

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

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020



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

CONTENTS

	Page
Reference and Administrative Details	1 - 2
Trustees' Report	3
Governance Statement	13 - 17
Statement on Regularity, Propriety and Compliance	18
Statement of Trustees' Responsibilities	19
Independent Auditors' Report on the Financial Statements	20 - 22
Independent Reporting Accountant's Report on Regularity	23 - 24
Statement of Financial Activities Incorporating Income and Expenditure Account	25
Balance Sheet	26
Statement of Cash Flows	27
Notes to the Financial Statements	28 - 53

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

REFERENCE AND ADMINISTRATIVE DETAILS

Members	The Worcester Diocesan Academies Trust Judith Pettersen Michael Kitcatt Rebecca Surridge Timothy Clarke
Trustees	Matthew Bunn, Chair Timothy Clarke Caroline Fitzmaurice (resigned 16 September 2019) Tracey France Margaret Haywood Claire Hollins Julie Ann Smith-Rose (appointed 16 January 2020) Mark Pollard, Head Teacher Paul Taylor Iain Williams Angela Smith (appointed 16 September 2019, resigned 16 July 2020) Emma Glazzard (appointed 25 September 2020) Anita Iddon (appointed 25 September 2020) Iris Crittenden (appointed 24 March 2020)
Company registered number	08024353
Company name	Bishop Perowne Church of England College
Principal and registered office	Merrimans Hill Road Worcester Worcestershire WR3 8LE
Company secretary	Karen Wigley
Accounting Officer	Mark Pollard
Senior management team	Mark Pollard, Head Teacher Ben Lewis, Deputy Head Teacher (joined 1 September 2020) Jane Price, Deputy Head Teacher Nigel Ford, Deputy Head Teacher (resigned 31 August 2020) James Manship, Assistant Head Teacher Scott Reeves, Assistant Head Teacher Victoria Reeve-McKew, Assistant Head Teacher Natalie Tunstall, Assistant Head Teacher Tracey Cregeen, School Business Manager
Independent auditors	Bishop Fleming LLP Chartered Accountants Statutory Auditors 1-3 College Yard Worcester WR1 2LB

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

**REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020**

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 2020**

BISHOP PEROWNE CHURCH OF ENGLAND COLLEGE

TRUSTEES' REPORT

The Trustees present their annual report together with the financial statements and auditors' report of the Charitable Company for the year ended 31 August 2020. 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 serving a catchment area in Worcestershire. It has a pupil capacity of 1,050 and had a roll of 842 in the October 2019 school census.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Academy Trust is a company limited by guarantee and an exempt charity. The Charitable Company's Memorandum and Articles of Association are the primary governing documents of the Academy Trust. The Trustees of Bishop Perowne Church of England College are also the directors of the Charitable Company for the purposes of company law. The Charitable Company operates as Bishop Perowne Church of England College.

Details of the Trustees who served throughout the year, and to the date the accounts are approved are included in the Reference and Administration 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 private sector insurance whereby the UK government covers losses that arise. The scheme protects Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on College business, and provides cover of 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.

Method of recruitment and appointment or election of Trustees

During the 2019/2020 academic year, Trustees were recruited and appointed in accordance with the Academy Trust's Articles of Association (OAA). The OAA were amended in 2018 and new Articles of Association came into force in September 2018.

Article 45 of the OAA states that the number of Trustees should not be less than three, but should not be subject to any maximum. Under the terms of the OAA, the Board of Trustees was made up of:

- Two parent Trustees, if appointed under Articles 53-58
- The Head Teacher
- Seven Trustees who are appointed by the Worcester Diocesan Academy Trust
- One Trustees who may be appointed by the Archdeacon of Worcester

In addition, the board could appoint up to two co-opted Trustees.

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

Under the OAA, Trustees (except for the Head Teacher) were subject to retirement after four years of service but were eligible for re-appointment or re-election at the meeting at which they retired.

Policies and Procedures adopted for the induction and Training of Trustees

The training and induction provided for new Trustees will depend upon their existing experience but will always include a tour of the College and a chance to meet staff and pupils. Most induction is carried out in-house, but third party trainers may be brought in, or Trustees may attend external courses as appropriate. All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Trustees.

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

**TRUSTEES REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020**

As there are normally two or three new Trustees a year at most, induction tends to be done informally and is tailored specifically to the individual. Advantage is taken of specific courses offered by the Local Authority and other bodies.

Organisational Structure

Under the OAA, the Board of Trustees normally meet formally seven times during the academic year. The Board established an overall framework for the governance of the College and determined membership, terms of reference and procedures of Committees and other groups. It received reports including policies for ratification.

In 2019/2020 there were seven meetings of the School Improvement Committee. The School Improvement Committee is made up of 5 Trustees, including the Chair and Vice Chair. This committee met in order to

- To drive school improvement and monitor standards, attainment and progress, meeting monthly to agree the work of all the trustees and its priorities for that term and beyond
- Monitor school priorities and the progress of these priorities throughout the year
- To agree, by early in the autumn term, the programme of work and calendar of meetings for all trustees and trustee visits for the school year, based on known cycles of school improvement, financial management, staffing issues and communicating with parents
- To agree a 5 year 'vision' document
- To establish and keep under review a Code of Conduct for the board of trustees
- To establish and keep under review arrangements for trustees' visits to the College
- To oversee arrangements for trustee involvement in formulating and monitoring the School Improvement Plan
- To make recommendations to the board of trustees to establish exceptional working arrangements where particular circumstances arise e.g. a joint committee to oversee a building project or a special committee to oversee an OfSTED inspection
- To report back to the full board of trustees on a regular basis, with assistance from school leaders if required
- To be available and respond to matters of particular difficulty, sensitivity or emergency and offer advice to the Head Teacher
- To undertake tasks delegated to them by the trustees
- To report back to the full board on any additional delegated items

Under the OAA, the following decisions were reserved to the Board of Trustees: to consider any proposals for changes to the status or constitution of the College, to appoint or remove the Chair and/or Vice Chair, to appoint the Head Teacher and Clerk to the Trustees, and to approve the development plan and budget.

Trustees and the Senior Leadership Team

The Trustees are responsible for setting general policy, adopting an annual plan and budget, approving the statutory accounts, monitoring the College by the use of budgets and other data, and making major decisions about the direction of the College, capital expenditure and staff appointments. The Trustees and Board of Trustees devolve responsibility for day-to-day management of the College to the Head Teacher and Senior Leadership Team (SLT). The SLT comprises the Head Teacher, the Deputy Head Teachers, the Assistant Head Teachers and the Chief Financial Officer. The SLT implements the policies laid down by the Trustees and reports back to them on performance.

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 the responsibility for low values of expenditure to specific budget holders who are each responsible for managing their own departments within the constraints of their budget allocations. A system of financial controls is in place to manage this process.

The Head Teacher manages the College on a daily basis with the support of the SLT. The SLT meets frequently to discuss emerging matters and to help to develop strategies for future development which are then put to the Board of Trustees for approval, as required. Each member of the SLT has specific responsibilities to assist the Head Teacher to manage certain aspects of the College.

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

**TRUSTEES REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020**

Arrangements for Setting Pay and Remuneration of Key Management Personnel

In 2019/2020, the pay and remuneration of the College's key management personnel were reviewed by the Remuneration Committee and approved by the Board of Trustees. Benchmarks used in setting the pay and remuneration of key management personnel included the overall academic performance of students measured by their GCSE results, together with the types of responsibility that individual key managers were allocated.

The College follows the pay structures for maintained schools in England and Wales for teachers and support staff. The College's pay policy for teachers is based on the national agreed pay scale as outlined in the School Teachers Pay and Conditions Document. The College adheres to local government pay arrangements for support staff and follows the local government pay spine.

