

**BRIDGWATER COLLEGE TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**



**BRIDGWATER COLLEGE TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

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**BRIDGWATER COLLEGE TRUST**  
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**REFERENCE AND ADMINISTRATIVE DETAILS**

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<b>Members</b>	L Rowley A Berry D Randall
<b>Trustees</b>	P Elliott, Chief Executive Officer <sup>1,2,3</sup> A Berry, Chair of Trustees <sup>2,3</sup> D Rayner, Vice Chair of Trustees (appointed 27 March 2019) <sup>1,3</sup> H Strawbridge <sup>1</sup> A Burrows <sup>2</sup> C Chevalley <sup>2</sup> D Hannay <sup>2,3</sup> J Gunningham (appointed 13 February 2019) <sup>1</sup> S Reilly (appointed 13 February 2019) S Gibson <sup>1</sup> C Winson (appointed 1 September 2018) <sup>1</sup> S Grundy (resigned 21 December 2018) <sup>1</sup> R Sinclair (appointed 16 September 2019)

- <sup>1</sup> Audit Committee
- <sup>2</sup> Finance & Resources Committee
- <sup>3</sup> Search Committee

<b>Company registered number</b>	08098956
<b>Company name</b>	Bridgwater College Trust
<b>Principal and registered office</b>	Bridgwater College Academy Parkway Bridgwater Somerset TA6 4QY
<b>Company secretary</b>	G Jones
<b>Accounting officer</b>	P Elliott
<b>Senior management team</b>	P Elliott, Chief Executive Officer L Newman, Chief Operating Officer G Warren, Chief Financial Officer (until 31 May 2019) N Mould, Chief Financial Officer (from 01 May 2019)

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**REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**Independent auditors** Bishop Fleming LLP  
Chartered Accountants  
Statutory Auditors  
2nd Floor Stratus House  
Emperor Way  
Exeter Business Park  
Exeter  
EX1 3QS

**Bankers** Lloyds Bank Plc  
Deane Gate Avenue  
Taunton  
Somerset  
TA1 2UF

**Solicitors** Clarke Willmott LLP  
Blackbrook Gate  
Blackbrook Park Avenue  
Taunton  
Somerset  
TA1 2PG

**BRIDGWATER COLLEGE TRUST**  
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**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2019. The annual report serves the purpose of both a Trustees' report, and a Directors' report under company law.

The Trust operated five academies during the year: Bridgwater College Academy, Hamp Academy, Brymore Academy, West Somerset College and Otterhampton Primary School.

Bridgwater College Academy (BCA) converted to academy status on 1 September 2012 from the three schools serving the Sedgemoor Estate; East Bridgwater Community School, Sedgemoor Manor Junior School and Sedgemoor Manor Infant and Nursery School. It is the first all through school in Somerset for pupils aged 3 to 16. It has a pupil capacity of 1580 and had a roll of 601 in the primary phase and 719 in the secondary phase in the school census in October 2018 (October 2017: 585 primary and 656 secondary).

Hamp Academy converted to academy status on 1 September 2013. The predecessor school was Hamp Junior School serving the Hamp Estate in Bridgwater. It has a pupil capacity of 360 (increased from 285) and had a roll of 325 in the school census in October 2018 from the ages 7 to 11 (October 2017: capacity of 360 and a roll of 315).

Brymore Academy also converted to academy status on 1 September 2013. Brymore is a state boarding school specialising in agriculture and horticulture. It has a pupil capacity of 350 pre 16, and had a roll of 317 (127 boarders; 190 day pupils) in the school census in October 2018 (October 2017: roll of 307 - 131 boarders and 176 day pupils).

West Somerset College converted to academy status on 1 September 2011 and joined the Bridgwater College Trust in February 2016. The Academy provides for pupils aged 13 to 19 serving a catchment area in West Somerset. It has a pupil capacity of 1509 and had a roll of 599 pre sixteen and 117 post sixteen students in the school census in October 2018 (October 2017: 593 pre sixteen and 119 post sixteen students).

Otterhampton Primary School converted to academy status on 1 September 2018 when it joined the Bridgwater College Trust. It has a pupil capacity of 84 and had a roll of 65 in the school census in October 2018 (October 2017: capacity of 84 and a roll of 66).

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Constitution**

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

The Trustees of Bridgwater College Trust are also the directors of the charitable company for the purposes of company law.

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

**Members' liability**

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

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**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%	-

<b>Percentage of pay bill spent on facility time</b>	<b>£000</b>
Total cost of facility time	8
Total pay bill	14,622
Percentage of total pay bill spent on facility time	0.055 %

**Paid trade union activities**

Time spent on paid trade union activities as a percentage of total paid facility time hours	- %
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**Trustees' Indemnities**

Trustees benefit from indemnity insurance purchased at the Trust's expense to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Trust, provided that any such insurance shall not extend to any claim arising from any act or omission which the Trustees knew to be a breach of trust or breach of duty or which was committed by the Trustees in reckless disregard to whether it was a breach of trust or breach of duty or not and provided also that any such insurance shall not extend to the costs of any unsuccessful defence to a criminal prosecution brought against the Trustees in their capacity as Directors of the Trust. The limit of this indemnity is £2,000,000.

**TRUSTEES**

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

The appointment or election of Trustees is dependent on the type of Trustee. There shall be a minimum of three trustees. The Trustees may agree unanimously in writing to appoint such additional Trustees as they think fit. Additional Trustees may be appointed by the Secretary of State.

The Chairs of each Local Governing Body are automatically appointed as Trustees. The Chief Executive Officer is a member of the Board.

The Trust has the following executive committees set up:

Audit Committee,

Finance and Resources Committee

Search Committee, to advise on the appointment of Trust Board members.

Quality of Education Committee

These committees scrutinise and review issues in detail and make recommendations to the Trust Board.

Additionally, the Trust has established, for each Academy, a Local Governing Body.

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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The role of the Local Governing Body and the membership of it, is decided by the Trust.  
The Trust, will, as a minimum, ensure that:

- (a) A minimum of two parents of a pupil at the Academy ( to be elected by the parents of registered pupils in the academy) shall be a member of the Local Governing Body.
- (b) The Head of each Academy shall act as an ex officio member of the Local Governing Body. Each Local Governing Body may appoint a staff member.

Trustees are appointed for a four year period, except that this time limit does not apply to the Headteacher. Subject to remaining eligible to be a particular type of Trustee, any Trustee can be re appointed or re elected.

When appointing new Trustees, the Board, through the Search Committee gives consideration to the skills and experience mix of existing Trustees in order to ensure that the Board has the necessary skills to contribute fully to the Trust's development. An audit of the skills and experience of the Trustees is completed annually to ensure that any training needs are addressed and where appropriate additional trustees are appointed.

The Trustees, Directors and Governors who were in office at 31 August 2019 and served throughout the year, except where shown are listed on page 1.

**Policies and Procedures Adopted for the Induction and Training of Trustees**

During the year the Trustees held six meetings of the full Trust. The training and induction provided for new Trustees will depend upon their existing experience but would always include a tour of the Academy and a chance to meet staff and pupils.

Where necessary, induction will provide training on charity and educational, legal and financial matters. All Trustees are provided with a handbook, including copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Trustees. They also have access to the Trust Governor website of the Trust which contains relevant up to date documents.

As there are normally only two or three new Trustees a year, induction tends to be informal and tailored specifically to the individual. Advantage is taken of specific courses offered by the Local Authority and others.

**Organisational Structure**

The Trust structure consists of four levels: the Trustees, the Chief Executive Officer and the Trust leadership team, and for each Academy, the Local Governing Body and the Senior Leadership Team. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels.

The Trustees are responsible for setting vision, aims and overall objectives of the Trust; overall strategy and policy; monitoring and management of the performance of the overall Trust and each Academy; and appointment of each Headteacher. The Chief Executive Officer and the Trust leadership team are responsible for delivering the objectives of the Trust.

The following decisions are reserved to the Board of Trustees: to consider any proposals for changes to the status or constitution of the Academy and its committee structure, to appoint or remove the Chairman and/or Vice Chairman, to appoint the Head/ Executive Headteacher and Clerk to the Trustees, to approve the Annual Development Plan and budget.

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

**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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The Trustees have 4 committees:

1. An Audit committee which meets 4 times a year and is responsible for the assurance and risk for the Trust, scrutinising reports from the internal audit service and ensuring follow up. It makes recommendations to the Board.
2. a Finance and Resources committee which meets 4 times a year and is responsible for monitoring, evaluating and reviewing policy and performance in relation to financial management and compliance, scrutinising the budgets and cash flow and making recommendations to the board.
3. a Search committee which meets 3 times a year and makes recommendations on the composition and balance of the Trust Board, constituent committees and Local Governing Bodies (LGBs).
4. Quality of Education committee is the forum which allows Trustees to examine in forensic detail the wider performance in each school. The Terms of Reference for this group explores not just academic performance, but the wider student experience including the development of the curriculum, pastoral support and character development.

The purpose of the LGBs is to:

- Ensure clarity of vision, ethos and strategic direction of the school
- Hold the Head Teacher to account for the educational performance of the school and its pupils
- Oversee the financial performance of the school in relation to the educational provision and making sure its money is well spent
- To manage its own performance, review its effectiveness and procedures, and to make arrangements for governor training;
- Recommend to the Trust Board major proposals for decision according to the Scheme of Delegation, e.g. land purchase, capital schemes, expansion of the school.

The Local Governing Body is responsible for developing vision, aims and objectives of the Academy within the parameters set by the Trust; and making major pedagogical decisions about the direction of the school and senior staff appointments.

The Trustees and Board of Trustees have devolved responsibility for day to day management of the Trust to the CEO and his executive team and for each Academy to the Headteacher and Senior Management Team (SMT).

The Trust executive team consists of the Chief Executive Officer, Chief Finance Officer, Director of Education, SEN lead, safeguarding lead and the heads of each of the Academies. A number of services are centralised including finance, HR, IT, Health and Safety, premises and SEN and safeguarding policy and strategy.

Within the largest Academy, BCA, the Local Governing Body has 2 sub committees which report to the Local Governing Body, as follows;

- Finance, Personnel and General Purposes Committee (FP & GP) this meets at least four times a year and is responsible for monitoring, evaluating and reviewing policy and performance in relation to financial management, compliance with reporting and regulatory requirements and reporting.
- Students, Standards and Quality Committee this meets at least once a term to monitor, evaluate and review Academy policy, practice and performance in relation to curriculum planning, communications, target setting and assessment and attainment, examinations and all pastoral issues.

