
BISHOP PEROWNE CHURCH OF ENGLAND COLLEGE

(A Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2021

BISHOP PEROWNE CHURCH OF ENGLAND COLLEGE
(A Company Limited by Guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS

Members	The Worcester Diocesan Academies Trust Judith Pettersen Michael Kilcatt Rebecca Surridge (resigned 31 March 2021) Timothy Clarke
Trustees	Matthew Bunn Timothy Clarke Tracey France Margaret Haywood (resigned 1 September 2021) Claire Hollins (resigned 20 November 2020) Mark Pollard (resigned 31 December 2020) Julie Smith-Rose Paul Taylor Iain Williams (resigned 20 November 2020) Iris Crittenden Emma Glazzard (appointed 25 September 2020) Anita Iddon (appointed 25 September 2020) Jane Price (appointed 1 January 2021) Ruth Scotson (appointed 4 October 2021)
Company registered number	08024353
Company name	Bishop Perowne Church of England College
Principal and registered office	Bishop Perowne Church of England College Merrimans Hill Road Worcester Worcestershire WR3 8LE
Company secretary	Karen Wigley
Independent auditors	Randall & Payne LLP Chargrove House Shurdington Road Cheltenham Gloucestershire GL51 4GA
Bankers	Lloyds Bank PLC The Cross Worcester Worcestershire WR1 3PY

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REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Solicitors 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 2021

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year 1 September 2020 to 31 August 2021. The annual report serves the purposes of both a Trustees' report and a directors' report under company law.

The Trust operates an academy for pupils aged 11 to 16 serving a catchment area in Worcestershire. It has a pupil capacity of 1,050 and had a roll of 900 in the October 2020 school census. From September 2021 the PAN of the school is increasing as requested by the Local Authority to 240 per year group to a capacity of 1,200.

Structure, governance and management

a. Constitution

The Academy is a charitable company limited by guarantee and an exempt charity.

The charitable company's Trust deed is the primary governing document 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.

Details of the Trustees who served during the year, and to the date these accounts are approved are included in the Reference and administrative details on page 1.

b. Members' liability

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

c. 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. In 2020-21 the school applied for Certification against Cyber Threats to receive free Insurance through the RPA for Cyber Attacks which was secured in September 2021.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Structure, governance and management (continued)

d. Method of recruitment and appointment or election of Trustees

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

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

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

In addition, the Governing Body could appoint up to two co-opted Trustees. The Head Teacher was to be treated for all purposes as being an ex officio governor. Under the OAA, Trustees (except for the Head Teacher) were subject to retirement after four years of service but were eligible for re-appointment or re-election at the meeting at which they retired.

e. Policies adopted for the induction and training of Trustees

The training and induction provided for new Trustees will depend upon their existing experience but will always include a tour of the College and a chance to meet staff and pupils. Most induction is carried out in-house, but third party trainers may be brought in, or Trustees may attend external courses as appropriate. All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Trustees. As there are normally two or three new Trustees a year at most, induction tends to be done informally and is tailored specifically to the individual. Advantage is taken of specific courses offered by the Local Authority and other bodies.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Structure, governance and management (continued)

f. Organisational structure

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

In 2020-21 there were seven meetings of the Executive Board. The Executive Board is made up of 5 Trustees, including the Chair and Vice Chair. The Executive Board met in order to

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

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

Trustees and the Senior Leadership Team

The Trustees are responsible for setting general policy, adopting an annual plan and budget, approving the statutory accounts, monitoring the College by the use of budgets and other data, and making major decisions about the direction of the College, capital expenditure and staff appointments.

The Trustees and Board of Trustees devolve responsibility for day-to-day management of the College to the Head Teacher and Senior Leadership Team (SLT). The SLT comprises the Head Teacher, the Deputy Head Teacher, the Assistant Head Teachers and the Chief Financial Officer. The SLT implements the policies laid down by the Trustees and reports back to them on performance.

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

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

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Structure, governance and management (continued)

Head Teacher to manage certain aspects of the College.

g. Arrangements for setting pay and remuneration of key management personnel

In 2020-21, the pay and remuneration of the College's key management personnel were reviewed by the Remuneration Committee and approved by the Board of Trustees. Benchmarks used in setting the pay and remuneration of key management personnel included the overall academic performance of students measured by their GCSE results, together with the types of responsibility that individual key managers were allocated.

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

h. Trade union facility time

Relevant union officials

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

Percentage of time spent on facility time

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

Percentage of pay bill spent on facility time	£
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Total cost of facility time	-
Total pay bill	4,547,066
Percentage of total pay bill spent on facility time	- %

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	- %
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i. Related parties and other connected charities and organisations

During the year, the Senior Leadership team had leadership training provided by one of the board of Trustees through their employment at the University of Worcester, this was not at any personal gain.

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TRUSTEES' REPORT (CONTINUED)
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Structure, governance and management (continued)

j. Engagement with employees (including disabled persons)

Employees have been consulted on issues of concern to them by means of regular consultative committee and staff meetings and have been kept informed on specific matters directly by management. The Academy carries out exit interviews for all staff leaving the organisation and has adopted a procedure of upward feedback for senior management and the Trustees.

The Academy has implemented a number of detailed policies in relation to all aspects of personnel matters including:

- Equal opportunities policy
- Volunteers' policy
- Health & safety policy

In accordance with the Academy's equal opportunities policy, the Academy has long-established fair employment practices in the recruitment, selection, retention and training of disabled staff.

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

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

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

Objectives and activities

a. 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

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TRUSTEES' REPORT (CONTINUED)
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Objectives and activities (continued)

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.

b. Objectives, strategies and activities

All at Bishop Perowne Church of England College are committed to providing students with an exciting, appropriate and challenging education where achievement and enjoyment are paramount. As a Church of England academy, the College's concern for the development of the whole child extends to a care for students' spiritual development alongside their academic success.

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

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

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

For the 2020-21 academic year, the College set the following key priorities in four main areas:

- To redesign the leadership team and redesignate roles and responsibilities.
- To reduce the gap between disadvantaged and other's attendance
- To embed learning routines and systems at Key stage 3
- To develop a more effective preparation method for in school assessments
- To successfully carry out the Summer 2021 TAG process for Year 11 GCSE grading
- To successfully and safely reopen the school following COVID closures

Progress against all these objectives was measured via regular lesson monitoring by members of the SLT and by outside consultants, via regular analysis of performance data and via targeted actions in response to the results of lesson monitoring and data evaluation where this was available due to the closure of the school in response to the COVID-19 pandemic.

