

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

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2017**



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

**CONTENTS**

---

	Page
<b>Reference and Administrative Details</b>	1 - 2
<b>Trustees' Report</b>	3 - 14
<b>Governance Statement</b>	15 - 18
<b>Statement of Trustees' Responsibilities</b>	20
<b>Independent Auditors' Report on the Financial Statements</b>	21 - 23
<b>Independent Reporting Accountant's Assurance Report on Regularity</b>	24 - 25
<b>Consolidated Statement of Financial Activities Incorporating Income and Expenditure Account</b>	26
<b>Consolidated Balance Sheet</b>	27 - 28
<b>Trust Balance Sheet</b>	29 - 30
<b>Consolidated Statement of Cash Flows</b>	31
<b>Notes to the Financial Statements</b>	32 - 58

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

**REFERENCE AND ADMINISTRATIVE DETAILS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

---

<b>Members</b>	A Berry M Robbins (resigned 22 May 2017) D Randall L Rowley (appointed 21 May 2017)
<b>Trustees</b>	H Strawbridge <sup>1</sup> M Robbins (resigned 22 May 2017) S Brewer (resigned 1 December 2016) <sup>1</sup> C Chevalley J Ashworth (resigned 26 September 2017) P Elliott, Chief Executive Officer <sup>1</sup> D Rayner, Chair of Audit Committee <sup>1</sup> W Dick (resigned 6 March 2017) A Dyer (resigned 3 January 2017) <sup>1</sup> S Gibson <sup>1</sup> D Hannay M Hill (resigned 31 August 2017) P Holtam (resigned 11 June 2017) <sup>1</sup> M Swallow <sup>1</sup> A Berry, Chair of Trustees (appointed 22 May 2017) S Grundy (appointed 27 September 2017) E Dew (appointed 1 April 2017, resigned 31 August 2017) M Bevan (appointed 1 September 2017, resigned 23 February 2017)
	<sup>1</sup> Audit 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>	Mrs A Griffith
<b>Accounting officer</b>	Mr P Elliott
<b>Senior management team</b>	Trust P Elliot, Chief Executive Officer G Warren, Chief Financial Officer L Newman, Chief Operating Officer
<b>Independent auditors</b>	Bishop Fleming LLP Chartered Accountants Statutory Auditors 2nd Floor Stratus House Emperor Way Exeter Business Park Exeter EX1 3QS

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

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE TRUST, ITS TRUSTEES AND ADVISERS  
FOR THE YEAR ENDED 31 AUGUST 2017**

---

**Advisers (continued)**

**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  
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT  
FOR THE YEAR ENDED 31 AUGUST 2017**

---

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company and the group for the year ended 31 August 2017. The annual report serves the purpose of both a Trustees' report, and a Directors' report under company law.

The Trust operates four academies, Bridgwater College Academy, Hamp Academy, Brymore Academy and West Somerset College.

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 594 in the primary phase and 607 in the secondary phase in October 2016 (October 2015: 598 primary and 603 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 315 (increased from 285) and had a roll of 281 in the school census in October 2016 from the ages 7 to 11 (October 2015: capacity of 265 and a roll of 264).

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 285 and had a roll of 281 (139 boarders; 114 day pupils) in the school census in October 2016 (October 2015: capacity of 265 and 139 boarders and 114 day pupils).

West Somerset College converted to academy status on 1 September 2011. 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 639 pre sixteen and 145 post sixteen students in the school census in October 2016. The College was put into special measures in October 2014. The Regional Schools Commissioner requested that BCA assist in raising the standards of teaching and learning and subsequently to oversee the finances. WSC joined the Bridgwater College Trust in February 2016 and secured a "good" Ofsted rating in June 2016.

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Constitution**

The Trust is a company limited by guarantee and an exempt charity. The charitable company and the group'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 and the group 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 to 2.

**Members' liability**

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

**Trustees' Indemnities**

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' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

---

**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. Each Headteacher or Executive Head teacher is treated for all purposes as being an ex officio Trustee. Additional Trustees may be appointed by the Secretary of State.

There will be a minimum of two parent Directors who are appointed by the parents by election. The Chairs of each Local Governing Body are automatically appointed as Trustees.

The Trust has executive committees set up to deal with Audit and from 1 September 2017, Finance and Resources. These committees scrutinise and review in detail and make recommendations to the Trust Board.

Additionally, the Trust has established, for each Academy, a Local Governing Body, whose role shall be to provide advice to the Trust in relation to the functioning of that Academy. The role of the Local Governing Body and the membership of it, is for the Trust to decide, but 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 or Executive Headteacher of each Academy shall act as an ex officio member of the Local Governing Body.

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 will give 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 will be appointed.

The Trustees, Directors and Governors who were in office at 31 August 2017 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 eight 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. 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 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 (appointed from 1 September 2016) is responsible for delivering the objectives of the Trust.

The Trustees have an audit committee and from 1 September 2017 a Finance and Resources committee which are responsible and make recommendations to the board following scrutiny and review.

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.

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

**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2017**

---

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, Chief Operating Officer, 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. From 2017/18 budgets are set and monitored centrally with the contribution of the Heads. Key support services were centralised at the end of 2016/17 including finance, HR, IT, Health and Safety, Premises and SEN. The finance team was restructured during the summer and migrated onto a new accounting package, centralised bank and centralised payroll. Despite this upheaval the audit went smoothly and the teams are now embedded in their new roles. This shift to centralisation will result in additional central costs in 2017/18.

The Academy Leadership Team (ALT) of Bridgwater College Academy consists of the Headteacher, two Heads of School, Head of Curriculum, Head of Staff Development, Head of Inclusion and two deputy Headteachers. These managers control the Academy at an executive level implementing the policies laid down by the Trustees and reporting back to them. As a group, the ALT is responsible for the teaching and learning and the appointment of staff. Some spending control is also devolved to budget holders.

The Senior Leadership Team of Hamp Academy consisted of the Head, Assistant Head, Upper Phase Leader and Lower Phase Leader. The Head who is newly in post has the support and mentoring of the Head of Primary for the Trust, based in BCA, who has overall responsibility for delivering the academic results of Hamp. These managers control the Academy at an executive level implementing the policies laid down by the Trustees and reporting back to them. As a group, the SLT is responsible for the teaching and learning and the appointment of staff, though appointment Boards for senior posts in the SLT always contain a Trustee. Some spending control is also devolved to budget holders.

The Senior Leadership Team of Brymore Academy consisted of the Head, Deputies and the Head of Boarding. These managers control the Academy at an executive level implementing the policies laid down by the Trustees and reporting back to them. As a group, the SLT is responsible for the teaching and learning and the appointment of staff, though appointment Boards for senior posts in the SLT always contain a Trustee. Some spending control is also devolved to budget holders.

The Senior Leadership Team of West Somerset College consists of the Head, Deputy, three assistant headteachers and the SENCO lead. As a group, the SLT is responsible for, achievement, curriculum, data, assessment, teaching and learning and the appointment of staff, though appointment Boards for senior posts in the SLT always contain a Trustee. Some spending control is also devolved to budget holders.

The Board of Trustees normally meets a minimum of once each term (twice in the Autumn term). The Board establishes an overall framework for the governance of the Trust, each Academy and determines membership, terms of reference and procedures of Committees and other groups. It receives reports including policies from its Committees and Academy Local Governing Bodies for ratification. It monitors the activities of the Committees through the minutes of their meetings. The Chair of each Local Governing Body is a director of the Bridgwater College Trust.

At Trust level there is an audit committee and from 1 September 2017 a Finance and Resources Committee.

Within two Academies, BCA and Brymore 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.

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

**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2017**

---

For the other two academies, WSC and Hamp 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 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. .

The Chief Executive Officer is the Accounting Officer.

**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.

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

From 1st September 2016 the nursery activities at West Somerset were carried out through a new trading subsidiary, Acorns Nursery Minehead Limited. Following the opening of another nursery in Minehead with a lower cost base, the Acorns Nursery ceased trading in March 2017.

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

The Board of Trustees will take decisions on leadership posts and pay ranges in accordance with the statutory provisions and the Board of Trustees's whole academy approach to pay policy. Pay relativities within the academy and any responsibilities undertaken beyond the academy will be considered when making decisions on pay ranges.

