

BRIDGWATER COLLEGE TRUST
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2018



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BRIDGWATER COLLEGE TRUST
(A COMPANY LIMITED BY GUARANTEE)

REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2018

Members	L Rowley A Berry D Randall
Trustees	A Burrows (appointed 6 December 2017) H Strawbridge ¹ S Grundy (appointed 27 September 2017) M Swallow (resigned 11 April 2018) ¹ C Chevalley J Ashworth (resigned 26 September 2017) P Elliott, Chief Executive Officer ¹ D Rayner, Chair of Audit Committee ¹ S Gibson ¹ D Hannay A Berry, Chair of Trustees ¹ Audit Committee
Company registered number	08098956
Company name	Bridgwater College Trust
Principal and registered office	Bridgwater College Academy Parkway Bridgwater Somerset TA6 4QY
Company secretary	G Jones
Accounting officer	P Elliott
Senior management team	Trust P Elliot, Chief Executive Officer G Warren, Chief Financial Officer L Newman, Chief Operating Officer
Independent auditors	Bishop Fleming LLP Chartered Accountants Statutory Auditors 2nd Floor Stratus House Emperor Way Exeter Business Park Exeter EX1 3QS
Bankers	Lloyds Bank Plc Deane Gate Avenue Taunton Somerset TA1 2UF

**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 2018**

Advisers (continued)

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 2018**

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 2018. The annual report serves the purpose of both a Trustees' report, and a Directors' report under company law.

The Trust operated four academies during the year: Bridgwater College Academy, Hamp Academy, Brymore Academy and West Somerset College. From 1 September 2018 Otterhampton Primary School joined the Trust.

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 allthrough school in Somerset for pupils aged 3 to 16. It has a pupil capacity of 1580 and had a roll of 585 in the primary phase and 656 in the secondary phase in the school census in October 2017 (October 2016: 591 primary and 607 secondary).

Hamp Academy converted to Academy status on 1 September 2013. The predecessor school was Hamp Junio School serving the Hamp Estate in Bridgwater. It has a pupil capacity of 315 (increased from 285) and had a roll of 315 in the school census in October 2017 from the ages 7 to 11 (October 2016: capacity of 315 and a roll of 281).

Brymore Academy also converted to Academy status on 1 September 2013. Brymore is a state boarding school specialising in agriculture and horticulture. It has a pupil capacity of 350 pre 16, and had a roll of 307 (131 boarders; 176 day pupils) in the school census in October 2017 (October 2016: capacity of 285 and 139 boarders and 114 day pupils).

West Somerset College converted to Academy status on 1 September 2011 and joined the Bridgwater College Trust in February 2016. The Academy provides for pupils aged 13 to 19 serving a catchment area in West Somerset. It has a pupil capacity of 1509 and had a roll of 593 pre sixteen and 119 post sixteen students in the school census in October 2017 (October 2016: 639 pre sixteen and 145 post sixteen students).

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 ceased to be a member.

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

Trade union facility time

Relevant union officials

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

Percentage of time spent on facility time

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

Percentage of pay bill spent on facility time

Total cost of facility time (£'000)	£7
Total pay bill (£'000)	£12,271
Percentage of total pay bill spent on facility time	- %

Paid trade union activities

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

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

TRUSTEES

Method of Recruitment and Appointment or Election of Trustees

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

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

The Trust has the following executive committees set up:

Audit Committee,

Finance and Resources Committee, and

From 1 September 2018, a Search Committee, to advise on the appointment of Trust Board members.

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

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

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

The role of the Local Governing Body and the membership of it, is decided by the Trust.

The Trust, will, as a minimum, ensure that:

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

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

When appointing new Trustees, the Board, through the Search Committee 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 are appointed.

The Trustees, Directors and Governors who were in office at 31 August 2018 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. They also have access to the Trust Governor website of the Trust which contains relevant up to date documents.

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

Organisational Structure

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

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

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

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

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

The Chief Executive Officer is the Accounting Officer.

The Trustees has 3 committees:

- 1) an Audit committee which meets 5 times a year and is responsible for the assurance and risk for the Trust, scrutinising reports from the internal audit service and ensuring follow up. It makes recommendations to the Board.
- 2) a Finance and Resources committee which meets 5 times a year and is responsible for monitoring, evaluating and reviewing policy and performance in relation to financial management and compliance, scrutinising the budgets and cash flow and making recommendations to the board.
- 3) From 1 September 2018 a search committee which meets once a year and makes recommendations on the composition and balance of the Trust Board, constituent committees and Local Governing Bodies (LGBs).

The purpose of the LGBs is to:

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

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

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

The Trust executive team consists of the Chief Executive Officer, Chief Finance Officer, Chief Operating Officer, Director of Education, SEN lead, safeguarding lead and the heads of each of the Academies. A number of services are centralised including finance, HR, IT, Health and Safety, premises and SEN and safeguarding policy and strategy. From 2017/18 budgets are set and monitored centrally with the contribution of the Heads.