Trade Union Facility Time

The Trade Union (Facility Time Publication Requirements) Regulations 2017 require schools to publish information about "facility time"—time taken off work by trade union officials to carry out their duties. These include: duties carried out for a trade union (such as accompanying an employee to disciplinary or grievance hearing); and training received and duties carried out under the Health and Safety at Work Act 1974. A relevant union official means a trade union official, a learning representative of a trade union within the meaning of the Trade Union and Labour Relations (Consolidation) Act 1992; or a safety representative appointed under regulations pursuant to the Health and Safety at Work Act 1974. The following figures cover the period from 1 April 2019 to 31 March 2020:

Relevant union officials

Number of employees who were relevant union officials during the period	Full-time equivalent employee number
nil	nil

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	nil
1%-50%	nil
51%-99%	nil
100%	nil

Percentage of pay bill spent on facility time

Total cost of facility time	nil
Total pay bill	nil
Percentage of total pay bill spent on facility time	nil

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	nil
---	-----

Related Parties and other Connected Charities and Organisations

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

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

**TRUSTEES REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020**

Engagement with employees

The Trustees of the College made every effort during the COVID-19 pandemic to:

- Provide clear and consistent messages to staff
- Offer practical support, advice and training to support staff working from home
- Be mindful of the mental well-being of staff
- Maintain social distancing and provide robust cleaning regimes in occupied areas for staff working on a rota in our key worker provision
- Safeguard all employees classed as vulnerable by identifying them early on and putting safeguarding measures in place
- Continually monitor Government guidance, considering all requirements and implemented it in a timely manner.

In 2020, with the full opening of the College in September, great care was taken in planning the safe environment for both staff and pupils to come back to. The College continues to implement these strategies reviewing risk regularly and implementing new strategies as required to meet changing situations.

OBJECTIVES AND ACTIVITIES

Objects and Aims

The aim of Bishop Perowne Church of England College is to offer our students a well-balanced, rigorous and nurturing education that will provide them with the necessary tools for high achievement in further education and the workplace. Fundamental to this aim is the provision, by the College, of top quality teaching, learning and pastoral support to ensure that students achieve their full potential as learners.

The College's purpose is to provide students with the highest level of education possible in order to ensure that each student makes a valuable contribution in later life to their community and to 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 consolidates students' core literacy and numeracy skills, and builds the capacity of students to be enterprising, entrepreneurial and innovative. The College believes in developing students' resilience when meeting academic challenges so that they become problem-solvers able to view their schooling in a positive and motivated way. There are ample opportunities for students to take on leadership roles at all levels of the College to ensure that students' voices are heard and that they have a valued say in the running of the College. The College nurtures 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 Church of England College are committed to providing students with an exciting, appropriate and challenging education where achievement and enjoyment are paramount. As a Church of England academy, the College's concern for the development of the whole child extends to a care for students' spiritual development alongside their academic success.

A commitment to providing only the highest standards of teaching and learning to all students and responding positively to their individual strengths and needs 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 students' progress and attainment regardless of ability or background.

Fostering independence in learning, within the College and at home, enables students to take the lead in the direction their learning takes and also the choice of their method of acquiring that learning. The ability to be independent learners will stand our students in good stead to become highly qualified and valued 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 highly 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.

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

**TRUSTEES REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020**

The College's success in setting and implementing priorities was recognised by Ofsted in its inspection in October 2018, when the College was taken out of Special Measures and given an overall effectiveness rating of "Good." The various aspects of the College evaluated by Ofsted—effectiveness of leadership and management; quality of teaching, learning and assessment; personal development, behaviour and welfare; and outcomes for pupils—were likewise all rated as "Good." The Ofsted report noted that "since 2017 leaders have transformed the school. They have led improvements in pupils' behaviour, teaching and learning."

For the 2019/2020 academic year, the College set the following key priorities in four main areas:

- **Quality of Education**
 - o To ensure curriculum design continues to develop in order to provide students with a high quality experience.
 - o To further develop the specialist pedagogical understanding within departments alongside the embedding of strong learning routines.
 - o To continue to sustain Year 11 outcomes and improve outcomes for disadvantaged students in year 11.
- **Leadership**
 - o To continue to improve and evaluate the impact of leadership at all levels
 - o To ensure the work of all Trustees has impact on the leadership of the College
 - o To ensure that strong financial controls lead to the College remaining in a stable financial position
- **Personal Development**
 - o To ensure that a quality tutor programme is delivered with consistency
 - o To ensure that a wide range of students have access to a programme of activities that 'broadens horizons'
- **Vulnerable Students**
 - o To improve the progress of PP/SEND students in years 7-10
 - o To improve the provision for students that are 'Stuck in the System'
 - o To improve the provision of students that are in Alternative Provision

Progress against all these objectives was measured via regular lesson monitoring by members of the SLT and by outside consultants, via regular analysis of performance data and via targeted actions in response to the results of lesson monitoring and data evaluation up until the time the college, apart from key worker provision, was closed due to the COVID-19 pandemic.

The Trustees acknowledge that the COVID-19 pandemic impacted on the College's ability to deliver on these objectives due to closure of the College except for a small provision to Key Worker children and some of our more vulnerable learners. The College did however set up robust procedures to deliver regular work for pupils which could be accessed through the website and they also created work packs that could be collected from College for those with no access to online facilities or technical hardware. This was regularly reviewed and updated on a weekly basis. Tutors were tasked with keeping in touch with all pupils to monitor and support them in these unprecedented times with specific emphasis on our more vulnerable pupils. All efforts were made to support and prevent barriers to continued learning in the home environment.

Public Benefit

The Trustees confirm that they have complied with their duty under Section 17(5) of the Charities Act 2011 to have due regard to the Charity Commissioner's general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the College's aims and objectives and in planning its future activities.

The College aims to advance, for the public benefit, education in Worcester and the surrounding area, in particular, by operating, maintaining, managing and developing the College, and offering a broad curriculum with a strong emphasis on core literacy and numeracy skills, which is in no way limited to the specialism of performing arts. It also makes its facilities available, out of school hours, to local sports clubs, amateur dramatic societies and other associations so that the local community can benefit from the College's sports hall, gym, all-weather pitch, theatre and performing arts facilities.

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

**TRUSTEES REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020**

During the closure of the main part of the College due to the COVID-19 pandemic, the College continued to support the most deprived pupils by initially providing Free School Meals Vouchers from Sainsburys and then when it became available joining the Government National Voucher Scheme for Free School Meals. They offered further support by referring families to the local foodbank for support.

STRATEGIC REPORT

Achievements and Performance

In 2020-21, GCSE grades were awarded as centre assessed grades. The vast majority of students have been able to progress on to A Levels or the college courses of their choice. The government has indicated that there will be no performance tables or performance data published.

Towards the end of the 2019/20 academic year the College was successful in securing two Condition Improvement Fund grants of £143.2k and £39.7k respectively (net of a loans created in respect of £25.4k and £13.3k of total funding). Due to the COVID-19 pandemic works on these two projects will not commence until October 2020 half term. The grants have been provided to enable the College to re-place the roof glazing at the front of the College and reception area and other windows and roof lights across the College. The works will provide a much-needed enhancement to the College buildings but should also provide energy cost savings going forward.

The College has also been awarded a grant of £2,557,500 from Worcestershire County Council to enable works to be done to the College buildings to expand the pupil provision from 1050 to 1200 by September 2021 to meet increasing demand for school places in secondary education in and around Worcester.

Financial Key Performance Indicators (KPIs)

Throughout the year to 31 August 2020, the College maintained a budget versus outturn form of monthly reporting and financial analysis. Through this, the Board of Trustees and the Effective Leadership and Management Committee were able to monitor and control the financial activities of the College and maintain an appropriate level of working capital.