The Trustees acknowledge that the COVID-19 pandemic impacted on the College's ability to deliver on these objectives due to closure of the College except for a small provision to Key Worker children and some of our more vulnerable learners. The College did however set up robust procedures to deliver regular work for pupils which could be accessed through the website and they also created work packs that could be collected from College for those with no access to online facilities or technical hardware. This was regularly reviewed and updated on a weekly basis. Tutors were tasked with keeping in touch with all pupils to monitor and support them in these unprecedented times with specific emphasis on our more vulnerable pupils. All efforts were made to support and prevent barriers to continued learning in the home environment and the school accessed the DFE provision of Laptops to assist in this process. When the school was open the school invested additional time to support year 11 students preparing for GCSE's in the summer 2021 by providing additional lessons at the end of

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TRUSTEES' REPORT (CONTINUED)
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Objectives and activities (continued)

the school day throughout the Autumn term.

c. Public benefit

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

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

During the closure of the main part of the College due to the COVID-19 pandemic, the College continued to support the most deprived pupils by providing Free School Meals Vouchers either through the scheme provided by the Local Authority and also through the National Voucher Scheme for Free School Meals when this was available. They offered further support by referring families to the local foodbank for support and providing vouchers to students on Free School Meals who were required to self isolate.

Strategic report

Achievements and performance

In 2020-21, GCSE grades were awarded as teacher assessed grades (TAGs). The vast majority of students have been able to progress on to A Levels or the college courses of their choice. The government has indicated that there will be no performance tables or performance data published. The school received no formal appeals from students regarding their grade allocations.

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

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

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Strategic report (continued)

Achievements and performance (continued)

a. Key performance indicators

Throughout the year to 31 August 2021, the College maintained a budget versus outturn form of monthly reporting and financial analysis. Through this, the Board of Trustees and the Effective Leadership and Management Committee were able to monitor and control the financial activities of the College and maintain an appropriate level of working capital.

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

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

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

The College's main priorities for measuring key financial performance in 2020-21 continued to be:

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

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

The impact of the COVID-19 pandemic set the College new challenges for managing financial performance with the uncertainty throughout the year on funding available to support the school, the need to provide and source appropriate support for all our students to help them catch up and also support the most vulnerable in other ways. There was uncertainty throughout the year on a range of income sources including income from Catering and lettings of the college facilities out of hours, there were reduced costs.

On educational resources and enrichment due to the restrictions imposed by COVID-19 and also some learning continuing to be accessed remotely for part of the year. To combat some effects of these shortfalls, negotiations were made with the local primary school to continue to provide meals to their key worker provision and they would in turn pay the College a weekly amount equal to their numbers of free school meals.

The College followed a cautious approach due to these uncertainties and successfully achieved an overall surplus budget on restricted and unrestricted funds of £230k, £163k in excess of the set surplus of £67k. The current reserves target has been exceeded being just in excess of the £400k target at £650k.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Strategic report (continued)

Achievements and performance (continued)

b. Going concern

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

With over 97% of the College's finances being met from Government income streams that have continued during the continued COVID-19 pandemic the Board of Trustees are confident through careful monitoring and in year with the use of reserves as required longer term this is sustainable. Regular monitoring of costs against funding streams provided by Government will continue to keep tight financial control over the colleges resources.

Financial review

The College's accounting period ran from 1 September 2020 to 31 August 2021.

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 2021 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 and in 2020-21 received a small grant to assist vulnerable families affected by COVID-19 during the winter months.

During the year ended 31 August 2021, total revenue expenditure of £5.727.m (2020-£5.207m) was met by recurrent Grant funding from ESFA together with other incoming resources of £5.844m (2020-£5.330m). The excess of income over expenditure for the year including transfers to fixed assets but before depreciation and the costs of pension liabilities was £34k (2020 -£122k).

At 31 August 2021 the net book value of fixed assets was £6.786m and movements in tangible fixed assets are shown in note [15] 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 20-21 academic year, actuaries revalued the College's share of the LGPS deficit and increased the liability from £1.805m to £1.936m.

Following last year's Audit Management Letter, the finance policy was reviewed, amended and agreed with Trustees. The policies were shared with the appropriate personnel and the need for all staff to adhere to them is consistently re-iterated through regular reminders via email. Monthly reconciliations on all control accounts have been completed and dual authorisation of Bank Transactions on Lloyds Commercial Banking have been tightened. In year additional signatories have been added to provide greater flexibility and also the ability for transactions of a higher level to be authorised by senior staff who are not Finance personnel. The school now

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TRUSTEES' REPORT (CONTINUED)
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Strategic report (continued)

has 5 signatories available and two are required for all transactions.

Despite receiving the main funding directly from the ESFA, the formula used to distribute this is driven by the local authority. Following the National Fair Funding Review for schools, recent changes to per pupil funding rates and rising pupil numbers the College is benefitting favourably. With the planned expansion of the College this can only be positive however the College will not be complacent but continually benchmark and review financial policies, processes and contract to provide best value.

a. Reserves policy

During the year ended 31 August 2021, the College's restricted fixed asset funds increased from £6.828m to £9.124m. The Fixed Asset reserves include additional capitalised assets of £487k, part funded from Devolved Formula Capital and revenue contributions to capital. The increase relates to the realisation of income for the expansion of the school on entitlement of £2.557m offset by in year depreciation of £398k. After contributing to capitalised fixed assets the restricted general funds have risen from £379.8k to £621.8k and unrestricted funds decreased from £39.6k to £26.0k. The reduction in unrestricted funds mainly relates to the impact of COVID-19 on the income from Catering and Lettings of the Colleges premises.

The Trustees review the resources of the College and recognise the need to have sufficient reserves to protect against future fluctuations in funding. The reserves will be held in line with DfE guidelines. The policy will aim to carry forward sufficient funds to meet the College's long-term aims and objectives, ensuring that this does not affect its current operational activities.

Following the removal of Special measures in October 2019, the Trustees are free to focus on ways to bolster the College's reserves so that there is an adequate contingency buffer to provide financial resilience and robustness. The medium-term objective continues to be to maintain reserves to a level equivalent to one month's operating expenditure (approximately £400k). The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with temporarily unfunded rises in student numbers or unexpected emergencies such as urgent maintenance. This will be achieved by setting and delivering surplus budgets, via stringent cost control, and by attracting additional government funding through steady increases to the number of students on roll. The College believes it is now well positioned to begin this process of financial consolidation. In managing the proposed expansion of the College, cash flow management is key.

The College's buildings are owned by the Diocese of Worcester and the College is permitted by the Diocese to use this infrastructure. The College leases its sports fields and other areas of the site from Worcestershire County Council. Because the College is not the freehold owner of its land and buildings, it cannot realise restricted funds by disposing of such tangible fixed assets as surplus land.

As noted above, the LGPS defined benefit pension scheme reserve has a negative balance. The effect of the deficit position of the pension scheme is that the Academy Trust is paying higher employers' pension contributions over a period of years. The higher employers' pension contributions will be met from the Academy Trust's budgeted annual income. Whilst the deficit will not be immediately eliminated, there should be no actual cash flow deficit on the fund, nor any direct impact on the free reserves of the Academy Trust.