For the other academies, the activities of the subcommittees are subsumed into the Local Governing Body meetings and there are more meetings of the full LGB per year (typically six).

The Chief Executive Officer is the Accounting Officer.



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**TRUSTEES' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2019**

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

The Trustees consider the Board of Trustees and the senior leadership team comprise the key management personnel of the Trust in charge of directing and controlling, running and operating the Trust on a day to day basis. All Trustees give their time freely and no Trustee received remuneration in the year.

Details of Trustees' expenses and related party transactions are disclosed in the notes to the accounts.

The pay of key management personnel is reviewed annually and normally increased in accordance with average earnings.

The Trustees benchmark against pay levels in other Trusts of a similar size.

**Connected Organisations, including Related Party Relationships**

The Trust is connected to the Principal Sponsor of the Trust, Bridgwater and Taunton College. The College has the right to appoint the Chair of the Local Governing Body for each Academy.

From 13 August 2014, Bridgwater College Academy established a trading subsidiary, Bridgwater College Academy Trading Limited, to operate the 3G pitch and leisure centre for the benefit of the local community and community organisations. The trading subsidiary started trading from 1 September 2014. In April 2019, West Somerset College took over the operation of West Somerset Community Sports Centre, incorporated within the trading company. This centre provides sports facilities for the community and for sixth form students at the College.

From 3 September 2014, Brymore Academy established a trading subsidiary, Brymore Academy Trading Limited, that provides lettings to external parties and catering to two local primary schools.

**OBJECTIVES AND ACTIVITIES**

**Objects and Aims**

The Bridgwater College Trust is a charitable schools Trust that exists with the sole purpose of advancing education for public benefit.

The Academy Sponsor, The Bridgwater and Taunton College, the Trustees and Governors and the Staff all have the highest aspirations for our students across the Trust. We are all fully committed to ensuring that "Every Child Achieves". That is each student benefits from an exceptional education that optimises their attainment in preparation for the world of employment and life long learning and enables them to grow in confidence to be able to fulfil their potential both as economically active members of society and as individuals.

In particular:

- To deliver exceptional and inspirational teaching, learning and assessment across the Trust
- To raise the achievements and aspirations of all students across the Trust
- To ensure a clear and purposeful strategic direction across the Trust
- To ensure the long term financial health of the Trust

**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**Objectives, Strategies and Activities**

**Bridgwater College Academy**

The overarching objective for The Bridgwater College Academy is for a radical redesign of education leading to one all through life long learning campus focused strongly on individualised learning pathways and a seamless transition from pre school to university level education and training or employment.

The Academy maximises the benefits of an 'all through', joined up and seamless education from ages 3 to 16. Being an all age Academy ensures that the various phases of the Academy are inter connected. This means the curriculum, the tracking of student progress, monitoring of interventions, pastoral support and support for families will also be 'joined up', ensuring that students' progress does not slow down as a result of transitions between age related phases and that each phase is able to build upon previously acquired knowledge, skills and understanding.

The vision of the Academy is that by 2020 Bridgwater College Academy will be recognised as a first choice school because...

- It is a 'Good' or 'Outstanding' school according to Ofsted.
- It is a centre of excellence for the quality of teaching and learning it provides.
- Students that leave our Academy at 16 are highly sought after by further education and local employers as a result of their complete development. Students achieve well academically in addition to developing a strong sense of character, excellent employability skills and they are well prepared for working life.
- The Academy is making a significant contribution to the community of Sydenham. This includes enhanced access to facilities, advice, guidance and support as well as extended services beyond education.
- Opportunities beyond the formal curriculum will continue to expand until they are exceptional.
- It builds on existing good relationships with parents to improve further the channels of communication and their contribution to school life.
- The coherence, identity and ethos of the school are not being determined by its size but by its values. The culture of the school is welcoming, familiar and based on an unconditional positive regard for the individual.

Key priorities for the year were contained in our Academy development plan and included:

- Continue to improve attainment and progress across the Academy and diminish differences.
- Continue to develop strategies to improve the quality of teaching and intervention to ensure all learners including those with SEN and EAL make exceptional progress
- Establish BCA for as a centre of excellence for CPD for all staff
- Capitalise on the all through nature of the school to ensure that the Academy experience is seamless.
- Establish the fullest possible educational programme (both curricular and extra curricular) in order to raise aspirations and promote education for life.
- Review and enhance pastoral structure and internal systems to better promote positive behaviour for learning, encourage healthy lifestyles and support physical/mental health and well being.
- Continue to respond to curriculum reform by supporting subject teams to revise and develop new schemes of learning to meet the needs of individual cohorts of students.
- Enhance and improve the impact of community and parental partnerships on student attendance, outcomes and future pathways.

**Hamp Academy**

An Educational Development plan was drawn up which detailed the key challenges and how they would be addressed. In particular this included continuing to improve the quality of teaching and learning and assessment.

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**TRUSTEES' REPORT (CONTINUED)  
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At Hamp the aim is to achieve the best for, and from, each child. The intention is to enable each child to realise his or her full academic, creative and physical potential and to develop positive social and moral values. Hamp Academy is a community in which children, staff and parents should be part of a happy and caring environment.

The activities included the following:

- To continue to secure ongoing improved attainment across the Academy and closing the gap in attainment and progress between identified groups.
- To continue to improve the quality of teaching and learning through staff development.
- To develop a detailed and robust data system that informs leadership of the attainment and progress of all groups of students.

**Brymore Academy**

The core values are that Brymore will provide:

- A centre of excellence in the four vocational cornerstones of agriculture, horticulture, engineering and sport
- High expectations and aspirations for all students to enable them to reach their full potential
- Clearly defined progression opportunities to post 16 learning and beyond
- A learning culture which promotes traditional values of resilience, resourcefulness and responsibility and promotes entrepreneurialism
- A safe and supportive residential experience which encourages respect for others and self development through the nurturing of personal and social skills and participation in a wide range of experiences
- A staff culture that promotes the highest standards through rigorous self assessment and continuous improvement

The activities included the following:

- Raising achievement by ensuring that all groups of students make at least expected progress
- To secure improved attainment and achievement across the Academy and to close the gap for all groups.
- To provide a relevant curriculum that provides opportunity to excel and a rich and varied experience for all.
- To ensure Brymore at least and in many cases exceeds the boarding minimum standards To ensure outstanding outcomes for boarders

**West Somerset College**

West Somerset College were responsible for several areas of the Opportunities Area plan and supported the financial relaunch of the vocational facilities resulting in a wider array of vocational training options for post 16 and post 19 learners from September 2018.

The key activities in 2018/19 for West Somerset included the following:

- Improving the quality of leadership and management by improving the quality of improvement planning and implementation through training of Heads of Departments;
- Sustaining the improvement in outcomes at Key Stage 5 and Key Stage 4
- Closing the gap for Pupil Premium learners
- Improving the quality of teaching and learning for high attaining students
- Work with middle schools to embed a cross phase data and assessment system

**Otterhampton Primary School**

- To continue to secure ongoing improved attainment across the Academy and closing the gap in attainment and progress between identified groups.

**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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- To continue to improve the quality of teaching and learning through staff development.
- To develop a detailed and robust data system that informs leadership of the attainment and progress of all groups of students.

**Public Benefit**

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

In accordance with the articles of association the Charitable Company has adopted a "Scheme of Government" approved by the Secretary of State for Education. The Scheme of Government specifies, amongst other things, the basis for admitting students to the Academies, the catchment area from which the students are drawn, and that the curriculum should comply with the substance of the national curriculum.

Where feasible the Academies provides facilities for recreational and other leisure time occupation for the community at large in the interests of social welfare and with the interest of improving the life of the said community.

For Brymore there is an emphasis on agriculture, horticulture and engineering. Brymore has one of the largest school farms in the country.

**STRATEGIC REPORT**

**Achievements and Performance**

Essentially the Trust has performed well again this year with Early Years and Key Stages 1, 3, 4 and 5 delivering strong outcomes for children and young adults. Students within the Bridgwater College Trust generally make better progress than similar pupils make in other secondary schools. The Trust is effective in adding value to the educational outcomes that our students achieve.

**Bridgwater College Academy**

The Academy has been operating since 2012 and was the first all through Academy in Somerset. The years of redesign has resulted in significant progress towards achieving the original goals of joined up provision and support for the students and families. Success is being seen through improved outcomes for students at all phases.

BCA is an expanding Academy which provides an exceptional learning environment and experience for the children and young people based in Sydenham. Plans for expansion have been supported and endorsed by the Local Authority with the funding being provided for a brand new 16 classroom facility on the site.

**Hamp Academy**

Hamp Academy continues to improve at a rapid rate. Now, with stable and secure leadership in place we are seeing increasingly good teaching, learning and rates of progress from the students.

**Brymore Academy**

An Educational Development plan was drawn up which detailed the priorities in the year. There has been considerable work and improvement on the standards of teaching and learning in Brymore. We believe Brymore has achieved the highest Progress 8 Score of any mainstream secondary school in Somerset in 2019.

**West Somerset**

In 2018/19 the progress in the previous years has been consolidated and showed a strong improvement in outcomes across almost all measures. With new leadership in the sixth form, the Academy is confident these outcomes will be sustained and improved again next year.

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**Otterhampton Primary School**

Otterhampton Primary School continues to thrive since joining the Trust. Key Stage 2 outcomes are the best the school has achieved in the last 5 years. New, strong and stable leadership, plus the support of the Trust has restored faith in the school from the community which is seen in rising student numbers.

**Key Performance Indicators**

The following KPI's were based on the budget set at the start of the year:

	Target	Actual	Notes
Funded Pupils	2,638	2,722	
Pupil to Teacher ratio	17.4	16.8	
Teaching to non-teaching staff ratio	0.79	0.79	
Exam success Key Stage 4	0.0	Brymore 0.4 BCA -0.1 WSC 0.2	
Total income per pupil	£6,896	£6,674	
Total Boarding Income – Brymore	£1,369,500	£1,351,000	
Ratio of GAG to total income	0.723	0.724	
Staff salary costs per pupil	£5,189	£5,451	Excluding other staffing costs
Ratio of staff salary costs to income	75.2%	79%	Excluding other staffing costs
In year operating surplus as a percentage of income	-0.01%	0.02	Excludes capital

Most KPIs were met in the year.

