,548
Investment income	11,739	—	—	11,739
Total income	91,341	9,002,050	37,259	9,130,650
Expenditure on:				
Charitable activities				
· College's educational operations	—	9,485,887	736,707	10,222,594
Total expenditure	—	9,485,887	736,707	10,222,594
Net income (expenditure)	91,341	(483,837)	(699,448)	(1,091,944)
Transfers between funds	(263,098)	107,659	155,439	—
Net deficit before other recognised gains and losses	(171,757)	(376,178)	(544,009)	(1,091,944)
Other recognised gains and losses				
Actuarial gain on defined benefit pension scheme	—	947,000	—	947,000
Net movement in funds	(171,757)	570,822	(544,009)	(144,944)
Balances brought forward at 1 September	565,235	(1,266,398)	15,931,675	15,230,512
Balances carried forward at 31 August	393,478	(695,576)	15,387,666	15,085,568

9 Staff

a) Staff costs

	Period to 28 February 2018 Total £	Year to 31 August 2017 Total £
Wages and salaries	2,591,357	5,402,054
Social security costs	273,250	544,700
Pension costs	435,928	998,680
Apprenticeship levy	8,028	3,210
	3,308,563	6,948,644
Supply staff costs	259,125	275,388
Staff restructuring costs – redundancy	—	203,269
	3,567,688	7,427,301

b) Staff numbers

The average number of persons (including the senior management team) employed by the charitable company was as follows:

	Period to 28 February 2018 Total £	Year to 31 August 2017 Total £
Teachers	76	80
Hourly paid	5	6
Administration and support	67	68
Management	11	10
	159	164

Full time equivalents during the period was 138.1 (2017 – 142.6).

c) Higher paid staff

10 employees (2017 - 13) earned more than £60,000 per annum excluding employers' pension contributions (but including taxable benefits) during the period. The total emoluments of these employees were in the following ranges:

	Period to 28 February 2018 Total £	Year to 31 August 2017 Total £
£60,001 - £70,000	8	7
£70,001 - £80,000	—	3
£80,001 - £90,000	1	1
£90,001 - £100,000	1	—
£110,001 - £120,000	—	1
£160,001 - £170,000	—	1

The above emoluments include £nil redundancy costs (2017 - £203,269).

9 Staff (continued)

9 (2017 – 12) of the above employees participated in the Teachers' Pension Scheme. During the period ended 28 February 2018, pension contributions for these staff amounted to £52,044 (year ended 31 August 2017 - £125,994). The other employee participated in the Local Government Pension Scheme, pension contributions amounted to £5,242 (2017 - £8,307).

d) Key management personnel

The key management personnel of the College comprise the trustees, the governors and the Senior Management Team as listed on page 1. The trustees and governors are not remunerated for their role as trustees and governors. The employee benefits paid to key management personnel relate solely to the Senior Management Team. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the College was £273,183 (2017 – £972,184). The figure for 2017 includes £174,683 of redundancy costs.

10 Trustees' and governors' emoluments and expenses

During the period ended 28 February 2018, travel and subsistence expenses totalling £367 (2017 – £570) were reimbursed to one trustee and one governor (2017 – one trustee and one governor).

Other related party transactions are set out in note 21.

11 Trustees', governors' and officers' insurance

The College has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees, governors' and officers from claims arising from negligent acts, errors or omissions occurring whilst on College business, and, provides cover up to £10,000,000. It is not possible to quantify the trustees', governors' and officers' indemnity element from the overall cost of the RPA scheme.

12 Tangible fixed assets

	Freehold land and buildings £	Leasehold land and buildings £	Furniture and equipment £	Motor vehicles £	Total £
Cost					
At 1 September 2017	24,400,799	1,000,000	3,003,432	28,750	28,432,981
Additions	—	—	15,032	—	15,032
At 28 February 2018	24,400,799	1,000,000	3,018,464	28,750	28,448,013
Depreciation					
At 1 September 2017	10,258,761	180,000	2,577,804	28,750	13,045,315
Charge for period	230,970	10,000	101,882	—	342,852
At 28 February 2018	10,489,731	190,000	2,679,686	28,750	13,388,167
Net book values					
At 28 February 2018	13,911,068	810,000	338,778	—	15,059,846
At 31 August 2017	14,142,038	820,000	4,252,628	—	15,387,666

13 Investments

	28 February 2018 £	31 August 2017 £
Investment in wholly owned subsidiary company at cost	3	3

Until the transfer of activities, assets and liabilities to United Learning Trust on 1 March 2018, the College owned 100% of the issued ordinary shares of Bacon's College Educational & Community Services Limited ("BCECS Ltd"), a company incorporated in England & Wales (registration no. 02813215). The principal business activity of BCECS Ltd is the letting of educational, leisure and social facilities to the public.