The pay of key management personnel is based on STPCD nationally negotiated salaries and reviewed annually.

**OBJECTIVES AND ACTIVITIES**

**Objects and Aims**

The principal objects and activities of the Charitable Company are:

- The operation of Bridgwater College Trust to advance, for the public benefit, education in the United Kingdom, by establishing, maintaining, carrying on, managing and developing academies offering a broad curriculum.

The Academy Sponsor, Bridgwater 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.



**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

---

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

**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 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, especially in terms of progress in Numeracy and Literacy.

The benefits of the all through education and the focus on every child achieving has resulted in the excellent results in 2017, with a positive Progress 8 score of +0.09. 34% of the cohort were disadvantaged children. Despite this the results were amongst the best in Somerset.

The main objectives of Bridgwater College Academy during the year ended 31 August 2016 are summarised below:

- To continue to keep the student at the centre of the process.
- To improve attainment and progress across the Academy and diminish differences.
- To develop strategies to improve the quality of teaching and intervention to ensure all learners including those with SEN and EAL make exceptional progress
- To establish the fullest possible educational programme in order to raise aspirations and promote education for life.
- To provide each student with the experience of challenging learning styles that value not only individual thinking, but also the collaborative skills of investigating, discussing and communicating.
- To respond to the curriculum reform by supporting subject teams to revise and develop new schemes of learning to meet the needs of individual cohorts of learners.

**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.

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.

**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

---

It has been a turbulent year at Hamp Academy following the departure of the chair of governors and previous head at Easter. Fortunately as Hamp was part of a wider trust, support and mentoring could be supplied from elsewhere in the Trust and as part of the overriding wish to develop staff from within the previous Deputy was promoted to Head. This is the first time that the school has really felt the presence of the Trust in any meaningful way. The academic profile of the cohort was less strong than in previous years however, the teaching, intervention and support that this cohort have received has not differed hugely from in previous years. Thus KS2 outcomes were slightly less strong than in previous years. .

The activities included the following:

- To continue to raise standards and accelerate progress throughout the school in reading, writing and mathematics to support the best outcomes for pupils and particularly raise the attainment for our higher ability pupils.
- To continue to improve the quality of teaching and learning and to increase parental involvement in the school.
- To increase resilience and creative learning in all aspects of teaching and learning throughout the curriculum.
- Delivery of a new 3 classroom teaching block, in conjunction with Somerset County Council, to allow for the expansion of the school to meet the growing demographic around Hamp at Primary level. The accommodation has been in use since 1 September 2017.

#### **Brymore 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. There has been considerable work and improvement on the standards of teaching and learning in Brymore.

Nearly 60% of the school have Special Educational Needs and 81% had low or medium attainment on entry, thus a lot of work is done to improve the students' progress. Additionally at Brymore some of the subjects taken, Agriculture and Horticulture, which Brymore specialises in do not count within the measures. Despite this a positive Progress 8 score of +0.08 was achieved at Key Stage 4.

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.
- A range of activities to promote community adhesion and support of other charities activities.

#### **West Somerset College**

In 2015/16 key activities and targets were identified in the Educational Development Plan and were influenced by the need to come out of special measures. By the end of the year WSC was rated as Good by Ofsted.

In 2016/17 this progress has been consolidated and in Summer 2017 WSC had an excellent set of results based on progress, being 3rd in Somerset.

The General Election result in 2017 has resulted in the continuation of the Opportunity Area project, aimed at increasing the outcomes of individuals within the area (of west Somerset). West Somerset College will be responsible for several areas of the plan and should support 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 CEO sits on the lead steering group for the project and will report back periodically on progress against the plan.

**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2017**

---

The key activities in 2016/17 for West Somerset included the following:

- Improving the quality of leadership and management by ensuring line management structures support the progress and achievement of all learners
- Improving outcomes at Key Stage 5
- Closing the gap for Pupil Premium learners
- Improving the quality of teaching and learning by delivering bespoke CPD
- Improving behaviour and safety across the school by reducing the incidence of low level disruption within the classroom

**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**

Bridgwater College Academy

Bridgwater College Academy is in its fifth year of operation. Bridgwater College Academy is an all through school from age 3 to 16.

The school is situated in an area of significant social disadvantage, bordered by a large council estate which has a social deprivation indicator of 0.3. The IDACI index places the school in the top 7% of socially deprived wards in the country (ranked 2381/32482) and LA data indicates that the school serves the most socially deprived catchment in the Authority. Census data confirms high levels of social deprivation with few adults in HE (4.5% from main ward compared to 29% nationally) which is significantly below the national average. The Wealth Poverty Index scores the school at minus 676 points. Over a third of students are eligible for Free School Meals, however this number varies throughout the year and phase. The Academy acknowledges the context of its setting and is insistent on high expectations of all who attend. We recognise that many students have limited life experiences and expectations. Many students are not ambitious academically and this can be a significant barrier to learning which the Academy is working hard to dismantle.

BCA is committed to providing a high quality distinctive education through a specialist curriculum. The curriculum is designed to offer both vocational and academic courses. Through a guided personalised learning experience, BCA aims to develop the specific talents, gifts and potential of each student and therefore maximise their life chances.

KPIs both financial and academic has been good with the Secondary phase gaining the best ever results, continuing the previous trend of best results with a positive Progress 8 score of +0.09 (0.0 is the expected score). The results were amongst the best in Somerset.

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

**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

---

For Key Stage 2 the overall attainment results were 49%, up from 34% in the previous year.

For key Stage 4 the progress 8 score for BCA was +0.09, putting BCA in one of the top scores in Somerset and within the top 5% nationally for progress.

**Hamp Academy**

Hamp had quite a turbulent year with the departure of the previous chair of governors and the head teacher in the year. The advantage of being part of a Multi Academy Trust, though is that support systems were put in place and the previous deputy has been promoted to head with the mentoring and support of the primary head at BCA.

For Key Stage 2 the writing reading and maths attainment results were 46%, a drop from 53% in the previous year. The academic profile of the cohort was less strong than in previous years however, the teaching, intervention and support that this cohort had received has not differed hugely from in previous years.

**Brymore Academy**

Brymore has the lowest KS2 average point score on entry and in the year 11 group in 2017 27% had Special Educational Needs. Despite this there was a positive Progress 8 score of +0.08.

To ensure that standards are continually assessed, the Academy operates a programme of lesson observations, which are undertaken by the Department Heads and the Senior Leadership Team.

**West Somerset**

The year 11 West Somerset college students achieved a very impressive Progress 8 score of +0.32, the third highest in Somerset. West Somerset College's GCSE outcomes also puts them 9th out of 39 schools across Somerset for attainment. For an institution that was in special measures eighteen months previously this is a remarkable turnaround.

For post 16 the results were 90% A\*-E, down from 98.7% in the previous year (where there was a much stronger cohort).

**Key Performance Indicators**

The main financial performance indicator is the level of reserves held at the Balance Sheet date. In the period under review, £4,424,000 was carried forward representing 34% of GAG

As funding is based on pupil numbers this is also a key performance indicator. Funded pupil numbers for 2017 including WSC post 16 students were 2,547, a decrease compared to 2016 (2,602).

It is anticipated that this number will rise, except in WSC, due to demographics in the West Somerset area.

Another key financial performance indicator is staffing costs as a percentage of DfE/ESFA grants. For 2017 this was 90.6%, compared to 91.3% in 2016 (including WSC).

**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.

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

**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2017**

---

**FINANCIAL REVIEW**

**Financial Review**

The Academy Trust generated an operating surplus of £887,000 for the year to 31 August 2017 (£715,000 for 2016 excluding WSC which had a deficit of £563,000 in 2016).

Most of the Academy's income is obtained from the DfE via the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2017 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities.

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

During the year ended 31 August 2017, total expenditure of £18,521,000 was covered by recurrent grant funding from the DfE, together with other incoming resources of £19,408,000.