When the College was closed due to the COVID-19 pandemic apart from Key Worker provision, the Finance staff worked from home and internal control was maintained through continuation of current financial processes, regular email and telephone correspondence, contact between finance staff, the Head Teacher and other budget holders and monthly reporting continued. Financial reports were shared with Trustees and discussed in virtual meetings with School Improvement Committee, Full Board of Trustees and the Finance Committee. On occasion decisions needed to be made quickly on spend to maintain the safety of pupils on site, or to provide for our most vulnerable and the Head Teacher authorised this.

During 2019 the College welcomed a School Resource Management Advisor (SRMA), as part of the Government drive to improve school financial management, to explore efficiencies and take a proactive approach to remaining in a positive financial position. Recommendations of the SRMA included introducing Integrated Curriculum and Financial Planning and reviewing current contracts and the College has made some progress in starting work in these areas.

In November 2020 the Chair of Trustees and the Accounting Officer met with the Education and Skills Funding Agency (ESFA) to review the 2018/19 outturn and plans for 2019/20. ESFA confirmed they were confident in the good financial management and governance of the trust.

The College set two main priorities for measuring key financial performance in 2019/20

- To achieve a surplus in year to match the budget set without compromising on the quality of teaching and learning within the College
- To improve financial sustainability and increase income held in reserves to a level equivalent to one month's operating expenditure (approximately £400k) as recommended by the College's auditors.

During the first part of the year, careful monitoring of spend against budget and the reviewing of contracts as they came up for renewal (at times taking out longer term contracts over 3 years to ensure savings year on year); alongside consideration of the recommendations of the SRMA report the College was making good progress to achieve these targets.

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

**TRUSTEES REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020**

The impact of the COVID-19 pandemic then set the College new challenges. The main impacts of the virus on the College's financial performance for the rest of the year were in respect of reduced income for the catering service and no further income from letting of the College's facilities out of hours offset by some savings on staffing costs and reduced spend on education resources and enrichment, as the majority of learning was being accessed remotely. To combat some effects of these shortfalls, negotiations were made with the local primary school to continue to provide meals to their key worker provision and they would in turn pay the College a weekly amount equal to their numbers of free school meals.

Schools were provided access to specific government funding to cover exceptional costs relating to Covid-19 however, with regular careful monitoring continuing remotely during the pandemic, the College successfully achieved an overall surplus budget on restricted and unrestricted funds (excluding pension and restricted fixed assets) of £199k, £115k in excess of the set surplus of £84k. The current reserves target has also been met being just in excess of the £400k target at £416k.

Going Concern

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

With over 94% of the College's finances being met from Government income streams that have continued during the continued COVID-19 pandemic the Board of Trustees are confident through careful monitoring and in year with the use of reserves as required this will be manageable. Longer term, however, this will not be sustainable and accounts have been set up to monitor carefully the impact of pandemic on both costs and income streams to form the basis of future plans if the pandemic continues.

FINANCIAL REVIEW

The College's accounting period ran from 1 September 2019 to 31 August 2020

Most of the College's income is obtained from the DfE via the ESFA 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 2020 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities.

The College also receives grants for fixed assets from the DfE, which are shown in the Statement of Financial Activities as restricted income in the Fixed Asset Fund. The Restricted Fixed Asset Fund balance is reduced by annual depreciation charges over the useful life of the assets concerned, as defined in the College's accounting policies.

The College also receives grants from Worcestershire County Council to support the education of pupils with special educational needs and disabilities, and those who do not live with their parents.

During the year ended 31 August 2020, total revenue expenditure of £5.207m (2019-£4.954m) was met by recurrent Grant funding from ESFA together with other incoming resources of £5.330m (2019-£4.970m). The excess of expenditure over income for the year for the year (excluding restricted fixed asset funds and transfers to fixed asset funds) was £122k (2019 - £15k)

At 31 August 2020 the net book value of fixed assets was £6.697m and movements in tangible fixed assets are shown in note 14 to the financial statements. The assets were used for providing education and the associated support services to the pupils of the College, with PE, performing arts and other facilities being let out in the evening and at weekends to third party sports, fitness and drama groups. The College has to account for its share of the defined benefit pension scheme deficit of the Local Government Pension Fund (LGPS). During the 2019/20 academic year, actuaries revalued the College's share of the LGPS deficit and increased the liability from £1.545m to £1.805m.

Following last year's Audit Management Letter, the finance policy was reviewed, amended and agreed with Trustees and a formal Lettings Policy for the hire of the College's Premises was written and shared. The policies were shared with the appropriate personnel and the need for all staff to

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

**TRUSTEES REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020**

adhere to them was re-iterated through regular reminders via email. Monthly reconciliations on all control accounts have been completed and dual authorisation of Bank Transactions on Lloyds Commercial Banking have been tightened. The Finance Policy has been reviewed as part of the Internal Scrutiny function during the year. Despite receiving the main funding directly from the ESFA, the formula used to distribute this is driven by the local authority. Following the National Fair Funding Review for schools, recent changes to per pupil funding rates and rising pupil numbers the College is benefitting favourably. With the planned expansion of the College this can only be positive however the College will not be complacent but continually benchmark and review financial policies, processes and contract to provide best value.

Reserves Policy

During the year ended 31 August 2020, the College's restricted fixed asset funds decreased from £6.877m to £6.829m. The Fixed Asset reserves include additional capitalised assets of £106k, part funded from Devolved Formula Capital and revenue contributions to capital. The decrease relates to the net effect of additional assets offset by in year depreciation of £333k. After contributing to capitalised fixed assets the restricted general funds have risen from £143.7k to £379.8k and unrestricted funds decreased from £74.8k to £39.6k. The decrease in unrestricted funds mainly relates to a loss of income from Catering and Lettings of the Colleges premises.

The Trustees review the resources of the College and recognise the need to have sufficient reserves to protect against future fluctuations in funding. The reserves will be held in line with 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.

Following the removal of Special measures in October 2019, the Trustees are free to focus on ways to bolster the College's reserves so that there is an adequate contingency buffer to provide financial resilience and robustness. The medium-term objective continues to be to maintain reserves to a level equivalent to one month's operating expenditure (approximately £400k). The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with temporarily unfunded rises in student numbers or unexpected emergencies such as urgent maintenance. This will be achieved by setting and delivering surplus budgets, via stringent cost control, and by attracting additional government funding through steady increases to the number of students on roll. The College believes it is now well positioned to begin this process of financial consolidation. In managing the proposed expansion of the College, cash flow management will be key. The College's buildings are owned by the Diocese of Worcester and the College is permitted by the Diocese to use this infrastructure. The College leases its sports fields and other areas of the site from Worcestershire County Council. Because the College is not the freehold owner of its land and buildings, it cannot realise restricted funds by disposing of such tangible fixed assets as surplus land. As noted above, the LGPS defined benefit pension scheme reserve has a negative balance. The effect of the deficit position of the pension scheme is that the Academy Trust is paying higher employers' pension contributions over a period of years. The higher employers' pension contributions will be met from the Academy Trust's budgeted annual income. Whilst the deficit will not be immediately eliminated, there should be no actual cash flow deficit on the fund, nor any direct impact on the free reserves of the Academy Trust.

Investment Policy

The College maintains a balance of readily available funds to meet 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 its Articles of Association which permit 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 Trustees considers necessary and having regard to the suitability of investments and the need for diversification.

