

**Company Registration Number: 08024353 (England and Wales)**

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

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2018**

WEDNESDAY



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

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**BISHOP PEROWNE CHURCH OF ENGLAND COLLEGE  
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**REFERENCE AND ADMINISTRATIVE DETAILS  
FOR THE YEAR ENDED 31 AUGUST 2018**

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<b>Members</b>	The Very Revd Peter Atkinson (resigned 8 September 2018) Mark Pollard (resigned 8 September 2018) Judith Pettersen (resigned 8 September 2018) The Revd Julieann Watson (resigned 8 September 2018) Bryan Allbutt Tim Clarke (appointed 6 November 2018)
<b>Trustees</b>	Judith Pettersen Richard Bentley (resigned 11 September 2017) Matthew Bunn Philip Chew (resigned 13 December 2017) Tim Clarke Rachel Cramp (resigned 27 March 2018) Caroline Fitzmaurice Bonita Griffiths (resigned 26 July 2018) Margaret Haywood Claire Hollins Richard Johnson (resigned 5 September 2017) Michael Kitcatt, Vice Chair (resigned 26 July 2018) Mark Pollard, Headteacher Rebecca Surridge (resigned 26 July 2018) The Revd Julieann Watson (resigned 5 July 2018) Karen Wigley (resigned 26 July 2018) Iain Williams Bryan Allbut (appointed 10 October 2017) Tracey France (appointed 7 August 2018)
<b>Company registered number</b>	08024353
<b>Company name</b>	Bishop Perowne Church of England College
<b>Principal and registered office</b>	Merrimans Hill Road Worcester Worcestershire WR3 8LE
<b>Company secretary</b>	Peter Albertini
<b>Accounting Officer</b>	Mr Mark Pollard
<b>Senior management team</b>	Mark Pollard, Head Teacher Jane Price, Deputy Head Teacher Nigel Ford, Deputy Head Teacher James Manship, Assistant Head Teacher Scott Reeves, Assistant Head Teacher Vicky Reeve-McKew, Assistant Head Teacher Natalie Tunstall, Assistant Head Teacher Sheena Howard, Assistant Head Teacher Peter Albertini, School Business Manager
<b>Independent auditors</b>	Bishop Fleming LLP Chartered Accountants Statutory Auditors 16 Queen Square Bristol BS1 4NT

**BISHOP PEROWNE CHURCH OF ENGLAND COLLEGE  
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS  
FOR THE YEAR ENDED 31 AUGUST 2018**

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**Advisers (continued)**

<b>Bankers</b>	Lloyds Bank PLC The Cross Worcester Worcestershire WR1 3PY
<b>Solicitors</b>	Veale Wasbrough Vizards Orchard Court Orchard Land Bristol BS1 5WS

**BISHOP PEROWNE CHURCH OF ENGLAND COLLEGE  
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**TRUSTEES' REPORT  
FOR THE YEAR ENDED 31 AUGUST 2018**

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2018. The annual report serves the purpose of both a Trustees' report, and a Directors' report under company law.

The Trust operates an academy for pupils aged 11 to 16 in Worcestershire. It has a pupil capacity of 1,050 and had a roll of 826 in the school census on 1 October 2018.

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Constitution**

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

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

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

**Members' liability**

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

**Trade Union Facility Time**

There has not been any trade union facility time during the year ended 31 August 2018.

**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.

**TRUSTEES**

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

During the 2017/18 academic year, Trustees were recruited and appointed in accordance with the Academy Trust's original Articles of Association (OAA). The OAA have been amended and new Articles of Association have come into force with effect of 8 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 extant for the year ended and as at 31 August 2018, the Governing Body was made up of:

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

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**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2018**

In addition, the Governing Body may appoint up to two co-opted Trustees.

Under the OAA, the Governing Body may appoint staff Trustees through such process as they may determine provided that the total number of Trustees (including the Headteacher) who are employees of the Academy Trust does not exceed one third of the total number of Trustees.

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

Under the OAA, Trustees (except for the Headteacher) were subject to retirement after four years of service but are 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 would 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. As there are normally only two or three new Trustees a year, 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 meets formally eight times during the financial year. The Board establishes an overall framework for the governance of the College and determines membership, terms of reference and procedures of Committees and other groups. It receives reports including policies from its Committees for ratification. It monitors the activities of the Committees through the minutes of their meetings.

In 2017/18, there were three main sub-committees, each meeting four times in the academic year:

- The **Effective Leadership and Management Committee** meets four times in the year to consider the financial position of the College. It has delegated powers to approve revenue and capital expenditure, disposal of assets and risk. It also reviews matters relating to health and safety, premises and projects.
- The **Personal Development, Behaviour and Welfare Committee** meets four times in the year to address issues concerning staffing matters, including professional development, and student related matters, including welfare, attendance, behaviour and extra-curricular activities and visits.
- The **Teaching, Learning and Outcomes Committee** meets four times in the year to review student attainment and to address curriculum requirements in order to achieve educational objectives.

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 and its committee structure, to appoint or remove the Chair and/or Vice Chair, to appoint the Headteacher 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 have devolved responsibility for day-to-day management of the College to the Headteacher and Senior Leadership Team (SLT). The SLT comprises the Headteacher, the Deputy Headteachers, the Assistant Headteachers and the Business Manager. The SLT implements the policies laid down by the Trustees and reports back to them on performance.

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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The Headteacher is the Accounting Officer of the College and has overall responsibility for the day-to-day financial management of the charitable company. The Headteacher 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 Headteacher 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 Headteacher to manage certain aspects of the College.

The Headteacher is the Accounting Officer.

**Arrangements for Setting Pay and Remuneration of Key Management Personnel**

In 2017/18, 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 teachers' pay policy 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.