A summary of the results for the period and the balance sheet position of BCECS Ltd at the period end is shown below:

	Period to 28 February 2018 £	Year to 31 August 2017 £
Statement of income and retained earnings		
Turnover	310,293	555,137
Expenditure	(241,674)	(516,871)
Interest receivable	45	191
Profit on ordinary activities before Gift Aid	68,664	38,457
Gift Aid to Bacon's College	—	(38,457)
Profit on ordinary activities after Gift Aid	68,664	—
Retained earnings brought forward at 1 September	16,065	16,065
Retained earnings carried forward at 31 August	84,729	16,065
Balance sheet		
Net current assets	84,732	16,068
Net assets	84,732	16,068
Called up share capital	3	3
Profit and loss account	84,729	16,065
Shareholder's funds	84,732	16,068

14 Debtors

	28 February 2018 £	31 August 2017 £
Amounts due from BCECS Ltd	161,313	86,860
Amount due from BCCS Ltd	1,482	—
VAT recoverable	88,014	66,683
Other debtors	1,635	11,656
Prepayments and accrued income	157,405	168,279
	409,579	333,478

Notes to the financial statements Period ended 28 February 2018

15 Creditors: amounts falling due within one year

	28 February 2018 £	31 August 2017 £
Trade creditors	338,267	297,743
Taxation and social security	141,811	148,795
Loans (note 16)	15,782	15,782
Other creditors	158,084	207,626
Amounts due to BCCS Ltd	5,354	28,943
Accruals and deferred income	63,271	85,666
	722,569	784,555

16 Creditors: amounts falling due in greater than one year

	28 February 2018 £	31 August 2017 £
Loans	102,585	110,476
Analysis of loans		
Total balance repayable	118,367	126,258
Less: included in current liabilities (note 15)	(15,782)	(15,782)
Amounts included above	102,585	110,476
Loan maturity		
Debt due in one year or less	15,782	15,782
In more than one year but not more than five years	63,129	63,128
In more than five years	39,456	47,348
	118,367	126,258

The above wholly relates to a Salix loan that is interest free and repayable over 8 years. Instalments of £7,891 are due every six months.

17 Funds

	Balance at 1 September 2017 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 28 February 2018 £
Restricted general funds					
. General Annual Grant (GAG)	—	4,025,080	(4,317,813)	292,733	—
. Pupil Premium	31,016	261,251	(228,213)	—	64,054
. Other grants	7,532	—	—	—	7,532
. Pension reserve	(929,000)	—	(99,000)	109,000	(919,000)
	(890,452)	4,286,331	(4,645,026)	401,733	(847,414)
Restricted fixed asset funds					
. Depreciation	(13,647,922)	—	(342,852)	—	(13,990,774)
. DfE/ESFA capital grants	14,414,107	11,545	—	—	14,425,652
. Capital expenditure from GAG	9,639,752	—	—	3,487	9,643,239
. Private sector capital sponsorship	4,981,729	—	—	—	4,981,729
	15,387,666	11,545	(342,852)	3,487	15,059,846
Other restricted funds					
. Local authority grants	4,742	80,033	(80,033)	—	4,742
. LPSSN	84,590	—	—	—	84,590
. Other restricted funds	105,544	27,767	—	(29,501)	103,810
	194,876	107,800	(80,033)	(29,501)	193,142
Total restricted funds	14,692,090	4,405,676	(5,067,909)	375,717	14,405,574
Unrestricted funds					
. General funds	393,478	11,004	—	(266,717)	137,765
Total unrestricted funds	393,478	11,004	—	(266,717)	137,765
Total funds	15,085,568	4,416,680	(5,067,909)	109,000	14,543,339

General Annual Grant (GAG)

Under the funding agreement with the Secretary of State, the College was subject to a limit on the amount of GAG that it could carry forward at 31 August 2017 (see note 1).