**Going Concern**

After making appropriate enquiries, the board of trustees has a reasonable expectation that the 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 Going concern policy.

**FINANCIAL REVIEW**

**Financial Review**

With total revenue income of £18,109,000 (2018 £16,925,000) the Academy Trust generated an operating surplus of £432,000 for the year to 31 August 2019 (£1,327,000 for 2018). Of this surplus, £99,000 (2018 £1,339,000) was spent on fixed assets. In addition, £12,000 of revenue funding came in on the conversion of Otterhampton Primary School and it has been established that £125,000 of funding regarding Brymore, previously recognised as a restricted fixed asset fund, is available for wider use. Accordingly, total revenue funds have increased by £470,000 in the year (2018 decrease of £12,000).

Most of the Academy's income is obtained from the DfE via the EFA 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 2019 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities.

With regard to fixed assets, the trust received capital funding of £4,930,000 and £1,543,000 of fixed assets were transferred on the conversion of Otterhampton. Also, £450,000 was raised from the sale of some land (which is

**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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to be reinvested into new sports facilities). After depreciation of £1,645,000, the write down of £151,000 in respect of some demolished buildings and the transfers to/from revenue funding (referred to above), at 31 August 2019 the value of restricted fixed asset funds was £43,037,000 (£37,937,000 in 2018). Fixed assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

At 31 August 2019 the net book value of fixed assets was £41,892,000 (£36,614,000 in 2018) and movements in tangible fixed assets are shown in note 16 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

The Trust has taken on the deficit in the Local Government Pension Scheme in respect of its non-teaching staff transferred on conversion. The deficit is incorporated within the Statement of Financial Activity with details in Note 28 to the financial statements.

Key financial policies adopted or reviewed during the year include the Finance Regulations which lays out the framework for financial management, including financial responsibilities of the Board, Head Teacher, managers, budget holders and other staff, as well as delegated authority for spending. Trust policies are available on the Trust website.

**Reserves Policy**

The Trustees review the reserve levels of the Trust annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Trustees take into consideration the future plans of the Academies, the uncertainty over future income streams and other key risks identified during the risk review.

The Trust has determined that the appropriate level of free reserves should be equivalent to 4 weeks expenditure, approximately £1,546,000. 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 unexpected emergencies such as urgent maintenance. Although the Trust currently has free reserves of £4,884,000 (total funds less the amount held in fixed assets and restricted pension funds) and unspent capital funds of £1,477,000, this amount is earmarked for future projects as follows:

• Capital Projects including new build and master plan	£571,294
• Sports centre maintenance & developments	£579,800
• CIF and Salix loans	£1,026,162
• IT Project	£134,136
• Premises and facilities ring fenced balances	£117,000
• School Improvement & Curriculum ring fenced balances	£443,551

The balance represents genuine free reserves which is what the Trustees use to compare to the Trust's reserves policy.

The defined benefit pension scheme reserve has a negative balance. The effect of the deficit position of the pension scheme is that the Trust is paying higher employers' pension contributions over a period of years. The higher employers' pension contributions will be met from the 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 Trust.

The defined benefit pension scheme reserve has a negative balance. The effect of the deficit position of the pension scheme is that the Trust is paying higher employers' pension contributions over a period of years. The higher employers' pension contributions will be met from the 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 Trust.

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**Investment Policy**

Due to the nature and timing of receipt of funding, the Academy may at times hold cash balances surplus to its short-term requirements. The Trustees have authorised the opening of additional short-term bank investment accounts to take advantage of higher interest rates. No other form of investment is authorised.

Day to day management of the surplus funds is delegated to the CEO and CFO within strict guidelines approved by the Board of Trustees. The fixed term bank deposits placed at the end of financial year were £3,250,000 and earned £13,223 interest.

**Principal Risks And Uncertainties**

The Board of Trustees has reviewed 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 Trust are as follows:

**Financial** - the Trust has considerable reliance on continued Government funding through the EFA. In the last year 86% of the Trust's incoming resources were ultimately Government funded and whilst this level is expected to continue, there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

**Expansion of the Trust** - In line with Government policy the Trust is seeking to expand. The risk in this area is that there is insufficient capacity to maintain the quality of education and stability of finances.

**Failures in governance and/or management** - the risk in this area arises from potential failure to effectively manage the Trust's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Trustees continue to review and ensure that appropriate measures are in place to mitigate these risks.

**Reputational** - the continuing success of the Trust is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk Trustees ensure that student success and achievement are closely monitored and reviewed.

**Safeguarding and child protection** - the Trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline.

**Staffing** - the success of the Trust is reliant upon the quality of its staff and so the Trustees monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning.

**Fraud and mismanagement of funds** - The Trust has appointed Mazars LLP to perform the internal audit function to carry out checks on financial systems and records as required by the Academy Financial Handbook as well as other non finance based risk audits. All finance staff receive training to keep them up to date with financial practice requirements and develop their skills in this area.

The Trust has continued to strengthen its risk management. A risk register is maintained and reviewed and updated on a regular basis by the CEO and CFO and reports to the Audit Committee on a trust wide basis. Academy risk registers are also maintained and the top risks are presented and discussed at the Local Governing Body meetings.

The Trustees examine the financial health formally every term. They review performance against budgets and overall expenditure by means of regular update reports at all Board and Finance Committee meetings. 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 Trust had no significant liabilities arising from trade creditors or debtors that would have a significant effect on liquidity.

**BRIDGWATER COLLEGE TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2019**

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The Board of Trustees recognises that the defined benefit pension scheme deficit (Local Government Pension Scheme), which is set out in Note 29 to the financial statements, represents a significant potential liability. However as the Trustees consider that the Trust is able to meet its known annual contribution commitments for the foreseeable future, this risk from this liability is minimised.

**FUNDRAISING**

Each Academy is responsible for its own fundraising efforts, which are almost entirely channelled through the parent's associations.

No external fundraising bodies are engaged to assist with raising funds.

Under the Financial Regulations no tainted charitable payments are permitted. Any fundraising complaints would be made at Academy level first being escalated to the Trust if necessary.

**PLANS FOR FUTURE PERIODS**

The Trust will continue to strive to provide outstanding education and improve the levels of performance of its pupils at all levels. The Trust will continue to aim to attract high quality teachers and support staff in order to deliver its objectives.

The Trust will continue to work with partner schools to improve the educational opportunities for students in the wider community.

Full details of our plans for the future are given in our Academy Development Plans, which are available on our academies websites.

We continue to maintain small class sizes with a teaching assistant in each class where possible, that has reflected in Trust outcomes being improved.

We continue to maintain small class sizes with a teaching assistant in each class where possible, that has reflected in Trust outcomes being improved.

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

The Trust and its Trustees do not act as the Custodian Trustees of any other Charity.

**EMPLOYEE INVOLVEMENT AND EMPLOYMENT OF THE DISABLED**

Each Academy has a disability or equality policy which states that the Trust must not treat a member of staff, a student or a parent with a disability less favourably than any other and will make reasonable adjustments to ensure the full participation and integration of disabled staff and students.

In addition all applications for admission from all potential students are considered in line with the published admission arrangements. Applications for employment and for promotion are considered and assessed on the basis of the applicant's aptitudes, abilities and qualifications. Disabled staff and students have access to the appropriate support and adaptations to enable them to be fully included in the life of the Academy and Trust.

The full details of the policy can be found on the website of the academies.

**Employee Consultations**

Throughout the year consultations have been held with employees and the unions to inform and consult on matters affecting them.

**TRUSTEES INDEMNITIES**

As the Trustees are directors, trustee indemnity insurance has been taken out. In so far as the Trustees are aware there are no indemnity provisions during the year or at the date of approval of the Trustees' report.



**BRIDGWATER COLLEGE TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2019**

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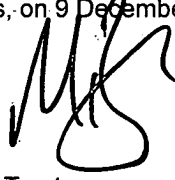
**DISCLOSURE OF INFORMATION TO AUDITORS**

Each of the persons who are Trustees at the time when this Trustees' Report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable group's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable group's auditors are aware of that information.

The Trust has advised Auditors of a pending discussion to be had at the Annual General Meeting where the recommendation will be to re-tender the audit contract, as is deemed good practice after five years.

The Trustees' Report, incorporating a strategic report, was approved by order of the Board of Trustees, as company directors, on 9 December 2019 and signed on the Board's behalf by:

  
A Berry  
Chair of Trustees

**BRIDGWATER COLLEGE TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

**GOVERNANCE STATEMENT**

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**Scope of responsibility**

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

The board of Trustees has delegated the day-to-day responsibility to the chief executive, 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 Bridgwater College Trust 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
P Elliott, Chief Executive Officer	6	6
A Berry, Chair of Trustees	6	6
D Rayner, Vice Chair of Trustees	5	6
H Strawbridge	5	6
A Burrows	3	6
C Chevalley	6	6
D Hannay	4	6
J Gunningham	4	4
S Reilly	5	6
S Gibson	6	6
C Winson	5	6
S Grundy	2	2
R Sinclair	0	0

The Board is responsible for all the decisions and oversight as set down in the Scheme of Delegation. The Board reviews its effectiveness annually and has scheduled an internal audit review to review and challenge this. In addition a governance review was carried out at each academy with the Chief Executive Officer and the Chairs of each of the Local Governing Bodies. The review identified some areas for development and Trust will produce a series of training videos to support governor training.

The Finance & Resources Committee is a sub-committee of the main Board of Trustees. Its purpose is to maintain an oversight of Bridgwater College Trust's financial management budgeting and monitoring. The Committee challenges and scrutinises the data presented.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
A Berry	3	4
A Burrows	2	4
C Chevalley	3	4
P Elliott	4	4
D Hannay	4	4

**BRIDGWATER COLLEGE TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**GOVERNANCE STATEMENT (CONTINUED)**

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**Governance (CONTINUED)**

The Audit Committee is also a sub-committee of the main Board of Trustees. Its purpose is to maintain an oversight of Bridgwater College Trust's governance, risk management, internal control and value for money framework. The Audit Committee is responsible for agreeing the audit programme based on the risk profile.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
H Strawbridge	4	4
D Rayner	3	4
J Gunningham	0	1
S Gibson	4	4
S Grundy	0	1

**Review of value for money**

As accounting officer, the chief executive has responsibility for ensuring that the Trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

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

- Robust financial governance and budget management.
- Value for money purchasing.
- Reviewing controls and managing risk.
- Considering allocation/targeting/use of resources.
- Not allocating time/resources to areas where few improvements can be achieved.
- Making comparisons with similar Academies using data provided by the ESFA and the Government.
- Challenging proposals and examining their effectiveness and efficiency.
- Deploying staff effectively.
- Reviewing quality of curriculum provision and quality of teaching.
- Reviewing quality of children's learning to enable children to achieve nationally expected progress.
- Outlining procedures for accepting best value quotes, noting that this is not necessarily the cheapest quote.

