

BISHOP PEROWNE CHURCH OF ENGLAND COLLEGE
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015



**BISHOP PEROWNE CHURCH OF ENGLAND COLLEGE
(A COMPANY LIMITED BY GUARANTEE)**

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**BISHOP PEROWNE CHURCH OF ENGLAND COLLEGE
(A COMPANY LIMITED BY GUARANTEE)**

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

Members

The Revd Canon Dr Stuart Currie
The Very Revd Peter Atkinson
The Revd Julieann Watson (appointed 23 February 2015)
Judith Petterson (appointed 16 May 2015)
Robert Kington (resigned 7 May 2015)
Mark Pollard (appointed 13 April 2015)
Julie Farr (resigned 27 March 2015)

Trustees

Robert Kington, Chair (resigned 7 May 2015)¹
Judith Petterson, Chair (appointed 26 June 2015)
Michael Kitcatt, Vice Chair
Julie Farr, Head Teacher (resigned 26 March 2015)¹
Mark Pollard, Head Teacher (appointed 13 April 2015)¹
Galen Bartholomew¹
Richard Bentley (appointed 21 May 2015)
Matthew Bunn (appointed 30 April 2015)
Angela Clarke
Rachel Cramp (appointed 18 September 2014)
Omar Elmougy (resigned 30 November 2014)
Margaret Haywood
Richard Hemmings (resigned 13 April 2015)¹
Claire Hollins
Richard Johnson (appointed 26 May 2015)
David Kemp
David Kling¹
Martin Lilwall¹
Ian Pugh¹
Karen Stone
Rebecca Surridge
Richard Tett
The Revd Julieann Watson (appointed 1 January 2015)
Michael Whitehouse¹
Karen Wigley (appointed 21 May 2015)

¹ Resources Committee

**Company registered
number**

08024353

**Principal and registered
office**

Merrimans Hill
Worcester
Worcestershire
WR3 8LE

Company secretary

Ms R I M Smart

**Senior management
team**

Mark Pollard, Head Teacher
David Kling, Deputy Head Teacher
Jane Price, Deputy Head Teacher
James Laidler, Assistant Head Teacher
James Manship, Assistant Head Teacher
Scott Reeves, Assistant Head Teacher
John Plant, Assistant Head Teacher
Michael Bettridge, Bursar

**BISHOP PEROWNE CHURCH OF ENGLAND COLLEGE
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS MEMBERS/ TRUSTEES AND
ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2015**

Administrative details (continued)

Independent auditors	Bishop Fleming LLP Chartered Accountants Statutory Auditors 1-3 College Yard Worcester WR1 2LB
Bankers	Lloyds Bank PLC The Cross Worcester Worcestershire WR1 3PY
Solicitors	Veale Wasbrough Vizards Orchard Court Orchard Land Bristol BS1 5WS

**BISHOP PEROWNE CHURCH OF ENGLAND COLLEGE
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2015**

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2015. The annual report serves the purpose of both a Trustees' report, and a Directors' report under company law.

The Trust operates an academy for pupils aged 11 to 16 in Worcestershire. It has a pupil capacity of 1,050 and had a roll of 744 in the school census on 1 October 2015.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

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

The Trustees of Bishop Perowne Church of England College are also the directors of the charitable company for the purposes of company law. The charitable company is known as Bishop Perowne Church of England College.

Details of the Trustees who served throughout the year, except as noted, are included in the Reference and Administrative Details on pages 1 to 2.

Members' liability

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

Trustees' Indemnities

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

Principal activities

The principal activity of Bishop Perowne Church of England College is to advance education for the public benefit by establishing, maintaining, carrying on, managing of and developing a school offering a broad curriculum.

TRUSTEES

Method of recruitment and appointment or election of Trustees

Article 45 of the articles of association states that the number of Trustees shall be not less than three, but shall not be subject to any maximum. The governing body shall comprise

- Up to two staff Trustees, if appointed under Article 50A
- Four parent Trustees, if appointed under Articles 53-58
- The Head Teacher
- Seven Trustees are appointed by the Worcester Diocesan Academy Trust
- Two Trustees may be appointed by the Worcester East Deanery Chapter and the Worcester East Deanery Synod
- The Incumbent and the Rural Dean shall be ex-officio Trustees
- Any additional Trustees, if appointed under Article 62, 62A or 68A
- Any further Trustees, if appointed under Article 63 or 68A

Additionally, the governing body may appoint up to two co-opted Trustees.

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

The governing body may appoint staff Trustees through such process as they may determine, provided that the total number of Trustees (including Head Teacher) who are employees of the academy trust does not exceed one third of the total number of Trustees.

The Head Teacher shall be treated for all purposes as being an ex officio governor.

Except for the Head Teacher, Trustees are subject to retirement after 4 years of service but are eligible for re-appointment or re-election at the meeting at which they retire.

Policies and Procedures adopted for the Induction and Training of Trustees

Training and induction provided for new Trustees will depend on their existing experience and/or knowledge. Most induction is carried out "in-house", but external trainers may be brought in, or Trustees may attend external courses as appropriate. All Trustees are provided with copies of the documents that they will need in order to undertake their role.

Organisational Structure

The full Governing Body met formally eight times during the financial year. The Governing Body is responsible for the strategic direction of the academy. Discussions are held and decisions are made or ratified as appropriate. The Governing Body reviews progress towards educational objectives and results. They also approve major expenditure requests, set the budget for the following year, and set the organisational staffing structure.

There are three main committees reporting to the Governing Body:

- The Resources Committee met six times in the year to consider the financial position of the academy. It has delegated powers to approve revenue and capital expenditure, disposal of assets and risk. It also reviews issues relating to health and safety, premises and projects.
- The Staff and Students Committee which met six times in the year addresses issues concerning staffing matters including professional development and student related matters including welfare, attendance, behaviour and extra-curricular activities and visits.
- The Curriculum and Attainment Committee met three times in the year to review student attainment and to assess curriculum requirements in order to achieve educational objectives.

The Head Teacher is the Accounting Officer of the College and has overall responsibility for the day to day financial management of the charitable company. The Head Teacher has delegated responsibility for low values of expenditure to specific budget holders who are each responsible for managing their own departments within the constraints of their allocated budgets. A system of financial controls is in place to manage this process.