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TRUSTEES' REPORT (CONTINUED)
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b. 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.

c. 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 98% of the College's incoming resources were Government funded and whilst this level is expected to continue, there is no assurance that Government policy will remain the same or that public funding will continue at the same levels or on the same terms.
- **Failures in governance and/or management** – the risk in this area arises from potential failure to manage the College's finances, internal controls, legal and regulatory compliance and statutory returns effectively. The Trustees continue to monitor these areas and ensure that appropriate measures are in place to mitigate risks.
- **Fraud and mismanagement of funds** – the Academy has appointed an internal auditor review the Risk Management and Governance to ensure it meets the requirements of the Academy Financial Handbook which is now referred to as the Academy Trust handbook as the remit is wider than just Finance. Finance staff continually monitor updates from ESFA and DFE to ensure compliance with financial practice requirements for the Trust.
- **Reputational** – the future success of the College is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk, Trustees ensure that student achievement is closely monitored and reviewed.
- **Safeguarding and child protection** – the Trustees continue to ensure that the highest standards are maintained in the selection and monitoring of staff, in the operation of child protection policies and procedures, in health and safety and in discipline and student welfare.
- **Staffing** – the success of the College is dependent upon the quality of its staff and the Trustees therefore monitor and review policies and procedures to ensure the continued development and training of staff as well as ensuring there is clear succession planning.

In line with recommendations of the Academy Trust Handbook on Internal Scrutiny an Internal Auditor has been appointed that meets the newly revised FRC Ethical Standard for Auditors and is a separate company from the Statutory Auditors. The remit in 2020-21 was to review the college approach to Risk Management and Governance and review cash flow procedures in light of the large college expansion.

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

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

website and is regularly reviewed in line with any change in Government Guidance.

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 and the COVID-19 pandemic. The Trustees have implemented a number of systems to assess and minimise those risks. Where significant financial risk still remains they have ensured they have adequate insurance cover. In 2020-21 the college was successful in obtaining Cyber Essentials Certification and securing free Cyber threat insurance through the RPA.

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 [28] to the financial statements, represents a significant potential liability. However, as the Trustees consider that the Academy will be able to meet its known annual contribution commitments for the foreseeable future, the risk from this liability is minimised.

Fundraising

Some 98% of the College's funding comes from government sources and nearly all of the balance is generated by the College's own catering and lettings operations. However, the College is alert to alternative sources of funding. In 2020-21 they secured a grant from Forever Manchester to support a breakfast club for our most vulnerable learners and continued to secure additional funds from the National Collaborative Outreach Programme (NCOP) and applied for additional funding from the Local Authority for our more vulnerable families. They school is currently working with the Worcester Diocese to secure funds from an endowment to procure in 2021-22 a sensory garden to assist the learning of our more vulnerable students.

The College is pleased to work with the Bishop Perowne Friends Association (BPFA) which makes financial and other contributions to the College and organises its own fundraising activities. (The BPFA is in the process of becoming a registered charity in its own right). The College does not use intrusive fundraising methods, puts no pressure on potential donors or sponsors, and (aside from the BPFA) does not use the services of third party fundraisers to generate money for its activities.

Plans for future periods

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

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

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

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

BISHOP PEROWNE CHURCH OF ENGLAND COLLEGE
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Funds held as custodian on behalf of others

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

Disclosure of information to auditors

Insofar as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- that 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 Trustees' Report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 6 December 2021 and signed on its behalf by:



Anita Iddon
Chair of Trustees

BISHOP PEROWNE CHURCH OF ENGLAND COLLEGE
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT

Scope of responsibility

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

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

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

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 6 times during the year.

Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
Matthew Bunn	4	6
Timothy Clarke	6	6
Tracey France	6	6
Margaret Haywood (resigned 1 September 2021)	6	6
Claire Hollins (resigned 20 November 2020)	2	2
Mark Pollard (resigned 31 December 2020)	2	2
Julie Smith-Rose	5	6
Paul Taylor	6	6
Iain Williams (resigned 20 November 2020)	2	2
Iris Crittenden	5	6
Emma Glazzard (appointed 25 September 2020)	4	6
Anita Iddon, Chair from September 2021 (appointed 25 September 2020)	6	6
Jane Price (appointed 1 January 2021)	4	4
Ruth Scotson (appointed 4 October 2021)	0	0

The Executive Committee is a sub-committee of the main Board of Trustees.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Matthew Bunn	5	6
Mark Pollard	2	2
Jane Price	4	4
Tracey France	6	6
Margaret Haywood	6	6
Paul Taylor	4	6

BISHOP PEROWNE CHURCH OF ENGLAND COLLEGE
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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

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

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Matthew Bunn	1	3
Mark Pollard	1	1
Jane Price	2	2
Tim Clarke	3	3
Margaret Haywood	1	2

With 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 previously worked closely with Senior Leaders to move the College out of Special Measures to achieve an overall rating of “Good” against a challenging background of budgetary constraint. Governors have continued to work hard to improve their contribution to the leadership of the school and the recent Ofsted outcome recognises this has been effective. They are now structured so that a School Improvement Committee meets monthly and drives the improvement and standards agenda, and the Full Governing Body ensures that all statutory functions are effectively carried out.

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.”

BISHOP PEROWNE CHURCH OF ENGLAND COLLEGE
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

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:

- Continuing the recruitment strategy in favour of more junior joiners in order to reduce the overall expense profile of the staff base;
- Implementing Integrated Curriculum and Financial Planning into the budget planning of staffing across the school
- Reducing the number of pupils accessing alternative provision
- Reviewing the contracts for photocopiers across the school combining into one contract with more machines for the same price
- Reviewing the contract for the telephone system to make it ready for the ISDN switch off and also make it more fit for purpose being cloud based to enable use at home or work at a reduced ongoing cost overall
- Due to low mileage on the Colleges Minibus fleet extending the current lease for a further 12 months
- Providing an extended school day to support the catch up of year 11 students, providing mental health support and counselling for our most vulnerable students whilst ensuring there was a good support system set up to keep them safe from the spread of the coronavirus.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Bishop Perowne Church of England College for the year 1 September 2020 to 31 August 2021 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 2020 to 31 August 2021 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 Finance and General Purposes Committee of reports which indicate financial

BISHOP PEROWNE CHURCH OF ENGLAND COLLEGE
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GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework (continued)

performance against the forecasts and of major purchase plans, capital works and expenditure programmes

- setting targets to measure financial and other performance
- clearly defined purchasing (asset purchase or capital investment) guidelines
- identification and management of risks

The Board of Trustees has decided to employ Crowe as internal auditor.