**Connected Organisations, including Related Party Relationships**

The Diocese is registered as a Person of Significant Control on Companies House. There were no related party transactions.

**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.

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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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.

In the 2017/18 academic year, the College implemented a range of action priorities in order to focus the efforts of the Board of Trustees, the Headteacher and the SLT on improving the College's performance significantly. These priorities were as follows:

- To improve leadership through the driving of standards and by ensuring consistency of approach in all areas;
- To improve the quality of teaching through a focus on questioning and resilience;
- To improve the progress of disadvantaged pupils and those with special educational needs and disabilities;
- To improve school attendance across the College, particularly by disadvantaged learners; and
- To continue to improve standards in mathematics.

The College's success in addressing these 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 2018/19 academic year, the College has adjusted its key priorities as follows:

- To improve the progress of vulnerable groups of students;
- To improve the progress of students in MFL;
- To secure a stronger ethos and culture in Years 7 and 8;
- To reduce the number of students missing detention and/or serving isolation or repeated isolations/exclusions; and
- To secure consistently effective teaching where monitoring and other evidence suggest that there is inconsistent practice.

Progress against all these objectives is being 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.

**Public Benefit**

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

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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.

**STRATEGIC REPORT**

**Achievements and Performance**

In 2018, the College achieved a (provisional) Progress 8 score of +0.26 (2017: +0.11), putting the College in the "above average" band, or in the top 31% of English secondary schools (the College's 2017 Progress 8 score was "average"). In terms of Progress 8, the College has now met its strategic ambition of delivering an above average score.

Of the College's Year 11 students in 2018, 61.0% achieved GCSE results of grade 4 or above in English and Mathematics. This was much higher than the equivalent measure for 2017, when 56.0% of Year 11 students achieved the same.

During the 2017/18 academic year the College was successful in securing a Condition Improvement Fund grant of £288.5k (net of a loan created in respect of £32.1k of total funding) to enable the College to re-glaze the roof of the Sports Hall. This will result in a much-needed enhancement of a building which serves not only as the focus of the College's PE activities, but is also the main examinations facility and an important source of lettings income.

**Key Performance Indicators**

Throughout the year to 31 August 2018, 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.

For its annual budgeting exercise in summer 2017, the College set the following financial and budgetary targets for the year and these were used as its KPIs to evaluate the College's actual performance:

KPI	Target/ forecast £	Outturn £	Actual as % of forecast
Total income excluding catering and CIF income	4.49m	4.49m	100%
Total staff costs	3.60m	3.72m	103%
Total teaching department costs	57.3k	47.5k	83%
Total special function costs	295.7k	287.8k	97%
Total premises costs	316.4k	321.5k	87%
Total administration costs	323.7k	282.4k	88%
Total catering income	282.0k	268.9k	95%
Total catering non-staff costs	155.1k	128.2k	83%
Overall revenue surplus/(deficit)	19.6k	(8.9k)	(45%)
Year-end cash per bank statements*	255.1k	269.9k	106%

\*excluding CIF income and associated expenses

Our total revenue income was on budget, but our catering income was 5% lower than budgeted, due to flat year-on-year meal sales to other schools and a temporary dip in in-house revenue when the College went cashless in January 2018. (In-house canteen sales have since returned to their normal levels).

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**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2018**

Staff costs were £114k over budget. This was due largely to a different staffing configuration in the MFL department than originally planned, an unexpectedly high take-up of auto-enrolment into pension schemes from October 2017, and the unbudgeted cost of having a second attendance officer. The budgetary impact of higher staff costs was cushioned by better-than-budgeted results elsewhere. Teaching department expenses were £9k less than budgeted and special function costs were £5k better than budget. Ignoring CIF-related expenses, premises costs were £18k below budget. Tight control of site expenditure played a major role here. Administration costs were £40k less than budgeted.

The staff cost overrun meant that the College was not able to meet its net revenue surplus target for the year of £20k and made an overall revenue deficit of £9k. However, cash reserves at 31 August 2018 were 6% higher than forecast, at £270k.

**Going Concern**

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

**FINANCIAL REVIEW**

**Financial Review**

The College's accounting period ran from 1 September 2017 to 31 August 2018.

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 2018 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 2018, the College received total income of £4.739m and incurred total expenditure of £4.801m. The excess of expenditure over income for the year was £9k. The detailed background to these figures is explained in the section on Financial Key Performance Indicators above. The College is encouraged by the recent Ofsted rating of "Good" and believes that this will have a positive impact on its student numbers, revenue and overall financial performance going forwards.

At 31 August 2018 the net book value of fixed assets was £6.92m and movements in tangible fixed assets are shown in note 13 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 2017/18 academic year, actuaries revalued the College's share of the LGPS deficit and reduced it from £1.028m to £905k.

The College's internal auditor has made recommendations concerning procedures for internet banking payments, and these will be considered by trustees in the 2018/19 academic year. This may result in modifications to the College's internal control policy.

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**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2018**

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**Reserves Policy**

During the year ended 31 August 2018, the College's restricted fixed asset funds increased from £7.04m to £7.07m, while the £9k revenue deficit had the result that restricted general funds plus unrestricted funds fell from £78.1k to £69.3k.

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.

Now that the College is no longer in Special Measures, the Trustees are freer 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 is to build free 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 that it is now well positioned to begin this process of financial consolidation.

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.

The College is currently developing plans for priority areas of capital expenditure and repairs following the announcement by the Chancellor of the Exchequer of additional schools funding for "little extras".

**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 Governing Body 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:

- **Financial** – the College has considerable reliance on continued Government funding. In the last year, some 93% of the College's revenues 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

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**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2018**

place to mitigate risks:

- **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.
- **Fraud and mismanagement of funds** – the Academy has appointed an internal auditor to carry out 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.