Principal Risks and Uncertainties

The Board of Trustees regularly reviews the major risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The principal risks and uncertainties facing the Academy are as follows:

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

**TRUSTEES REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020**

- **Financial** – the College has considerable reliance on continued Government funding. In the last year 94% of the College's incoming resources were Government funded and whilst this level is expected to continue, there is no assurance that Government policy will remain the same or that public funding will continue at the same levels or on the same terms.
- **Failures in governance and/or management** – the risk in this area arises from potential failure to manage the College's finances, internal controls, legal and regulatory compliance and statutory returns effectively. The Trustees continue to monitor these areas and ensure that appropriate measures are in place to mitigate risks.
- **Fraud and mismanagement of funds** – the Academy has appointed an internal auditor review the Revised Finance Policy and do spot checks on financial systems and records as required by the Academy Financial Handbook. Finance staff monitor updates to ESFA financial guidance to ensure compliance with financial practice requirements.
- **Reputational** – the future success of the College is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk, Trustees ensure that student achievement is closely monitored and reviewed.
- **Safeguarding and child protection** – the Trustees continue to ensure that the highest standards are maintained in the selection and monitoring of staff, in the operation of child protection policies and procedures, in health and safety and in discipline and student welfare.
- **Staffing** – the success of the College is dependent upon the quality of its staff and the Trustees therefore monitor and review policies and procedures to ensure the continued development and training of staff as well as ensuring there is clear succession planning.

In line with recommendations of the Academies Financial Handbook on Internal Scrutiny an Internal Auditor has been appointed that meets the newly revised FRC Ethical Standard for Auditors and is a separate company from the Statutory Auditors. The remit in 2019-20 was to review the revised Finance Policy and then conduct some spot checks in respect of adherence to the policy. Due to COVID-19 the latter has not yet been possible.

The College has devised various risk management policies, procedures and strategies. These have been discussed by Trustees and also address financial risks. The College has continued to strengthen its risk management process throughout the year by improving the process and ensuring staff awareness. The Risk Register and associated policies and procedures are regularly reviewed in light of any new information or risk factors and a specific COVID-19 Risk Assessment has been completed, shared and published on the College website and is regularly reviewed in line with any change in Government Guidance.

The Trustees have assessed the major risks to which the Colleges is exposed. In particular those relating to its finances, teaching, facilities and other operational areas and the COVID-19 pandemic. The Trustees have implemented a number of systems to assess and minimise those risks. Where significant financial risk still remains they have ensured they have adequate insurance cover.

The Trustees review the financial health of the College regularly. They analyse performance against budget and monitor overall expenditure by means of regular update reports. The Trustees also regularly review cash flow forecasts and ensure sufficient funds are held to cover all known and anticipated commitments.

At the year end, the Academy had no significant liabilities arising from trade creditors or debtors that would have a significant effect on liquidity.

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

**TRUSTEES REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020.**

The Board of Trustees recognises that the LGPS defined benefit pension scheme deficit set out in Note 28 to the financial statements, represents a significant potential liability. However, as the Trustees consider that the Academy will be able to meet its known annual contribution commitments for the foreseeable future, the risk from this liability is minimised.

Fundraising

Some 94% of the College's funding comes from government sources and nearly all of the balance is generated by the College's own catering and lettings operations. However, the College is alert to alternative sources of funding. In 2019/20 hosted some Chinese students for a week, they secured a grant from Forever Manchester to support a breakfast club for our most vulnerable learners and continued to secure additional funds from the National Collaborative Outreach Programme (NCOP). The College is pleased to work with the Bishop Perowne Friends Association (BPFA) which makes financial and other contributions to the College and organises its own fundraising activities. (The BPFA is in the process of becoming a registered charity in its own right). The College does not use intrusive fundraising methods, puts no pressure on potential donors or sponsors, and (aside from the BPFA) does not use the services of third party fundraisers to generate money for its activities.

Plans for Future Periods

The College is now in a consolidation phase having achieved a rating of "Good" from Ofsted. The immediate priority is to focus efforts on achieving consistently effective performance on a school-wide basis.

The College can now look forward to attracting increasing numbers of students as a consequence of its Ofsted rating so that it can reach its current capacity of 1,050 students. As the population Worcester rises and the College will continue to increase capacity to the Pupil Admission Number of agreed with Worcestershire County Council) from the current level of 210 students per year to 240 per year in September 2021.

The College will continue to benefit from its relationships with teaching alliances and is now poised to make its own contribution to the improvement of teaching and learning in other schools.

The College will continue to monitor and review the impact of the COVID-19 pandemic on the whole school performance both educational and financial and have a continued dialogue around this with the Trustees.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

The College does not hold any funds as custodian or trustee on behalf of others.

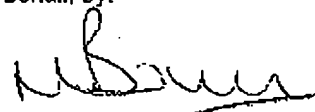
AUDITOR

In so far as the Trustees are aware:

- there is no relevant audit information of which the Charitable Company's auditor is unaware; 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, however, a decision has been made by the trustees to put the audit out to tender for 2020-21 so a decision will be made by the Board in 2021.

Approved by order of the members of the Board of Trustees on 15 December 2020 and signed on their behalf, by:



Matthew Bunn
Chair of Trustees

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

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.

As Trustees, we have reviewed and taken account of the guidance in DfE's Governance Handbook and competency framework for governance.

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.

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

GOVERNANCE STATEMENT (CONTINUED)

GOVERNANCE

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of Trustees has formally met 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
Matthew Bunn, Chair	6	6
Mark Pollard, Headteacher, Head Teacher	6	6
Julie Ann Smith-Rose	4	4
Timothy Clarke	6	6
Tracey France	6	6
Margaret Haywood	5	6
Claire Hollins	5	6
Angela Smith	3	4
Iain Williams	4	6
Paul Taylor	6	6
Caroline Fitzmaurice	0	0
Emma Glazzard	0	0
Anita Iddon	0	0
Iris Crittenden	0	0

School Improvement Committee - full details of the remit of this committee are outlined in the Trustees report.

Attendance during the year at meetings of the School Improvement Committee was as follows:

Trustee	Meetings attended	Out of a possible
Matthew Bunn	7	7
Margaret Haywood	7	7
Tracey France	6	7
Mark Pollard	6	7
Paul Taylor	7	7

The finance committee is a subcommittee of the Full board with delegated responsibility for Financial Oversight and Audit and has its own terms of reference specific to these areas. The plan is for this committee to meet three times a year, once to review the statutory accounts and the first terms financial performance, in the spring term for a mid-term review and in the summer to review year end position and oversee budget setting and three year plans for the future years. The group currently contains two accountants and a barrister. Unfortunately in 2019-20 the mid-term review was not possible due to COVID-19 but finances were constantly shared with the Chair of Trustees and there was much consultation between the Head Teacher and the Chair of Trustees during these exceptional times.

Attendance during the year at finance committee was as follows:

Trustee	Meetings attended	Out of a possible
Matthew Bunn	2	2
Mark Pollard	2	2
Tim Clarke	2	2
Claire Hollins	2	2

As regards the performance of the Board of Trustees, the October 2018 Ofsted inspection report says that "governors are ambitious for pupils and have supported leaders in their journey of improvement. They are not afraid to change things when they are not working."

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

GOVERNANCE STATEMENT (CONTINUED)

GOVERNANCE (CONTINUED)

The Board of Trustees have previously worked closely with Senior Leaders to move the College out of Special Measures to achieve an overall rating of "Good" against a challenging background of budgetary constraint.

Trustees have continued to work hard to improve their contribution to the leadership of the school and the recent Ofsted outcome recognises that this has been effective. They are now structured so that an School Improvement Committee meets monthly and drives the improvement and standards agenda, and the Board of Trustees at a full governing body meeting ensures that all statutory functions are effectively carried out.

The 2018 Ofsted report comments that at the College "governance is effective because Trustees:

- have a deep and detailed knowledge of the school;
- have restructured the board of trustees so they focus closely on what matters most, avoid repetition of meetings and, so, have better impact;
- have established a committee specifically to focus on school improvement, which is made up of a small number of trustees; this means that they can make swift decisions and have deep insight into the school's development;
- receive information which is detailed but shows them clearly the trends in school performance;
- ask leaders for evidence to back up the assertions they make; this means that leaders are held to account, and governors can support them as they improve the school."