The Head Teacher manages the College on a daily basis supported by the Senior Leadership Team. The Senior Leadership Team meets frequently to discuss emerging matters and to help to develop strategies for future development to be put to the Governing Body, as required, for approval. Each member of the Senior Leadership Team has specific responsibilities to assist the Head Teacher to manage certain aspects of the College.

Connected Organisations, including Related Party Relationships

During the year the College did not have any connected organisations. There were no related party transactions.

OBJECTIVES AND ACTIVITIES

Objects and Aims

The aim of Bishop Perowne C of E College is to provide our students with a well-balanced, rigorous, and nurturing education that will provide them with the necessary tools to achieve highly in Further Education or the workplace. Fundamental to this aim is to continue to provide top quality learning and teaching and pastoral support, thereby ensuring that students realise their potential as learners.

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

The College's purpose is to provide students with the highest level of education possible in order to ensure that each make a valuable contribution in later life to their community and wider society. This is accomplished by fostering a love of learning within a supportive environment where students are encouraged by staff and peers alike. A varied and balanced curriculum builds students capacity to be enterprising, entrepreneurial, innovative, numerate and literate. Ample opportunities for students to take on leadership roles at all levels of the College ensure that the students voice is heard and that they have a valued say in the running of the College. The College fosters each student's ambition and independent spirit and embraces Christian values including trust, openness, fairness, honesty and respect for all.

Objectives, Strategies and Activities

All at Bishop Perowne are committed to providing students with an exciting, appropriate, and challenging education where achievement and enjoyment are paramount.

A commitment to providing only the highest standards of learning and teaching to all students and responding positively to their individual needs and strengths enables them to experience the pleasure of achieving their personal goals and ambitions. Rigorous systems and procedures allow staff to identify the needs of individuals early and respond in a manner which is appropriate to support the advancement of the students' progress and attainment regardless of ability or background.

Fostering independence in learning, at home and within the College, enables students to take the lead in the direction their learning takes and also choice in the method of acquiring that learning. The ability to be independent learners will stand our students in good stead to be highly valued and qualified members of the future workforce. A commitment to the advancement of the STEM subjects within the College provides students with a range of opportunities that will prepare them to be hugely successful in their future careers. Innovative partnerships and co-delivery also enables local business to have a direct input into the training of their future employees.

As a Church of England academy our concern for the development of the whole child extends to a care for their spiritual development alongside their academic success.

Public Benefit

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

STRATEGIC REPORT

Achievements and Performance

The College year 11 students achieved GCSE results of 62% 5+ A* to C in summer 2015 which compares with a national average of 69%. Including English and Mathematics the results were 46% (nationally 55%). The College recognises that there is a need for a considerably increased student achievement in 2015/16

The Ofsted report in the Autumn of 2014 delivered a verdict of "requires improvement" which was heavily influenced by the results from the previous summer. The College has put in place measures that are designed to achieve an improved performance through all year groups. The subsequent Ofsted monitoring visit confirmed that the necessary steps had been implemented that should achieve this.

The unique ethos of Bishop Perowne continues to be enhanced by its National status as a beacon of outstanding provision and collaboration in the Arts. Further strengthening this ethos is the commitment to STEM subjects and an on-going excellence in sport.

Innovative partnerships with external organisations provide students with curricular and general opportunities that are distinctly unique to Bishop Perowne.

Key Performance Indicators

Throughout the year to 31 August 2015 the College maintained a budget and forecast out-turn form of monthly reporting. Through this the Trustees were able to control the financial activities of the College and maintain an appropriate level of working capital.

**BISHOP PEROWNE CHURCH OF ENGLAND COLLEGE
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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015**

The academy uses the attainment of 5+ A*-C GCSE grades as the main KPI for the delivery of its primary objective. Financially the academy uses the number of students in the academy as a key KPI along with the level of reserves available to continue the improvement of the site and facilities.

Going Concern

The Governing Body has a reasonable expectation that the academy has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

FINANCIAL REVIEW

Financial Review

The accounting period runs from the 1 September 2014 to 31 August 2015.

The College generated an operating deficit of £173k after an actuarial loss on defined pension schemes of £51k.

Most of the College income is obtained from the DfE in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2015 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities. The grants received from the EFA during the year ended 31 August 2015 amounted to £4.58m and the associated expenditure is shown in restricted funds in the Statement of Financial Activities.

At 31 August 2015 the net book value of fixed assets was £7.46m and movements in tangible fixed assets are shown in note 14 to the financial statements. The assets were used exclusively for providing education and the associated support services to the students of the College and, for the inhabitants of the surrounding area, the provision of recreation and leisure facilities. The fixed assets fund balance will be reduced by annual depreciation charges over the expected useful life of the net assets concerned.

The pension deficit recorded in the Balance Sheet is as a result of the application of FRS17 to the contributions made by the College to the Local Government Pension Scheme. Under FRS17 the College is required to account for retirement benefits when it is committed to give them, even if the actual giving will be many years into the future. Whilst FRS17 is seen as a better reflection of the obligations of the employer to fund pension promises to employees, it does not reflect the actual accounting arrangements of the pension fund. It requires the College to disclose the total value of all pension payments that have accumulated (including deferred pensions) at 31 August each year. This value is made up of:

- The total cost of the pensions that are being paid out to former employees who have retired; and
- The total sum of the pension entitlements earned to date for our current employees – even though it may be many years before the people concerned actually retire and begin drawing their pension.

The standard also requires the College to show all investments (assets) of the Pension Fund at their market value, as they happen to be at the year end. In reality, the value of such investments fluctuates on a day-to-day basis, but this is ignored for the purpose of the accounting standard. The difference between the asset and liability valuations results in either a deficit or surplus being recorded in the Statement of Financial Activities and Balance Sheet.

A better reflection of the Pension Fund's actual position comes from the more detailed assessment made by an actuary. This assesses and examines the on-going financial position of the Pension Fund. The actuarial valuation can differ considerably from the FRS17 valuation. It is the actuarial valuation that is used to review contribution rates to the Fund from the College, to ensure that existing assets and future contributions will be sufficient to meet future pension payments spreading and surplus of deficit over a number of years.