**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 Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Bridgwater College Trust for the year 1 September 2018 to 31 August 2019 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 Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Trust's significant risks that has been in place for the year 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of Trustees.

**BRIDGWATER COLLEGE TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

**GOVERNANCE STATEMENT (CONTINUED)**

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**The risk and control framework**

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

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

The board of Trustees has considered the need for a specific internal audit function and has decided to appoint Mazars LLP as internal auditor.

Mazars carried out a programme of internal audits set by the Audit Committee based on the relevant risks to the Trust, including an annual financial internal audit review and follow up from previous reports.

On a quarterly basis, the internal auditor reports to the board of Trustees through the audit committee on the operation of the systems of control and on the discharge of the Trustees' financial responsibilities.

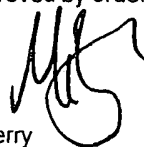
**Review of effectiveness**

As accounting officer, the chief executive has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

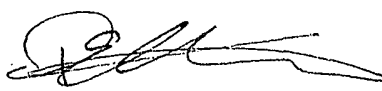
- the work of the internal auditor;
- the work of the external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Trust who have responsibility for the development and maintenance of the internal control framework.

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the audit committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the board of Trustees on and signed on their behalf by:

  
A Berry  
Chair of Trustees

9/12/2019

  
P Elliott  
Accounting Officer

**BRIDGWATER COLLEGE TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

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As accounting officer of Bridgwater College Trust I have considered my responsibility to notify the Trust board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Trust, under the funding agreement in place between the Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2018.

I confirm that I and the Trust board of Trustees are able to identify any material irregular or improper use of all funds by the Trust, or material non-compliance with the terms and conditions of funding under the Trust's funding agreement and the Academies Financial Handbook 2018.

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.



P Elliott  
Accounting Officer

Date: 20/12/17.

**BRIDGWATER COLLEGE TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF TRUSTEES' RESPONSIBILITIES**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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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 & 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 Group and the charitable company and of their incoming resources and application of resources, including their income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:


- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- 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 group will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and 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 Group and 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 their conduct and operation the Group and the charitable company apply 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 group's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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

  
A Berry  
Chair of Trustees

Date: 9/12/2019

**BRIDGWATER COLLEGE TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF**  
**BRIDGWATER COLLEGE TRUST**

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**Opinion**

We have audited the financial statements of Bridgwater College Trust (the 'parent Trust') and its subsidiaries (the 'Group') for the year ended 31 August 2019 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Trust Balance Sheet, the Consolidated Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent Trust's affairs as at 31 August 2019 and of the Group's incoming resources and application of resources, including its income and expenditure for the year then ended;

- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and

- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & 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 Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

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

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

**BRIDGWATER COLLEGE TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
BRIDGWATER COLLEGE TRUST (CONTINUED)**

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**Other information**

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. Other information includes the Reference and Administrative Details, the Trustees' Report including the Strategic Report, and the Governance Statement. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

**Opinion on other matters prescribed by the Companies Act 2006**

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

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

**Matters on which we are required to report by exception**

In the light of our knowledge and understanding of the Group and the parent Trust 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:

- the parent Trust has not kept adequate accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Trust 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.



**BRIDGWATER COLLEGE TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
BRIDGWATER COLLEGE TRUST (CONTINUED)**

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**Responsibilities of trustees**

As explained more fully in the Trustees' Responsibilities Statement, the Trustees (who are also the directors of the Trust 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 Group's and the parent Trust'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 Group or the parent Trust or to cease operations, or have no realistic alternative but to do so.

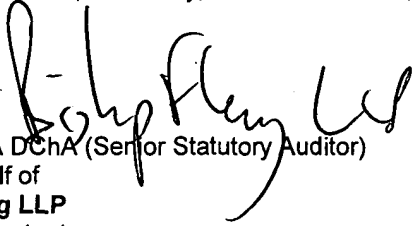
**Auditors' responsibilities for the audit of the financial statements**

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

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

**Use of our report**

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

  
Tim Borton FCA DChA (Senior Statutory Auditor)  
for and on behalf of

**Bishop Fleming LLP**  
Chartered Accountants  
Statutory Auditors  
2nd Floor Stratus House  
Emperor Way  
Exeter Business Park  
Exeter  
EX1 3QS

Date:

23 December 2019

**BRIDGWATER COLLEGE TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO  
BRIDGWATER COLLEGE TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY**

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In accordance with the terms of our engagement letter dated 25 March 2014 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Bridgwater College Trust during the year 1 September 2018 to 31 August 2019 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 Bridgwater College Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Bridgwater College Trust 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 Bridgwater College Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

**Respective responsibilities of Bridgwater College Trust's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of Bridgwater College Trust's funding agreement with the Secretary of State for Education dated 30 August 2012 and the Academies Financial Handbook, extant from 1 September 2018, 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 2018 to 2019. 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 2018 to 31 August 2019 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

**Approach**

We conducted our engagement in accordance with the Academies Accounts Direction 2018 to 2019 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 Trust's income and expenditure.

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

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

**BRIDGWATER COLLEGE TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO  
BRIDGWATER COLLEGE TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)**

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**Conclusion**

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



**Tim Borton FCA DChA (Reporting Accountant)**

**Bishop Fleming LLP**  
2nd Floor Stratus House  
Emperor Way  
Exeter Business Park  
Exeter  
EX1 3QS

**Date:**

23 December 2019

**BRIDGWATER COLLEGE TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

	Note	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Restricted fixed asset funds 2019 £000	Total funds 2019 £000	Total funds 2018 £000
<b>INCOME FROM:</b>						
Donations and capital grants:	3					
Assets transferred on conversion		12	(236)	1,543	1,319	-
Other donations and capital grants		81	-	4,930	5,011	2,432
Charitable activities	4	115	17,333	-	17,448	16,266
Other trading activities	6	562	-	-	562	584
Investments	7	18	-	-	18	6
<b>TOTAL INCOME</b>		<b>788</b>	<b>17,097</b>	<b>6,473</b>	<b>24,358</b>	<b>19,288</b>
<b>EXPENDITURE ON:</b>						
Raising funds		142	10	-	152	208
Charitable activities		560	18,054	1,347	19,960	18,339
<b>TOTAL EXPENDITURE</b>		<b>702</b>	<b>18,064</b>	<b>1,347</b>	<b>20,113</b>	<b>18,547</b>
<b>NET INCOME/(EXPENDITURE)</b>		<b>86</b>	<b>(967)</b>	<b>5,126</b>	<b>4,245</b>	<b>741</b>
Transfers between funds	21	125	(99)	(26)	-	-
<b>NET MOVEMENT IN FUNDS BEFORE OTHER RECOGNISED GAINS/(LOSSES)</b>		<b>211</b>	<b>(1,066)</b>	<b>5,100</b>	<b>4,245</b>	<b>741</b>
<b>OTHER RECOGNISED GAINS/(LOSSES):</b>						
Actuarial losses on defined benefit pension schemes	29	-	(2,038)	-	(2,038)	2,559
<b>NET MOVEMENT IN FUNDS</b>		<b>211</b>	<b>(3,104)</b>	<b>5,100</b>	<b>2,207</b>	<b>3,300</b>
<b>RECONCILIATION OF FUNDS:</b>						
Total funds brought forward		2,552	(9,161)	37,937	31,328	28,028
Net movement in funds		211	(3,104)	5,100	2,207	3,300
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>2,763</b>	<b>(12,265)</b>	<b>43,037</b>	<b>33,535</b>	<b>31,328</b>

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

The notes on pages 32 to 64 form part of these financial statements.

**BRIDGWATER COLLEGE TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**REGISTERED NUMBER:08098956**

**CONSOLIDATED BALANCE SHEET**  
**AS AT 31 AUGUST 2019**

	Note	2019 £000	2018 £000
<b>FIXED ASSETS</b>			
Intangible assets		3	3
Tangible assets	16	41,892	36,614
Investments		-	4
		<u>41,895</u>	<u>36,621</u>
<b>CURRENT ASSETS</b>			
Stocks		68	67
Debtors	17	1,329	1,755
Cash at bank and in hand		6,307	6,333
		<u>7,704</u>	<u>8,155</u>
Creditors: amounts falling due within one year	18	(1,424)	(2,083)
<b>NET CURRENT ASSETS</b>		<u>6,280</u>	<u>6,072</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>48,175</u>	<u>42,693</u>
Creditors: amounts falling due after more than one year	19	(254)	(342)
<b>NET ASSETS EXCLUDING PENSION LIABILITY</b>		<u>47,921</u>	<u>42,351</u>
Defined benefit pension scheme liability	29	(14,386)	(11,023)
<b>TOTAL NET ASSETS</b>		<u><u>33,535</u></u>	<u><u>31,328</u></u>
<b>FUNDS OF THE TRUST</b>			
<b>Restricted funds:</b>			
Fixed asset funds	21	43,037	37,937
Restricted income funds	21	2,121	1,862
		<u>45,158</u>	<u>39,799</u>
Restricted funds excluding pension asset	21	45,158	39,799
Pension reserve	21	(14,386)	(11,023)
<b>Total restricted funds</b>	21	<u>30,772</u>	<u>28,776</u>
<b>Unrestricted income funds</b>	21	<u>2,763</u>	<u>2,552</u>
<b>TOTAL FUNDS</b>		<u><u>33,535</u></u>	<u><u>31,328</u></u>

**BRIDGWATER COLLEGE TRUST  
(A COMPANY LIMITED BY GUARANTEE)  
REGISTERED NUMBER:08098956**

**CONSOLIDATED BALANCE SHEET (CONTINUED)  
AS AT 31 AUGUST 2019**

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The financial statements on pages 26 to 64 were approved by the Trustees, and authorised for issue on and are signed on their behalf, by:



A Berry  
Chair of Trustees

9/12/2019

The notes on pages 32 to 64 form part of these financial statements.