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

- Continuing the recruitment strategy in favour of more junior joiners in order to reduce the overall expense profile of the staff base (the College's seven most recent teacher recruits are all on the main scale);
- Implementing Integrated Curriculum and Financial Planning into the budget planning of staffing across the school
- Reducing the number of pupils accessing alternative provision
- Reviewing the current provision of energy against the current provider through an independent consultant, demonstrating the current contract is best value for money
- Due to low mileage on the Colleges Minibus fleet extending the current lease for 12 months saving nearly £5k in year 1 and £2k in subsequent years.
- Constantly reviewing the quality of students' learning to enable the College to achieve above average levels of student progress.

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

GOVERNANCE STATEMENT (CONTINUED)

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,
- evaluate the likelihood of those risks being realised and the impact should they be realised,
- 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 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of Trustees.

THE RISK AND CONTROL FRAMEWORK

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

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

The Board of Trustees has decided in recognition of the changes to the Financial Handbook in respect of Internal Scrutiny to appoint CROWE as their internal Auditors for the academic year 2019-20, this is in line with the revised FRC Ethical Standard for auditors and they are a separate entity to the College's current external auditors. The agreed checklist in the period in light of COVID-19 were initially to review the updated Finance Policy followed a testing review in situ to check points raised in the external auditors management letter and adherence to the revised finance policy.

The internal auditor has reported to the Finance Committee in respect of the Finance Policy review but has as yet been unable to start the onsite testing

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

GOVERNANCE STATEMENT (CONTINUED)

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:

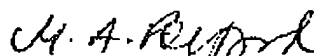
- on discharge of the Board of Trustees financial decisions to help the committee consider actions and assess year on year progress
- the work of the external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer plans continued work with the College's Financial Officer 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 16th December 2020 and signed on their behalf by:



Matthew Bunn
Chair of Trustees



Mark Pollard
Accounting Officer

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

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 & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy, under the funding agreement in place between the Academy and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2019.

I confirm that I and the Academy board of Trustees are able to identify any material irregular or improper use of all 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 2019.

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.



Mark Pollard
Accounting Officer
Date: 15 December 2020

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

**STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2020**

The Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Academies Accounts Direction published by the Education and Skills 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 2019 and the Academies Accounts Direction 2019 to 2020;
- make judgements 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 ESFA/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 on
15 December 2020 and signed on its behalf by:



Matthew Bunn
Chair of Trustees

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

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

OPINION

We have audited the financial statements of Bishop Perowne Church of England College (the 'academy') for the year ended 31 August 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2020 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Academy in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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.

CONCLUSIONS RELATING TO GOING CONCERN

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Academy's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF BISHOP
PEROWNE CHURCH OF ENGLAND COLLEGE (CONTINUED)**

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 Auditors' Report thereon. Other information includes the Reference and Administrative Details, the Trustees' Report including the Strategic Report, and the Governance Statement. 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.

OPINION 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 year for which the financial statements are prepared is consistent with the financial statements;
- the Trustees' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of our knowledge and understanding of the Academy and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report including the Strategic Report.

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 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.

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

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF BISHOP
PEROWNE CHURCH OF ENGLAND COLLEGE (CONTINUED)**

RESPONSIBILITIES OF TRUSTEES

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, 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 Academy'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 Academy or to cease operations, or have no realistic alternative but to do so.

AUDITORS' 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 Auditors' 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 Auditors' Report.

USE OF OUR REPORT

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 opinions we have formed.



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: 18th December 2020

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

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

In accordance with the terms of our engagement letter dated 28 October 2018 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, 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 2019 to 31 August 2020 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 ESFA 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 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 Bishop Perowne Church of England College and ESFA, 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 2019, 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 2019 to 2020. 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 2019 to 31 August 2020 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 2019 to 2020 issued by 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.

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 ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO BISHOP
PEROWNE CHURCH OF ENGLAND COLLEGE AND THE EDUCATION & SKILLS FUNDING AGENCY
(CONTINUED)**

CONCLUSION

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Andrew Wood (Reporting Accountant)
Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
1-3 College Yard
Worcester
WR1 2LB

Date: 18th December 2020

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

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2020

	Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
INCOME FROM:						
Donations and capital grants	4	-	8,269	199,500	207,769	145,465
Charitable activities		77,563	5,102,083	-	5,179,646	4,639,952
Other trading activities		140,796	-	-	140,796	284,585
Investments	7	878	-	-	878	1,419
TOTAL INCOME		219,237	5,110,352	199,500	5,529,089	5,071,421
EXPENDITURE ON:						
Raising funds		250,185	-	-	250,185	282,065
Charitable activities		3,275	4,954,084	333,211	5,290,570	4,994,430
TOTAL EXPENDITURE		253,460	4,954,084	333,211	5,540,755	5,276,495
NET (EXPENDITURE)/INCOME		(34,223)	156,268	(133,711)	(11,666)	(205,074)
Transfers between funds	20	-	(85,130)	85,130	-	-
NET MOVEMENT IN FUNDS BEFORE OTHER RECOGNISED GAINS/(LOSSES)		(34,223)	71,138	(48,581)	(11,666)	(205,074)
Actuarial losses on defined benefit pension schemes	28	-	(95,000)	-	(95,000)	(479,000)
NET MOVEMENT IN FUNDS		(34,223)	(23,862)	(48,581)	(106,666)	(684,074)
RECONCILIATION OF FUNDS:						
Total funds brought forward		73,853	(1,401,292)	6,877,403	5,549,964	6,234,038
Net movement in funds		(34,223)	(23,862)	(48,581)	(106,666)	(684,074)
TOTAL FUNDS CARRIED FORWARD		39,630	(1,425,154)	6,828,822	5,443,298	5,549,964

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

The notes on pages 28 to 53 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 2020

	Note	2020 £	2019 £
FIXED ASSETS			
Tangible assets	14	6,697,200	6,922,166
CURRENT ASSETS			
Stocks	15	1,701	953
Debtors	16	333,818	143,143
Cash at bank and in hand		475,439	350,065
		<u>810,958</u>	<u>494,161</u>
Creditors: amounts falling due within one year	17	(217,612)	(281,716)
NET CURRENT ASSETS		<u>593,346</u>	<u>212,445</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>7,290,546</u>	<u>7,134,611</u>
Creditors: amounts falling due after more than one year	18	(42,248)	(39,647)
NET ASSETS EXCLUDING PENSION LIABILITY		<u>7,248,298</u>	<u>7,094,964</u>
Defined benefit pension scheme liability	28	(1,805,000)	(1,545,000)
TOTAL NET ASSETS		<u>5,443,298</u>	<u>5,549,964</u>
FUNDS OF THE ACADEMY			
Restricted funds:			
Restricted fixed asset funds	20	6,828,822	6,877,403
Restricted funds	20	379,846	143,708
Pension reserve	20	(1,805,000)	(1,545,000)
Total restricted funds	20	<u>5,403,668</u>	<u>5,476,111</u>
Unrestricted income funds	20	<u>39,630</u>	<u>73,853</u>
TOTAL FUNDS		<u>5,443,298</u>	<u>5,549,964</u>

The financial statements on pages 25 to 53 were approved by the Trustees, and authorised for issue on 15 December 2020 and are signed on their behalf, by:

M. A. Pollard

Mark Pollard
Trustee

The notes on pages 28 to 53 form part of these financial statements.

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

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2020**

	Note	2020 £	2019 £
CASH FLOWS FROM OPERATING ACTIVITIES			
Net cash provided by operating activities	22	217,561	145,939
CASH FLOWS FROM INVESTING ACTIVITIES	24	(90,278)	(134,683)
CASH FLOWS FROM FINANCING ACTIVITIES	23	(1,909)	296
CHANGE IN CASH AND CASH EQUIVALENTS IN THE YEAR		125,374	11,552
Cash and cash equivalents at the beginning of the year		350,065	338,513
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	25, 26	475,439	350,065

The notes on pages 28 to 53 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 2020**

1. GENERAL INFORMATION

Bishop Perowne Church of England College is a private company limited by guarantee, incorporated in the UK and registered in England and Wales. The registered office is Merrimans Hill Road, Worcester, Worcestershire, WR3 8LE.