At 31 August 2017 the net book value of fixed assets was £35,116,000 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 land, buildings and other assets were transferred to the Academy upon conversion. Land and buildings were professionally valued on the date of conversion at £5,614,000 for BCT excluding WSC. Other assets have been included in the financial statements at a best estimate, taking into account purchase price and remaining useful lives. On transfer into the Bridgwater College Trust in February 2016 the net book value of the West Somerset College assets were £14,738,000.

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 reviews 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 £1,540,000. 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 £4,426,000 (total funds less the amount held in fixed assets and restricted pension funds), this amount is earmarked for future projects as follows:

• Provision against extra staffing costs/deficit	£497,899
• School improvement fund	£224,978
• Provision for growth	£135,000
• Curriculum balances	£394,891
• Sports centres maintenance and upgrade	£211,200
• Capital projects	£1,200,530

The balance (£1,762,000) represents genuine free reserves.

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

**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

---

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.

**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, CFO and COO within strict guidelines approved by the Board of Trustees. The Long Term investments placed during the year were an average of £1,750,000, with maximum of £2,450,000 and earned £7,000 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 87% 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 a Responsible Officer/internal audit to carry out checks on financial systems and records as required by the Academy Financial Handbook. 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.

The Trust has agreed a Risk Management Strategy and a Risk Register. In addition a risk audit was carried out in the 2016/17 and the recommendations were implemented in 2016/17. These have been discussed by the Audit Committee and Trustees and include the financial risks to the Trust. The register and plan are regularly reviewed in light of any new information and formally reviewed annually.

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

**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2017**

---

From 1 September 2017 following an external tender process, the internal audit and compliance process is to be carried out by Mazars LLP reporting directly to the Audit Committee.

Whilst the Trust is over subscribed (except in Minehead), risks to revenue funding from a falling roll are small. However, the freeze on the Government's overall education budget, increasing employment and premises costs mean that budgets will be increasingly tight in coming years.

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.

The Board of Trustees recognises that the defined benefit pension scheme deficit (Local Government Pension Scheme), which is set out in Note 28 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.

**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.

The Trust appointed a Chief Executive Officer from 1 September 2016 to oversee the development of the Trust as it expands in size to ensure financial security and sharing of best practices and services for the benefit of all the pupils.

**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**

**Employees and disabled persons**

The Trust has a disability 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.

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

**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2017**

---

**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.

**AUDITORS**

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable group's auditors are unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

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

Trustees' Report, incorporating a strategic report, approved by order of the Board of Trustees, as company directors, on 6.12.2017 and signed on the board's behalf by:

  
**A Berry  
Chair of Trustees**



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

**GOVERNANCE STATEMENT**

---

**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 Officer, 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 7 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
H Strawbridge	6	7
M Robbins	5	6
S Brewer	2	2
C Chevalley	6	7
J Ashworth	4	4
P Elliott, Chief Executive Officer	7	7
D Rayner, Chair of Audit Committee	5	5
W Dick	1	3
A Dyer	2	3
S Gibson	6	7
P Holtam	4	4
D Hannay	7	7
A Berry, Chair of Trustees	1	1
M Hill	3	7
M Swallow	2	7
E Dew	3	3
M Bevan	2	3

**Governance reviews:**

The Chair and the Board evaluate the skills and experience of the board members on an annual basis, including their availability.

Additionally each Trustee or Governor needs to complete a skills questionnaire on Trust Governor.

As a result of the previous review it was noted that the Board needed additional independent trustees ( i.e. those not attached to the academies or college), ideally who had a business or financial background, as the challenges facing the Trust in the next few years will be of a financial nature.

Following adverts locally and an interview process, David Hannay was appointed as a trustee. David is a retired company manager with many years of experience at various corporate levels and a strong commercial and financial background.

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

**GOVERNANCE STATEMENT (continued)**

---

The Members of the Trust met once in the year for the Annual General Meeting.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
M Robbins	1	1
D Randall	1	1
L Rowley	0	0
A Berry	1	1

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.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
H Strawbridge	2	3
S Brewer	0	1
P Elliott, Executive Headteacher	3	3
A Dyer	1	1
D Rayner, Chair of Audit Committee	3	3
P Holtam	1	1
S Gibson	2	3
M Swallow	0	3

The Local Governing Body of each of the Academies are sub-committees of the main Board of Trustees and have delegated powers according to a Scheme of Delegation. Their purpose is to ensure sound management of the Academies standards, quality and attainment, finance, personnel, premises and resources including planning, monitoring and probity

In addition each Academy had two sub committees in the year. For 2017/18 these committees have been merged into the LGB for each of Hamp Academy and West Somerset College.

The Finance, Personnel and General Purposes Committee of each of the Academies is a sub- committee of the Academy Local Governing Body. Its purpose is to enable more detailed consideration to be given to ensure sound management of the Academy's finance, personnel, premises and resources including planning, monitoring and probity.

The Students, Standards and Quality Committee of each of the Academies is a sub-committee of the Academy Local Governing Body. Its purpose is to enable more detailed consideration to be given to the students welfare, standards and quality of teaching and learning, and levels of attainment.

Each Academy Local Governing Body and Trust Board have done a review of governance and highlighted any skill gaps. Following the review the Trust has appointed a number of experienced independent Trustees and replacement parent governors.

**GOVERNANCE STATEMENT (continued)**

---

**REVIEW OF VALUE FOR MONEY**

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

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

- Sharing resources across academies, particularly for HR. The sharing of resources will be explored further in 2016/17, especially as the Trust expands.
- Trust wide procurement of legal services, external and internal audit and other professional services to ensure best value for money. A tender process was carried out for insurance externally and against the RPA. After thorough evaluation the insurance was put out to Zurich for another three years from 1 September 2016 as this represented the best overall value for money.
- Benchmarking exercise of utilities has commenced across the trust and against other academies and will continue in 2017/18.
- Use of supernumeraries and teaching learning assistants within the classrooms, particularly in the mornings to enable extra interventions to raise standards at minimum additional cost.

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

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of 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 2016 to 31 August 2017 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 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

**THE RISK AND CONTROL FRAMEWORK**

The 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 Trust has decided to appoint an internal auditor from 1 September 2017. After a tender process Mazars LLP were appointed to the role.

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

**GOVERNANCE STATEMENT (continued)**

---

For 2016/17, the Trustees have appointed Denys Raynor, Chair of the Audit Committee to fulfil the responsibilities of the Independent Review Checks. The Audit Committee's role includes giving challenge on financial matters and performing a range of checks on the Trust's financial systems. On a quarterly basis, the Chair of the Audit Committee reports to the Trust on the operation of the systems of control and on the discharge of the Trust's financial responsibilities. The Trust outsourced to Somerset County Council the responsibility of reviewing the operation of the systems of control, to ensure the Audit Committee could discharge their financial responsibilities. The Trust confirms that the Independent Review function has been fully delivered in line with the requirements of the Academy Financial Handbook.

In the year ended 31 August 2016 an independent risk based audit was completed on the overall risk management process. Three suggestions of best practice were recommended and these were implemented in 2016/17.

**REVIEW OF EFFECTIVENESS**

As accounting officer, the Chief Executive Officer 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 Somerset County Council, performing Responsible Officer Checks on Purchases, Payroll and Accounting System;
- 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 for the Trust and the Finance and General Purposes Committees for the Academies and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 6/12/2017 and signed on its behalf, by:



**A Berry**  
Chair of Trustees



**P Elliott**  
Accounting Officer

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

**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

---

As accounting officer of Bridgwater College Trust I have considered my responsibility to notify the Trust Board of Trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the Trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook (2014).

I confirm that I and the Trust Board of Trustees are able to identify any material, irregular or improper use of 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 (2014).

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



**Mr P Elliott  
Accounting Officer**

Date: 6/12/2017

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

**STATEMENT OF TRUSTEES' RESPONSIBILITIES  
FOR THE YEAR ENDED 31 AUGUST 2017**

---

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

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

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

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

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

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable 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:



**Mr A Berry  
Chair of Trustees**

Date: 6/2/2017

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

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

---

**OPINION**

We have audited the financial statements of Bridgwater College Trust (the 'parent academy') and its subsidiaries (the 'group') for the year ended 31 August 2017 which comprise the group Statement of Financial Activities, the group Consolidated Balance Sheet, the group 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 FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

This report is made solely to the 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 Trust's members those matters we are required to state to them in an Auditor's 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 Trust and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

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 2017 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 2016 to 2017 issued by the Education and Skills Funding Agency.