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

Reserves Policy

The College's free reserves were £519k which represents approximately 6 weeks expenditure. The Trustees review the resources of the College and recognise the need to have sufficient reserves to protect against possible reductions in the funding. The reserves will be held in line with the DfE guidelines. The policy will aim to carry forward sufficient funds to meet the College's long term aims and objectives, ensuring that this does not affect its current operational activities.

At the end of the year the College has carried forward £7.52m in restricted fixed asset funds; a deficit of £724k in restricted general reserves, and £423k in unrestricted reserves. The balance on general restricted reserves is before deducting the defined benefit pension liability of £820k, which was calculated by the actuary.

Investment Policy

The College maintains a balance of readily available funds to furnish operational needs. Any surplus funds are invested in short term treasury deposits through the College's clearing bank.

The College's investment process is governed by the Articles of Association which permits the charitable company to deposit or invest any funds not immediately required for the furtherance of its objectives. These funds must only be invested after obtaining advice from a financial expert as the Governing Body considers necessary and having regard to the suitability of investments and the need for diversification.

PLANS FOR FUTURE PERIODS

The College will continue to work toward improving its Ofsted rating from "requires improvement" to "good" or "outstanding".

Our targets for summer 2016 will be in the region of 82% 5A*-C grades and 68% 5A*-C grades including English and Mathematics. Work continues to focus on the students achieving at least three levels of progress between entry at year 7 and leaving at year 11 by further improving the quality of teaching and learning. The College has developed clear strategies for supporting teacher development through training, its Appraisal Policy and lesson observation programme. We have good links with all of the local universities and have hosted placements for PGCE students. The College will continue to develop community use of the campus and this will also generate additional income to support the College finances.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

The academy does not hold any funds as custodian Trustee on behalf of others.

AUDITORS

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company'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.

The auditors, Bishop Fleming LLP, are willing to continue in office and a resolution to appoint them will be proposed at the annual general meeting.

Trustees' report, incorporating a strategic report, approved by order of the Board of Trustees, as company directors, on 2 December 2015 and signed on the board's behalf by:



Judith Pettersen
Chair of Governors

**BISHOP PEROWNE CHURCH OF ENGLAND COLLEGE
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GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

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

The Board of Trustees has delegated the day-to-day responsibility to the Head Teacher, 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 Bishop Perowne Church of England College and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

GOVERNANCE

The information on governance included here supplements that described in the Trustees' report and in the Trustees' responsibilities statement. The Board of Trustees has formally met 6 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
Robert Kington, Chair	4	6
Judith Pettersen, Chair	0	0
Michael Kitcatt, Vice Chair	7	8
Julie Farr, Head Teacher	4	6
Mark Pollard, Head Teacher	2	2
Galen Bartholomew	8	8
Richard Bentley	2	2
Matthew Bunn	1	2
Angela Clarke	7	8
Rachel Cramp	6	6
Omar Elmougy	0	3
Margaret Haywood	4	8
Richard Hemmings	4	6
Claire Hollins	6	8
Richard Johnson	0	1
David Kemp	6	8
David Kling	5	8
Martin Lilwall	5	8
Ian Pugh	5	8
Karen Stone	6	8
Rebecca Surridge	6	8
Richard Tett	5	8
Julieann Watson	2	4
Michael Whitehouse	6	8
Karen Wigley	2	2

The Resources Committee is a sub-committee of the main Governing Body. Its purpose is to monitor and manage the financial position of the academy. It has delegated powers to approve revenue and capital expenditure, recommend the approval of the academy's budget and approval of disposal of assets.

**BISHOP PEROWNE CHURCH OF ENGLAND COLLEGE
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GOVERNANCE STATEMENT (continued)

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Richard Hemmings (Chair - resigned 13/4/15)	4	4
Martin Lilwall (Chair of Resources)	3	6
Robert Kington	5	6
Julie Farr	3	6
Mark Pollard (Headteacher)	2	2
Ian Pugh	4	6
Mike Whitehouse	1	6
David Kling	3	6
Galen Bartholomew	4	6
Karen Wigley	1	1

REVIEW OF VALUE FOR MONEY

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

The Accounting Officer considers how the trust's use of its resources has provided good value for money during each academic year, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where available. The Accounting Officer for the academy trust has delivered improved value for money during the year by the continued use of a rigid purchasing policy. All college expenditure, whether in relation to capital or income, is subject to the College Finance Policy which in turn uses the Department for Education policy on tendering, thus ensuring that the marketplace is tested for good value. Concerning the day to day purchases, with few exceptions, only the Finance Office members of staff are permitted to place orders having tested the market for best value beforehand. They will also take into account the price and quality of goods offered by the local buying consortium who are also contracted to provide power to the College at highly competitive rates.

The Trustees continue to make both the college buildings and playing fields available for use by the local community out of normal college hours. Such events take place every night throughout the year benefitting the local community through the facilities offered and the College through the income generated.

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Bishop Perowne Church of England College for the year ended 31 August 2015 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The Governing Body has reviewed the key risks to which the college is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Governing Body is of the view that there is a formal on-going process for identifying, evaluating and managing the college's significant risks that has been in place for the year ending 31 August 2015 and up to the date of approval of the annual Bishop Perowne Church of England College report and financial statements. This process is regularly reviewed by the Governing Body.

**BISHOP PEROWNE CHURCH OF ENGLAND COLLEGE
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GOVERNANCE STATEMENT (continued)

THE RISK AND CONTROL FRAMEWORK

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

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

In addition, the Trustees have comprehensive policies on internal controls which cover the types of risks the Academy faces, the likelihood of the risks materialising and their subsequent treatment or termination.

The Governing Body has considered the need for a specific internal audit function and has appointed an internal auditor, Christopher Townsend, who reports to Claire Hollins, a Trustee appointed by the Board to deliver the internal audit reports, to give advice on financial matters and on a range of checks on the College's financial systems performed by the internal auditor. In particular the checks carried out in the current financial year included: testing income and purchasing systems, testing payroll systems and testing bank and cash control systems. A quarterly report is provided to the governing body on the operation of the systems of control and on the discharge of the Governing Body's financial responsibilities.