2. 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.

2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements of the Academy, which is a public benefit entity under FRS 102, have been prepared under the historic 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 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Bishop Perowne Church of England College meets the definition of a public benefit entity under FRS 102.

2.2 GOING CONCERN

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Academy has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

2. ACCOUNTING POLICIES (continued)

2.3 INCOME

All incoming resources are recognised when the Academy 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 there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the year is deducted from income and recognised as a liability.

Capital grants are recognised in full when there is an unconditional entitlement to the grant. Unspent amounts of capital grants are reflected in the Balance Sheet in the restricted fixed asset fund. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

• **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, including the hire of facilities, is recognised in the year it is receivable and to the extent the Academy has provided the goods or services.

2.4 EXPENDITURE

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

• **Expenditure on raising funds**

This includes all expenditure incurred by the Academy to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

• **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

2. ACCOUNTING POLICIES (continued)

2.5 INTEREST RECEIVABLE

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

2.6 TANGIBLE FIXED ASSETS

Tangible fixed assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Assets in the course of construction are included at costs incurred to date. Depreciation on these assets is not charged until they are brought into use.

Depreciation is provided on the following bases:

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Financial Activities.

2.7 STOCKS

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

2.8 DEBTORS

Trade and other debtors with no stated interest rate and due within one year are recorded at the amount of the cash or other consideration expected to be received. Prepayments are valued at the amount paid.

2.9 CASH AT BANK AND IN HAND

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account and cash on deposit that has a notice period of less than 30 days.

2.10 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 Academy anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

2. ACCOUNTING POLICIES (continued)

2.11 FINANCIAL INSTRUMENTS

The Academy only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Academy and their measurement bases 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 16. Prepayments are not financial instruments.

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 17 and 18. 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.

2.12 OPERATING LEASES

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

2.13 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.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is 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 multi-employer 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 credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance Sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities 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.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

2. ACCOUNTING POLICIES (continued)

2.14 FUND ACCOUNTING

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the funders 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/donor and include grants from the Department for Education Group.

Transfers are made between restricted funds and restricted fixed asset funds where restricted funds are used to purchase fixed assets.

3. CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

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

Critical accounting estimates and assumptions:

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

The 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 or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 28, 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 31 August 2020. 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:

The Academy Trust obtains use of fixed assets as a lessee. The classification of such leases as operating or finance lease requires the Academy Trust to determine, based on an evaluation of the terms and conditions of the arrangements, whether it retains or acquires the significant risks and rewards of ownership of these assets and accordingly whether the lease requires an asset and liability to be recognised in the Balance Sheet.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

4. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
Donations	8,269	-	8,269	44,007
Capital Grants	-	199,500	199,500	101,458
	<u>8,269</u>	<u>199,500</u>	<u>207,769</u>	<u>145,465</u>

5. FUNDING FOR THE ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
DFE/ESFA GRANTS				
General Annual Grant	-	4,459,333	4,459,333	4,198,914
Other DfE/ESFA Grants	-	561,823	561,823	354,428
	-	<u>5,021,156</u>	<u>5,021,156</u>	<u>4,553,343</u>
Other government grants				
Other government grants	-	80,927	80,927	86,609
	-	<u>80,927</u>	<u>80,927</u>	<u>86,609</u>
Other				
Internal catering	77,563	-	77,563	-
	<u>77,563</u>	<u>5,102,083</u>	<u>5,179,646</u>	<u>4,639,952</u>

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

6. INCOME FROM OTHER TRADING ACTIVITIES

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Lettings	32,653	32,653	44,799
External Catering	103,569	103,569	236,629
Other	4,574	4,574	3,157
	<u>140,796</u>	<u>140,796</u>	<u>284,585</u>

7. INVESTMENT INCOME

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Bank interest	<u>878</u>	<u>878</u>	<u>1,419</u>

8. EXPENDITURE

	Staff Costs 2020 £	Premises 2020 £	Other 2020 £	Total 2020 £	Total 2019 £
EXPENDITURE ON FUNDRAISING TRADING ACTIVITIES:					
Direct costs	141,965	-	108,220	250,185	282,065
EDUCATION:					
Direct costs	3,489,610	-	298,749	3,788,359	3,519,937
Allocated support costs	702,908	295,689	503,614	1,502,211	1,474,493
	<u>4,334,483</u>	<u>295,689</u>	<u>910,583</u>	<u>5,540,755</u>	<u>5,276,495</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

9. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Activities undertaken directly 2020 £	Support costs 2020 £	Total funds 2020 £	Total funds 2019 £
Education	3,788,359	1,502,211	5,290,570	4,994,430

Analysis of direct costs

	Total funds 2020 £	Total funds 2019 £
Pension income	10,700	8,800
Staff costs	3,409,865	3,087,276
Educational supplies	75,542	69,563
Examination fees	45,193	52,367
Staff development	5,941	10,966
Other costs	148,702	196,521
Supply teachers	79,745	77,790
Technology costs	12,671	16,654
	<u>3,788,359</u>	<u>3,519,937</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

9. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

Analysis of support costs

	Total funds 2020 £	Total funds 2019 £
Pension income	18,300	17,200
Staff costs	702,908	662,736
Depreciation	332,613	321,969
Bad debt write off	3,016	-
Recruitment and support	1,841	13,396
Maintenance of premises and equipment	62,673	74,414
Cleaning	122,310	118,999
Rent and rates	38,300	42,923
Energy costs	72,406	78,913
Insurance	19,485	20,836
Security and transport	10,862	13,579
Technology costs	48,490	40,805
Office overheads	33,200	45,773
Legal and professional	33,984	18,416
Loan interest	335	-
Loss on disposal	598	-
Governance	890	3,434
	<u>1,502,211</u>	<u>1,474,493</u>

10. NET (EXPENDITURE)/INCOME

Net (expenditure)/income for the year includes:

	2020 £	2019 £
Operating lease rentals	15,824	15,824
Depreciation of tangible fixed assets	332,613	321,969
Fees paid to auditors for:		
- audit	10,250	9,900
- other services	3,240	1,510
	<u>351,927</u>	<u>343,203</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

11. STAFF

a. STAFF COSTS

Staff costs during the year were as follows:

	2020 £	2019 £
Wages and salaries	3,117,991	2,965,355
Social security costs	262,724	274,769
Pension costs	854,023	644,530
	<u>4,254,738</u>	<u>3,884,654</u>
Agency staff costs	78,745	77,790
	<u>4,334,483</u>	<u>3,962,444</u>

Staff restructuring costs comprise:

	2020 £	2019 £
Severance payments	13	-
	<u>13</u>	<u>-</u>

b. NON-STATUTORY/NON-CONTRACTUAL STAFF SEVERANCE PAYMENTS

Included in severance payments are non-statutory / non-contractual severance payments totalling £13k (2019: £nil).

c. STAFF NUMBERS

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

	2020 No.	2019 No.
Teachers	50	47
Administration and support	52	50
Management	8	8
	<u>110</u>	<u>105</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

11. STAFF (CONTINUED)

c. STAFF NUMBERS (CONTINUED)

The average headcount expressed as full-time equivalents was:

	2020 No.	2019 No.
Teachers	45	40
Administration and support	35	34
Management	8	9
	<u>88</u>	<u>83</u>

d. HIGHER PAID STAFF

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

	2020 No.	2019 No.
In the band £60,001 - £70,000	2	2
In the band £70,001 - £80,000	-	1
In the band £80,001 - £100,000	1	1

e. KEY MANAGEMENT PERSONNEL

The key management personnel of the Academy comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy was £615,017 (2019 £571,817).