**BASIS OF 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 Auditor's 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.

**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 Auditor's report thereon. Our opinion on the financial statements does not cover the information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

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

---

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 for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report and the Group 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.

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' remunerations specified by law not made; or
- we have not received all the information and explanations we require for our audit.

**RESPONSIBILITIES OF TRUSTEES**

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



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

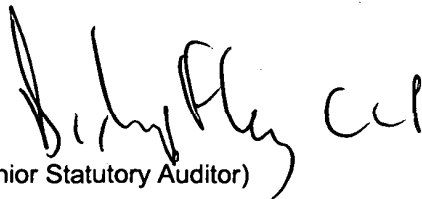
**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
BRIDGWATER COLLEGE TRUST**

---

**AUDITOR'S 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 Auditor's 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). The description forms part of our Auditor's report.



Tim Borton FCA (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:

12 Dec 2012

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

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

---

In accordance with the terms of our engagement letter dated 25 March 2014 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, 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 2016 to 31 August 2017 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 the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Bridgwater College Trust and the 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 2016, 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 2016 to 2017. 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 2016 to 31 August 2017 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 2016 to 2017 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the 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 noncompliance. This work was integrated with our audit on the financial statements where appropriate and included analytical review and detailed substantive testing of transactions.

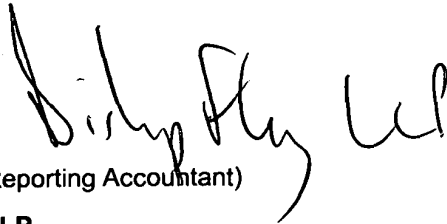
**BRIDGWATER COLLEGE TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO  
BRIDGWATER COLLEGE TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY (continued)**

---

**CONCLUSION**

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2016 to 31 August 2017 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Tim Borton FCA (Reporting Accountant)

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

Date:

12 Dec 2017

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

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND  
EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 31 AUGUST 2017**

		Unrestricted funds 2017 £000	Restricted funds 2017 £000	Restricted fixed asset funds 2017 £000	Total funds 2017 £000	Total funds 2016 £000
	Note					
<b>INCOME FROM:</b>						
Donations & capital grants:						
Transfer on acquisition of Academy Trust	2	-	-	-	-	13,164
Other donations and capital grants	2	138	-	1,743	1,881	2,056
Charitable activities	6	170	16,463	-	16,633	15,105
Other trading activities	3,4	887	-	-	887	590
Investments	5	7	-	-	7	8
<b>TOTAL INCOME</b>		<b>1,202</b>	<b>16,463</b>	<b>1,743</b>	<b>19,408</b>	<b>30,923</b>
<b>EXPENDITURE ON:</b>						
Raising funds	4	356	9	-	365	193
Charitable activities		645	16,360	1,151	18,156	16,851
<b>TOTAL EXPENDITURE</b>	7	<b>1,001</b>	<b>16,369</b>	<b>1,151</b>	<b>18,521</b>	<b>17,044</b>
<b>NET INCOME BEFORE TRANSFERS</b>		<b>201</b>	<b>94</b>	<b>592</b>	<b>887</b>	<b>13,879</b>
Transfers between Funds	21	52	(345)	293	-	-
<b>NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES</b>		<b>253</b>	<b>(251)</b>	<b>885</b>	<b>887</b>	<b>13,879</b>
Actuarial gains/(losses) on defined benefit pension schemes	28	-	1,955	-	1,955	(5,346)
<b>NET MOVEMENT IN FUNDS</b>		<b>253</b>	<b>1,704</b>	<b>885</b>	<b>2,842</b>	<b>8,533</b>
<b>RECONCILIATION OF FUNDS:</b>						
Total funds brought forward		2,191	(12,180)	35,175	25,186	16,653
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>2,444</b>	<b>(10,476)</b>	<b>36,060</b>	<b>28,028</b>	<b>25,186</b>

The notes on pages 31 to 59 form part of these financial statements.

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

**CONSOLIDATED BALANCE SHEET**  
**AS AT 31 AUGUST 2017**

	Note	£000	2017 £000	£000	2016 £000
<b>FIXED ASSETS</b>					
Intangible assets			3		3
Tangible assets	16		35,116		33,904
Investments			4		4
			<u>35,123</u>		<u>33,911</u>
<b>CURRENT ASSETS</b>					
Stocks		87		86	
Debtors	17	1,284		2,132	
Cash at bank and in hand		5,827		4,602	
		<u>7,198</u>		<u>6,820</u>	
<b>CREDITORS:</b> amounts falling due within one year	18	(1,404)		(1,791)	
<b>NET CURRENT ASSETS</b>			<u>5,794</u>		<u>5,029</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>40,917</u>		<u>38,940</u>
<b>CREDITORS:</b> amounts falling due after more than one year	19		(431)		(495)
<b>NET ASSETS EXCLUDING PENSION SCHEME LIABILITIES</b>			<u>40,486</u>		<u>38,445</u>
Defined benefit pension scheme liability	28		(12,458)		(13,259)
<b>NET ASSETS</b>			<u>28,028</u>		<u>25,186</u>
<b>FUNDS OF THE ACADEMY TRUST</b>					
Restricted funds:					
General funds	21	1,982		1,079	
Fixed asset funds	21	36,060		35,175	
		<u>38,042</u>		<u>36,254</u>	
Restricted funds excluding pension liability					
Pension reserve		(12,458)		(13,259)	
			<u>25,584</u>		<u>22,995</u>
Total restricted funds					
Unrestricted funds	21		2,444		2,191
<b>TOTAL FUNDS</b>			<u>28,028</u>		<u>25,186</u>

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

**CONSOLIDATED BALANCE SHEET (continued)  
AS AT 31 AUGUST 2017**

---

The financial statements on pages 26 to 58 were approved by the Trustees, and authorised for issue, on 6/12/2017 and are signed on their behalf, by:



**Mr A Berry  
Chair of Trustees**

The notes on pages 32 to 58 form part of these financial statements.

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

**TRUST BALANCE SHEET**  
**AS AT 31 AUGUST 2017**

	Note	£000	2017 £000	£000	2016 £000
<b>FIXED ASSETS</b>					
Intangible assets			3		3
Tangible assets	16		35,116		33,904
Investments			4		4
			<u>35,123</u>		<u>33,911</u>
<b>CURRENT ASSETS</b>					
Stocks		87		85	
Debtors	17	1,381		2,100	
Cash at bank and in hand		5,678		4,575	
		<u>7,146</u>		<u>6,760</u>	
<b>CREDITORS:</b> amounts falling due within one year	18	(1,381)		(1,776)	
<b>NET CURRENT ASSETS</b>			<u>5,765</u>		<u>4,984</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>40,888</u>		<u>38,895</u>
<b>CREDITORS:</b> amounts falling due after more than one year	19		(431)		(495)
<b>NET ASSETS EXCLUDING PENSION SCHEME LIABILITIES</b>			<u>40,457</u>		<u>38,400</u>
Defined benefit pension scheme liability	28		(12,458)		(13,259)
<b>NET ASSETS INCLUDING PENSION SCHEME LIABILITIES</b>			<u>27,999</u>		<u>25,141</u>
<b>FUNDS OF THE ACADEMY</b>					
Restricted funds:					
Restricted funds	21	1,982		1,079	
Restricted fixed asset funds	21	36,060		35,175	
		<u>38,042</u>		<u>36,254</u>	
Restricted funds excluding pension asset					
Pension reserve		(12,458)		(13,259)	
			<u>25,584</u>		<u>22,995</u>
Total restricted funds			<u>25,584</u>		<u>22,995</u>
Unrestricted funds	21		2,415		2,146
<b>TOTAL FUNDS</b>			<u>27,999</u>		<u>25,141</u>

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

**TRUST BALANCE SHEET (continued)  
AS AT 31 AUGUST 2017**

---

The financial statements were approved by the Trustees, and authorised for issue, on 6/12/2017 and are signed on their behalf, by:



**Mr A Berry  
Chair of Trustees**



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

**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

	<b>Note</b>	<b>2017 £000</b>	<b>2016 £000</b>
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	23	<u>1,928</u>	<u>495</u>
<b>Cash flows from investing activities:</b>			
Dividends, interest and rents from investments		7	8
Purchase of tangible fixed assets		(2,363)	(1,306)
Capital grants from DfE/ESFA		1,744	732
Cash transferred on acquisition		-	1,699
<b>Net cash (used in)/provided by investing activities</b>		<u>(612)</u>	<u>1,133</u>
<b>Cash flows from financing activities:</b>			
Repayments of borrowings		(64)	(54)
<b>Net cash used in financing activities</b>		<u>(64)</u>	<u>(54)</u>
<b>Change in cash and cash equivalents in the year</b>		<b>1,252</b>	<b>1,574</b>
Cash and cash equivalents brought forward		<u>4,575</u>	<u>3,001</u>
<b>Cash and cash equivalents carried forward</b>	24	<u><b>5,827</b></u>	<u><b>4,575</b></u>

The notes on pages 32 to 58 form part of these financial statements.