**BRIDGWATER COLLEGE TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**REGISTERED NUMBER:08098956**

**TRUST STATEMENT OF FINANCIAL POSITION**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

	Note	2019 £000	2018 £000
<b>FIXED ASSETS</b>			
Intangible assets		3	3
Tangible assets	16	41,892	36,614
Investments		-	4
		<u>41,895</u>	<u>36,621</u>
<b>CURRENT ASSETS</b>			
Stocks		67	67
Debtors	17	1,299	1,794
Cash at bank and in hand		6,264	6,238
		<u>7,630</u>	<u>8,099</u>
Creditors: amounts falling due within one year	18	(1,374)	(2,033)
<b>NET CURRENT ASSETS</b>		<u>6,256</u>	<u>6,066</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>48,151</u>	<u>42,687</u>
Creditors: amounts falling due after more than one year	19	(254)	(342)
<b>NET ASSETS EXCLUDING PENSION LIABILITY</b>		<u>47,897</u>	<u>42,345</u>
Defined benefit pension scheme liability	29	(14,386)	(11,023)
<b>TOTAL NET ASSETS</b>		<u><u>33,511</u></u>	<u><u>31,322</u></u>
<b>FUNDS OF THE TRUST</b>			
<b>Restricted funds:</b>			
Fixed asset funds	21	43,037	37,937
Restricted income funds	21	2,121	1,862
		<u>45,158</u>	<u>39,799</u>
Restricted funds excluding pension liability	21	45,158	39,799
Pension reserve	21	(14,386)	(11,023)
<b>Total restricted funds</b>	21	<u>30,772</u>	<u>28,776</u>
<b>Unrestricted income funds</b>	21	<u>2,739</u>	<u>2,546</u>
<b>TOTAL FUNDS</b>		<u><u>33,511</u></u>	<u><u>31,322</u></u>

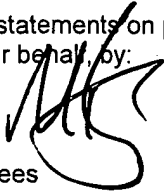
**BRIDGWATER COLLEGE TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**REGISTERED NUMBER:08098956**

**TRUST STATEMENT OF FINANCIAL POSITION (CONTINUED)**  
**AS AT 31 AUGUST 2019**

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The financial statements on pages 26 to 64 were approved by the Trustees, and authorised for issue on and are signed on their behalf, by:

A Berry  
Chair of Trustees



The notes on pages 32 to 64 form part of these financial statements.



**BRIDGWATER COLLEGE TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

	Note	2019 £000	2018 £000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net cash provided by operating activities	23	185	1,550
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	25	(135)	(953)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	24	(76)	(91)
<b>CHANGE IN CASH AND CASH EQUIVALENTS IN THE YEAR</b>		(26)	506
Cash and cash equivalents at the beginning of the year		6,333	5,827
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	26	<b>6,307</b>	<b>6,333</b>

The notes on pages 32 to 64 form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**1. 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.

**1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

The financial statements of the Trust, 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 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Bridgwater College Trust meets the definition of a public benefit entity under FRS 102.

The Consolidated Statement of Financial Activities (SOFA) and Balance Sheet consolidate the financial statements of the Trust and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

The Trust has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Financial Activities in these financial statements.

**1.2 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 Trust 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 Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

**BRIDGWATER COLLEGE TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**1. ACCOUNTING POLICIES (continued)**

**1.3 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 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 period 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 grant 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.

Sponsorship income provided to the Academy which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable (where there are no performance-related conditions), where the receipt is probable and it can be measured reliably.

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

• **Transfer on conversion**

Where assets and liabilities are received by the Trust on conversion to an academy, the transferred assets are measured at fair value and recognised in the Balance Sheet at the point when the risks and rewards of ownership pass to the Trust. An equal amount of income is recognised as a transfer on conversion within 'Income from Donations and Capital Grants' to the net assets received.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**1. ACCOUNTING POLICIES (continued)**

**1.4 EXPENDITURE**

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

Expenditure on raising funds includes all expenditure incurred by the Group to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

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

All resources expended are inclusive of irrecoverable VAT.

**1.5 INTEREST RECEIVABLE**

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

**1.6 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 Consolidated 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 Consolidated 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 all tangible fixed assets other than freehold land and assets under construction, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**1. ACCOUNTING POLICIES (continued)**

**1.6 TANGIBLE FIXED ASSETS (CONTINUED)**

Depreciation is provided on the following bases:

Freehold property	- straight line over 50 years for buildings. Land is not depreciated.
Long-term leasehold property	- straight line over 50 years for buildings and 125 years for land
Furniture and fixtures	- straight line over 5 years
Computer equipment	- straight line over 3 years
Motor vehicles	- straight line over 5 years

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use and reclassified to freehold or leasehold land and buildings.

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 Consolidated Statement of Financial Activities.

**1.7 STOCKS**

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost is based on the cost of purchases on a first in first out basis.

**1.8 DEBTORS**

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

**1.9 CASH AT BANK AND IN HAND**

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

**1.10 LIABILITIES**

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

**BRIDGWATER COLLEGE TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

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**1. ACCOUNTING POLICIES (continued)**

**1.11 FINANCIAL INSTRUMENTS**

The Group only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Group 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. Amounts due to the Trust's wholly owned subsidiaries are held at face value less any impairment.

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

*Financial liabilities* - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 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. Amounts due to the Trust's wholly owned subsidiaries are held at face value less any impairment.

**1.12 TAXATION**

The Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Accordingly, the Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Part 11, chapter 3 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

**BRIDGWATER COLLEGE TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

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**1. ACCOUNTING POLICIES (continued)**

**1.13 PENSIONS**

Retirement benefits to employees of the Group 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 Group 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 Group 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 Consolidated 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.

**1.14 FUND ACCOUNTING**

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the Group 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.

**1.15 OPERATING LEASES**

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

**BRIDGWATER COLLEGE TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**1. ACCOUNTING POLICIES (continued)**

**1.16 AGENCY ARRANGEMENTS**

The Academy Trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the Statement of Financial Activities as the Academy Trust does not have control over the charitable application of the funds. The Academy Trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the Statement of Financial Activities. The funds received, paid and any balances held at period end are disclosed in Note 35.

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 29, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement:

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



**BRIDGWATER COLLEGE TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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

	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Total funds 2019 £000	Total funds 2018 £000
Assets transferred on conversion	12	1,307	1,319	-
Donations	81	-	81	69
Capital Grants	-	4,930	4,930	2,363
<b>SUBTOTAL</b>	<b>81</b>	<b>4,930</b>	<b>5,011</b>	<b>2,432</b>
	93	6,237	6,330	2,432
<b>TOTAL 2018</b>	<b>69</b>	<b>2,363</b>	<b>2,432</b>	

**4. INCOME FROM CHARITABLE ACTIVITIES**

	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Total funds 2019 £000	Total funds 2018 £000
Education	-	15,982	15,982	14,771
Nursery	115	-	115	89
Boarding	-	1,351	1,351	1,406
<b>TOTAL 2019</b>	<b>115</b>	<b>17,333</b>	<b>17,448</b>	<b>16,266</b>
<b>TOTAL 2018</b>	<b>146</b>	<b>16,120</b>	<b>16,266</b>	

**BRIDGWATER COLLEGE TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**5. FUNDING FOR THE TRUST'S EDUCATIONAL OPERATIONS**

	<b>Restricted funds 2019 £000</b>	<b>Total funds 2019 £000</b>	<b>Total funds 2018 £000</b>
<b>DfE/ESFA GRANTS</b>			
General Annual Grant	13,303	13,303	12,573
Start up Grants	70	70	3
Other DfE/EFSA grants	1,370	1,370	1,557
	<b>14,743</b>	<b>14,743</b>	<b>14,133</b>
<b>Other Government grants</b>			
High Needs	284	284	168
Other government grants: capital	955	955	470
	<b>1,239</b>	<b>1,239</b>	<b>638</b>
<b>TOTAL 2019</b>	<b>15,982</b>	<b>15,982</b>	<b>14,771</b>

**6. INCOME FROM OTHER TRADING ACTIVITIES**

	<b>Unrestricted funds 2019 £000</b>	<b>Total funds 2019 £000</b>	<b>Total funds 2018 £000</b>
Lettings	7	7	14
Subsidiary trading income	150	150	216
Other	405	405	354
<b>TOTAL 2019</b>	<b>562</b>	<b>562</b>	<b>584</b>

All prior year income related to unrestricted funds.

**BRIDGWATER COLLEGE TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**7. INVESTMENT INCOME**

	Unrestricted funds 2019 £000	Total funds 2019 £000	Total funds 2018 £000
Bank interest	18	18	6

All prior year income related to unrestricted funds.

**8. EXPENDITURE**

	Staff Costs 2019 £000	Premises 2019 £000	Other 2019 £000	Total 2019 £000	Total 2018 £000
Expenditure on raising voluntary income	-	-	10	10	14
Expenditure on trading activities	91	-	51	142	194
EDUCATION:					
Direct costs	11,378	505	2,413	14,296	12,543
Support costs	2,401	921	1,037	4,359	4,474
NURSERY:					
Direct costs	87	-	4	91	78
Support costs	28	-	-	28	15
BOARDING:					
Direct costs	313	67	60	440	594
Support costs	324	118	305	747	634
<b>TOTAL 2019</b>	<b>14,622</b>	<b>1,611</b>	<b>3,880</b>	<b>20,113</b>	<b>18,546</b>
<b>TOTAL 2018</b>	<b>13,301</b>	<b>1,216</b>	<b>4,029</b>	<b>18,546</b>	

**BRIDGWATER COLLEGE TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**9. ANALYSIS OF EXPENDITURE BY ACTIVITIES**

	Activities undertaken directly 2019 £000	Support costs 2019 £000	Total funds 2019 £000	Total funds 2018 £000
Education	14,296	4,359	18,655	17,017
Nursery	91	28	119	94
Boarding	440	747	1,187	1,228
<b>TOTAL 2019</b>	<b>14,827</b>	<b>5,134</b>	<b>19,960</b>	<b>18,339</b>
<b>TOTAL 2018</b>	<b>13,216</b>	<b>5,123</b>	<b>18,339</b>	