The College has continued to strengthen its risk management process throughout the year by improving the process and ensuring staff awareness. A risk register is maintained, reviewed and updated on a regular basis.

The College has devised various risk management policies, procedures and strategies. These have been discussed by Trustees and also address financial risks. The Risk Register and associated policies and procedures are regularly reviewed in light of any new information and reviewed regularly.

The Trustees have assessed the major risks to which the College is exposed, in particular those relating to its finances, teaching, facilities and other operational areas. 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.

The Board of Trustees recognises that the LGPS defined benefit pension scheme deficit set out in Note 24 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 93% of the College's revenue 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 2017/18 it sourced supplementary financing from the Strategic School Improvement Fund and the University of Worcester, and ran a healthy lifestyles campaign funded by a National Lottery Fund contribution won in 2016/17. The College completed the steps required to be a recipient of Gift Aid funding, giving it the option to approach parents, carers, former students and other interested parties who wish to make direct financial contributions to the College in future.

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.

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**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2018**

**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. The population of Worcester continues to grow and the College has been having exploratory discussions with Worcestershire County Council that may result in an addition to our Pupil Admission Number (PAN) from the current level of 20 students per year. If the College's PAN increases, this would require an expansion of the College's buildings infrastructure and funding would be provided by the County Council to pay for this.

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.

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

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

**AUDITORS**

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are 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 auditors are aware of that information.

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

Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as company directors, on 11 December 2018 and signed on the board's behalf by:



**Judith Pettersen  
Chair of Governors**

**BISHOP PEROWNE CHURCH OF ENGLAND COLLEGE  
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**GOVERNANCE STATEMENT**

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**SCOPE OF RESPONSIBILITY**

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

The Board of Trustees has delegated the day-to-day responsibility to the Head Teacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Bishop Perowne Church of England College and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

**GOVERNANCE**

The information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees' responsibilities. The Board of Trustees has formally met 5 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
Judith Pettersen	5	5
Richard Bentley	0	0
Matthew Bunn	4	5
Philip Chew	0	1
Tim Clarke	5	5
Rachel Cramp	2	2
Caroline Fitzmaurice	4	5
Bonita Griffiths	0	1
Margaret Haywood	5	5
Claire Hollins	5	5
Richard Johnson	0	0
Michael Kitcatt, Vice Chair	4	5
Mark Pollard, Headteacher	5	5
Rebecca Surridge	5	5
The Revd Julieann Watson	2	4
Karen Wigley	5	5
Iain Williams	3	5
Bryan Allbut	2	4
Tracey France	4	4

The Board of Trustees was reduced in size during the year to streamline it and optimise its efficiency. As at 31 August 2018 it consisted of ten members, as against seventeen a year earlier. Changes are being made to the Trust's Articles of Association in the 2018-19 financial year to give effect to the new structure and the new rights of appointment to the Board of Trustees.

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

**GOVERNANCE STATEMENT (continued)**

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

Executive Committee Member	Meetings attended	Out of a possible
Bryan Allbut (appointed 31 December 2017)	7	11
Matthew Bunn	10	11
Margaret Haywood	9	11
Michael Kitcatt (resigned 26 July 2018)	10	11
Judith Pettersen	11	11
Mark Pollard	11	11
Rebecca Surridge (resigned 26 July 2018)	9	11

The Effective Leadership and Management (ELM) Committee is a sub-committee of the main Board of Trustees. Its purpose is described in the Trustees' Report. Attendance at meetings in the year was as follows:

Attendance at meetings in the year was as follows:

ELM Committee Member	Meetings attended	Out of a possible
Matthew Bunn	5	5
Tim Clarke	5	5
Claire Hollins	5	5
Karen Wigley	4	5
Iain Williams	5	5

The Personal Development, Behaviour and Welfare (PDWB) Committee is also a sub-committee of the main Board of Trustees. Its purpose is described in the Trustees' Report. Attendance at meetings in the year was as follows:

Attendance at meetings in the year was as follows:

PDWB Committee Member	Meetings attended	Out of a possible
Judith Pettersen	4	4
Caroline Fitzmaurice	4	4
Rebecca Surridge	4	4
Rev. Julieann Watson	1	3

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

The Teaching, Learning and Outcomes (TLO) Committee is also a sub-committee of the main Board of Trustees. Its purpose is described in the Trustees' Report. Attendance at meetings in the year was as follows:

TLO Member	Meetings attended	Out of a possible
Rachel Cramp (resigned 27 March 2018)	1	2
Tracey France (appointed 9 January 2018)	2	4
Margaret Haywood	2	4
Michael Kitcatt	4	4
Judith Pettersen	3	4

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."

The Board of Trustees have 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.

Governors have worked 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 Executive Board meets monthly and drives the improvement and standards agenda, and the Full Governing Body ensures that all statutory functions are effectively carried out. From September 2018, the Executive Committee will have responsibility for standards and will subsume the work of the TLO Committee, while the Board of Trustees will absorb the work of the ELM and PDBW Committees.

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

- have a deep and detailed knowledge of the school;
- have restructured the governing body so they focus closely on what matters most, avoid repetition of meetings and, so, have better impact;
- have established a committee, the 'executive board', which is made up of a small number of governors; 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 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'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 has delivered improved value for money during the year by:

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

- Shifting the College's recruitment strategy towards a presumption 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);
- Switching to a new broadband provider that offers substantially lower long-term pricing and a significantly improved level of service;
- Replacing the College's stock of printers and photocopiers and entering into a lower-cost leasing agreement for the new machines;
- Constantly reviewing the quality of students' learning to enable the College to achieve above average levels of student progress.

**THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable, and not absolute, assurance of effectiveness. The system of internal control is based on an ongoing process designed to

- Identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives;
- Evaluate the likelihood of those risks being realised and the impact should they be realised; and
- Manage them efficiently, effectively and economically.