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

---

**1. ACCOUNTING POLICIES**

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

**1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Bridgwater College Trust constitutes a public benefit entity as defined by FRS 102.

The 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.

No separate SOFA has been presented for the Trust alone as permitted by section 408 of the Companies Act 2006.

**1.2 FUND ACCOUNTING**

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

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

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

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

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2017**

---

**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 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 it can be reliably measured.

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

**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 on raising funds includes all expenditure incurred by the Trust 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 Trust's educational operations, including support costs and those costs relating to the governance of the Trust appointed to charitable activities.

All expenditure is inclusive of irrecoverable VAT.

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2017**

---

**1. ACCOUNTING POLICIES (continued)**

**1.5 GOING CONCERN**

The Trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the 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 Academy Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

**1.6 BASIS OF CONSOLIDATION**

The financial statements consolidate the accounts of Bridgwater College Trust and all of its subsidiary undertakings ('subsidiaries').

The Trust has taken advantage of the exemption contained within 408 of the Companies Act 2006 not to present its own Income and Expenditure Account.

The income and expenditure account for the year dealt with in the accounts of the Trust was £3,349,000 (2016: £8,533,000).

**1.7 TURNOVER**

Turnover comprises revenue recognised by the Trust in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

**1.8 TANGIBLE FIXED ASSETS AND DEPRECIATION**

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

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

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2017**

---

**1. ACCOUNTING POLICIES (continued)**

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is not charged on freehold land. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

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
Motor vehicles	-	straight line over 5 years
Fixtures and fittings	-	straight line over 5 years
Computer equipment	-	straight line over 3 years

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

**1.9 INVESTMENTS**

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance Sheet date, unless fair value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading 'Gains/(losses) on investments' in the Statement of Financial Activities.

**1.10 OPERATING LEASES**

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

**1.11 STOCKS**

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

**1.12 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 Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

**1.13 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.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

---

**1. ACCOUNTING POLICIES (continued)**

**1.14 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.

**1.15 LIABILITIES AND PROVISIONS**

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

**1.16 FINANCIAL INSTRUMENTS**

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

*Financial assets* - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 17. Prepayments are not financial instruments. Amounts due to the Trust's wholly owned subsidiary 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 costs 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 instruments. Amounts due to the Trust's wholly owned subsidiary are held at face value less any impairment.

**1.17 PENSIONS**

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 28, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

**1. ACCOUNTING POLICIES (continued)**

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

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

**1.18 AGENCY ARRANGEMENTS**

The Academy Trust acts as an agent in distributing 16-19 bursary funds from EFA. Payments received from EFA 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 at the year end are disclosed in Note 33.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

**1. ACCOUNTING POLICIES (continued)**

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

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 28, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

The Academy 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.

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

	Unrestricted funds 2017 £000	Restricted funds 2017 £000	Restricted fixed asset funds 2017 £000	Total funds 2017 £000	Total funds 2016 £000
Transfer from acquisition of Academy Trust	-	-	-	-	13,164
Donations	138	-	-	138	152
Capital Grants	-	-	1,743	1,743	1,904
Subtotal	138	-	1,743	1,881	2,056
	138	-	1,743	1,881	15,220
Total 2016	1,688	(3,239)	16,771	15,220	



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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

**3. TRUST TRADING ACTIVITIES**

	Unrestricted funds 2017 £000	Restricted funds 2017 £000	Total funds 2017 £000	Total funds 2016 £000
Lettings	13	-	13	23
External Catering	49	-	49	28
Other	438	-	438	306
	<u>500</u>	<u>-</u>	<u>500</u>	<u>357</u>
<i>Total 2016</i>	<u>349</u>	<u>8</u>	<u>357</u>	

**4. SUBSIDIARY TRADING ACTIVITIES**

	Unrestricted funds 2017 £000	Restricted funds 2017 £000	Total funds 2017 £000	Total funds 2016 £000
<b>TRADING INCOME</b>				
Income	<u>387</u>	<u>-</u>	<u>387</u>	<u>233</u>
<b>TRADING EXPENSES</b>				
Expenses	<u>356</u>	<u>-</u>	<u>356</u>	<u>187</u>
Net income from subsidiary trading activities	<u>31</u>	<u>-</u>	<u>31</u>	<u>46</u>

In 2016, the total income from subsidiary trading activities of £233,000 was unrestricted.

**5. INVESTMENT INCOME**

	Unrestricted funds 2017 £000	Restricted funds 2017 £000	Total funds 2017 £000	Total funds 2016 £000
Investment income - local cash	<u>7</u>	<u>-</u>	<u>7</u>	<u>8</u>
<i>Total 2016</i>	<u>8</u>	<u>-</u>	<u>8</u>	

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

**6. INCOME FROM CHARITABLE ACTIVITIES**

	Unrestricted funds 2017 £000	Restricted funds 2017 £000	Total funds 2017 £000	Total funds 2016 £000
Education	-	15,164	15,164	13,600
Nursery	114	-	114	210
Boarding	56	1,299	1,355	1,295
	<u>170</u>	<u>16,463</u>	<u>16,633</u>	<u>15,105</u>
<i>Total 2016</i>	<u>295</u>	<u>14,810</u>	<u>15,105</u>	

**FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS**

	Unrestricted funds 2017 £000	Restricted funds 2017 £000	Total funds 2017 £000	Total funds 2016 £000
<b>DfE/ESFA grants</b>				
General Annual Grant	-	13,097	13,097	11,402
Start up Grants	-	8	8	147
Other DfE/ESFA grants	-	1,711	1,711	1,729
	<u>-</u>	<u>14,816</u>	<u>14,816</u>	<u>13,278</u>
<b>Other Government grants</b>				
High Needs	-	348	348	322
	<u>-</u>	<u>348</u>	<u>348</u>	<u>322</u>
	<u>-</u>	<u>15,164</u>	<u>15,164</u>	<u>13,600</u>
<i>Total 2016</i>	<u>-</u>	<u>13,600</u>	<u>13,600</u>	

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

**7. EXPENDITURE**

	Staff costs 2017 £000	Premises 2017 £000	Other costs 2017 £000	Total 2017 £000	Total 2016 £000
Expenditure on raising voluntary income	-	-	9	9	6
Expenditure on trading activities	256	-	100	356	187
Education					
Direct costs	10,092	407	1,915	12,414	11,371
Support costs	2,193	796	1,399	4,388	4,165
Nursery					
Direct costs	81	-	11	92	229
Support costs	17	7	-	24	7
Boarding					
Direct costs	438	16	39	493	277
Support costs	358	94	293	745	802
	<b>13,435</b>	<b>1,320</b>	<b>3,766</b>	<b>18,521</b>	<b>17,044</b>
<i>Total 2016</i>	<b>12,410</b>	<b>908</b>	<b>3,726</b>	<b>17,044</b>	