**Analysis of direct costs**

	Education 2019 £000	Nursery 2019 £000	Boarding 2019 £000	Total funds 2019 £000	Total funds 2018 £000
Pension finance costs	296	-	-	296	320
Staff costs	11,244	87	313	11,644	10,719
Depreciation	959	-	118	1,077	893
Educational supplies	1,027	4	8	1,039	846
Examination fees	175	-	-	175	156
Staff development	117	-	1	118	100
Other costs	121	-	-	121	63
Supply teachers	136	-	-	136	5
Technology costs	221	-	-	221	114
<b>TOTAL 2019</b>	<b>14,296</b>	<b>91</b>	<b>440</b>	<b>14,827</b>	<b>13,216</b>
<b>TOTAL 2018</b>	<b>12,543</b>	<b>78</b>	<b>594</b>	<b>13,216</b>	

**BRIDGWATER COLLEGE TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**9. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)**

**Analysis of support costs**

	<b>Education 2019 £000</b>	<b>Nursery 2019 £000</b>	<b>Boarding 2019 £000</b>	<b>Total funds 2019 £000</b>	<b>Total funds 2018 £000</b>
Staff costs	2,401	28	324	2,753	2,468
Depreciation	568	-	-	568	471
Staff development	-	-	-	-	1
Other costs	42	-	3	45	26
Recruitment and support	102	-	-	102	74
Maintenance of premises and equipment	331	-	44	375	95
Cleaning	74	-	10	84	71
Rent and rates	163	-	26	189	181
Energy costs	332	-	38	370	339
Insurance	62	-	22	84	105
Security and transport	117	-	10	127	121
Catering	49	-	251	300	256
Technology costs	41	-	4	45	45
Office overheads	163	-	13	176	230
Legal and professional	140	-	-	140	140
Bank interest and charges	5	-	2	7	6
(Profit) / Loss on disposal of fixed assets	(298)	-	-	(298)	462
Governance costs	67	-	-	67	32
<b>TOTAL 2019</b>	<b>4,359</b>	<b>28</b>	<b>747</b>	<b>5,134</b>	<b>5,123</b>
<b>TOTAL 2018</b>	<b>4,474</b>	<b>15</b>	<b>634</b>	<b>5,123</b>	

**10. NET INCOME/(EXPENDITURE)**

Net income/(expenditure) for the year includes:

	<b>2019 £000</b>	<b>2018 £000</b>
Operating lease rentals	90	95
Depreciation of tangible fixed assets	1,645	1,364

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**11. AUDITORS' REMUNERATION**

	2019 £000	2018 £000
Fees payable to the Trust's Auditor and its associates for the audit of the Trust's annual accounts	19	19
Fees payable to the Trust's Auditor and its associates in respect of:		
The auditing of accounts of associates of the Trust	4	6
All Non-audit services not included above	6	6
	<u>19</u>	<u>31</u>

**12. STAFF COSTS**

**a. STAFF COSTS**

Staff costs during the year were as follows:

	Group 2019 £000	Group 2018 £000	Trust 2019 £000	Trust 2018 £000
Wages and salaries	10,806	9,939	10,806	9,939
Social security costs	964	876	964	876
Pension costs	2,619	2,428	2,619	2,428
	<u>14,389</u>	<u>13,243</u>	<u>14,389</u>	<u>13,243</u>
Agency staff costs	136	4	136	4
Staff restructuring costs	97	54	97	54
	<u>14,622</u>	<u>13,301</u>	<u>14,622</u>	<u>13,301</u>

Staff restructuring costs comprise:

	Group 2019 £000	Group 2018 £000	Trust 2019 £000	Trust 2018 £000
Redundancy payments	97	54	97	54
	<u>97</u>	<u>54</u>	<u>97</u>	<u>54</u>

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

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £17,837 (2018: £38,579). Individually, the payments were £10,337 and £7,500.

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**12. STAFF COSTS (CONTINUED)**

**c. STAFF NUMBERS**

The average number of persons employed by the Group and the Trust during the year was as follows:

	Group 2019 No.	Group 2018 No.
Teachers	141	134
Administration and support	311	298
Management	32	23
	<b>484</b>	<b>455</b>

The average headcount expressed as full-time equivalents was:

	Group 2019 No.	Group 2018 No.	Trust 2019 No.	Trust 2018 No.
Total staff	<b>376</b>	<b>350</b>	<b>376</b>	<b>350</b>

**d. HIGHER PAID STAFF**

The number of employees whose employee benefits (excluding employer's National Insurance contributions and employer pension costs) exceeded £60,000 was:

	Group 2019 No.	Group 2018 No.
In the band £60,001 - £70,000	9	4
In the band £70,001 - £80,000	1	2
In the band £80,001 - £90,000	2	2
In the band £90,001 - £100,000	1	-
In the band £120,001 - £130,000	1	1

**e. KEY MANAGEMENT PERSONNEL**

The key management personnel of the Academy Trust comprise the Trustees (who do not receive remuneration for their role as Trustees) and the Senior Management Team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £314,508 (2018: £293,541). Due to the growth in the Trust, it has reviewed who is deemed to be key management personnel. As a result, the 2018 comparative has changed from £570,904 disclosed in the previous year, which included additional members of staff at an individual academy level, to show a comparable year on year figure. There is a growth in the remuneration compared to 2018 as there was an overlap in the position of CFO during the period.

As staff Trustees are not remunerated in respect of their role as a Trustee, where staff Trustees do not

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**12. STAFF COSTS (CONTINUED)**

**e. KEY MANAGEMENT PERSONNEL (CONTINUED)**

form part of the Key Management Personnel other than in their role as Trustee, their remuneration as set out in note 14 has not been included in the total benefits received by Key Management Personnel above.

**13. CENTRAL SERVICES**

The Group has provided the following central services to its academies during the year:

- Financial services including audit
- Clerking services
- IT
- Human Resources
- Health and Safety
- Safeguarding Management
- SEN Management
- Facilities Management
- Data Protection services

The Group charges for these services on the following basis:

Staff and other direct costs have been calculated and the total costs split over the academies according to the total income received by each academy.

The actual amounts charged during the year were as follows:

	2019	2018
	£000	£000
Bridgwater College Academy	540	403
Brymore Academy	286	217
Hamp Academy	123	94
West Somerset College	306	270
<b>TOTAL</b>	<b>1,255</b>	<b>984</b>

There was no central recharge for Otterhampton in its first year as part of the Trust.

From 1 September 2019 the Trust is adopting a GAG pooling policy.

**14. TRUSTEES' REMUNERATION AND EXPENSES**

The CEO only receives remuneration in respect of services he provides undertaking the role of CEO under his contract of employment, and not in respect of his services as Trustee. Other Trustees did not receive any payments, other than expenses, from the Academy Trust in respect of their role as Trustees. The value of Trustees' remuneration and other benefits was as follows: P Elliott: Remuneration £125,000 - £130,000 (2018: £120,000 - £125,000), Employer's pension contributions £Nil (2018: £Nil).

Other related party transactions involving the Trustees are set out in note 32.



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**14. TRUSTEES' REMUNERATION AND EXPENSES (CONTINUED)**

During the year ended 31 August 2019, expenses totalling £2,000 were reimbursed or paid directly to 3 Trustees (2018 - £1,000 to 1 Trustee).

**15. TRUSTEES' AND OFFICERS' INSURANCE**

In accordance with normal commercial practice, the Trust 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 £5,000,000 on any one claim and the cost for the year ended 31 August 2019 was £2,341 (2018: £2,341). The cost of this insurance is included in the total insurance cost.

**16. TANGIBLE FIXED ASSETS**

**GROUP AND TRUST**

		Freehold property £000	Long-term leasehold property £000	Furniture and equipment £000	Computer equipment £000	Motor vehicles £000	Total £000
<b>COST OR VALUATION</b>							
	At 1 September 2018	31,156	6,368	2,874	1,286	43	41,727
	Additions	4,677	151	641	39	25	5,533
	Transfers on conversion	-	1,286	256	1	-	1,543
	Disposals	(171)	-	-	-	(4)	(175)
	At 31 August 2019	35,662	7,805	3,771	1,326	64	48,628
<b>DEPRECIATION</b>							
	At 1 September 2018	2,108	620	1,380	970	34	5,112
	Charge for the year	627	132	692	188	6	1,645
	On disposals	(20)	-	-	-	(1)	(21)
	At 31 August 2019	2,715	752	2,072	1,158	39	6,736
<b>NET BOOK VALUE</b>							
	At 31 August 2019	32,947	7,053	1,699	168	25	41,892
	At 31 August 2018	29,048	5,748	1,494	316	8	36,614

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**17. DEBTORS**

	<b>Group</b> <b>2019</b> <b>£000</b>	<b>Group</b> <b>2018</b> <b>£000</b>	<b>Trust</b> <b>2019</b> <b>£000</b>	<b>Trust</b> <b>2018</b> <b>£000</b>
<b>DUE WITHIN ONE YEAR</b>				
Trade debtors	115	245	106	286
Prepayments and accrued income	700	1,204	699	1,202
Tax recoverable	514	306	494	306
	<b>1,329</b>	<b>1,755</b>	<b>1,299</b>	<b>1,794</b>

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

	<b>Group</b> <b>2019</b> <b>£000</b>	<b>Group</b> <b>2018</b> <b>£000</b>	<b>Trust</b> <b>2019</b> <b>£000</b>	<b>Trust</b> <b>2018</b> <b>£000</b>
Other loans	91	91	91	91
Trade creditors	194	169	163	146
Other taxation and social security	260	233	248	213
Other creditors	389	391	389	392
Accruals and deferred income	490	1,199	483	1,191
	<b>1,424</b>	<b>2,083</b>	<b>1,374</b>	<b>2,033</b>

	<b>Group</b> <b>2019</b> <b>£000</b>	<b>Group</b> <b>2018</b> <b>£000</b>	<b>Trust</b> <b>2019</b> <b>£000</b>	<b>Trust</b> <b>2018</b> <b>£000</b>
<b>DEFERRED INCOME</b>				
Deferred income at 1 September 2018	307	63	307	63
Resources deferred during the year	102	307	102	307
Amounts released from previous periods	(307)	(63)	(307)	(63)
	<b>102</b>	<b>307</b>	<b>102</b>	<b>307</b>

At the Balance Sheet date the Academy Trust was holding funds received in advance for free school meals to be provided for Key Stage 1 pupils as of 1 September 2019 and trips in respect of the 2019/20 accounting year.