There remit in 2020-21 was agreed by the board to focus on Governance and Risk Management and also Cash flow as this is key with the current school expansion.

The internal audit report was discussed at a meeting of the board on 27th September 2021.

The College's finance and internal control policies have been reviewed against External Audit recommendations in the management letter of 2019-20 and a number of changes have been implemented. The policy was agreed by the Trustees formally on 29th January 2021.

On an annual basis, the internal auditor reports to the Board of Trustees through the finance committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities and annually prepares a short annual summary report to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress.

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 finance 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 6 December 2021 and signed on their behalf by:



Anita Iddon
Chair of Trustees



Jane Price
Accounting Officer

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

As accounting officer of Bishop Perowne Church of England College I have considered my responsibility to notify the Academy Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy, under the funding agreement in place between the Academy and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2020.

I confirm that I and the Academy Board of Trustees are able to identify any material irregular or improper use of all funds by the Academy, or material non-compliance with the terms and conditions of funding under the Academy's funding agreement and the Academies Financial Handbook 2020.

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.



Jane Price
Accounting Officer
Date: 6 December 2021

BISHOP PEROWNE CHURCH OF ENGLAND COLLEGE
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STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2021

The Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Academies Accounts Direction published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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


- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Board of Trustees on 6 December 2021 and signed on its behalf by:



Anita Iddon
Chair of Trustees

BISHOP PEROWNE CHURCH OF ENGLAND COLLEGE
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**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 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 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 2021 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 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

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Academy's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

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

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The Trustees are responsible for the other information contained within the Annual Report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

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

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement, the Trustees (who are also the directors of the Academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of the legal and regulatory frameworks that are applicable to the Academy. These include but are not limited to compliance with the Companies Act 2006, Financial Reporting Standard applicable in the UK, the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency;

- we agreed the financial statement disclosures to supporting documentation;
- we made enquiries of management; and
- we reviewed board minutes throughout the year.

BISHOP PEROWNE CHURCH OF ENGLAND COLLEGE
(A Company Limited by Guarantee)

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

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

Use of our report

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



Ryan Moore CA (Senior Statutory Auditor)

for and on behalf of
Randall & Payne LLP

Chargrove House
Shurdington Road

Cheltenham
Gloucestershire
GL51 4GA

6 December 2021

BISHOP PEROWNE CHURCH OF ENGLAND COLLEGE
(A Company Limited by Guarantee)

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

In accordance with the terms of our engagement letter dated 5 May 2021 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, 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 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of Bishop Perowne Church of England College's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Bishop Perowne Church of England College's funding agreement with the Secretary of State for Education dated 20 February 2012 and the Academies Financial Handbook, extant from 1 September 2020, 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 2020 to 2021. 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 2020 to 31 August 2021 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 Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

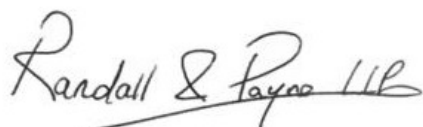
Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the Academy's income and expenditure.

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

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2020 to 31 August 2021 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Randall & Payne LLP
Chargrove House
Shurdington Road
Cheltenham
Gloucestershire
GL51 4GA

Date: 6 December 2021

BISHOP PEROWNE CHURCH OF ENGLAND COLLEGE
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**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2021**

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from:						
Donations and capital grants	4	-	-	2,689,332	2,689,332	207,769
Other trading activities		134,436	24,979	-	159,415	140,796
Investments	7	153	-	-	153	878
Charitable activities		125,820	5,558,992	-	5,684,812	5,179,646
Total income		<u>260,409</u>	<u>5,583,971</u>	<u>2,689,332</u>	<u>8,533,712</u>	<u>5,529,089</u>
Expenditure on:						
Raising funds		274,051	-	-	274,051	250,185
Charitable activities	9	-	5,453,100	476,981	5,930,081	5,290,570
Total expenditure		<u>274,051</u>	<u>5,453,100</u>	<u>476,981</u>	<u>6,204,132</u>	<u>5,540,755</u>
Net (expenditure)/income		<u>(13,642)</u>	<u>130,871</u>	<u>2,212,351</u>	<u>2,329,580</u>	<u>(11,666)</u>
Transfers between funds	20	-	(82,924)	82,924	-	-
Net movement in funds before other recognised gains/(losses)		<u>(13,642)</u>	<u>47,947</u>	<u>2,295,275</u>	<u>2,329,580</u>	<u>(11,666)</u>
Other recognised gains/(losses):						
Actuarial gains/(losses) on defined benefit pension schemes	28	-	63,000	-	63,000	(95,000)
Net movement in funds		<u>(13,642)</u>	<u>110,947</u>	<u>2,295,275</u>	<u>2,392,580</u>	<u>(106,666)</u>

BISHOP PEROWNE CHURCH OF ENGLAND COLLEGE
(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
(CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Reconciliation of funds:					
Total funds brought forward	39,630	(1,425,155)	6,828,822	5,443,298	5,549,964
Net movement in funds	(13,642)	110,947	2,295,275	2,392,580	(106,666)
Total funds carried forward	25,988	(1,314,208)	9,124,097	7,835,877	5,443,298

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

The notes on pages 33 to 61 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 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	15	6,786,176	6,697,200
		<u>6,786,176</u>	<u>6,697,200</u>
Current assets			
Stocks	16	2,206	1,701
Debtors	17	2,565,987	333,818
Cash at bank and in hand		776,813	475,439
		<u>3,345,006</u>	<u>810,958</u>
Creditors: amounts falling due within one year	18	(285,593)	(217,613)
		<u>3,059,413</u>	<u>593,345</u>
Net current assets		3,059,413	593,345
Total assets less current liabilities		9,845,589	7,290,545
Creditors: amounts falling due after more than one year	19	(73,712)	(42,248)
Net assets excluding pension liability		9,771,877	7,248,297
Defined benefit pension scheme liability	28	(1,936,000)	(1,805,000)
Total net assets		7,835,877	5,443,297
Funds of the Academy			
Restricted funds:			
Fixed asset funds	20	9,124,097	6,828,822
Restricted income funds	20	621,792	379,845
		<u>9,745,889</u>	<u>7,208,667</u>
Restricted funds excluding pension asset	20	9,745,889	7,208,667
Pension reserve	20	(1,936,000)	(1,805,000)
		<u>7,809,889</u>	<u>5,403,667</u>
Total restricted funds	20	7,809,889	5,403,667
Unrestricted income funds	20	25,988	39,630
		<u>7,835,877</u>	<u>5,443,297</u>
Total funds		7,835,877	5,443,297

BISHOP PEROWNE CHURCH OF ENGLAND COLLEGE
(A Company Limited by Guarantee)
REGISTERED NUMBER: 08024353

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2021

The financial statements on pages 28 to 61 were approved by the Trustees, and authorised for issue on 06 December 2021 and are signed on their behalf, by:

Anita Iddon

Anita Iddon
Chair of Trustees

Jane Price

Jane Price
Accounting Officer

The notes on pages 33 to 61 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 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	22	(1,781,074)	217,561
Cash flows from investing activities	24	2,088,525	(90,278)
Cash flows from financing activities	23	(6,077)	(1,909)
Change in cash and cash equivalents in the year		301,374	125,374
Cash and cash equivalents at the beginning of the year		475,439	350,065
Cash and cash equivalents at the end of the year	25, 26	776,813	475,439

The notes on pages 33 to 61 form part of these financial statements

BISHOP PEROWNE CHURCH OF ENGLAND COLLEGE
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. General information

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

2. Accounting policies

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

2.1 Basis of preparation of financial statements

The financial statements of the Academy, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2020 to 2021 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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

2.2 Going concern

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

BISHOP PEROWNE CHURCH OF ENGLAND COLLEGE
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

2. Accounting policies (continued)

2.3 Income

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

• **Grants**

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

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

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

• **Donations**

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

• **Other income**

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

2.4 Expenditure

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

• **Expenditure on raising funds**

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

• **Charitable activities**

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

BISHOP PEROWNE CHURCH OF ENGLAND COLLEGE
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

2. Accounting policies (continued)

2.4 Expenditure (continued)

All resources expended are inclusive of irrecoverable VAT.

2.5 Government grants

Government grants relating to tangible fixed assets are treated as deferred income and released to the Statement of Financial Activities over the expected useful lives of the assets concerned. Other grants are credited to the Statement of Financial Activities as the related expenditure is incurred.

2.6 Interest receivable

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

2.7 Tangible fixed assets

Assets costing £1,000 or more are capitalised as tangible fixed assets 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.

Depreciation is provided on the following bases:

Long-term leasehold property	- 50-125 years straight line
Leasehold improvements	- 10 years straight line
Fixtures and fittings	- 15% straight line
Computer equipment	- 33% straight line
Motor vehicles	- 4 years straight line

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.

2.8 Stocks

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

BISHOP PEROWNE CHURCH OF ENGLAND COLLEGE
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

2. Accounting policies (continued)

2.9 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.

2.10 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.

2.11 Liabilities

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Academy anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

2.12 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 17. Prepayments are not financial instruments.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 18 and 19. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

2.13 Operating leases

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

BISHOP PEROWNE CHURCH OF ENGLAND COLLEGE
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

2. Accounting policies (continued)

2.14 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the Academy in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance Sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

Actuarial gains and losses are recognised immediately in other recognised gains and losses.

2.15 Fund accounting

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

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

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the Department for Education Group.

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

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 2021

3. Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 28, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2021. 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.

4. Income from donations and capital grants

	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £
Donations	-	114,419	114,419
Capital Grants	-	2,574,913	2,574,913
	<u>-</u>	<u>2,689,332</u>	<u>2,689,332</u>
	<u><u>-</u></u>	<u><u>2,689,332</u></u>	<u><u>2,689,332</u></u>
		<i>Restricted</i>	
	<i>Restricted</i>	<i>fixed asset</i>	<i>Total</i>
	<i>funds</i>	<i>funds</i>	<i>funds</i>
	<i>2020</i>	<i>2020</i>	<i>2020</i>
	<i>£</i>	<i>£</i>	<i>£</i>
Donations	8,269	-	8,269
Capital Grants	-	199,500	199,500
	<u>8,269</u>	<u>199,500</u>	<u>207,769</u>
	<u><u>8,269</u></u>	<u><u>199,500</u></u>	<u><u>207,769</u></u>

BISHOP PEROWNE CHURCH OF ENGLAND COLLEGE
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

5. Funding for the Academy's direct costs - activities

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
DfE/ESFA grants			
General Annual Grant	-	4,730,932	4,730,932
Other DfE/ESFA grants			
Rates Reclaim	-	20,924	20,924
Pupil Premium	-	336,036	336,036
Year 7 Catch Up Grant	-	71,960	71,960
Other DfE and ESFA	-	296,016	296,016
Other Local Authority	-	103,124	103,124
Non Government Revenue	125,820	-	125,820
	<u>125,820</u>	<u>5,558,992</u>	<u>5,684,812</u>
	-	-	-
	<u>125,820</u>	<u>5,558,992</u>	<u>5,684,812</u>
	<u><u>125,820</u></u>	<u><u>5,558,992</u></u>	<u><u>5,684,812</u></u>
	<i>Unrestricted funds 2020 £</i>	<i>Restricted funds 2020 £</i>	<i>Total funds 2020 £</i>
DfE/ESFA grants			
General Annual Grant	-	4,459,333	4,459,333
Other DfE/ESFA grants			
Pupil Premium	-	312,287	312,287
Year 7 Catch Up Grant	-	20,571	20,571
Other DfE and ESFA	-	228,965	228,965
Other Local Authority	-	80,927	80,927
Non Government Revenue	77,563	-	77,563
	<u>77,563</u>	<u>5,102,083</u>	<u>5,179,646</u>
	-	-	-
	<u>77,563</u>	<u>5,102,083</u>	<u>5,179,646</u>
	<u><u>77,563</u></u>	<u><u>5,102,083</u></u>	<u><u>5,179,646</u></u>

Following the reclassification in the Academies Accounts Direction 2020/21 of some grants received from the Department of Education and ESFA, the academy's funding for Universal Infant Free School Meals

BISHOP PEROWNE CHURCH OF ENGLAND COLLEGE
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

5. Funding for the Academy's direct costs - activities (continued)

and Pupil Premium is no longer reported under the Other DfE Group grants heading, but as separate lines under the Other DfE/ESFA grants heading. The prior year numbers have been reclassified.

6. Income from other trading activities

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Lettings	3,072	-	3,072
External Catering	110,375	-	110,375
Other	20,989	24,979	45,968
	<u>134,436</u>	<u>24,979</u>	<u>159,415</u>

	<i>Unrestricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Lettings	32,653	32,653
External Catering	103,569	103,569
Other	4,574	4,574
	<u>140,796</u>	<u>140,796</u>

7. Investment income

	Unrestricted funds 2021 £	Total funds 2021 £
Bank interest	153	153
	<u>153</u>	<u>153</u>

BISHOP PEROWNE CHURCH OF ENGLAND COLLEGE
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

7. Investment income (continued)

	<i>Unrestricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Bank interest	878	878

8. Expenditure

	Staff Costs 2021 £	Premises 2021 £	Other 2021 £	Total 2021 £
Expenditure on fundraising trading activities:				
Direct costs	160,516	-	113,535	274,051
Education:				
Direct costs	3,496,165	-	413,093	3,909,258
Allocated support costs	890,385	85,092	1,045,346	2,020,823
	4,547,066	85,092	1,571,974	6,204,132