**8. DIRECT COSTS**

	Education £000	Nursery £000	Boarding £000	Total 2017 £000	Total 2016 £000
Administration expenses	2	-	-	2	2
Pension finance costs	290	-	-	290	229
Educational supplies	810	11	30	851	675
Examination fees	164	-	-	164	179
Staff development	87	-	-	87	94
Other costs	74	-	1	75	68
Supply teachers	53	-	-	53	61
Technology costs	112	-	-	112	93
Wages and salaries	7,382	81	351	7,814	7,630
National insurance	689	-	32	721	595
Pension cost	2,021	-	55	2,076	1,512
Depreciation	730	-	24	754	739
	<b>12,414</b>	<b>92</b>	<b>493</b>	<b>12,999</b>	<b>11,877</b>
<i>Total 2016</i>	<b>11,271</b>	<b>229</b>	<b>277</b>	<b>11,777</b>	

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

**9. SUPPORT COSTS**

	Education £000	Nursery £000	Boarding £000	Total 2017 £000	Total 2016 £000
Other costs	10	-	8	18	28
Recruitment and support	109	-	-	109	95
Maintenance of premises and equipment	398	-	14	412	375
Cleaning	70	-	13	83	57
Rent and rates	145	-	21	166	146
Energy costs	253	7	59	319	258
Insurance	93	-	15	108	129
Security and transport	87	-	9	96	86
Catering	81	-	196	277	395
Technology costs	17	-	-	17	5
Office overheads	208	-	49	257	238
Legal and professional	305	-	-	305	229
Bank interest and charges	4	-	3	7	6
Governance	71	-	-	71	40
Wages and salaries	1,736	17	280	2,033	2,068
National insurance	125	-	18	143	123
Pension cost	279	-	60	339	307
Depreciation	397	-	-	397	389
	<u>4,388</u>	<u>24</u>	<u>745</u>	<u>5,157</u>	<u>4,974</u>
<i>Total 2016</i>	<u>4,166</u>	<u>7</u>	<u>802</u>	<u>4,975</u>	

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

This is stated after charging:

	2017 £000	2016 £000
Depreciation of tangible fixed assets:		
- owned by the charitable group	1,151	1,128
Operating lease rentals	27	29
	<u>1,178</u>	<u>1,157</u>

**11. AUDITORS' REMUNERATION**

	2017 £000	2016 £000
Fees payable to the Trust's auditor and its associates for the audit of the Trust's annual accounts	19	17
Fees payable to the Trust's auditor and its associates in respect of:		
The auditing of accounts of associates of the Trust	6	4
All other non-audit services not included above	6	6
	<u>31</u>	<u>27</u>

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

**12. STAFF COSTS**

Staff costs were as follows:

	2017 £000	2016 £000
Wages and salaries	9,934	9,418
Social security costs	868	719
Operating costs of defined benefit pension schemes	2,433	1,819
	<u>13,235</u>	<u>11,956</u>
Apprenticeship levy	14	-
Supply teachers not through payroll	53	61
Staff restructuring costs	133	393
	<u>13,435</u>	<u>12,410</u>

Staff restructuring costs comprise:

	2017 £000	2016 £000
Redundancy payments	<u>133</u>	<u>393</u>

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £5,620 (2016: £Nil). None of the non-statutory/non-contractual payments exceeded £5,000 individually.

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

	2017 No.	2016 No.
Teachers	187	169
Administration and support	325	281
Management	24	21
	<u>536</u>	<u>471</u>

Average headcount expressed as a full time equivalent:

	2017 No.	2016 No.
Total staff	407	378

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

	2017 No.	2016 No.
In the band £60,001 - £70,000	4	2
In the band £70,001 - £80,000	3	2
In the band £110,001 - £120,000	1	1

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

**12. STAFF COSTS (continued)**

The key management personnel of the Academy Trust comprise the Trustees (who do not receive remuneration for their role as Trustees), the Chief Executive Officer, the Headteachers of each school, the Chief Financial Officer and newly created role of Chief Operating Officer. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Academy Trust was £529,163 (2016: £424,655). Key management personnel for 2016/17 has increased commensurate with a full year of the Head at West Somerset College, a full year's costs of the Chief Executive Officer and the new role of the Chief Operating Officer.

**13. CENTRAL SERVICES**

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

- Financial services including audit
- Clerking services
- Legal retainer

The Trust charges for these services on the following basis:

A flat percentage of income of 2% was incurred during the year, as BCA covered the bulk of the central costs. With the centralisation of the key support teams of finance, HR, IT, Health and Safety, Premises and SEN at the end of 2016/17, the central costs will increase in 2017/18 to reflect the increase in services provided centrally.

The actual amounts charged during the year were as follows:

	<b>2017</b>	<b>2016</b>
	<b>£000</b>	<b>£000</b>
Bridgwater College Academy	<b>192</b>	70
Brymore Academy	<b>59</b>	20
Hamp Academy	<b>19</b>	11
West Somerset Community College	<b>134</b>	70
	<b>404</b>	171
Total	<b>404</b>	171

**14. TRUSTEES' REMUNERATION AND EXPENSES**

One or more Trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The Principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and other staff members under their contracts of employment, and not in respect of their role as Trustees. The value of Trustees' remuneration fell with the following bands: P Elliott: Remunerations £115,000 - £120,000 (2016: £105,000 - £110,000), Employer's pension contributions £Nil (2016: £Nil).

During the year, no Trustees received any benefits in kind (2016: £NIL).

During the year ended 31 August 2017, expenses totalling £1,000 (2016: £1,000) were reimbursed to Trustees.

Other related party transactions involving the trustees are set out in note 30.

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2017 was £3,511 (2016: £3,546).

**16. TANGIBLE FIXED ASSETS**

<b>GROUP AND TRUST</b>	<b>Freehold property £000</b>	<b>Long-term leasehold property £000</b>	<b>Motor vehicles £000</b>	<b>Fixtures and fittings £000</b>	<b>Computer equipment £000</b>	<b>Total £000</b>
<b>COST</b>						
At 1 September 2016	28,345	5,468	31	1,871	903	36,618
Additions	1,106	655	8	393	201	2,363
At 31 August 2017	29,451	6,123	39	2,264	1,104	38,981
<b>DEPRECIATION</b>						
At 1 September 2016	1,136	399	28	563	588	2,714
Charge for the year	507	103	3	353	185	1,151
At 31 August 2017	1,643	502	31	916	773	3,865
<b>NET BOOK VALUE</b>						
At 31 August 2017	27,808	5,621	8	1,348	331	35,116
At 31 August 2016	27,209	5,069	3	1,308	315	33,904

**17. DEBTORS**

	<b>GROUP</b>		<b>TRUST</b>	
	<b>2017 £000</b>	<b>2016 £000</b>	<b>2017 £000</b>	<b>2016 £000</b>
Trade debtors	186	129	170	76
Other debtors	198	148	311	178
Prepayments and accrued income	900	1,855	900	1,846
	<b>1,284</b>	<b>2,132</b>	<b>1,381</b>	<b>2,100</b>

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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

	<b>GROUP</b>		<b>TRUST</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Other loans	93	93	93	93
Trade creditors	5	17	3	12
Other taxation and social security	232	227	215	227
Other creditors	384	513	384	513
Accruals and deferred income	690	941	686	931
	<b>1,404</b>	<b>1,791</b>	<b>1,381</b>	<b>1,776</b>

	<b>GROUP</b>		<b>TRUST</b>	
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>DEFERRED INCOME</b>				
Deferred income at 1 September 2016	162	254	162	254
Resources deferred during the year	63	162	63	162
Amounts released from previous years	(162)	(254)	(162)	(254)
Deferred income at 31 August 2017	<b>63</b>	<b>162</b>	<b>63</b>	<b>162</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 2017 and boarding fees in respect of the next financial year.

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

	<b>GROUP</b>		<b>TRUST</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Other loans	431	495	431	495

Included in other loans is a loan of £200,000 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 £323,825 repayable in six-monthly instalments over 8 years with an applicable interest rate of 0%.