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

	<b>Group</b>	<b>Group</b>	<b>Trust</b>	<b>Trust</b>
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Other loans	<b>254</b>	<b>342</b>	<b>254</b>	<b>342</b>

Included in other loans is a loan of £100,000 provided to Brymore Academy by Somerset County Council prior to conversion. The loan capital is repaid at £50,000 per annum along with a £2,500 interest payment.

Also included within other loans are Condition Improvement Fund (CIF) loans of £245,210 repayable in six-monthly instalments over 8 years with an applicable interest rate of 0%.

**20. FINANCIAL INSTRUMENTS**

	<b>Group</b>	<b>Group</b>	<b>Trust</b>	<b>Trust</b>
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>FINANCIAL ASSETS</b>				
Financial assets measured at fair value through income and expenditure	<b>6,307</b>	<b>6,333</b>	<b>6,264</b>	<b>6,238</b>
Financial assets that are debt instruments measured at amortised cost	<b>689</b>	<b>1,249</b>	<b>678</b>	<b>1,287</b>
	<b>6,996</b>	<b>7,582</b>	<b>6,942</b>	<b>7,525</b>
<b>FINANCIAL LIABILITIES</b>				
Financial liabilities measured at amortised cost	<b>(1,280)</b>	<b>(1,887)</b>	<b>(1,242)</b>	<b>(1,856)</b>

Financial assets measured at fair value through income and expenditure comprise cash and cash equivalents.

Financial assets that are debt instruments measured at amortised cost comprise trade debtors, other debtors and accrued income.

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

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**21. STATEMENT OF FUNDS**

	Balance at 1 September 2018 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2019 £000
<b>UNRESTRICTED FUNDS</b>						
General Funds	2,552	788	(702)	125	-	2,763
<b>RESTRICTED GENERAL FUNDS</b>						
General Annual Grant (GAG)	1,207	13,303	(12,882)	(49)	-	1,579
High Needs	-	284	(284)	-	-	-
Pupil Premium	81	1,112	(1,193)	-	-	-
Other ESFA	83	225	(308)	-	-	-
Other government	7	738	(615)	-	-	130
UIFSM	26	33	(59)	-	-	-
MDIF	80	-	(80)	-	-	-
Boarding	298	1,351	(1,187)	(50)	-	412
SSIF	80	217	(297)	-	-	-
Start Up	-	70	(70)	-	-	-
Pension reserve	(11,023)	(236)	(1,089)	-	(2,038)	(14,386)
	<b>(9,161)</b>	<b>17,097</b>	<b>(18,064)</b>	<b>(99)</b>	<b>(2,038)</b>	<b>(12,265)</b>

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**21. STATEMENT OF FUNDS (CONTINUED)**

	Balance at 1 September 2018 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2019 £000
<b>RESTRICTED FIXED ASSET FUNDS</b>						
Fixed assets transferred on conversion/acqui sition of academies	26,422	1,543	(713)	(75)	-	27,177
Fixed assets purchased from GAG and other restricted funds	2,125	-	(535)	49	-	1,639
DfE/ESFA capital grants	6,417	800	(487)	-	-	6,730
Other capital donations	2,973	4,130	(62)	-	-	7,041
Other	-	-	450	-	-	450
	<b>37,937</b>	<b>6,473</b>	<b>(1,347)</b>	<b>(26)</b>	<b>-</b>	<b>43,037</b>
<b>TOTAL RESTRICTED FUNDS</b>	<b>28,776</b>	<b>23,570</b>	<b>(19,411)</b>	<b>(125)</b>	<b>(2,038)</b>	<b>30,772</b>
<b>TOTAL FUNDS</b>	<b>31,328</b>	<b>24,358</b>	<b>(20,113)</b>	<b>-</b>	<b>(2,038)</b>	<b>33,535</b>

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

**RESTRICTED FUNDS**

**General Annual Grant (GAG)** - Income from the ESFA which is to be used for the normal running costs of the Academy Trust, including education and support costs.

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

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

**Other ESFA** - This represents other small funding pools received from the ESFA for use on specified purposes.

**Other Government** - This represents other small funding pools received from the Government for use on specified purposes.

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**21. STATEMENT OF FUNDS (CONTINUED)**

UIFSM (Universal Infant Free School Meals) - Income from the ESFA which is to be used in the provision of free school meals for all pupils in reception, year 1 and year 2 classes.

Regional Academy Growth - This represents funding to support Academy Trusts in growing and improving standards.

MDIF - Multi Academy Trust Development and Improvement Fund (MDIF) aims to provide additional funding to Trusts in order to improve schools and increase social mobility.

Boarding - This represents the financial position of the boarding operation currently run by the Trust at Brymore Academy.

SSIF - Strategic School Improvement Fund to provide funds for improving Maths provision within the local area.

Pension reserve - This represents the Academy Trust's share of the assets and liabilities in the Local Government Pension Scheme. As with most pension schemes this is currently in deficit due to an excess of scheme liabilities over scheme assets which was inherited on conversion to an Academy Trust.

**RESTRICTED FIXED ASSET FUNDS**

Fixed assets transferred on conversion/acquisition of academies - This represents the buildings and equipment donated to the Trust from the Local Authority on conversion or the acquisition of existing academies.

Fixed assets purchased from GAG and other restricted funds - This represents the assets purchased out of restricted funds for the ongoing operations of the Academies.

DfE/ESFA Capital Grants - These funds are received from the DfE/ESFA 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.

Other capital donations - These funds are received 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.

**TRANSFERS BETWEEN FUNDS**

Transfers between funds have been made from General Annual Grant (GAG) to Fixed Asset funds, due to fixed asset expenditure from the GAG fund. There is a transfer from boarding to GAG to reflect the repayment of the other loan provided to Brymore Academy on conversion. There is also a transfer from restricted fixed asset funds to unrestricted funds to reflect a change in the requirement for the expenditure of funds on conversion at Brymore.

**OTHER INFORMATION**

Under the funding agreement with the Secretary of State, the Trust was not subject to a limit on the amount of GAG it could carry forward at 31 August 2019.

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**21. STATEMENT OF FUNDS (CONTINUED)**

**Total funds analysis by academy**

Fund balances at 31 August 2019 were allocated as follows:

	2019 £000	2018 £000
Bridgwater College Academy	1,560	1,519
Brymore Academy	650	443
Hamp Academy	595	491
West Somerset College	1,679	1,512
Otterhampton Primary School	37	-
Central	363	449
Total before fixed asset funds and pension reserve	4,884	4,414
Restricted fixed asset fund	43,037	37,937
Pension reserve	(14,386)	(11,023)
<b>TOTAL</b>	<b>33,535</b>	<b>31,328</b>

**TOTAL COST ANALYSIS BY ACADEMY**

Expenditure (excluding depreciation, pension and costs of subsidiaries) incurred by each academy during the year was as follows:

	Teaching and educational support staff costs £000	Other support staff costs £000	Educational supplies £000	Other costs £000	Total 2019 £000	Total 2018 £000
Bridgwater College Academy	4,447	713	312	695	6,167	5,976
Brymore Academy	1,840	646	166	728	3,380	3,341
Hamp Academy	1,046	168	91	199	1,504	1,335
West Somerset College	2,579	627	230	669	4,105	4,155
Otterhampton Primary School	316	78	30	59	483	-
Central	623	519	210	247	1,599	1,309
<b>TRUST</b>	<b>10,851</b>	<b>2,751</b>	<b>1,039</b>	<b>2,597</b>	<b>17,238</b>	<b>16,116</b>

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**21. STATEMENT OF FUNDS (CONTINUED)**

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

	Balance at 1 September 2017 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2018 £000
<b>UNRESTRICTED FUNDS</b>						
General Funds	2,444	805	(697)	-	-	2,552
<b>RESTRICTED GENERAL FUNDS</b>						
General Annual Grant (GAG)	1,470	12,573	(11,547)	(1,289)	-	1,207
High Needs	-	168	(168)	-	-	-
Pupil Premium	46	1,070	(1,035)	-	-	81
Other ESFA	155	74	(146)	-	-	83
Other government	7	470	(470)	-	-	7
UIFSM	15	58	(47)	-	-	26
Regional Academy Growth	64	-	(64)	-	-	-
MDIF	-	80	-	-	-	80
Boarding	225	1,349	(1,226)	(50)	-	298
SSIF	-	278	(198)	-	-	80
Pension reserve	(12,458)	-	(1,124)	-	2,559	(11,023)
	(10,476)	16,120	(16,025)	(1,339)	2,559	(9,161)



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**21. STATEMENT OF FUNDS (CONTINUED)**

	Balance at 1 September 2017 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2018 £000
<b>RESTRICTED FIXED ASSET FUNDS</b>						
Fixed assets transferred on conversion/acq uisition of academies	27,351	-	(979)	50	-	26,422
Fixed assets purchased from GAG and other restricted funds	1,146	-	(310)	1,289	-	2,125
DfE/ESFA capital grants	5,026	1,865	(474)	-	-	6,417
Other capital donations	2,537	498	(62)	-	-	2,973
	<u>36,060</u>	<u>2,363</u>	<u>(1,825)</u>	<u>1,339</u>	<u>-</u>	<u>37,937</u>
<b>TOTAL RESTRICTED FUNDS</b>	<u>25,584</u>	<u>18,483</u>	<u>(17,850)</u>	<u>-</u>	<u>2,559</u>	<u>28,776</u>
<b>TOTAL FUNDS</b>	<u>28,028</u>	<u>19,288</u>	<u>(18,547)</u>	<u>-</u>	<u>2,559</u>	<u>31,328</u>

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

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

	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Restricted fixed asset funds 2019 £000	Total funds 2019 £000
Tangible fixed assets	-	-	41,891	41,891
Intangible fixed assets	-	-	3	3
Current assets	2,763	3,467	1,475	7,705
Creditors due within one year	-	(1,346)	(78)	(1,424)
Creditors due in more than one year	-	-	(254)	(254)
Provisions for liabilities and charges	-	(14,386)	-	(14,386)
<b>TOTAL</b>	<u>2,763</u>	<u>(12,265)</u>	<u>43,037</u>	<u>33,535</u>