12. TRUSTEES' REMUNERATION AND EXPENSES

One or more Trustees has been paid remuneration or has received other benefits from an employment with the Academy. The principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment. The value of Trustees' remuneration and other benefits was as follows:

		2020 £	2019 £
Mark Pollard, Head Teacher	Remuneration	95,000 - 100,000	90,000 - 95,000
	Pension contributions paid	20,000 - 25,000	15,000 - 20,000

During the year ended 31 August 2020, no Trustees expenses have been incurred (2019 - £NIL).

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

13. TRUSTEES' AND OFFICERS' INSURANCE

The Academy 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 membership.

14. TANGIBLE FIXED ASSETS

	Long-term leasehold property £	Furniture and equipment £	Fixtures and fittings £	Motor vehicles £	Total £
COST OR VALUATION					
At 1 September 2019	8,042,817	310,397	343,805	2,019	8,699,038
Additions	24,492	34,871	45,382	3,995	108,740
Disposals	-	-	-	(2,019)	(2,019)
At 31 August 2020	8,067,309	345,268	389,187	3,995	8,805,759
DEPRECIATION					
At 1 September 2019	1,287,332	186,131	302,483	926	1,776,872
Charge for the year	273,418	34,366	23,831	998	332,613
On disposals	-	-	-	(926)	(926)
At 31 August 2020	1,560,750	220,497	326,314	998	2,108,559
NET BOOK VALUE					
At 31 August 2020	6,506,559	124,771	62,873	2,997	6,697,200
At 31 August 2019	6,755,485	124,266	41,322	1,093	6,922,166

Included in the net book value of property displayed above are the following amounts ascribable to land:

	2020 £	2019 £
Long-term leasehold land	5,728,910	5,856,115

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

15. STOCKS

	2020 £	2019 £
Goods for resale and for use in the school	1,701	953

16. DEBTORS

	2020 £	2019 £
Trade debtors	4,945	38,834
Prepayments and accrued income	298,075	83,586
Tax recoverable	30,798	20,723
	<u>333,818</u>	<u>143,143</u>

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £	2019 £
ESFA loans	6,218	5,116
Trade creditors	1,513	94,298
Other taxation and social security	70,473	71,217
Other creditors	76,341	64,922
Accruals and deferred income	63,067	46,163
	<u>217,612</u>	<u>281,716</u>

	2020 £	2019 £
Deferred income at 1 September 2019	14,037	13,975
Resources deferred during the year	8,037	14,037
Amounts released from previous periods	(14,037)	(13,975)
	<u>8,037</u>	<u>14,037</u>

Income has been deferred based on the year to which it relates. At the balance sheet date the Academy was holding funds received in advance for revision guides and Duke of Edinburgh in 2021.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

18. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2020 £	2019 £
CIF loans	35,566	29,146
Salix loans	6,682	10,501
	<u>42,248</u>	<u>39,647</u>

Included within Creditors falling due within one year is a Salix loan balance of £1,910 (2019: £1,910) and due in more than one year a balance of £6,681 (2019: £8,591). The loan is repayable in yearly instalments with an applicable annual interest rate of NIL%.

Included within Creditors falling due within one year is 2 CIF loans with a balance of £4,308 (2019: £3,207) and due in more than one year a balance of £35,566 (2019: £28,850). The loan is repayable in yearly instalments with an applicable annual interest rate of 1.85% and 2.29%.

19. FINANCIAL INSTRUMENT

	2020 £	2019 £
FINANCIAL ASSETS		
Financial assets measured at fair value through income and expenditure	475,439	350,065
Financial assets that are debt instruments measured at amortised cost	250,874	92,617
	<u>726,313</u>	<u>442,682</u>
	2020 £	2019 £
FINANCIAL LIABILITIES		
Financial liabilities measured at amortised cost	(147,139)	(196,462)

Financial assets measured at fair value through income and expenditure comprise cash at bank and in hand.

Financial assets measured at amortised cost comprise trade debtors, other debtors and accrued income.

Financial liabilities measured at amortised cost comprise trade creditors, other creditors, accruals and ESFA loans.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

20. STATEMENT OF FUNDS

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
UNRESTRICTED FUNDS						
General funds	73,853	219,237	(253,468)	-	-	39,630
RESTRICTED GENERAL FUNDS						
General Annual Grant (GAG)	143,708	4,399,154	(4,077,886)	(85,130)	-	379,846
High Needs funding	-	80,927	(80,927)	-	-	-
Pupil Premium (PP)	-	306,807	(306,807)	-	-	-
Other restricted	-	315,195	(315,195)	-	-	-
Donations	-	8,269	(8,269)	-	-	-
Pension reserve	(1,545,000)	-	(165,000)	-	(95,000)	(1,805,000)
	<u>(1,401,292)</u>	<u>5,110,352</u>	<u>(4,954,084)</u>	<u>(85,130)</u>	<u>(95,000)</u>	<u>(1,425,154)</u>
RESTRICTED FIXED ASSET FUNDS						
Fixed assets transferred on conversion	5,669,025	-	(127,205)	-	-	5,541,820
Fixed assets purchased from GAG and other restricted funds	336,339	-	(122,990)	85,130	-	298,479
DfE/ESFA Capital grants	857,047	17,888	(17,888)	-	-	857,047
Other LA grants	12,949	181,612	(64,982)	-	-	129,579
Insurance claim	2,043	-	(146)	-	-	1,897
	<u>6,877,403</u>	<u>199,500</u>	<u>(333,211)</u>	<u>85,130</u>	<u>-</u>	<u>6,828,822</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

20. STATEMENT OF FUNDS (CONTINUED)

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
TOTAL RESTRICTED FUNDS	5,476,111	5,309,852	(5,287,295)	-	(95,000)	5,403,668
TOTAL FUNDS	5,549,984	5,529,069	(5,540,755)	-	(95,000)	5,443,298

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

20. STATEMENT OF FUNDS (CONTINUED)

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

General Annual Grant (GAG)

Income from the ESFA 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.

Pupil Premium (PP)

Pupil Premium represents funding received from the ESFA 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.

Donations

Donations that have been received for a specific purpose.

Pension reserve

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

Fixed Asset Funds

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 purchase from restricted income plus any unspent capital grants received.

DfE/ESFA capital grants

This represents funding from the ESFA to cover the maintenance and purchase of the schools assets.

Other Local Authority (LA) 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.

Insurance claim

Income received in respect of a specific insurance claim to fund the replacement of assets.

Transfer between funds

The transfer between the restricted fund and the restricted fixed asset fund represents the transfer of capital expenditure from the General Annual Grant (GAG) during the year.

Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG it could carry forward at 31 August 2020.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

20. STATEMENT OF FUNDS (CONTINUED)

Comparative information in respect of the preceding year is as follows:

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
Unrestricted funds						
General funds	69,287	286,004	(281,418)	-	-	73,853
Restricted general funds						
General Annual Grant (GAG)	-	4,176,000	(4,004,149)	(28,143)	-	143,708
High Needs funding	-	86,609	(86,609)	-	-	-
Pupil Premium (PP)	-	292,275	(292,275)	-	-	-
Other restricted	-	85,088	(85,088)	-	-	-
Donations	-	44,007	(44,007)	-	-	-
Pension reserve	(905,000)	-	(161,000)	-	(479,000)	(1,545,000)
	<u>(905,000)</u>	<u>4,683,858</u>	<u>(4,673,108)</u>	<u>(28,143)</u>	<u>(479,000)</u>	<u>(1,401,292)</u>
Restricted fixed asset funds						
Fixed assets transferred on conversion	5,796,230	-	(127,205)	-	-	5,669,025
Fixed assets purchased from GAG and other restricted funds	352,462	-	(44,266)	28,143	-	336,339
DfE/ESFA Capital grants	882,231	57,368	(82,552)	-	-	857,047
Other LA grants	36,467	44,090	(87,608)	-	-	12,949

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

20. STATEMENT OF FUNDS (CONTINUED)

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
Insurance claim	2,381	-	(338)	-	-	2,043
	<u>7,069,771</u>	<u>101,458</u>	<u>(321,869)</u>	<u>28,143</u>	<u>-</u>	<u>6,877,403</u>
Total restricted funds	6,164,771	4,785,417	(4,995,077)	-	(479,000)	5,476,111
TOTAL FUNDS	<u>6,234,038</u>	<u>5,071,421</u>	<u>(5,276,495)</u>	<u>-</u>	<u>(479,000)</u>	<u>5,549,964</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

21. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT PERIOD

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Tangible fixed assets	-	-	6,697,200	6,697,200
Current assets	39,630	591,240	180,088	810,958
Creditors due within one year	-	(211,394)	(6,218)	(217,612)
Creditors due in more than one year	-	-	(42,248)	(42,248)
Defined benefit pension scheme liability	-	(1,805,000)	-	(1,805,000)
TOTAL	39,630	(1,425,154)	6,828,822	5,443,298

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR PERIOD

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	-	6,922,166	6,922,166
Current assets	79,622	380,718	33,821	494,161
Creditors due within one year	(5,769)	(237,010)	(38,937)	(281,716)
Creditors due in more than one year	-	-	(39,647)	(39,647)
Defined benefit pension scheme liability	-	(1,545,000)	-	(1,545,000)
TOTAL	73,853	(1,401,292)	6,877,403	5,549,964

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

22. RECONCILIATION OF NET EXPENDITURE TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2020 £	2019 £
Net expenditure for the period (as per Statement of Financial Activities)	(11,666)	(205,074)
ADJUSTMENTS FOR:		
Depreciation	332,613	321,969
Capital grants from DfE	(199,500)	(101,458)
Interest received	(878)	(1,419)
Defined benefit pension scheme past service cost	-	84,000
Defined benefit pension scheme cost less contributions payable	136,000	51,000
Defined benefit pension scheme finance cost	29,000	26,000
(Increase)/decrease in stocks	(748)	4,764
Increase in debtors	(7,666)	(54,750)
(Decrease)/increase in creditors	(59,594)	20,907
Net cash used in operating activities	217,561	145,939

23. CASH FLOWS FROM FINANCING ACTIVITIES

	2020 £	2019 £
Repayments of ESFA loans	(1,909)	(1,909)
Cash inflows from new ESFA loans	-	2,205
Net cash provided by financing activities	(1,909)	296

24. CASH FLOWS FROM INVESTING ACTIVITIES

	2020 £	2019 £
Interest received	878	1,419
Proceeds from the sale of tangible assets	1,093	-
Purchase of tangible fixed assets	(108,740)	(375,406)
Capital grants from DfE Group	16,491	239,304
Net cash provided by investing activities	(90,278)	(134,683)

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

25. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2020 £	2019 £
Cash at bank and in hand	475,439	350,065
	<u>475,439</u>	<u>350,065</u>

26. ANALYSIS OF CHANGES IN NET DEBT

	At 1 September 2019 £	Cash flows £	At 31 August 2020 £
Cash at bank and in hand	350,065	125,374	475,439
Debt due within 1 year	(5,116)	(1,102)	(6,218)
Debt due after 1 year	(39,647)	(2,601)	(42,248)
	<u>305,302</u>	<u>121,671</u>	<u>426,973</u>

27. CAPITAL COMMITMENTS

	2020 £	2019 £
CONTRACTED FOR BUT NOT PROVIDED IN THESE FINANCIAL STATEMENTS		
Acquisition of tangible fixed assets	<u>183,009</u>	<u>-</u>

28. PENSION COMMITMENTS

The Academy'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 West Midlands Pension Fund. Both are multi-employer defined benefit schemes.

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

Contributions amounting to £57,945 were payable to the schemes at 31 August 2020 (2019 - £62,390) and are included within creditors.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

28. PENSION COMMITMENTS (CONTINUED)

TEACHERS' PENSION SCHEME

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies. All teachers have the option to opt-out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary - these contributions 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 every 4 years. 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 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million, giving a notional past service deficit of £22,000 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI, assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

The next valuation result is due to be implemented from 1 April 2023.

The employer's pension costs paid to TPS in the year amounted to £507,886 (2019 - £336,727).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>).

Under the definitions set out in FRS 102, the TPS is an unfunded 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.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

28. PENSION COMMITMENTS (CONTINUED)

LOCAL GOVERNMENT PENSION SCHEME

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2020 was £260,000 (2019 - £231,000), of which employer's contributions totalled £208,000 (2019 - £185,000) and employees' contributions totalled £ 52,000 (2019 - £46,000). The agreed contribution rates for future years are 19.7% per cent for employers and 5.5% - 12.5% per cent for employees.

As described in note the LGPS obligation relates to the employees of the Academy, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Academy at the balance sheet date.

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

Principal actuarial assumptions

	2020 %	2019 %
Rate of increase in salaries	3.9	3.6
Rate of increase for pensions in payment/inflation	2.5	2.2
Discount rate for scheme liabilities	2.4	1.8
Inflation assumption (CPI)	1.8	2.1

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

	2020 Years	2019 Years
<i>Retiring today</i>		
Males	22.6	22.8
Females	25.0	25.8
<i>Retiring in 20 years</i>		
Males	24.2	25.1
Females	27.0	28.2

Sensitivity analysis

	2020 £000	2019 £000
Discount rate +0.1%	1,739	1,489
Mortality assumption - 1 year increase	1,906	1,599
CPI rate +0.1%	1,872	1,602
Pay growth +0.1% p.a.	1,810	1,553

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

28. PENSION COMMITMENTS (CONTINUED)

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

	2020 £	2019 £
Equities	1,066,000	1,033,000
Corporate bonds	108,000	182,000
Property	87,000	87,000
Cash and other liquid assets	68,000	42,000
Other	288,000	112,000
Total market value of assets	1,617,000	1,456,000

The actual return on scheme assets was £(68,000) (2019 - £56,000).

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

	2020 £	2019 £
Current service cost	344,000	(236,000)
Past service cost	-	(84,000)
Interest income	28,000	36,000
Interest cost	(54,000)	(59,000)
Administration expenses	(3,000)	(3,000)
Total	315,000	(346,000)

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

	2020 £	2019 £
Opening defined benefit obligation	3,001,000	2,090,000
Current service cost	344,000	236,000
Interest cost	54,000	59,000
Employee contributions	52,000	46,000
Actuarial gains/(losses)	4,000	489,000
Benefits paid	(33,000)	(13,000)
Past service costs	-	84,000
Closing defined benefit obligation	3,422,000	3,001,000

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

28. PENSION COMMITMENTS (CONTINUED)

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

	2020 £	2019 £
Opening fair value of scheme assets	1,456,000	1,185,000
Interest income	28,000	36,000
Actuarial gains	(91,000)	20,000
Employer contributions	208,000	185,000
Employee contributions	52,000	46,000
Benefits paid	(33,000)	(13,000)
Administration expense	(3,000)	(3,000)
Closing fair value of scheme assets	<u>1,617,000</u>	<u>1,456,000</u>

29. OPERATING LEASE COMMITMENTS

At 31 August 2020 the Academy had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2020 £	2019 £
Not later than 1 year	4,098	15,824
Later than 1 year and not later than 5 years	2,213	4,723
	<u>6,311</u>	<u>20,547</u>

30. MEMBERS' LIABILITY

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

31. RELATED PARTY TRANSACTIONS

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 12.