**20. FINANCIAL INSTRUMENTS**

	<b>2017</b>	<b>2016</b>
	<b>£000</b>	<b>£000</b>
Financial assets measured at amortised cost	<b>7,539</b>	<b>6,488</b>
Financial liabilities measured at amortised cost	<b>(1,279)</b>	<b>(1,271)</b>



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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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

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

**21. STATEMENT OF FUNDS**

	Brought forward £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Carried forward £000
<b>UNRESTRICTED FUNDS</b>						
General Funds	2,191	1,202	(1,001)	52	-	2,444
<b>RESTRICTED FUNDS</b>						
General Annual Grant (GAG)	959	13,091	(12,285)	(295)	-	1,470
High Needs	-	348	(348)	-	-	-
Pupil Premium	-	1,087	(1,041)	-	-	46
Other ESFA	8	242	(95)	-	-	155
Other government	-	201	(194)	-	-	7
UFSM	-	86	(71)	-	-	15
Other	-	9	(9)	-	-	-
Regional Academy Growth	-	100	(36)	-	-	64
Boarding	112	1,299	(1,136)	(50)	-	225
Pension reserve	(13,259)	-	(1,154)	-	1,955	(12,458)
	(12,180)	16,463	(16,369)	(345)	1,955	(10,476)
<b>RESTRICTED FIED ASSET FUNDS</b>						
Fixed assets transferred on conversion/acquisition of academies	27,848	-	(547)	50	-	27,351
Fixed assets purchased from GAG and other restricted funds	1,205	-	(302)	243	-	1,146
DfE/ESFA Capital grants	3,947	1,348	(269)	-	-	5,026
Other capital donations	2,175	395	(33)	-	-	2,537
	35,175	1,743	(1,151)	293	-	36,060
Total restricted funds	22,995	18,206	(17,520)	(52)	1,955	25,584
Total of funds	25,186	19,408	(18,521)	-	1,955	28,028

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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

**STATEMENT OF FUNDS - PRIOR YEAR**

	Brought forward £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2016 £000
<b>UNRESTRICTED FUNDS</b>						
General Funds	781	2,575	(745)	(420)	-	2,191
	<u>781</u>	<u>2,575</u>	<u>(745)</u>	<u>(420)</u>	<u>-</u>	<u>2,191</u>
<b>RESTRICTED FUNDS</b>						
General Annual Grant (GAG)	772	11,402	(11,012)	(203)	-	959
High Needs	-	322	(322)	-	-	-
Pupil Premium	129	1,000	(1,129)	-	-	-
Other ESFA	43	397	(432)	-	-	8
Other government	-	244	(244)	-	-	-
	139	1,234	(1,211)	(50)	-	112
Start up grant	-	147	(147)	-	-	-
	-	71	(71)	-	-	-
Pension reserve	(4,071)	(3,239)	(603)	-	(5,346)	(13,259)
	<u>(2,988)</u>	<u>11,578</u>	<u>(15,171)</u>	<u>(253)</u>	<u>(5,346)</u>	<u>(12,180)</u>
<b>RESTRICTED FIED ASSET FUNDS</b>						
Fixed assets transferred on conversion/acquisition of academies	13,367	14,738	(709)	452	-	27,848
Fixed assets purchased from GAG and other restricted funds	1,211	-	(212)	206	-	1,205
DfE/ESFA Capital grants	2,208	1,904	(180)	15	-	3,947
Other capital donations	2,074	128	(27)	-	-	2,175
	<u>18,860</u>	<u>16,770</u>	<u>(1,128)</u>	<u>673</u>	<u>-</u>	<u>35,175</u>
Total restricted funds	<u>15,872</u>	<u>28,348</u>	<u>(16,299)</u>	<u>420</u>	<u>(5,346)</u>	<u>22,995</u>
Total of funds	<u>16,653</u>	<u>30,923</u>	<u>(17,044)</u>	<u>-</u>	<u>(5,346)</u>	<u>25,186</u>

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

---

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

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

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

**High Needs** - Funding 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 to address the current underlying inequalities between those children and their wealthier peers.

**Start up grant** - This represents one off funding received from the ESFA to contribute to the cost of converting from a school to an academy.

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

**Other DfE/EFA funding** - This represents other smaller funding pools received for the DfE/ESFA for use on specified purposes.

**Other restricted funds** - This represents other funding received by the Trust for use on specified purposes.

**Regional Academy Growth Fund** - This represent funding to support Academy Trusts in growing and improving standards.

**Pension reserve** - This represents the Trust's share of the assets and liabilities in the Local Government Pension Scheme.

**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 asset purchased from GAG and other restricted funds** - This represents the assets purchased out of restricted funds for the ongoing operation of the Academies.

**DfE/EFA Capital grants** - These funds are received from the DfE/EFA for direct expenditure on fixed asset projects.

**Other capital donations** - These funds are received for direct expenditure on fixed asset projects.

**TRANSFERS BETWEEN FUNDS**

Transfers between funds have been made for the recognition of SALIX loan within the fixed assets reserves and to transfer funds from GAG to fixed assets for fixed asset expenditure from GAG.

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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

**ANALYSIS OF ACADEMIES BY FUND BALANCE**

Fund balances at 31 August 2017 were allocated as follows:

	<b>Total 2017 £000</b>	<b>Total 2016 £000</b>
Bridgwater College Academy	1,831	1,293
Brymore Academy	433	292
Hamp Academy	334	301
Central funds	416	69
West Somerset Community College	1,410	1,315
Total before fixed asset fund and pension reserve	4,424	3,270
Restricted fixed asset fund	36,060	35,175
Pension reserve	(12,458)	(13,259)
Total	28,026	25,186

**ANALYSIS OF ACADEMIES BY COST**

Expenditure incurred by each academy during the year was as follows:

	<b>Teaching and educational support staff costs £000</b>	<b>Other support staff costs £000</b>	<b>Educational supplies £000</b>	<b>Other costs excluding depreciat- ion £000</b>	<b>Total 2017 £000</b>	<b>Total 2016 £000</b>
Bridgwater College Academy	4,847	869	339	673	6,728	6,727
Brymore Academy	2,019	609	138	670	3,436	3,279
Hamp Academy	1,022	176	96	204	1,498	1,382
Central	120	91	-	104	315	159
West Somerset Community College	2,657	1,027	279	1,006	4,969	4,369
	10,665	2,772	852	2,657	16,946	15,916

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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

	Unrestricted funds 2017 £000	Restricted funds 2017 £000	Restricted fixed asset funds 2017 £000	Total funds 2017 £000
Intangible fixed assets	-	-	3	3
Tangible fixed assets	-	-	35,116	35,116
Fixed asset investments	-	-	4	4
Current assets	2,444	3,293	1,461	7,198
Creditors due within one year	-	(1,311)	(93)	(1,404)
Creditors due in more than one year	-	-	(431)	(431)
Pension scheme liability	-	(12,458)	-	(12,458)
	<u>2,444</u>	<u>(10,476)</u>	<u>36,060</u>	<u>28,028</u>

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

	Unrestricted funds 2016 £000	Restricted funds 2016 £000	Restricted fixed asset funds 2016 £000	Total funds 2016 £000
Intangible fixed assets	-	-	3	3
Tangible fixed assets	-	-	33,904	33,904
Fixed asset investments	-	-	4	4
Current assets	2,191	2,871	1,759	6,821
Creditors due within one year	-	(1,792)	-	(1,792)
Creditors due in more than one year	-	-	(495)	(495)
Provisions for liabilities and charges	-	(13,259)	-	(13,259)
	<u>2,191</u>	<u>(12,180)</u>	<u>35,175</u>	<u>25,186</u>

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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

	<b>GROUP</b>	
	<b>2017</b>	<b>2016</b>
	<b>£000</b>	<b>£000</b>
Net income for the year (as per Statement of Financial Activities)	<b>887</b>	<b>13,879</b>
<b>Adjustment for:</b>		
Depreciation charges	<b>1,151</b>	<b>1,127</b>
Interest payable	<b>(7)</b>	<b>(8)</b>
Increase in stocks	<b>(1)</b>	<b>(11)</b>
Decrease/(increase) in debtors	<b>849</b>	<b>(1,289)</b>
(Decrease)/increase in creditors	<b>(360)</b>	<b>90</b>
Other capital grants	<b>(1,744)</b>	<b>(732)</b>
Defined benefit pension scheme cost less contributions payable	<b>864</b>	<b>374</b>
Transfer assets from other academy trust	<b>-</b>	<b>229</b>
Net (loss) on assets and liabilities from local authority on conversion	<b>-</b>	<b>(13,164)</b>
Defined benefit pension scheme finance cost	<b>289</b>	<b>-</b>
<b>Net cash provided by operating activities</b>	<b>1,928</b>	<b>495</b>

**24. ANALYSIS OF CASH AND CASH EQUIVALENTS**

	<b>GROUP</b>	
	<b>2017</b>	<b>2016</b>
	<b>£000</b>	<b>£000</b>
Cash at bank and in hand	<b>5,827</b>	<b>4,575</b>
	<b>5,827</b>	<b>4,575</b>

**25. 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.

**26. 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.

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

**27. CAPITAL COMMITMENTS**

At 31 August 2017 the group and Trust had capital commitments as follows:

	<b>GROUP</b>		<b>TRUST</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Contracted for but not provided in these financial statements	<b>2,164</b>	<b>117</b>	<b>2,164</b>	<b>117</b>

**28. PENSION COMMITMENTS**

The group's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Somerset County Council. Both are Multi-Employer Defined Benefit Pension Schemes.