REVIEW OF EFFECTIVENESS

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

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

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

Approved by order of the members of the Board of Trustees on 2 December 2015 and signed on its behalf, by:



Mrs Judith Pettersen
Chair of Trustees



Mr Mark Pollard
Head teacher and Accounting Officer

**BISHOP PEROWNE CHURCH OF ENGLAND COLLEGE
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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

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

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



Mr Mark Pollard
Head teacher and Accounting
Officer

Date: *2nd December 2015*

**BISHOP PEROWNE CHURCH OF ENGLAND COLLEGE
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**TRUSTEES' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2015**

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

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


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

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

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

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

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



Mrs Judith Pettersen
Chair of Governors

Date: 2 December 2015

**BISHOP PEROWNE CHURCH OF ENGLAND COLLEGE
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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BISHOP PEROWNE CHURCH OF ENGLAND COLLEGE

We have audited the financial statements of Bishop Perowne Church of England College for the year ended 31 August 2015 which comprise the Statement of financial activities, the Statement of total recognised gains and losses, the Balance sheet, the Cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

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

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

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

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

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

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

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the academy's affairs as at 31 August 2015 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

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

**BISHOP PEROWNE CHURCH OF ENGLAND COLLEGE
(A COMPANY LIMITED BY GUARANTEE)**

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BISHOP PEROWNE CHURCH OF ENGLAND COLLEGE

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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



Andrew Wood FCCA (Senior Statutory Auditor)
for and on behalf of
Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
1-3 College Yard
Worcester
WR1 2LB

Date: 9th December 2015.

**BISHOP PEROWNE CHURCH OF ENGLAND COLLEGE
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO BISHOP
PEROWNE CHURCH OF ENGLAND COLLEGE AND THE EDUCATION FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 3 November 2014 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2014 to 2015, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Bishop Perowne Church of England College during the year 1 September 2014 to 31 August 2015 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

**RESPECTIVE RESPONSIBILITIES OF BISHOP PEROWNE CHURCH OF ENGLAND COLLEGE'S
ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT**

The accounting officer is responsible, under the requirements of Bishop Perowne Church of England College's funding agreement with the Secretary of State for Education dated 4 September 2012, and the Academies Financial Handbook extant from 1 September 2014, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2014 to 2015. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2014 to 31 August 2015 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

APPROACH

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

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

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

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

Our work on regularity included a review of the internal controls policies and procedures that have been implemented and an assessment of their design and effectiveness to understand how the academy complied with the framework of authorities. We also reviewed the reports commissioned by the trustees to assess the internal controls throughout the year.

We performed detailed testing based on our assessment of the risk of material irregularity, impropriety and non-compliance. This work was integrated with our audit on the financial statements where appropriate and included analytical review and detailed substantive testing of transactions.

**BISHOP PEROWNE CHURCH OF ENGLAND COLLEGE
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO BISHOP
PEROWNE CHURCH OF ENGLAND COLLEGE AND THE EDUCATION FUNDING AGENCY (continued)**

CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2014 to 31 August 2015 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Andrew Wood FCCA (Reporting Accountant)

Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
1-3 College Yard
Worcester
WR1 2LB

Date: 9th December 2015.

BISHOP PEROWNE CHURCH OF ENGLAND COLLEGE
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES

(incorporating income and expenditure account and statement of total recognised gains and losses)
FOR THE YEAR ENDED 31 AUGUST 2015

		Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £	As restated Total funds 2014 £
	Note					
INCOMING RESOURCES						
Incoming resources from generated funds:						
Voluntary income	2	-	31,357	-	31,357	6,331,580
Activities for generating funds	3	218,296	-	-	218,296	201,383
Investment income	4	959	-	-	959	8,082
Incoming resources from charitable activities	5	-	4,310,409	297,433	4,607,842	4,662,758
TOTAL INCOMING RESOURCES		219,255	4,341,766	297,433	4,858,454	11,203,803
RESOURCES EXPENDED						
Costs of generating funds:						
Fundraising expenses and other costs		196,150	-	-	196,150	155,525
Charitable activities		-	4,471,256	288,004	4,759,260	4,741,797
Governance costs	9	-	24,938	-	24,938	28,518
TOTAL RESOURCES EXPENDED	6	196,150	4,496,194	288,004	4,980,348	4,925,840
NET INCOMING / (OUTGOING) RESOURCES BEFORE TRANSFERS		23,105	(154,428)	9,429	(121,894)	6,277,963

BISHOP PEROWNE CHURCH OF ENGLAND COLLEGE
(A COMPANY LIMITED BY GUARANTEE)

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

		Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £	As restated Total funds 2014 £
Transfers between Funds	Note 18	(100,417)	(145,223)	245,640	-	-
NET INCOME / (EXPENDITURE) FOR THE YEAR		(77,312)	(299,651)	255,069	(121,894)	6,277,963
Actuarial gains and losses on defined benefit pension schemes		-	(51,000)	-	(51,000)	(169,000)
NET MOVEMENT IN FUNDS FOR THE YEAR		(77,312)	(350,651)	255,069	(172,894)	6,108,963
Total funds at 1 September		500,773	(373,563)	7,265,002	7,392,212	1,283,249
TOTAL FUNDS AT 31 AUGUST		<u>423,461</u>	<u>(724,214)</u>	<u>7,520,071</u>	<u>7,219,318</u>	<u>7,392,212</u>

All activities relate to continuing operations.

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

The notes on pages 22 to 40 form part of these financial statements.

**BISHOP PEROWNE CHURCH OF ENGLAND COLLEGE
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31 AUGUST 2015**

	Note	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
NET (EXPENDITURE)/INCOME FOR THE YEAR	18	(77,312)	(44,582)	(121,894)	6,277,963
Actuarial (loss)/gain related to pension scheme	24	-	(51,000)	(51,000)	(169,000)
TOTAL GAINS AND LOSSES RELATING TO THE YEAR		(77,312)	(95,582)	(172,894)	6,108,963
Prior year adjustment		-	-	-	(6,120,667)
TOTAL GAINS AND LOSSES RECOGNISED SINCE 1 SEPTEMBER 2014	18	(77,312)	(95,582)	(172,894)	(11,704)

There is no difference between the (expenditure)/income on ordinary activities for the year stated above and its historical cost equivalent.

The notes on pages 22 to 40 form part of these financial statements.