The system of internal control has been in place in Bishop Perowne Church of England College for the period from 1 September 2017 to 31 August 2018 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 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's significant risks, that has been in place for the year 1 September 2017 to 31 August 2018 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'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 ELM Committee (and, under the new governance structure, by the Board of Trustees) of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

The Board of Trustees has considered the need for a specific internal audit function and has decided to appoint Claire Hollins, one of the Trustees and a qualified accountant, as internal auditor.

The internal auditor's role is to perform a range of checks on the College's financial systems throughout the year, to give advice on financial matters, including procedures and controls, and to prepare reports on her findings and recommendations. In particular, the checks carried out in the current period included:

- Petty cash handling;
- Bank reconciliations;
- Banking arrangements; and
- The general operations of the finance office.

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

The internal auditor has reported to the Board of Trustees, through the ELM Committee, on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities. The internal auditor has delivered her schedule of work as planned and has made recommendations concerning improvements to the petty cash process, the number of College bank accounts and the need to update the College's payments protocols to reflect the increased importance of internet payments.

It is intended to make changes to the College's finance and internal control policies in 2018/19 when these next come up for review by the Board of Trustees so that the internal auditor's recommendations become part of the College's financial control regime.

**REVIEW OF EFFECTIVENESS**

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

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

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

Approved by order of the members of the Board of Trustees on

and signed on their behalf by

  
Judith Petersen  
Chair of Trustees

11/12/18

  
Mark Pollard  
Accounting Officer

11/12/18

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

**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

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As Accounting Officer of Bishop Perowne Church of England College I have considered my responsibility to notify the academy trust 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 trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2017.

I confirm that I and the academy trust Board of Trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2017.

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

*M. A. Pollard*

**Mark Pollard  
Accounting Officer**

11/12/18

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

**STATEMENT OF TRUSTEES' RESPONSIBILITIES  
FOR THE YEAR ENDED 31 AUGUST 2018**

The Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Strategic report, the Trustees' report and the financial statements in accordance with the Annual Accounts Direction issued by the Education & 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:

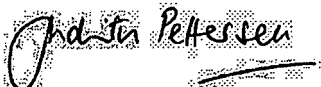
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

The Trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from 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 and signed on its behalf by:



**Mrs Judith Pettersen  
Chair of Governors**

**Date: 11 December 2018**

**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 2018 which comprise the Statement of financial activities incorporating income and expenditure account, 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 2015 and the Academies Accounts Direction 2017 to 2018 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 2018 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 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.

**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. 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

**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**

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 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.

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.

**RESPONSIBILITIES OF TRUSTEES**

As explained more fully in the Statement of Trustees' responsibilities, the Trustees (who are also the directors of the Academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, 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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' report.

**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**

**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.

*Bishop Fleming LLP*

John Talbot FCA (Senior Statutory Auditor)

for and on behalf of

**Bishop Fleming LLP**

Chartered Accountants

Statutory Auditors

16 Queen Square

Bristol

BS1 4NT

Date 20.12.18

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

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

In accordance with the terms of our engagement letter dated 29 October 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, 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 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Bishop Perowne Church of England College and the 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 the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Bishop Perowne Church of England College and the 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 2017, 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 2017 to 2018. 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 2017 to 31 August 2018 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

**APPROACH**

We conducted our engagement in accordance with the Academies Accounts Direction 2017 to 2018 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

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

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

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

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

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**CONCLUSION**

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

*Bishop Fleming LLP*

John Talbot FCA (Reporting Accountant)

**Bishop Fleming LLP**  
Chartered Accountants  
Statutory Auditors  
16 Queen Square  
Bristol  
BS1 4NT

Date: 20.12.18

**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 2018**

	Note	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
<b>INCOME FROM:</b>						
Donations and capital grants	2	-	6,810	305,541	312,351	43,375
Charitable activities	3	-	4,456,415	-	4,456,415	4,216,750
Other trading activities	4	274,539	-	-	274,539	288,533
Investments	5	988	-	-	988	982
<b>TOTAL INCOME</b>		<b>275,527</b>	<b>4,463,225</b>	<b>305,541</b>	<b>5,044,293</b>	<b>4,549,640</b>
<b>EXPENDITURE ON:</b>						
Raising funds		211,243	47,597	-	258,840	243,818
Charitable activities		(5,871)	4,548,111	314,532	4,856,772	4,745,022
<b>TOTAL EXPENDITURE</b>	6	<b>205,372</b>	<b>4,595,708</b>	<b>314,532</b>	<b>5,115,612</b>	<b>4,988,840</b>
<b>NET INCOME / (EXPENDITURE) BEFORE TRANSFERS</b>						
Transfers between Funds	19	70,155 (52,038)	(132,483) 11,494	(8,991) 40,544	(71,319)	(439,200)
<b>NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES</b>						
		18,117	(120,989)	31,553	(71,319)	(439,200)
Actuarial gains on defined benefit pension schemes	24	-	217,000	-	217,000	301,000
<b>NET MOVEMENT IN FUNDS</b>		<b>18,117</b>	<b>96,011</b>	<b>31,553</b>	<b>145,681</b>	<b>(138,200)</b>
<b>RECONCILIATION OF FUNDS:</b>						
Total funds brought forward		51,150	(1,001,011)	7,038,218	6,088,357	6,226,557
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>69,267</b>	<b>(905,000)</b>	<b>7,069,771</b>	<b>6,234,038</b>	<b>6,088,357</b>

The notes on pages 27 to 46 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 2018**