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

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

**Teachers' Pension Scheme**

**Introduction**

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

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

**Valuation of the Teachers' Pension Scheme**

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

- employer contribution rates set at 16.48% of pensionable pay, including a 0.08% employer administration charge
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

**28. PENSION COMMITMENTS (continued)**

- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

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

The employer's pension costs paid to TPS in the period amounted to £874,271 (2016: £815,087).

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

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

**Local Government Pension Scheme**

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2017 was £940,000 (2016: £861,000), of which employer's contributions totalled £728,000 (2016: £634,000) and employees' contributions totalled £212,000 (2016: £227,000). The agreed contribution rates for future years are 18.1% for employers and 5.5 - 7.5% for employees.

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

Principal actuarial assumptions:

	2017	2016
Discount rate for scheme liabilities	2.60 %	2.20 %
Rate of increase in salaries	4.20 %	4.10 %
Rate of increase for pensions in payment / inflation	2.70 %	2.30 %
Inflation assumption (CPI)	2.70 %	2.30 %

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

	2017	2016
Retiring today		
Males	23.9	23.8
Females	25.1	26.2
Retiring in 20 years		
Males	26.2	26.1
Females	27.4	28.5

	At 31 August 2017 £000	At 31 August 2016 £000
<b>Sensitivity analysis</b>		
Discount rate +0.1%	513	514
Discount rate -0.1%	(526)	(527)
Mortality assumption - 1 year increase	(714)	(558)



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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

**28. PENSION COMMITMENTS (continued)**

Mortality assumption - 1 year decrease	690	542
CPI rate +0.1%	(456)	(446)
CPI rate -0.1%	444	542

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

	Fair value at 31 August 2017 £000	Fair value at 31 August 2016 £000
Equities	6,016	4,982
Gilts	465	481
Corporate bonds	840	813
Property	762	733
Cash	369	203
Total market value of assets	<u>8,452</u>	<u>7,212</u>

The actual return on scheme assets was £995,000 (2016: £959,000).

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

	2017 £000	2016 £000
Current service cost	(1,622)	(1,008)
Past service cost	(1)	-
Interest income	161	188
Interest cost	(451)	(417)
Total	<u>(1,913)</u>	<u>(1,237)</u>

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

	2017 £000	2016 £000
Opening defined benefit obligation	20,471	7,178
Transferred in on existing academies joining the trust	-	5,702
Current service cost	1,622	1,008
Interest cost	451	417
Employee contributions	222	227
Actuarial (gains)/losses	(1,657)	6,114
Benefits paid	(199)	(175)
Closing defined benefit obligation	<u>20,910</u>	<u>20,471</u>

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

**28. PENSION COMMITMENTS (continued)**

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

	2017 £000	2016 £000
Opening fair value of scheme assets	7,212	3,107
Transferred in on existing academies joining the trust	-	2,463
Interest income	168	191
Actuarial gains	298	768
Employer contributions	758	634
Employee contributions	222	227
Benefits paid	(199)	(175)
Administration expenses	(7)	(3)
Closing fair value of scheme assets	<u>8,452</u>	<u>7,212</u>

**29. OPERATING LEASE COMMITMENTS**

At 31 August 2017 the total of the group's future minimum lease payments under non-cancellable operating leases was:

GROUP	2017 £000	2016 £000
<b>AMOUNTS PAYABLE:</b>		
Within 1 year	17	27
Between 1 and 5 years	12	28
Total	<u>29</u>	<u>55</u>

**30. RELATED PARTY TRANSACTIONS**

Owing to the nature of the Trust's operations and the composition of the board of trustees being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the board of governors may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Trust's financial regulations and normal procurement procedures.

During the year an amount of £132,000 (2016: £83,000) was paid to the sponsor, Bridgwater & Taunton College for curriculum courses, careers service and exams service.

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

**31. ACADEMY BOARDING TRADING ACCOUNT**

		<b>2017</b>	<b>2016</b>
		<b>£000</b>	<b>£000</b>
<b>INCOME</b>			
Internal catering income	22	41	
Sales to students	27	30	
Boarding letting	7	-	
Boarding income	1,299	1,224	
		<b>1,355</b>	<b>1,265</b>
<b>DIRECT COSTS</b>			
Educational supplies	30	8	
Other costs	1	2	
Wages and salaries	351	239	
National insurance	32	19	
Pension costs	55	33	
Depreciation	24	21	
		<b>493</b>	<b>322</b>
<b>SUPPORT COSTS</b>			
Other costs	8	11	
Maintenance of premises and equipment	14	54	
Cleaning	13	12	
Rent and rates	21	24	
Energy costs	59	53	
Insurance	15	17	
Security and transport	9	8	
Catering	196	187	
Office overheads	49	48	
Bank interest and charges	3	3	
Wages and salaries	280	328	
National insurance	18	14	
Pension costs	60	54	
		<b>745</b>	<b>813</b>
<b>SURPLUS / (DEFICIT) CARRY FORWARD</b>		<b>117</b>	<b>160</b>

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

---

**32. PRINCIPAL SUBSIDIARIES**

**Brymore Trading Limited**

Subsidiary name	Brymore Trading Limited
Company registration number	09202279
Basis of control	Wholly owned subsidiary
Equity shareholding %	100%
Total assets as at 31 August 2017	£ 130,492
Total liabilities as at 31 August 2017	£ 130,491
Total equity as at 31 August 2017	£ 1
Turnover for the year ended 31 August 2017	£ 165,943
Expenditure for the year ended 31 August 2017	£ 146,961
Profit for the year ended 31 August 2017	£ 18,982

**Bridgwater College Academy Trading Limited**

Subsidiary name	Bridgwater College Academy Trading Limited
Company registration number	09174224
Basis of control	Wholly owned subsidiary
Equity shareholding %	100%
Total assets as at 31 August 2017	£ 48,926
Total liabilities as at 31 August 2017	£ 48,925
Total equity as at 31 August 2017	£ 1
Turnover for the year ended 31 August 2017	£ 83,891
Expenditure for the year ended 31 August 2017	£ 58,530
Profit for the year ended 31 August 2017	£ 25,361

**Acorns Nursery Minehead Limited**

Subsidiary name	Acorns Nursery Minehead Limited
Company registration number	10270320
Basis of control	Wholly owned subsidiary
Equity shareholding %	100%
Total assets as at 31 August 2017	£ 16,235
Total liabilities as at 31 August 2017	£ 32,182
Total equity as at 31 August 2017	£ (15,947)
Turnover for the year ended 31 August 2017	£ 137,269
Expenditure for the year ended 31 August 2017	£ 153,231
Loss for the year ended 31 August 2017	£ (15,949)

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

---

**33. AGENCY ARRANGEMENTS**

The Academy Trust distributes 16-19 bursary funds to students as an agent for EFA. In the accounting period ended 31 August 2017 the Academy Trust received £38,774 and disbursed £24,446 from the fund. An amount of £20,984 is included in other creditors relating to the undistributed funds payable to the EFA.