BISHOP PEROWNE CHURCH OF ENGLAND COLLEGE
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER: 08024353

BALANCE SHEET
AS AT 31 AUGUST 2015

	Note	£	2015 £	As restated 2014 £
FIXED ASSETS				
Tangible assets	14		7,458,446	7,265,002
CURRENT ASSETS				
Stocks	15	7,232		6,324
Debtors	16	93,958		170,649
Cash at bank and in hand		862,851		1,092,659
		<u>964,041</u>		<u>1,269,632</u>
CREDITORS: amounts falling due within one year	17	(383,169)		(381,422)
NET CURRENT ASSETS			<u>580,872</u>	<u>888,210</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>8,039,318</u>	<u>8,153,212</u>
Defined benefit pension scheme liability	24		(820,000)	(761,000)
NET ASSETS INCLUDING PENSION SCHEME LIABILITY			<u>7,219,318</u>	<u>7,392,212</u>
FUNDS OF THE ACADEMY				
Restricted funds:				
General funds	18	95,786		387,437
Fixed asset funds	18	7,520,071		7,265,002
Restricted funds excluding pension liability		<u>7,615,857</u>		<u>7,652,439</u>
Pension reserve		(820,000)		(761,000)
Total restricted funds			<u>6,795,857</u>	<u>6,891,439</u>
Unrestricted funds	18		<u>423,461</u>	<u>500,773</u>
TOTAL FUNDS			<u>7,219,318</u>	<u>7,392,212</u>

The financial statements were approved by the Trustees, and authorised for issue, on 2 December 2015 and are signed on their behalf, by:



Mrs Judith Pettersen
Chair of Governors

The notes on pages 22 to 40 form part of these financial statements.

BISHOP PEROWNE CHURCH OF ENGLAND COLLEGE
(A COMPANY LIMITED BY GUARANTEE)

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2015

	Note	2015 £	As restated 2014 £
Net cash flow from operating activities	20	(1,189)	6,572,941
Returns on investments and servicing of finance	21	959	8,082
Capital expenditure and financial investment	21	(229,578)	(140,932)
(DECREASE)/INCREASE IN CASH IN THE YEAR		(229,808)	6,440,091

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

	2015 £	As restated 2014 £
(Decrease)/Increase in cash in the year	(229,808)	6,440,091
MOVEMENT IN NET FUNDS IN THE YEAR	(229,808)	6,440,091
Net funds/(debt) at 1 September 2014 (as restated)	1,092,659	(5,347,432)
NET FUNDS AT 31 AUGUST 2015	862,851	1,092,659

The notes on pages 22 to 40 form part of these financial statements.

**BISHOP PEROWNE CHURCH OF ENGLAND COLLEGE
(A COMPANY LIMITED BY GUARANTEE)**

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

1. ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities' published in March 2005, the Academies Accounts Direction 2014 to 2015 issued by EFA, applicable accounting standards and the Companies Act 2006.

1.2 FUND ACCOUNTING

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

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

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

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

1.3 INCOMING RESOURCES

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

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

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

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

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

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

**BISHOP PEROWNE CHURCH OF ENGLAND COLLEGE
(A COMPANY LIMITED BY GUARANTEE)**

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

1. ACCOUNTING POLICIES (continued)

1.4 RESOURCES EXPENDED

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

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

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

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

All resources expended are inclusive of irrecoverable VAT.

1.5 GOING CONCERN

The Trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the academy to continue as a going concern. The Trustees make this assessment in respect of a period of one year from the date of approval of the financial statements. The Trustees conclude that it is appropriate to prepare accounts on the going concern basis for the year ended 31 August 2015.

1.6 TANGIBLE FIXED ASSETS AND DEPRECIATION

All assets costing more than £1,000 are capitalised.

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

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of financial activities.

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

Leasehold land and buildings	-	50-125 years straight line
Leasehold improvements	-	10 years straight line
Motor vehicles	-	4 years straight line
Fixtures and fittings	-	15% straight line
Computer equipment	-	33% straight line

**BISHOP PEROWNE CHURCH OF ENGLAND COLLEGE
(A COMPANY LIMITED BY GUARANTEE)**

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

1. ACCOUNTING POLICIES (continued)

Where the Academy Trust has been granted use of school buildings from the Diocese of Worcester under Supplemental Agreements, the Academies Accounts Direction prescribes that under this agreement the risks and rewards of ownership remain with the Academy Trust. The land and buildings have been included within the long-term leasehold property of the Academy Trust. This view differs from the view of the Church of England.

The Supplemental Agreement includes the right for the Diocese of Worcester Trustees to give not less than 2 years written notice to the Academy Trust and Secretary of State for Education to terminate the agreement. No such written notice has been received as at the date of the approval of the financial statements.

Use of school buildings was granted by the Diocese of Worcester on conversion to an academy trust. School buildings had not previously been included on the balance sheet of the trust and have been introduced in accordance with the Academies Accounts Direction as a prior year adjustment.

1.7 OPERATING LEASES

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

1.8 STOCKS

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.9 TAXATION

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

1.10 PENSIONS

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in note 24, the TPS is a multi-employer scheme and the academy is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

**BISHOP PEROWNE CHURCH OF ENGLAND COLLEGE
(A COMPANY LIMITED BY GUARANTEE)**

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

1. ACCOUNTING POLICIES (continued)

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

1.11 CHANGE IN ACCOUNTING ESTIMATE

Following further guidance from the EFA the Land and Buildings have been brought on to the balance sheet as a prior year adjustment. Land and Buildings have been brought on at a cost of £6,244,667 with depreciation of £124,000. Depreciation has been calculated based on the remaining useful lives of these assets.

1.12 COMPARATIVE FIGURES

The prior year comparatives have been restated following guidance in the Accounts Direction 2015. The adjustment has resulted in a presentational change and the comparative figures have been adjusted. There is no impact on the total funds or net assets.

2. VOLUNTARY INCOME

	Unrestricted funds	Restricted funds	Total funds	Total funds 2014 (as restated)
	2015 £	2015 £	2015 £	£
Transfer from Diocese	-	-	-	6,244,667
Private donations	-	31,357	31,357	86,913
	<u>-</u>	<u>31,357</u>	<u>31,357</u>	
Voluntary income	-	31,357	31,357	6,331,580

The main campus building is occupied by the academy under a licence to occupy from Worcester Diocesan Board of Finance Limited. Following guidance from the EFA, the Land and Buildings have been brought onto the Balance Sheet as a prior year adjustment and therefore no income or expenses are recognised in the Statement of Financial Activities.