	<i>Staff Costs 2020 £</i>	<i>Premises 2020 £</i>	<i>Other 2020 £</i>	<i>Total 2020 £</i>
Expenditure on fundraising trading activities:				
Direct costs	141,965	-	108,220	250,185
Education:				
Direct costs	3,409,865	-	367,794	3,777,659
Allocated support costs	702,908	62,673	747,330	1,512,911
	4,254,738	62,673	1,223,344	5,540,755

BISHOP PEROWNE CHURCH OF ENGLAND COLLEGE
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

9. Analysis of expenditure on charitable activities

Summary by fund type

	Restricted funds 2021 £	Total funds 2021 £
Direct costs	5,930,081	5,930,081

	<i>Unrestricted funds 2020 £</i>	<i>Restricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Direct costs	3,275	5,287,295	5,290,570

10. Analysis of expenditure by activities

	Activities undertaken directly 2021 £	Support costs 2021 £	Total funds 2021 £
Direct costs	3,909,258	2,020,823	5,930,081

	<i>Activities undertaken directly 2020 £</i>	<i>Support costs 2020 £</i>	<i>Total funds 2020 £</i>
Direct costs	3,777,659	1,512,911	5,290,570

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

10. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Activities 2021 £	Total funds 2021 £
Staff costs	3,496,165	3,496,165
Educational supplies	100,091	100,091
Examination fees	55,198	55,198
Staff development	10,411	10,411
Other costs	150,777	150,777
Supply teachers	82,822	82,822
Other staff costs	10,900	10,900
Technology costs	2,894	2,894
	<u>3,909,258</u>	<u>3,909,258</u>
	<i>Activities 2020 £</i>	<i>Total funds 2020 £</i>
Staff costs	3,409,865	3,409,865
Educational supplies	75,542	75,542
Examination fees	45,193	45,193
Staff development	5,941	5,941
Other costs	148,702	148,702
Supply teachers	79,745	79,745
Technology costs	12,671	12,671
	<u>3,777,659</u>	<u>3,777,659</u>

BISHOP PEROWNE CHURCH OF ENGLAND COLLEGE
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

10. Analysis of expenditure by activities (continued)

Analysis of support costs

	Activities 2021 £	Total funds 2021 £
Pension finance costs	31,000	31,000
Staff costs	890,384	890,384
Depreciation	397,566	397,566
Other staff costs	6,171	6,171
Maintenance of premises and equipment	85,092	85,092
Cleaning costs	141,570	141,570
Rent and rates	37,271	37,271
Energy costs	73,362	73,362
Insurance	19,568	19,568
Security and transport	14,741	14,741
Operating lease costs	21,086	21,086
Technology costs	70,576	70,576
Legal and professional	55,640	55,640
Loan interest	81,496	81,496
Loss on disposal	460	460
Other support costs	94,840	94,840
	<hr/> 2,020,823 <hr/>	<hr/> 2,020,823 <hr/>

BISHOP PEROWNE CHURCH OF ENGLAND COLLEGE
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

10. Analysis of expenditure by activities (continued)

Analysis of support costs (continued)

	<i>Activities</i> 2020 £	<i>Total</i> <i>funds</i> 2020 £
Pension finance costs	29,000	29,000
Staff costs	702,908	702,908
Depreciation	332,613	332,613
Other costs	3,016	3,016
Other staff costs	1,841	1,841
Maintenance of premises and equipment	62,673	62,673
Cleaning costs	122,310	122,310
Rent and rates	38,300	38,300
Energy costs	72,406	72,406
Insurance	19,485	19,485
Security and transport	10,862	10,862
Technology costs	48,490	48,490
Legal and professional	33,200	33,200
Loan interest	33,984	33,984
Loss on disposal	335	335
Other support costs	598	598
Governance	890	890
	<u>1,512,911</u>	<u>1,512,911</u>

11. Net (expenditure)/income

Net (expenditure)/income for the year includes:

	2021 £	2020 £
Operating lease rentals	21,086	15,824
Depreciation of tangible fixed assets	397,565	332,613
Fees paid to auditors for:		
- audit	9,150	10,250
- other services	2,840	3,240
	<u>9,150</u>	<u>10,250</u>
	<u>2,840</u>	<u>3,240</u>

BISHOP PEROWNE CHURCH OF ENGLAND COLLEGE
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

12. Staff

a. Staff costs

Staff costs during the year were as follows:

	2021 £	2020 £
Wages and salaries	3,238,364	3,039,246
Social security costs	286,626	282,724
Pension costs	939,254	854,023
	<u>4,464,244</u>	<u>4,175,993</u>
Agency staff costs	82,822	78,745
	<u><u>4,547,066</u></u>	<u><u>4,254,738</u></u>

b. Staff numbers

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

	2021 No.	2020 No.
Teachers	48	50
Educational support & Admin	52	52
Management	9	8
	<u>109</u>	<u>110</u>

c. Higher paid staff

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

	2021 No.	2020 No.
In the band £60,001 - £70,000	1	2
In the band £80,001 - £90,000	1	-
In the band £90,001 - £100,000	-	1
	<u><u>1</u></u>	<u><u>3</u></u>

d. Key management personnel

The key management personnel of the Academy comprise the Trustees and the senior management

BISHOP PEROWNE CHURCH OF ENGLAND COLLEGE
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

12. Staff (continued)

d. Key management personnel (continued)

team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy was £760,451 (2020 - £615,017).

13. Trustees' remuneration and expenses

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

		2021	2020
		£	£
Mark pollard (resigned 31/12/2020)	Remuneration	30,000 -	<i>95,000 -</i>
		35,000	<i>100,000</i>
	Pension contributions paid	5,000 -	<i>20,000 -</i>
Jane Price (appointed 1/1/2021)		10,000	<i>25,000</i>
	Remuneration	85,000 -	
		90,000	
	Pension contributions paid	20,000 -	
		25,000	

During the year, retirement benefits were accruing to 2 Trustees (2020 - 1) in respect of defined benefit pension schemes.

During the year ended 31 August 2021, no Trustee expenses have been incurred (2020 - £NIL).