	Note	£	2018 £	£	2017 £
<b>FIXED ASSETS</b>					
Tangible assets	13		6,916,315		7,038,218
<b>CURRENT ASSETS</b>					
Stocks	14	5,717		5,596	
Debtors	15	226,239		105,184	
Cash at bank and in hand		338,513		249,274	
		<u>570,469</u>		<u>360,054</u>	
<b>CREDITORS: amounts falling due within one year</b>	16	<u>(305,189)</u>		<u>(269,506)</u>	
<b>NET CURRENT ASSETS</b>			<u>265,280</u>		<u>90,548</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>7,181,595</u>		<u>7,128,766</u>
<b>CREDITORS: amounts falling due after more than one year</b>	17	<u>(42,557)</u>		<u>(12,409)</u>	
<b>NET ASSETS EXCLUDING PENSION SCHEME LIABILITIES</b>			<u>7,139,038</u>		<u>7,116,357</u>
Defined benefit pension scheme liability	24	(905,000)		(1,028,000)	
<b>NET ASSETS</b>			<u>6,234,038</u>		<u>6,088,357</u>
<b>FUNDS OF THE ACADEMY TRUST</b>					
Restricted funds:					
General funds	19			26,989	
Fixed asset funds	19	7,069,771		7,038,218	
Restricted funds excluding pension liability		<u>7,069,771</u>		<u>7,065,207</u>	
Pension reserve		<u>(905,000)</u>		<u>(1,028,000)</u>	
Total restricted funds			<u>6,164,771</u>		<u>6,037,207</u>
Unrestricted funds	19		<u>69,267</u>		<u>51,150</u>
<b>TOTAL FUNDS</b>			<u>6,234,038</u>		<u>6,088,357</u>

The financial statements on pages 24 to 46 were approved by the Trustees and authorised for issue on 11/12/18 and are signed on their behalf by:

*M. A. Pollard*

**Mark Pollard**  
**Trustee**

The notes on pages 27 to 46 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 2018**

	Note	2018 £	2017 £
<b>Cash flows from operating activities</b>			
Net cash used in operating activities	21	(54,808)	(22,342)
<b>Cash flows from investing activities:</b>			
Interest received		988	982
Purchase of tangible fixed assets		(192,629)	(36,328)
Capital grants from DfE Group		305,541	16,386
<b>Net cash provided by/(used in) investing activities</b>		<b>113,900</b>	<b>(18,960)</b>
<b>Cash flows from financing activities:</b>			
Repayments of ESFA loans		(1,910)	(955)
Cash inflows from new ESFA loans		32,057	-
<b>Net cash provided by/(used in) financing activities</b>		<b>30,147</b>	<b>(955)</b>
<b>Change in cash and cash equivalents in the year</b>		<b>89,239</b>	<b>(42,257)</b>
Cash and cash equivalents brought forward		249,274	291,531
<b>Cash and cash equivalents carried forward</b>	22	<b>338,513</b>	<b>249,274</b>

The notes on pages 27 to 46 form part of these financial statements.

**BISHOP PEROWNE CHURCH OF ENGLAND COLLEGE  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2018**

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**1. ACCOUNTING POLICIES**

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

**1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Bishop Perowne Church of England College constitutes a public benefit entity as defined by FRS 102.

**1.2 FUND ACCOUNTING**

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

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

Restricted general funds comprise all other restricted funds received 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.

**BISHOP PEROWNE CHURCH OF ENGLAND COLLEGE  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2018**

**1. ACCOUNTING POLICIES (continued)**

**1.3 INCOME**

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

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

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

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

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

Other income, including the hire of facilities, is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

**1.4 EXPENDITURE**

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

Expenditure on raising funds 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.

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

All expenditure is inclusive of irrecoverable VAT.

**BISHOP PEROWNE CHURCH OF ENGLAND COLLEGE  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2018**

**1. ACCOUNTING POLICIES (continued)**

**1.5 GOING CONCERN**

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

**1.6 TANGIBLE FIXED ASSETS AND DEPRECIATION**

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

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of financial activities and carried forward in the Balance sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of financial activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

The Academy has been granted use of the school buildings from the Diocese of Worcester under a Supplemental Agreement. The Academies Financial Handbook 2016-17 prescribes that under this agreement the risks and rewards of ownership can be considered to remain with the Academy. Therefore the land and buildings have been included within the long-term leasehold property of the Academy.

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

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

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

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

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

**BISHOP PEROWNE CHURCH OF ENGLAND COLLEGE  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2018**

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**1. ACCOUNTING POLICIES (continued)**

**1.7 OPERATING LEASES**

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

**1.8 STOCKS**

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

**1.9 TAXATION**

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

**1.10 DEBTORS**

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

**1.11 CASH AT BANK AND IN HAND**

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

**1.12 LIABILITIES AND PROVISIONS**

Liabilities and provisions are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Academy anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

**BISHOP PEROWNE CHURCH OF ENGLAND COLLEGE  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2018**

**1. ACCOUNTING POLICIES (continued)**

**1.13 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 basis are as follows:

*Financial assets* - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at fair value.

*Financial liabilities* - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in notes 16 and 17. 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.

**1.14 PENSIONS**

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ("TPS") and the Local Governments 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. As stated in note 24, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of financial activities 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.

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**1. ACCOUNTING POLICIES (continued)**

**1.15 CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGMENT**

Estimates and judgments 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 (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 24, 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 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

**Critical areas of judgment**

The Academy obtains the use of fixed assets as a lessee. The classification of such leases as operating or finance requires the Academy 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.