Comparative figures have been restated for the transfer of education trip income from activities for generating funds to voluntary income. An adjustment of £78,679 has been made.

A prior year adjustment was made to bring the Land and Buildings in to 2014 figures. This has resulted in the £400,000 notional rent being removed.

BISHOP PEROWNE CHURCH OF ENGLAND COLLEGE
(A COMPANY LIMITED BY GUARANTEE)

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

3. ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	As restated Total funds 2014 £
Hire of facilities	46,601	-	46,601	35,995
External Catering	169,081	-	169,081	146,778
Examination Fees	-	-	-	1,074
Other	2,614	-	2,614	17,536
	<u>218,296</u>	<u>-</u>	<u>218,296</u>	<u>201,383</u>

Comparative figures have been restated for the transfer of education trip income from activities for generating funds to voluntary income. An adjustment of £78,679 has been made.

4. INVESTMENT INCOME

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Bank interest	959	-	959	2,142
Other interest	-	-	-	5,940
	<u>959</u>	<u>-</u>	<u>959</u>	<u>8,082</u>

5. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
DfE/EFA grants				
Capital Grants	-	269,994	269,994	105,896
General Annual Grant	-	4,001,848	4,001,848	4,244,405
Other DfE/EFA grants	-	308,561	308,561	244,712
	<u>-</u>	<u>4,580,403</u>	<u>4,580,403</u>	<u>4,595,013</u>
Other government grants				
Other government grants: capital	-	27,439	27,439	23,248
Other government grants non capital	-	-	-	44,497
	<u>-</u>	<u>27,439</u>	<u>27,439</u>	<u>67,745</u>
	<u>-</u>	<u>4,607,842</u>	<u>4,607,842</u>	<u>4,662,758</u>

BISHOP PEROWNE CHURCH OF ENGLAND COLLEGE
(A COMPANY LIMITED BY GUARANTEE)

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

6. RESOURCES EXPENDED

	Staff costs	Non Pay Expenditure		Total	Total
		Premises	Other		2014 (as restated)
	2015 £	2015 £	2015 £	2015 £	£
Costs of activities for generating funds	101,434	-	94,716	196,150	155,525
COSTS OF GENERATING FUNDS	101,434	-	94,716	196,150	155,525
Direct costs	2,956,963	-	308,032	3,264,995	3,423,801
Support costs	583,064	695,545	215,656	1,494,265	1,317,996
CHARITABLE ACTIVITIES	3,540,027	695,545	523,688	4,759,260	4,741,797
GOVERNANCE	-	-	24,938	24,938	28,518
	3,641,461	695,545	643,342	4,980,348	4,925,840

7. DIRECT COSTS

	Total 2015 £	Total 2014 £
Pension finance costs	7,329	20,000
Educational supplies	77,982	142,948
Examination fees	66,712	64,125
Staff development	14,049	16,966
Other costs	136,803	143,259
Supply teachers	77,764	51,435
Technology costs	4,985	1,335
Wages and salaries	2,377,232	2,363,461
National insurance	199,321	231,661
Pension cost	302,818	388,611
	3,264,995	3,423,801

BISHOP PEROWNE CHURCH OF ENGLAND COLLEGE
(A COMPANY LIMITED BY GUARANTEE)

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

8. SUPPORT COSTS

	Total 2015 £	Total 2014 (as restated) £
Pension finance costs	13,671	-
Recruitment and support	24,074	26,643
Maintenance of premises and equipment	84,257	93,494
Cleaning	103,011	96,243
Rent and rates	40,153	38,712
Energy costs	73,115	69,760
Insurance	35,395	39,602
Security and transport	35,238	8,004
Catering	42,757	26,141
Technology costs	36,698	36,622
Office overheads	60,470	25,721
Legal and professional	74,358	84,988
Wages and salaries	511,477	472,389
National insurance	33,891	32,724
Pension cost	37,696	34,141
Depreciation	288,004	232,812
	<u>1,494,265</u>	<u>1,317,996</u>

A prior year adjustment was made to bring the Land and Buildings in to 2014 figures. This has resulted in an additional £124,000 depreciation in the prior year. The £400,000 notional rent has also been removed.

9. GOVERNANCE COSTS

	Total funds 2015 £	Total funds 2014 £
Auditors' remuneration	9,000	10,600
Auditors' non audit costs	15,662	10,989
Legal and Professional	-	5,950
Other costs	276	979
	<u>24,938</u>	<u>28,518</u>

BISHOP PEROWNE CHURCH OF ENGLAND COLLEGE
(A COMPANY LIMITED BY GUARANTEE)

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

10. NET INCOMING / (OUTGOING) RESOURCES

This is stated after charging:

	2015 £	2014 £
Depreciation of tangible fixed assets:		
- owned by the charity	288,004	239,812
Auditors' remuneration	9,000	10,600
Auditors' remuneration - non-audit	15,662	10,989
Operating lease rentals:		
- other operating leases	19,580	21,841
	<u>282,246</u>	<u>283,242</u>

11. STAFF

a. Staff costs

Staff costs were as follows:

	2015 £	2014 £
Wages and salaries	2,985,916	2,895,715
Social security costs	236,426	231,661
Other pension costs (Note 24)	341,529	388,611
	<u>3,563,871</u>	<u>3,515,987</u>
Supply teacher costs	99,223	51,435
	<u>3,663,094</u>	<u>3,567,422</u>

b. Staff numbers

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

	2015 No.	2014 No.
Teachers	47	49
Administration and support including teaching assistants	39	40
Management	8	8
	<u>94</u>	<u>97</u>

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11. STAFF (continued)

c. Higher paid staff

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

	2015 No.	2014 No.
In the band £80,001 - £90,000	1	0
In the band £90,001 - £100,000	0	1
In the band £100,001 - £110,000	1	0

The above employee participated in the Teachers' Pension Scheme. During the year ended 31 August 2015, pension contributions for this member amounted to £13,370 (2014: £13,898).