14. Trustees' and Officers' insurance

In accordance with normal commercial practice, the Academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £10,000,000. It is not possible to quantify the Trustees and officers indemnity element from the overall cost of the RPA scheme membership.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

15. Tangible fixed assets	Long-term leasehold property £	Assets under construction £	Furniture and equipment £	Computer equipment £	Motor vehicles £	Total £
Cost or valuation						
At 1 September 2020	8,063,409	3,900	345,268	389,187	3,995	8,805,759
Additions	243,884	167,545	11,059	64,053	-	486,541
At 31 August 2021	<u>8,307,293</u>	<u>171,445</u>	<u>356,327</u>	<u>453,240</u>	<u>3,995</u>	<u>9,292,300</u>
Depreciation						
At 1 September 2020	1,560,750	-	220,497	326,314	999	2,108,560
Charge for the year	291,947	-	34,597	70,023	998	397,565
At 31 August 2021	<u>1,852,697</u>	<u>-</u>	<u>255,094</u>	<u>396,337</u>	<u>1,997</u>	<u>2,506,125</u>
Net book value						
At 31 August 2021	<u>6,454,596</u>	<u>171,445</u>	<u>101,233</u>	<u>56,903</u>	<u>1,998</u>	<u>6,786,175</u>
At 31 August 2020	<u>6,502,660</u>	<u>3,900</u>	<u>124,771</u>	<u>62,873</u>	<u>2,996</u>	<u>6,697,200</u>

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15. Tangible fixed assets (continued)

Included in the net book value of property displayed above is £5,728,910 (2020: £5,728,910) in relation to long-term leasehold land.

16. Stocks

	2021 £	2020 £
Catering stock	<u>2,206</u>	<u>1,701</u>

17. Debtors

	2021 £	2020 £
Due within one year		
Trade debtors	235	4,945
Prepayments and accrued income	2,541,393	298,075
Tax recoverable	24,359	30,798
	<u>2,565,987</u>	<u>333,818</u>

18. Creditors: Amounts falling due within one year

	2021 £	2020 £
Other loans	6,078	6,218
Trade creditors	44,142	1,513
Other taxation and social security	72,727	70,473
Other creditors	80,726	76,341
Accruals and deferred income	81,920	63,068
	<u>285,593</u>	<u>217,613</u>

	2021 £	2020 £
Deferred income at 1 September 2020	8,037	14,037
Resources deferred during the year	4,330	8,037
Amounts released from previous periods	(8,037)	(14,037)

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18. Creditors: Amounts falling due within one year (continued)

2021	<i>2020</i>
£	£
<u>4,330</u>	<u><i>8,037</i></u>
<u><u>4,330</u></u>	<u><u><i>8,037</i></u></u>

Income has been deferred based on the year to which it relates. At the balance sheet date the Academy was holding funds received in advance for Year 11 prom and breakfast club for 2022 (2020: revision guides and Duke of Edinburgh in 2021).

19. Creditors: Amounts falling due after more than one year

	2021	<i>2020</i>
	£	£
CIF Loans	68,939	<i>35,566</i>
Salix loans	4,773	<i>6,682</i>
	<u>73,712</u>	<u><i>42,248</i></u>
	<u><u>73,712</u></u>	<u><u><i>42,248</i></u></u>

Included within creditors falling due within one year is a salix loan balance of £1,910 (2020: £1,910) and due in more than one year a balance of £4,773 (2020: £6,681). The loan is repayable in year instalments with an applicable annual interest rate of 0%.

Included within creditors falling due within one year is four CIF loans with a balance of £4,168 (2020: £4,308) and due in more than one year a balance of £68,940 (2020: £35,566). The loans are repayable in yearly instalments with an applicable annual interest rate of 1.85%, 2.29%, 1.95% and 1.95%.

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20. Statement of funds

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
Unrestricted funds						
General funds	39,630	260,409	(274,051)	-	-	25,988
Restricted general funds						
General Annual Grant (GAG)	379,845	4,730,932	(4,406,061)	(82,924)	-	621,792
High Needs funding	-	103,124	(103,124)	-	-	-
Pupil Premium	-	336,036	(336,036)	-	-	-
Other DfE/ESFA	-	296,016	(296,016)	-	-	-
Rates reclaim	-	20,924	(20,924)	-	-	-
Year 7 catch up	-	71,960	(71,960)	-	-	-
Other restricted	-	24,979	(24,979)	-	-	-
Pension reserve	(1,805,000)	-	(194,000)	-	63,000	(1,936,000)
	(1,425,155)	5,583,971	(5,453,100)	(82,924)	63,000	(1,314,208)
Restricted fixed asset funds						
Fixed assets transferred on conversion	5,541,820	-	(162,209)	468,482	-	5,848,093
Fixed assets purchases from GAG and other restricted funds	298,479	-	(235,357)	17,913	-	81,035
DfE/ESFA Capital grants	857,047	17,913	-	(17,913)	-	857,047
Other LA grants	129,579	2,557,000	-	(350,554)	-	2,336,025
Insurance claim	1,897	-	-	-	-	1,897
DfE Asset Donations	-	114,419	(79,415)	(35,004)	-	-
	6,828,822	2,689,332	(476,981)	82,924	-	9,124,097

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

20. Statement of funds (continued)

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
Total Restricted funds	5,403,667	8,273,303	(5,930,081)	-	63,000	7,809,889
Total funds	5,443,297	8,533,712	(6,204,132)	-	63,000	7,835,877

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

General Annual Grant (GAG)

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

High Needs Funding

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

Pupil Premium (PP)

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

Other restricted funds

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

Donations

Donations that have been received for a specific purpose.

Pension Reserve

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

Fixed Asset Funds

Fixed assets transferred on conversion

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

Fixed assets purchased from GAG and other restricted funds

Incoming resources to this fund represents income received specifically for the purchase of fixed assets. Resources expended represents the depreciation charged on such assets. The balance carried forward represents the net book value of fixed assets 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 schools assets.

Other Local Authority (LA) Grants

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20. Statement of funds (continued)

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 specific insurance claim to fund the replacement of assets.

Transfer between funds

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

Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG it could carry forward at 31 August 2021.

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NOTES TO THE FINANCIAL STATEMENTS
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20. Statement of funds (continued)

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

	<i>Balance at 1 September 2019 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2020 £</i>
Unrestricted funds						
General funds	73,853	219,237	(253,460)	-	-	39,630
Restricted general funds						
General Annual Grant (GAG)	143,708	4,399,154	(4,077,887)	(85,130)	-	379,845
High Needs funding	-	80,927	(80,927)	-	-	-
Pupil Premium	-	306,807	(306,807)	-	-	-
Other DfE/ESFA	-	375,195	(375,195)	-	-	-
Donations	-	8,269	(8,269)	-	-	-
Pension reserve	(1,545,000)	-	(165,000)	-	(95,000)	(1,805,000)
	<u>(1,401,292)</u>	<u>5,170,352</u>	<u>(5,014,085)</u>	<u>(85,130)</u>	<u>(95,000)</u>	<u>(1,425,155)</u>
Restricted fixed asset funds						
Fixed assets transferred on conversion	5,669,025	-	(127,205)	-	-	5,541,820
Fixed assets purchases from GAG and other restricted funds	336,339	-	(122,990)	85,130	-	298,479
DfE/ESFA Capital grants	857,047	17,888	(17,888)	-	-	857,047
Other LA grants	12,949	181,612	(64,982)	-	-	129,579
Insurance claim	2,043	-	(146)	-	-	1,897
	<u>6,877,403</u>	<u>199,500</u>	<u>(333,211)</u>	<u>85,130</u>	<u>-</u>	<u>6,828,822</u>
Total Restricted funds	<u>5,476,111</u>	<u>5,369,852</u>	<u>(5,347,296)</u>	<u>-</u>	<u>(95,000)</u>	<u>5,403,667</u>