**2. INCOME FROM DONATIONS AND CAPITAL GRANTS**

	Unrestricted funds	Restricted funds	Restricted fixed asset funds	Total funds	Total funds
	2018	2018	2018	2018	2017
	£	£	£	£	£
Private Donations	-	6,810	-	6,810	26,989
Capital Grants	-	-	305,541	305,541	16,386
		6,810	305,541	312,351	43,375
Total 2017		26,989	16,386	43,375	

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**FOR THE YEAR ENDED 31 AUGUST 2018**

**3. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
<b>DfE/ESFA grants</b>				
General Annual Grant		4,091,145	4,091,145	3,880,708
Other DfE/ESFA grants		292,817	292,817	281,470
		<b>4,383,962</b>	<b>4,383,962</b>	<b>4,162,178</b>
<b>Other Government grants</b>				
Other government grants		72,453	72,453	54,572
		<b>72,453</b>	<b>72,453</b>	<b>54,572</b>
<b>Other funding</b>				
		<b>4,456,415</b>	<b>4,456,415</b>	<b>4,216,750</b>
<b>Total 2017</b>		<b>4,216,750</b>	<b>4,216,750</b>	

**4. OTHER TRADING ACTIVITIES**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Lettings	50,919	-	50,919	53,390
External Catering	220,913	-	220,913	231,558
Other	2,707	-	2,707	3,585
	<b>274,539</b>		<b>274,539</b>	<b>288,533</b>
<b>Total 2017</b>	<b>288,533</b>		<b>288,533</b>	

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**5. INVESTMENT INCOME**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Bank interest	988	-	988	982
<b>Total 2017</b>	<b>982</b>	<b>-</b>	<b>982</b>	

**6. EXPENDITURE**

	Staff costs 2018 £	Premises 2018 £	Other costs 2018 £	Total 2018 £	Total 2017 £
Expenditure on fundraising trading					
Direct costs	130,438	-	128,402	258,840	243,818
Support costs	-	-	-	-	-
Education					
Direct costs	3,096,927	-	378,220	3,475,147	3,374,852
Support costs	606,421	539,503	235,701	1,381,625	1,370,170
	<b>3,833,786</b>	<b>539,503</b>	<b>742,323</b>	<b>5,115,612</b>	<b>4,988,840</b>
<b>Total 2017</b>	<b>3,632,475</b>	<b>531,907</b>	<b>729,676</b>	<b>4,894,058</b>	

**7. DIRECT COSTS**

	Total 2018 £	Total 2017 £
Pension finance costs	7,200	14,200
Educational supplies	73,037	74,861
Examination fees	61,367	58,807
Staff development	15,039	7,750
Other costs	211,661	275,870
Supply teachers	85,298	115,489
Technology costs	9,916	6,681
Wages and salaries	2,379,363	2,222,268
National insurance	222,042	226,082
Pension cost	410,224	372,844
	<b>3,475,147</b>	<b>3,374,852</b>
<b>Total 2017</b>	<b>3,374,852</b>	

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**8. SUPPORT COSTS**

	<b>Total 2018 £</b>	<b>Total 2017 £</b>
Pension finance costs	16,800	11,800
Recruitment and support	9,868	9,498
Maintenance of premises and equipment	168,512	178,621
Cleaning	4,339	3,824
Rent and rates	36,411	34,639
Energy costs	80,476	65,789
Insurance	19,959	19,325
Security and transport	14,159	13,272
Catering	462	2,295
Technology costs	48,187	45,223
Office overheads	38,133	37,919
Legal and professional	22,117	35,501
Loss on disposal of fixed assets	-	1,022
Governance	1,249	1,524
Wages and salaries	417,304	404,347
National insurance	33,477	33,032
Pension cost	155,640	141,995
Depreciation	314,532	330,544
	<b>1,381,625</b>	<b>1,370,170</b>
<b>Total 2017</b>		<b>1,370,170</b>

**9. NET INCOME / (EXPENDITURE) FOR THE PERIOD**

This is stated after charging:

	<b>2018 £</b>	<b>2017 £</b>
Depreciation of tangible fixed assets: - owned by the charity	314,532	330,544
Auditors' remuneration - audit	9,400	9,140
Auditors' remuneration - non audit	1,870	1,945
Operating lease rentals	21,958	21,315

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**10. STAFF COSTS**

**a. Staff costs**

Staff costs were as follows:

	2018 £	2017 £
Wages and salaries	2,909,611	2,737,539
Social security costs	259,215	261,420
Operating costs of defined benefit pension schemes	579,662	518,027
	<u>3,748,488</u>	<u>3,516,986</u>
Agency staff costs	85,298	115,489
	<u>3,833,786</u>	<u>3,632,475</u>

**b. Staff numbers**

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

	2018 No.	2017 No.
Teachers	44	46
Administration and support including teaching assistants	49	55
Management	9	8
	<u>102</u>	<u>109</u>

Average headcount expressed as a full time equivalent:

	2018 No.	2017 No.
Teachers	40	43
Administration and support including teaching assistants	34	41
Management	9	8
	<u>83</u>	<u>92</u>

**c. Higher paid staff**

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

	2018 No.	2017 No.
In the band £60,001 - £70,000	1	0
In the band £80,001 - £90,000	0	1
In the band £90,001 - £100,000	1	0

**d. Key management personnel**

The key management personnel of the Academy Trust comprise the Trustees (who do not receive remuneration for their role as Trustees) and the Senior Leadership Team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Academy Trust was £601,817 (2017: £668,578).

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**11. TRUSTEES' REMUNERATION AND EXPENSES**

The Headteacher and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff, and not in respect of their services as Trustees. Other Trustees did not receive any payments, other than expenses, from the Academy in respect of their role as Trustees. The value of Trustees' remuneration in the year was: Mr M A Pollard: remuneration £90,000-£95,000 (2017: £85,000-£90,000); employer's pension contribution £10,000-£15,000 (2017: £10,000-£15,000); Mrs K Wigley: remuneration £35,000-£40,000 (2017: £35,000-£40,000); employer's pension contribution £5,000-£10,000 (2017: ENIL).