12. TRUSTEES' REMUNERATION AND EXPENSES

The Headteacher and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff, and not in respect of their services as Trustees. Other Trustees did not receive any payments, other than expenses, from the Academy in respect of their role as Trustees. The value of Trustees' remuneration in the year was: Mrs J A Farr: Remuneration £80,000 - £85,000 (2014: £95,000 - £100,000), Employer's pension contribution £5,000 - £10,000 (2014: £10,000 - £15,000), Mr M A Pollard: Remuneration £30,000 - £35,000 (2014: £Nil), Employer's pension contribution £Nil - £5,000 (2014: £Nil), Mr D Kling: Remuneration £50,000 - £55,000 (2014: £50,000 - £55,000), Employer's pension contribution £5,000 - £10,000 (2014: £5,000 - £10,000), Mrs K Wigley: Remuneration £10,000 - £15,000 (2014: £Nil), Employer's pension contribution £Nil (2014: £Nil).

During the year ended 31 August 2015, expenses totalling £130 (2014: £NIL) were reimbursed to 2 Trustees (2014: £NIL).

Other related party transactions involving the trustees are set out in note 26.

13. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £10,000,000 on any one claim. For the year ended 31 August 2015 the cover was provided through the Education Funding Agency's Risk Protection Arrangement. Accordingly, the cost of the trustee indemnity element is not separately identifiable (2014: £970).

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14. TANGIBLE FIXED ASSETS

	Long term leasehold property £	Motor vehicles £	Office equipment £	Computer equipment £	Total £
COST					
At 1 September 2014	7,207,547	2,769	115,656	117,313	7,443,285
Additions	272,258	-	72,212	136,978	481,448
At 31 August 2015	7,479,805	2,769	187,868	254,291	7,924,733
DEPRECIATION					
At 1 September 2014	93,748	1,054	32,570	50,911	178,283
Charge for the year	209,318	693	26,016	51,977	288,004
At 31 August 2015	303,066	1,747	58,586	102,888	466,287
NET BOOK VALUE					
At 31 August 2015	7,176,739	1,022	129,282	151,403	7,458,446
At 31 August 2014	7,113,799	1,715	83,086	66,402	7,265,002

15. STOCKS

	2015 £	2014 £
Goods for resale	7,232	6,324

16. DEBTORS

	2015 £	2014 £
Trade debtors	32,658	14,448
Prepayments and accrued income	48,383	141,505
VAT recoverable	12,917	14,696
	93,958	170,649

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17. CREDITORS:
AMOUNTS FALLING DUE WITHIN ONE YEAR

	2015 £	2014 £
Trade creditors	74,045	121,116
Other taxation and social security	63,802	137,411
Accruals and deferred income	245,322	122,895
	<u>383,169</u>	<u>381,422</u>

DEFERRED INCOME

	£
Deferred income at 1 September 2014	8,548
Resources deferred during the year	1,969
Amounts released from previous years	(8,548)
Deferred income at 31 August 2015	<u>1,969</u>

Deferred income relates to trip deposits/monies received in advance of the next academic year.

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18. STATEMENT OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
UNRESTRICTED FUNDS						
General funds	500,773	219,255	(196,150)	(100,417)	-	423,461
RESTRICTED FUNDS						
General Annual Grant (GAG)	344,677	4,039,713	(4,143,381)	(145,223)	-	95,786
High needs funding	-	32,700	(32,700)	-	-	-
Pupil premium	-	237,996	(237,996)	-	-	-
Other restricted funds	42,760	31,357	(74,117)	-	-	-
Pension reserve	(761,000)	-	(8,000)	-	(51,000)	(820,000)
	(373,563)	4,341,766	(4,496,194)	(145,223)	(51,000)	(724,214)
RESTRICTED FIXED ASSET FUNDS						
Fixed assets transferred on conversion	6,515,467	-	(140,815)	-	-	6,374,652
Fixed assets purchased from GAG and other restricted funds	188,488	-	(82,371)	245,640	-	351,757
DfE/EFA Capital grants	537,799	269,994	(60,850)	-	-	746,943
Other LA grants	19,443	27,439	(3,220)	-	-	43,662
Insurance claim	3,805	-	(748)	-	-	3,057
	7,265,002	297,433	(288,004)	245,640	-	7,520,071
Total restricted funds	6,891,439	4,639,199	(4,784,198)	100,417	(51,000)	6,795,857
Total of funds	7,392,212	4,858,454	(4,980,348)	-	(51,000)	7,219,318

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

General Annual Grant (GAG)

Income from the EFA which is to be used for the normal running costs of the Academy, including education and support costs.

High Needs Funding

Funding received by the Local Authority to fund further support for students with additional needs.

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18. STATEMENT OF FUNDS (continued)

Pupil Premium

Pupil Premium represents funding received from the EFA for children that qualify for free school meals to enable the Academy to address the current underlying inequalities between those children and their wealthier peers.

Other restricted funds

Other restricted funds represents donations for educational activities, including school trips.

Pension reserve

This represents the Academy's share of the assets and liabilities in the Local Government Pension Scheme.

Fixed assets transferred on conversion

This represents the buildings and equipment donated to the School from the Local Authority on conversion to an academy.

Fixed assets purchased from GAG and other restricted funds

Incoming resources to this fund represents income received specifically for the purchase of fixed assets. Resources expended represents the depreciation charged on such assets. The balance carried forward represents the net book value of fixed assets purchased from restricted income plus any unspent capital grants received

Other Local Authority Grants

These funds are received from the Local Authority for direct expenditure on fixed asset projects. The fixed asset fund balance at the year end represents the NBV of assets and any unspent grant amounts.

Unrestricted Funds

Unrestricted funds are available to be spent on any purpose within the school's charitable objects.