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**22. ANALYSIS OF NET ASSETS BETWEEN FUNDS (CONTINUED)**

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

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Restricted fixed asset funds 2018 £000	Total funds 2018 £000
Tangible fixed assets	-	-	36,614	36,614
Intangible fixed assets	-	-	3	3
Fixed asset investments	-	-	4	4
Current assets	2,550	3,867	1,739	8,156
Creditors due within one year	-	(2,005)	(80)	(2,085)
Creditors due in more than one year	-	-	(342)	(342)
Provisions for liabilities and charges	-	(11,023)	-	(11,023)
<b>TOTAL</b>	<b>2,550</b>	<b>(9,161)</b>	<b>37,938</b>	<b>31,327</b>

**23. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	2019 £000	2018 £000
Net income for the year (as per Statement of Financial Activities)	4,245	741
<b>ADJUSTMENTS FOR:</b>		
Depreciation	1,645	1,364
Capital grants from DfE and other capital income	(4,930)	(2,363)
Interest	(18)	(6)
Defined benefit pension scheme obligation inherited	236	-
Defined benefit pension scheme cost less contributions payable	793	784
Defined benefit pension scheme finance cost	296	340
(Increase)/decrease in stocks	(1)	20
(Increase)/decrease in debtors	426	(472)
(Decrease)/increase in creditors	(659)	681
(Gain)/loss on the sale of fixed assets	(297)	461
Assets transferred on conversion	(1,543)	-
Net (gain)/loss on assets and liabilities from local authority on conversion	(12)	-
(Gain)/Loss on the disposal of investments	4	-
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>185</b>	<b>1,550</b>

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**24. CASH FLOWS FROM FINANCING ACTIVITIES**

	<b>Group</b> <b>2019</b> <b>£000</b>	<b>Group</b> <b>2018</b> <b>£000</b>
Cash inflows from new borrowing	-	28
Repayments of borrowing	(88)	(119)
Cash transferred on conversion	12	-
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>(76)</b>	<b>(91)</b>

**25. CASH FLOWS FROM INVESTING ACTIVITIES**

	<b>Group</b> <b>2019</b> <b>£000</b>	<b>Group</b> <b>2018</b> <b>£000</b>
Dividends, interest and rents from investments	18	6
Purchase of tangible fixed assets	(5,533)	(3,322)
Proceeds from the sale of tangible fixed assets	450	-
Capital grants from DfE Group	4,930	2,363
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(135)</b>	<b>(953)</b>

**26. ANALYSIS OF CASH AND CASH EQUIVALENTS**

	<b>Group</b> <b>2019</b> <b>£000</b>	<b>Group</b> <b>2018</b> <b>£000</b>
Cash in hand	6,307	6,333
<b>TOTAL CASH AND CASH EQUIVALENTS</b>	<b>6,307</b>	<b>6,333</b>

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**27. CONVERSION TO AN ACADEMY TRUST**

On 1 September 2018 Otterhampton Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Bridgwater College Trust from Somerset County Council for £NIL consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the Consolidated Balance Sheet under the appropriate heading with a corresponding net amount recognised as a net gain in the Consolidated Statement of Financial Activities as Income from Donations and Capital Grants - transfer from local authority on conversion.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Consolidated Statement of Financial Activities.

	Unrestricted funds £000	Restricted funds £000	Restricted fixed asset funds £000	Total funds £000
<b>TANGIBLE FIXED ASSETS</b>				
Leasehold land and buildings	-	-	1,286	1,286
Other tangible fixed assets	-	-	257	257
<b>CURRENT ASSETS</b>				
Cash - representing budget surplus on LA funds	12	-	-	12
<b>NON-CURRENT LIABILITIES</b>				
LGPS pension surplus/(deficit)	-	(236)	-	(236)
<b>NET ASSETS/(LIABILITIES)</b>	<b>12</b>	<b>(236)</b>	<b>1,543</b>	<b>1,319</b>

**28. CAPITAL COMMITMENTS**

	Group 2019 £000	Group 2018 £000	Trust 2019 £000	Trust 2018 £000
Contracted for but not provided in these financial statements	2,428	1,607	2,428	1,607

**29. PENSION COMMITMENTS**

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

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

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**29. PENSION COMMITMENTS (CONTINUED)**

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

**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 and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

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

**VALUATION OF THE TEACHERS' PENSION SCHEME**

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

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% employer administration charge)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £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
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the 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 is 4.45%.

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers will pay an increased contribution rate of 23.68% from 1 September 2019 (this includes the administration levy of 0.8%).

The employer's pension costs paid to TPS in the year amounted to £986,187 (2018 - £906,108).

A copy of the valuation report and supporting documentation is on the [Teachers' Pensions website](#).

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

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29. 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 2019 was £1,055,000 (2018 - £953,000), of which employer's contributions totalled £809,000 (2018 - £731,000) and employees' contributions totalled £ 246,000 (2018 - £222,000). The agreed contribution rates for future years are 20.9 per cent for employers and 5.5 - 7.5 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

	2019 %	2018 %
Rate of increase in salaries	3.70	3.80
Rate of increase for pensions	2.20	2.30
Discount rate for scheme liabilities	1.90	2.65
Inflation assumption (CPI)	2.20	2.30

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

	2019 Years	2018 Years
<i>Retiring today</i>		
Males	22.9	24.0
Females	24.0	25.2
<i>Retiring in 20 years</i>		
Males	24.6	26.3
Females	25.8	27.5

Sensitivity analysis

	2019 £000	2018 £000
Discount rate +0.1%	636	504
Discount rate -0.1%	(653)	(517)
Mortality assumption - 1 year increase	(899)	(705)
Mortality assumption - 1 year decrease	869	681
CPI rate +0.1%	(589)	(470)
CPI rate -0.1%	574	458

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**29. PENSION COMMITMENTS (CONTINUED)**

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

	At 31 August 2019 £000	At 31 August 2018 £000
Equities	8,056	6,867
Gilts	1,041	513
Bonds	923	863
Property	676	847
Cash	677	453
<b>TOTAL MARKET VALUE OF ASSETS</b>	<b>11,373</b>	<b>9,543</b>

The actual return on scheme assets was £739,000 (2018 - £374,000).

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

	2019 £000	2018 £000
Current service cost	(1,473)	(1,515)
Past service cost	(129)	(21)
Interest income	262	224
Interest cost	(558)	(544)
<b>TOTAL AMOUNT RECOGNISED IN THE CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES</b>	<b>(1,898)</b>	<b>(1,856)</b>

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

	2019 £000	2018 £000
<b>AT 1 SEPTEMBER</b>	<b>20,566</b>	<b>20,910</b>
Conversion	442	-
Current service cost	1,473	1,515
Interest cost	558	544
Employee contributions	246	222
Actuarial losses/(gains)	2,506	(2,414)
Benefits paid	(161)	(231)
Past service costs	129	20
<b>AT 31 AUGUST</b>	<b>25,759</b>	<b>20,566</b>

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**29. PENSION COMMITMENTS (CONTINUED)**

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

	2019 £000	2018 £000
<b>AT 1 SEPTEMBER</b>	<b>9,543</b>	<b>8,452</b>
Conversion	206	-
Interest income	270	229
Actuarial gains	468	145
Employer contributions	809	731
Employee contributions	246	222
Benefits paid	(161)	(231)
Administration expenses	(8)	(5)
<b>AT 31 AUGUST</b>	<b>11,373</b>	<b>9,543</b>

**30. OPERATING LEASE COMMITMENTS**

At 31 August 2019 the Group and the Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group 2019 £000	Group 2018 £000	Trust 2019 £000	Trust 2018 £000
Within 1 year	93	84	93	84
Between 1 and 5 years	90	69	90	69
	<b>183</b>	<b>153</b>	<b>183</b>	<b>153</b>

**31. 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.



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**32. RELATED PARTY TRANSACTIONS**

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

The following related party transactions took place in the year:

During the year an amount of £74,711 (2018: £97,000) was paid to the sponsor, Bridgwater & Taunton College for curriculum courses, careers services and exams services. In entering into the transaction, the Trust has complied with the Academies Financial Handbook 2018. Purchases were provided 'at no more than cost' and Bridgwater & Taunton College has provided a Statement of Assurance confirming this.

**33. POST BALANCE SHEET EVENTS**

Since the year end, the Board of Trustees have approved for Maiden Beech Academy, Stanchester Academy and Swanmead Community school to join the Academy Trust.

**34. AGENCY ARRANGEMENTS**

The Academy Trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ended 31 August 2019 the Academy Trust received £18,896 and disbursed £10,780 from the fund. An amount of £8,116 is included in other creditors relating to undistributed funds that is repayable to ESFA.

**35. ACADEMY BOARDING TRADING ACCOUNT**

Boarding income		1,351	1,406
<b>DIRECT COSTS</b>			
Educational supplies	8	16	
Other costs	1	1	
Staff costs	313	457	
Depreciation	118	118	
		<b>440</b>	<b>592</b>
<b>SUPPORT COSTS</b>			
Other costs	3	6	
Maintenance of premises and equipment	44	9	
Cleaning	10	10	
Rent and rates	26	23	
Energy costs	38	5	
Insurance	22	18	
Security and transport	10	16	
Catering	251	165	
Technology costs	4	7	
Office overheads	13	43	
Legal and professional		2	
Bank interest and charges	2	2	
Staff costs	324	328	
		<b>747</b>	<b>634</b>
<b>SURPLUS (DEFICIT) FOR THE PERIOD</b>		<b>164</b>	<b>180</b>

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**36. GENERAL INFORMATION**

Bridgwater College Trust is a company limited by guarantee, incorporated in England and Wales. The registered office is Bridgwater College Academy, Parkway, Bridgwater, TA6 4QY. The principal activity of the Trust is disclosed within the Trustees report.

**37. PRINCIPAL SUBSIDIARIES**

The following were subsidiary undertakings of the Trust:

<b>Names</b>	<b>Company number</b>	<b>Holding</b>	<b>Included in consolidation</b>
Brymore Trading Limited	09202279	100%	Yes
Bridgwater College Academy Trading Limited	09174224	100%	Yes

The financial results of the subsidiaries for the year were:

<b>Names</b>	<b>Income £000</b>	<b>Expenditure £000</b>	<b>Profit/(Loss) / Surplus/ (Deficit) for the year £000</b>	<b>Net assets £000</b>
Brymore Trading Limited	55	31	24	25
Bridgwater College Academy Trading Limited	94	100	(6)	(5)

The registered office of Brymore Trading Limited and Bridgwater College Academy Trading Limited is Bridgwater College Academy, Parkway, Bridgwater, TA6 4QY.