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

During the year ended 31 August 2018, one Trustee received reimbursement of expenses totalling £8 (2017: £1,128 to 6 Trustees).

**12. TRUSTEES' AND OFFICERS' INSURANCE**

The academy trust has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees 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.

**13. TANGIBLE FIXED ASSETS**

	Long term leasehold property £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Total £
<b>COST</b>					
At 1 September 2017	7,674,166	-	220,291	284,130	8,178,587
Additions	136,162	2,019	28,393	26,055	192,629
At 31 August 2018	7,810,328	2,019	248,684	310,185	8,371,216
<b>DEPRECIATION</b>					
At 1 September 2017	781,222	-	118,876	240,271	1,140,369
Charge for the year	235,606	421	34,916	43,589	314,532
At 31 August 2018	1,016,828	421	153,792	283,860	1,454,901
<b>NET BOOK VALUE</b>					
At 31 August 2018	6,793,500	1,598	94,892	26,325	6,916,315
At 31 August 2017	6,892,944	-	101,415	43,859	7,038,218

**14. STOCKS**

	2018 £	2017 £
Goods for resale and for use in the school	5,717	5,596

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**15. DEBTORS**

	2018	2017
	£	£
Trade debtors	8,443	35,300
Prepayments and accrued income	199,589	60,837
VAT recoverable	18,207	9,047
	<u>226,239</u>	<u>105,184</u>

**16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2018	2017
	£	£
Salix loan	1,910	1,910
Trade creditors	1,881	114,023
Other taxation and social security	70,669	71,898
Accruals and deferred income	230,729	81,675
	<u>305,189</u>	<u>269,506</u>

**17. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2018	2017
	£	£
Condition Improvement Fund loan	32,057	-
Salix loan	10,500	12,409
	<u>42,557</u>	<u>12,409</u>

Included within Creditors falling due after more than one year is a Salix loan balance of £10,500 (2017: £12,409). The loan is repayable in yearly instalments with an applicable annual interest rate of NIL%.

Included within Creditors falling due after more than one year is a CIF loan balance of £32,057 (2017: £NIL). The terms of the CIF loan were still awaited from the ESFA at 31 August 2018.

**18. FINANCIAL INSTRUMENTS**

	2018	2017
	£	£
Financial assets measured at fair value through income and expenditure	338,513	249,274
Financial assets measured at amortised cost	191,143	105,184
	<u>529,656</u>	<u>354,458</u>
Financial liabilities measured at amortised cost	<u>277,077</u>	<u>281,915</u>

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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.

**19. STATEMENT OF FUNDS**

	Brought forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Carried forward £
<b>UNRESTRICTED FUNDS</b>						
General funds	51,150	275,527	(205,372)	(52,038)	-	69,267
<b>RESTRICTED FUNDS</b>						
General Annual Grant (GAG)	-	4,067,362	(4,078,856)	11,494	-	-
High Needs funding	-	72,453	(72,453)	-	-	-
Pupil Premium (PP)	-	271,348	(271,348)	-	-	-
Other restricted	-	45,252	(45,252)	-	-	-
Donations	26,989	6,810	(33,799)	-	-	-
Pension reserve	(1,028,000)	-	(94,000)	-	217,000	(905,000)
	(1,001,011)	4,463,225	(4,595,708)	11,494	217,000	(905,000)
<b>RESTRICTED FIXED ASSET FUNDS</b>						
Fixed assets transferred on conversion	6,110,762	-	(314,532)	-	-	5,796,230
Fixed assets purchased from GAG and other restricted funds	311,918	-	-	40,544	-	352,462
DfE/ESFA Capital grants	576,690	305,541	-	-	-	882,231
Other LA grants	36,467	-	-	-	-	36,467
Insurance claim	2,381	-	-	-	-	2,381
	7,038,218	305,541	(314,532)	40,544	-	7,069,771
Total restricted funds	6,037,207	4,768,766	(4,910,240)	52,038	217,000	6,164,771
Total of funds	6,088,357	5,044,293	(5,115,612)	-	217,000	6,234,038

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.

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**19. STATEMENT OF FUNDS (continued)**

**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 purchased 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 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 unrestricted fund and the restricted fund represents the transfer of unrestricted income to cover the overspend on the General Annual Grant (GAG).

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.

**STATEMENT OF FUNDS - PRIOR YEAR**

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
General funds	158,101	289,515	(242,925)	(153,541)	-	51,150

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**19. STATEMENT OF FUNDS (continued)**

**RESTRICTED FUNDS**

General Annual Grant (GAG)		3,880,708	(4,014,307)	133,599		
High Needs funding		39,572	(39,572)			
Pupil Premium (PP)		258,678	(258,678)			
Other restricted funds		37,792	(37,792)			
Donations		26,989				26,989
Pension reserve	(1,265,000)		(64,000)		301,000	(1,028,000)
	(1,265,000)	4,243,739	(4,414,349)	133,599	301,000	(1,001,011)

**RESTRICTED FIXED ASSET FUNDS**

Fixed assets transferred on conversion	6,240,364		(129,602)			6,110,762
Fixed assets purchased from GAG and other restricted funds	398,919		(106,943)	19,942		311,918
DfE/ESFA Capital grants	652,267	16,386	(91,963)			576,690
Other LA grants	39,187		(2,720)			36,467
Insurance claim	2,719		(338)			2,381
	7,333,456	16,386	(331,566)	19,942		7,038,218
Total restricted funds	6,068,456	4,260,125	(4,745,915)	153,541	301,000	6,037,207
Total of funds	6,226,557	4,549,640	(4,988,840)		301,000	6,088,357

**20. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	6,916,315	6,916,315
Current assets	69,267	216,103	285,099	570,469
Creditors due within one year	-	(216,103)	(89,086)	(305,189)
Creditors due in more than one year	-	-	(42,557)	(42,557)
Pension scheme liability	-	(905,000)	-	(905,000)
	69,267	(905,000)	7,069,771	6,234,038