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

SUMMARY OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
General funds	500,773	219,255	(196,150)	(100,417)	-	423,461
Restricted funds	(373,563)	4,341,766	(4,496,194)	(145,223)	(51,000)	(724,214)
Restricted fixed asset funds	7,265,002	297,433	(288,004)	245,640	-	7,520,071
	<u>7,392,212</u>	<u>4,858,454</u>	<u>(4,980,348)</u>	<u>-</u>	<u>(51,000)</u>	<u>7,219,318</u>

BISHOP PEROWNE CHURCH OF ENGLAND COLLEGE
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £	Total funds 2014 £
Tangible fixed assets	-	-	7,458,446	7,458,446	7,265,002
Current assets	484,768	217,193	262,080	964,041	1,269,632
Creditors due within one year	(61,307)	(121,407)	(200,455)	(383,169)	(381,422)
Provisions for liabilities and charges	-	(820,000)	-	(820,000)	(761,000)
	<u>423,461</u>	<u>(724,214)</u>	<u>7,520,071</u>	<u>7,219,318</u>	<u>7,392,212</u>

20. NET CASH FLOW FROM OPERATING ACTIVITIES

	2015 £	2014 £
Net incoming resources before revaluations	(121,894)	6,277,963
Returns on investments and servicing of finance	(959)	(8,082)
Depreciation of tangible fixed assets	288,004	115,812
Capital grants from DfE	(251,870)	(129,144)
Increase in stocks	(908)	(5,124)
Decrease in debtors	76,691	281,061
Increase in creditors	1,747	27,455
Defined benefit pension scheme adjustments	8,000	13,000
NET CASH (OUTFLOW)/INFLOW FROM OPERATIONS	<u>(1,189)</u>	<u>6,572,941</u>

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

	2015 £	2014 £
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		
Interest received	<u>959</u>	<u>8,082</u>
	2015 £	2014 £
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT		
Purchase of tangible fixed assets	(481,448)	(250,633)
Capital grants from DfE	251,870	109,701
NET CASH OUTFLOW FROM CAPITAL EXPENDITURE	<u>(229,578)</u>	<u>(140,932)</u>

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22. ANALYSIS OF CHANGES IN NET FUNDS

	1 September 2014 £	Cash flow £	Other non-cash changes £	31 August 2015 £
Cash at bank and in hand:	1,092,659	(229,808)	-	862,851
NET FUNDS	1,092,659	(229,808)	-	862,851

23. CAPITAL COMMITMENTS

At 31 August 2015 the academy had capital commitments as follows:

	2015 £	2014 £
Contracted for but not provided in these financial statements	154,508	-

24. PENSION COMMITMENTS

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

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

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

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.

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24. PENSION COMMITMENTS (continued)

Valuation of the Teachers' Pension Scheme

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

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

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

The pension costs paid to TPS in the period amounted to £273,631 (2014: £395,611).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2015 was £150,000, of which employer's contributions totalled £123,000 and employees' contributions totalled £27,000. The agreed contribution rates for future years are 17.9% for employers and 5 - 8.5% 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.

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24. PENSION COMMITMENTS (continued)

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

	Expected return at 31 August 2015 %	Fair value at 31 August 2015 £	Expected return at 31 August 2014 %	Fair value at 31 August 2014 £
Equities	6.50	409,000	7.00	304,000
Bonds	6.10	28,000	6.70	21,000
Property	6.10	-	6.20	-
Cash	0.50	5,000	0.50	4,000
Other	6.50	16,000	7.00	-
Total market value of assets		458,000		329,000
Present value of scheme liabilities		(1,278,000)		(1,090,000)
(Deficit)/surplus in the scheme		(820,000)		(761,000)

The amounts recognised in the Balance sheet are as follows:

	2015 £	2014 £
Present value of funded obligations	(1,278,000)	(1,090,000)
Fair value of scheme assets	458,000	329,000
Net liability	(820,000)	(761,000)

The amounts recognised in the Statement of financial activities are as follows:

	2015 £	2014 £
Current service cost	(110,000)	(84,000)
Interest on obligation	(45,000)	(41,000)
Expected return on scheme assets	24,000	21,000
Past service cost	(1,014)	-
Total	(132,014)	(104,000)

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24. PENSION COMMITMENTS (continued)

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

	2015 £	2014 £
Opening defined benefit obligation	1,090,000	879,000
Current service cost	110,000	84,000
Interest cost	45,000	41,000
Contributions by scheme participants	27,000	24,000
Actuarial Losses	26,000	114,000
Benefits paid	(20,000)	(52,000)
Closing defined benefit obligation	1,278,000	1,090,000

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

	2015 £	2014 £
Opening fair value of scheme assets	329,000	300,000
Expected return on assets	24,000	21,000
Actuarial gains and (losses)	(25,000)	(55,000)
Contributions by employer	123,000	91,000
Contributions by employees	27,000	24,000
Benefits paid	(20,000)	(52,000)
	458,000	329,000

The cumulative amount of actuarial gains and losses recognised in the Statement of total recognised gains and losses was £812,000 (2014: £761,000).

The academy expects to contribute £124,000 to its Defined benefit pension scheme in 2016.

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

	2015	2014
Equities	89.30 %	92.30 %
Government bonds	0.10 %	- %
Other bonds	6.10 %	6.50 %
Cash/liquidity	1.00 %	1.20 %
Other	3.50 %	- %

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

	2015	2014
Discount rate for scheme liabilities	3.90 %	3.90 %
Expected return on scheme assets at 31 August	5.97 %	6.42 %
Rate of increase in salaries	3.70 %	3.60 %
Rate of increase for pensions in payment / inflation	2.20 %	2.10 %
Inflation assumption (CPI)	2.20 %	2.10 %

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24. PENSION COMMITMENTS (continued)

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

	2015	2014
Retiring today		
Males	25.6	25.5
Females	28.1	28
Retiring in 20 years		
Males	23.4	23.3
Females	25.8	25.7

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

Defined benefit pension schemes

	2015 £	2014 £	2013 £
Defined benefit obligation	(1,278,000)	(1,090,000)	(879,000)
Scheme assets	458,000	329,000	300,000
Deficit	(820,000)	(761,000)	(579,000)
Experience adjustments on scheme liabilities	(26,000)	(114,000)	20,000
Experience adjustments on scheme assets	(25,000)	(55,000)	36,000

25. OPERATING LEASE COMMITMENTS

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

	2015 £	2014 £
EXPIRY DATE:		
Within 1 year	-	23,566
Between 2 and 5 years	11,092	11,958

26. RELATED PARTY TRANSACTIONS

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

Total income from King's School, a school in which JG Bartholomew is a trustee, was £2,978 (2014 - £3,138).