During the period ended 28 February 2018, £3,487 (year ended 31 August 2017 - £155,439) of GAG monies was used by the College for the purchase of fixed assets.

Other Government grants

These relate to other specific Government grants received by the College including Pupil Premium and Standards fund.

Pension reserve

The pension reserve balance is in relation to the FRS 102 liability in respect of the non-teaching staff with the London Borough of Southwark defined benefit pension scheme.

17 Funds (continued)

Fixed assets fund

This represents fixed assets funded by Government grants and other sponsors.

It represents the net book value of tangible fixed assets as well as unspent capital grants at 28 February 2018. Unspent capital grant balance at 28 February 2018 was £nil (31 August 2017 - £nil).

London PE Schools Sport Network (LPSSN)

Funds are generated through the LPSSN for the provision of competitive sports delivered to local primary schools. Funds are also received from the London Borough of Southwark Council to provide access to sporting activities for students with special educational needs.

Other restricted grants

This includes funds received specifically for smaller projects.

18 Analysis of net assets between funds

Fund balances at 28 February 2018 are represented by:

	Unrestricted general Funds £	Restricted general Funds £	Restricted fixed assets fund £	28 February 2018 £
Tangible fixed assets	—	—	15,059,846	15,059,846
Investments	3	—	—	3
Current assets	137,762	1,089,882	—	1,227,644
Current liabilities	—	(722,569)	—	(722,569)
Non-current liabilities	—	(102,585)	—	(102,585)
Pension reserve	—	(919,000)	—	(919,000)
Total net assets	137,765	(654,272)	15,059,846	14,543,339

19 Commitments under operating leases

Operating leases

At 28 February 2018, the total of the College's future minimum lease payments under non-cancellable operating leases was as detailed below. All lease commitments were transferred to United Learning Trust on 1 March 2018.

	28 February 2018 £	31 August 2017 £
Amounts due within one year	36,190	36,190
Amounts due between two and five years inclusive	25,135	43,230
	61,325	79,420

20 Pension and similar obligations

The College's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by the London Borough of Southwark. Both are multi-employer defined benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

Contributions amounting to £96,393 were payable to the schemes at 28 February 2018 (31 August 2017 – £85,575) 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

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 were:

- ♦ employer contribution rates set at 16.48% (previously 14.1%) of pensionable pay from 1 September 2015 (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

20 Pension and similar obligations (continued)

Teachers' Pension Scheme (continued)

- ♦ 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%.

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, 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 period amounted to £226,929 (2017 – £571,047).

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

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.

Local Government Pension Scheme (LGPS)

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the period ended 28 February 2018 was £169,502 (31 August 2017 - £240,722), of which employer's contributions totalled £120,992 (31 August 2017 - £162,633) and employees' contributions totalled £48,510 (31 August 2017 – £78,089). The agreed contribution rates are 13.7% for employers and between 5.5% and 12.5% for employees.

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

	At 28 February 2018	At 31 August 2017
Principal actuarial assumptions		
Rate of increase in salaries	3.60%	3.50%
Rate of increase for pensions in payment / inflation	2.10%	2.00%
Discount rate for scheme liabilities	2.70%	2.50%
Inflation assumption (CPI)	2.10%	2.00%

20 Pension and similar obligations (continued)

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

	At 28 February 2018	At 31 August 2017
<i>Retiring today</i>		
Males	22.5	22.5
Females	26.2	26.1
<i>Retiring in 20 years</i>		
Males	24.2	24.1
Females	28.0	27.9

The below changes in assumptions would decrease (increase) the net pension liability as follows:

	At 28 February 2018 £
Sensitivity analysis	
Discount rate +0.1%	130,724
Discount rate -0.1%	(136,666)
Mortality assumption – 1 year increase	(172,318)
Mortality assumption – 1 year decrease	172,318

20 Pension and similar obligations (continued)

Local Government Pension Scheme (LGPS) (continued)

The College's share of the assets and liabilities in the scheme were:

	Fair value at 28 February 2018 £	Fair value at 31 August 2017 £
Equities	2,878,000	2,795,000
Government bonds	507,000	459,000
Corporate bonds	402,000	396,000
Property	769,000	774,000
Cash and other liquid assets	55,000	10,000
Other	412,000	401,000
Total market value of assets	5,023,000	4,835,000

The actual return on scheme assets was £49,000 (31 August 2017: £477,000).