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NOTES TO THE FINANCIAL STATEMENTS
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20. Statement of funds (continued)

Total funds	<u>5,549,964</u>	<u>5,589,089</u>	<u>(5,600,756)</u>	<u>-</u>	<u>(95,000)</u>	<u>5,443,297</u>
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21. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £
Tangible fixed assets	-	-	6,786,176	6,786,176
Current assets	25,989	901,306	2,417,711	3,345,006
Creditors due within one year	-	(279,514)	(6,078)	(285,592)
Creditors due in more than one year	-	-	(73,712)	(73,712)
Provisions for liabilities and charges	-	(1,936,000)	-	(1,936,000)
Difference	(1)	-	-	1
Total	<u>25,988</u>	<u>(1,314,208)</u>	<u>9,124,097</u>	<u>7,835,877</u>

Analysis of net assets between funds - prior year

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Tangible fixed assets	-	-	6,697,200	6,697,200
Current assets	39,630	591,240	180,088	810,958
Creditors due within one year	-	(211,394)	(6,218)	(217,612)
Creditors due in more than one year	-	-	(42,248)	(42,248)
Provisions for liabilities and charges	-	(1,805,000)	-	(1,805,000)
Total	<u>39,630</u>	<u>(1,425,154)</u>	<u>6,828,822</u>	<u>5,443,298</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

22. Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2021 £	2020 £
Net income/(expenditure) for the year (as per Statement of Financial Activities)	2,329,580	(11,666)
Adjustments for:		
Depreciation	397,565	332,613
Capital grants from DfE and other capital income	(2,574,913)	(199,500)
Interest receivable	(153)	(878)
Defined benefit pension scheme cost less contributions payable	194,000	165,000
Increase in stocks	(505)	(748)
Increase in debtors	(2,232,169)	(7,666)
Increase/(decrease) in creditors	105,521	(59,594)
Net cash (used in)/provided by operating activities	(1,781,074)	217,561

23. Cash flows from financing activities

	2021 £	2020 £
Repayment of ESFA loans	(1,909)	(1,909)
Repayment of other loans	(4,168)	-
Net cash used in financing activities	(6,077)	(1,909)

24. Cash flows from investing activities

	2021 £	2020 £
Dividends, interest and rents from investments	153	878
Proceeds from the sale of intangible assets	-	1,093
Purchase of tangible fixed assets	(486,541)	(108,740)
Capital grants from DfE Group	2,574,913	16,491
Net cash provided by/(used in) investing activities	2,088,525	(90,278)

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25. Analysis of cash and cash equivalents

	2021 £	2020 £
Cash in hand and at bank	776,813	475,439
Total cash and cash equivalents	776,813	475,439

26. Analysis of changes in net debt

	At 1 September 2020 £	Cash flows £	At 31 August 2021 £
Cash at bank and in hand	475,439	301,374	776,813
Debt due within 1 year	(6,218)	140	(6,078)
Debt due after 1 year	(42,248)	(31,464)	(73,712)
	426,973	270,050	697,023

27. Capital commitments

	2021 £	2020 £
Contracted for but not provided in these financial statements		
Acquisition of tangible fixed assets	2,337,422	183,009
	2,337,422	183,009

Capital commitments existing at the year end in relation to the expansion project and the windows and roofing projects within the school.

28. Pension commitments

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 March 2019.

Contributions amounting to £57,097 were payable to the schemes at 31 August 2021 (2020 - £57,945) and are included within creditors.

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28. Pension commitments (continued)

Teachers' Pension Scheme

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

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary - these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to TPS in the year amounted to £534,000 (2020 - £507,886).

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

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

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28. Pension commitments (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2021 was £297,000 (2020 - £260,000), of which employer's contributions totalled £239,000 (2020 - £208,000) and employees' contributions totalled £ 58,000 (2020 - £52,000). The agreed contribution rates for future years are 19.7 per cent for employers and 5.5 - 12.5 per cent 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

	2021	<i>2020</i>
	%	%
Rate of increase in salaries	4.2	3.9
Rate of increase for pensions in payment/inflation	2.8	2.5
Discount rate for scheme liabilities	2.7	2.4
Inflation assumption (CPI)	1.7	1.8

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

	2021	<i>2020</i>
	Years	Years
<i>Retiring today</i>		
Males	22.7	22.6
Females	25.1	25.0
<i>Retiring in 20 years</i>		
Males	24.4	24.2
Females	27.1	27.0

Sensitivity analysis

	2021	<i>2020</i>
	£000	£000
Discount rate +0.1%	(79)	(66)
Mortality assumption - 1 year increase	134	101
CPI rate +0.1%	81	67
Pay growth +0.1% p.a.	4	5

Share of scheme assets

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28. Pension commitments (continued)

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

	2021 £	2020 £
Equities	1,818,000	1,066,000
Corporate bonds	-	108,000
Property	96,000	87,000
Cash and other liquid assets	55,000	68,000
Other	216,000	288,000
Total market value of assets	2,185,000	1,617,000

The actual return on scheme assets was £320,000 (2020 - £(68,000)).

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

	2021 £	2020 £
Current service cost	398,000	344,000
Interest income	31,000	28,000
Interest cost	(62,000)	(54,000)
Administrative expenses	(4,000)	(3,000)
Total amount recognised in the Statement of Financial Activities	363,000	315,000

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

	2021 £	2020 £
At 1 September	3,422,000	3,001,000
Interest cost	62,000	54,000
Employee contributions	58,000	52,000
Actuarial losses	226,000	4,000
Benefits paid	(45,000)	(33,000)
Current service cost	398,000	344,000
At 31 August	4,121,000	3,422,000

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28. Pension commitments (continued)

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

	2021 £	2020 £
At 1 September	1,617,000	1,456,000
Interest income	31,000	28,000
Actuarial gains/(losses)	289,000	(91,000)
Employer contributions	239,000	208,000
Employee contributions	58,000	52,000
Benefits paid	(45,000)	(33,000)
Administration expenses	(4,000)	(3,000)
At 31 August	2,185,000	1,617,000

29. Operating lease commitments

At 31 August 2021 the Academy had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2021 £	2020 £
Not later than 1 year	19,353	4,098
Later than 1 year and not later than 5 years	16,140	1,480
Later than 5 years	20,908	-
	56,401	5,578

30. Members' liability

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

31. Related party transactions

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 13.