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**20. ANALYSIS OF NET ASSETS BETWEEN FUNDS (continued)**

**ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR**

	Unrestricted funds	Restricted funds	Restricted fixed asset funds	Total funds
	2017 £	2017 £	2017 £	2017 £
Tangible fixed assets	-	-	7,038,218	7,038,219
Current assets	51,150	308,904	-	360,054
Creditors due within one year	-	(267,596)	-	(269,506)
Creditors due in more than one year	-	(14,319)	-	(14,319)
Provisions for liabilities and charges	-	(1,028,000)	-	(1,028,000)
	<u>51,150</u>	<u>(1,001,011)</u>	<u>7,038,218</u>	<u>6,088,357</u>

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

	2018 £	2017 £
Net expenditure for the year (as per Statement of Financial Activities)	(71,319)	(439,200)
<b>Adjustment for:</b>		
Depreciation charges	314,532	330,544
Interest received	(988)	(982)
Loss on the sale of fixed assets	-	1,022
(Increase)/decrease in stocks	(121)	13,234
(Increase)/decrease in debtors	(121,055)	31,236
Increase/(decrease) in creditors	35,684	(5,810)
Capital grants from DfE and other capital income	(305,541)	(16,386)
Defined benefit pension scheme cost less contributions payable	70,000	38,000
Defined benefit pension scheme finance cost	24,000	26,000
<b>Net cash used in operating activities</b>	<u>(54,808)</u>	<u>(22,342)</u>

**22. ANALYSIS OF CASH AND CASH EQUIVALENTS**

	2018 £	2017 £
Cash at bank and in hand	338,513	249,274
	<u>338,513</u>	<u>249,274</u>

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**23. CAPITAL COMMITMENTS**

At 31 August 2018 the Academy had capital commitments as follows:

	2018 £	2017 £
Contracted for but not provided in these financial statements	185,514	-

**24. PENSION COMMITMENTS**

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

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

Contributions amounting to £60,845 were payable to the schemes at 31 August 2018 (2017: 49,306) and are included within creditors.

**Teachers' Pension Scheme**

**Introduction**

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

**Valuation of the Teachers' Pension Scheme**

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

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

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**24. PENSION COMMITMENTS (continued)**

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £344,271 (2017: £315,766).

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

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

**Local Government Pension Scheme**

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £215,000 (2017: £155,000), of which employer's contributions totalled £173,000 (2017: £130,000) and employees' contributions totalled £42,000 (2017: £25,000). The agreed contribution rates for future years are 18.1% for employers and 5.9% for employees.

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

Principal actuarial assumptions

	2018	2017
Discount rate for scheme liabilities	2.80 %	2.40 %
Rate of increase in salaries	3.60 %	3.70 %
Rate of increase for pensions in payment / inflation	2.20 %	2.20 %
Inflation assumption (CPI)	2.10 %	2.20 %

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

	2018 years	2017 years
Retiring today		
Males	22.7	22.6
Females	25.7	25.6
Retiring in 20 years		
Males	24.9	24.8
Females	28	27.9

	At 31 August 2018 £	At 31 August 2017 £
<b>Sensitivity analysis</b>		
Discount rate +0.1% p.a.	867,000	992,000
Mortality assumption - 1 year increase	943,000	1,064,000
CPI rate +0.1% p.a.	945,000	1,066,000
Pay growth +0.1% p.a.	912,000	1,036,000

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**24. PENSION COMMITMENTS (continued)**

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

	Fair value at 31 August 2018 £	Fair value at 31 August 2017 £
Equities	911,000	805,000
Corporate bonds	150,000	49,000
Property	56,000	36,000
Cash and other liquid assets	25,000	12,000
Other	43,000	34,000
<b>Total market value of assets</b>	<b>1,185,000</b>	<b>936,000</b>

The amounts recognised in the Statement of financial activities incorporating income and expenditure account are as follows:

	2018 £	2017 £
Current service cost	(243,000)	(146,000)
Interest income	22,000	14,000
Interest cost	(46,000)	(40,000)
Benefit changes, gain/(loss) on curtailment and gain/(loss) on settlement	(31,000)	(22,000)
<b>Total</b>	<b>(298,000)</b>	<b>(194,000)</b>
<b>Actual return on scheme assets</b>	<b>67,000</b>	<b>118,000</b>

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

	2018 £	2017 £
Opening defined benefit obligation	1,964,000	1,969,000
Current service cost	243,000	146,000
Interest cost	46,000	40,000
Employee contributions	42,000	25,000
Actuarial gains	(174,000)	(185,000)
Benefits paid	(31,000)	(53,000)
Losses on curtailments		22,000
<b>Closing defined benefit obligation</b>	<b>2,090,000</b>	<b>1,964,000</b>

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**24. PENSION COMMITMENTS (continued)**

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

	2018 £	2017 £
Opening fair value of scheme assets	936,000	704,000
Interest income	25,000	14,000
Actuarial gains	43,000	116,000
Employer contributions	173,000	130,000
Employee contributions	42,000	25,000
Benefits paid	(31,000)	(53,000)
Administration expense	(3,000)	
Closing fair value of scheme assets	<u>1,185,000</u>	<u>936,000</u>

**25. OPERATING LEASE COMMITMENTS**

At 31 August 2018 the total of the Academy trust's future minimum lease payments under non-cancellable operating leases was:

	2018 £	2017 £
<b>AMOUNTS PAYABLE:</b>		
Within 1 year	17,057	12,724
Between 1 and 5 years	20,547	16,265
Total	<u>37,604</u>	<u>28,989</u>

**26. 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 11.

**27. 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.

**28. 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.