Amounts recognised in statement of financial activities

	Period to 28 February 2018 Total £	Year to 31 August 2017 Total £
Current service cost	209,000	457,000
Interest income	(60,000)	(85,000)
Interest cost	71,000	115,000
Total amount recognised in the SOFA	220,000	487,000

Changes in the present value of defined benefit obligations were as follows:

	Period to 28 February 2018 Total £	Year to 31 August 2017 Total £
At start of the period	5,764,000	5,726,000
Current service cost	209,000	457,000
Interest cost	71,000	115,000
Employee contributions	49,000	92,000
Actuarial gain	(120,000)	(555,000)
Benefits paid	(31,000)	(71,000)
At end of the period	5,942,000	5,764,000

20 Pension and similar obligations (continued)

Local Government Pension Scheme (LGPS) (continued)

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

	Period to 28 February 2018 Total £	Year to 31 August 2017 Total £
At start of the period	4,835,000	4,145,000
Interest income	60,000	85,000
Actuarial (loss) gain	(11,000)	392,000
Employer contributions	121,000	192,000
Employee contributions	49,000	92,000
Benefits paid	(31,000)	(71,000)
At end of the period	5,023,000	4,835,000

	At 28 February 2018 £	At 31 August 2017 £
Net pension liability:		
Fair value of the Academy's share of scheme assets	5,023,000	4,835,000
Present value of defined benefit obligations	(5,942,000)	(5,764,000)
Net liability	(919,000)	(929,000)

21 Related party transactions

During the year ended 31 August 2005, the College set up a separate legal entity, Bacon's College Community Services Limited (BCCS Ltd) to develop and provide recreational facilities on the Mellish Fields site which adjoins the College. BCCS Ltd was incorporated as a company limited by guarantee on 24 December 2004 (company registration number 05321174) and registered as a charity on 2 September 2005 (charity registration number 1111158). The acting principal and two governors of the College served as directors of BCCS Ltd during the period ended 28 February 2018. Bacon's College did not however control BCCS Ltd. Therefore, the College has not consolidated BCCS Ltd within these financial statements. At 31 August 2009, the College was owed £674,984 by BCCS Ltd. However, this amount was fully provided for as the College deemed it unlikely to be recoverable in the foreseeable future. Interest of £4,907 was charged by the College to BCCS Ltd in the period ended 28 February 2018 (year ended 31 August 2017 - £9,814) and a repayment of £nil (2017 - £20,000) was made by BCCS Ltd in relation to this balance. The interest has also been provided against as it is also not deemed to be recoverable. At 28 February 2018, BCCS Ltd owed the College £1,482 (31 August 2017 - £nil) and the College owed BCCS Ltd £5,354 (2017 - £28,943). Bacon's College was also a guarantor in respect to Mellish Fields lease between the London Borough of Southwark and BCCS Ltd.

BCECS Ltd, the College's wholly owned trading company (see note 13), charged a management fee of £35,441 for the running of BCCS Ltd during the period ended 28 February 2018 (2017 - £55,606). BCCS Ltd charged Bacon's College £35,441 (2017 - £55,606) for the use of facilities by the College pupils during the period.

21 Related party transactions

One of the Governors is a General Counsel at Memery Crystal LLP. During the period, Memery Crystal LLP provided £9,417 of professional services to the Academy Trust. At 28 February 2018, the Academy Trust owed Memery Crystal LLP £9,417.

22 Members' liability

Every member of the charitable company undertakes to contribute to the assets of the charitable 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.

23 Post balance sheet events

On 1 March 2018, the assets, liabilities and activities of Bacon's College were transferred to United Learning Trust, company registration number 04439859. The balance of assets and liabilities transferred at that date were.

	£
Tangible fixed assets	15,059,846
Investments	3
Debtors	409,579
Cash at bank and in hand	818,065
Creditors: amounts falling due within one year	(722,569)
Creditors: amounts falling due after more than one year	(102,585)
Pension scheme liability	(919,000)
Total net assets	14,543,339