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 of School, Assistant Head, SENCo, Upper Phase Leader, Lower Phase Leader, English Leader, and Maths Leader. 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,

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

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

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

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

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

The Chief Executive Officer is the Accounting Officer.

Arrangements for Setting Pay and Remuneration of Key Management Personnel

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

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

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

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

Connected Organisations, including Related Party Relationships

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

From 13 August 2014, Bridgwater College Academy established a trading subsidiary, Bridgwater College Academy Trading Limited, to operate the 3G pitch and leisure centre for the benefit of the local community and community organisations. The trading subsidiary started trading from 1 September 2014.

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.

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

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.

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

Overall the Trust has performed well again with early years, key stages 1,3,4 and 5 delivering strong outcomes for children and young adults.

Objectives, Strategies and Activities

Bridgwater College Academy

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

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

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

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

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

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

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

Hamp Academy

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

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

The activities included the following:

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

Brymore Academy

The core values are that Brymore will provide:

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

The activities included the following:

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

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

West Somerset College

In 2017/18 the progress in the previous years has been consolidated.

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

The key activities in 2017/18 for West Somerset included the following:

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

Public Benefit

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

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

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

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

STRATEGIC REPORT

Achievements and Performance

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

Bridgwater College Academy

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

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

The benefits of the all through education and the focus on every child achieving has resulted in the excellent Key Stage 4 results in 2018, with a positive Progress 8 score of +0.29, the fourth highest in Somerset.

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

Early Years Foundation Stage results and the end of Key Stage 1 results showed an improvement in the percentage of students gaining a good level of development over the prior year (2% higher for Early Years and up to 5% higher percentage for writing in Key Stage 1 tests).

The Key Stage 2 results were disappointing. A review has been carried out and the root causes were a lower ability cohort and capacity issues amongst the primary leadership as they were called away to work on other Trust duties. The issue of capacity has been addressed in that senior leaders who were seconded to Hamp and Otterhampton have returned to BCA and a Director of Education has been appointed across the Trust to drive improvement in the primary phase, with specific focus on attainment and progress in Key Stage 2.

Hamp Academy

It has been a turbulent eighteen months at Hamp Academy following the departure of the previous head. The Deputy Head was initially appointed to the role of Head of School with support from BCA, following a peer review (March 2018) it was decided that he would relinquish this role and the role of Headteacher would be advertised nationally. Key Stage 2 outcomes were a mixed picture. The outcomes for maths showed improvement at 72% showing a good level of development, but the combined figures were 46% brought down by the reading outcomes. Attainment and progress in reading were insufficient. There has been a review of the lessons learnt and a Substantive Headteacher has now been appointed; in addition a Director of Education has been appointed across the Trust to drive improvement in the primary phase, with specific focus on attainment and progress in Key Stage 2.

Brymore Academy

An Educational Development plan was drawn up which detailed the priorities in the year. There has been considerable work and improvement on the standards of teaching and learning in Brymore and a positive Progress 8 score of +0.02 was achieved at Key Stage 4 despite having the lowest prior attainment at key stage 2 in Somerset. This level of progress is atypical.

The Academy had an Ofsted Inspection in March 2018 and the school continues to be Good.

From 1 September 2018 Brymore has introduced a five day week (rather than six), with longer teaching days.

West Somerset

In 2017/18 the progress in the previous years has been consolidated and showed a strong improvement in the Key Stage 5 results. With new leadership in the sixth form, the Academy is confident these outcomes will be sustained and improved again next year.

Overall at Key Stage 4 students achieved 0.2 in progress 8, with the high attaining students achieving 0.23 progress.

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

Key Performance Indicators

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

	Target	Actual	Notes
Total unrestricted "Free reserves" funds balance	£2,425,000	£2,552,000	
Funded Pupils	2,538	2,527	Drop in numbers, particularly at WSC
Pupil to teacher ratio	16.49	16.40	Ratio skewed by drop in WSC pupil numbers. Brymore in particular has very low class sizes owing to the nature of the practical subjects
Teaching to non-teaching staff ratio	0.83	0.50	
Exam success Key Stage 4	0.00 progress	Brymore 0.02 BCA 0.29 WSC 0.20	Given the low prior attainment of the cohort (three of the four weakest in Somerset) these are an excellent set of results
Total income per pupil	£6,818	£6,698	Includes boarding income and rural technology grant for Brymore
Total Boarding Income - Brymore	£1,322,000	£1,406,000	
Ratio of GAG to total income	0.776	0.743	
Staff salary costs per pupil	£4,922	£5,241	Excluding other staffing costs
Ratio of staff salary costs to income	77%	78%	Excluding other staffing costs
In year operating surplus as a percentage of income	-0.02%	-0.01%	Excludes capital, but includes one off revenue ring fenced costs
Cash balances at the year end	£4,135,897	£6,333,000	Budget based on April cash flow forecast.

Most KPIs were met in the year. The drop in student numbers at WSC is a concern, particularly post 16. The loss was partly due to a one year World of Work course being completed (so students did not return into year 13), and students travelling to Taunton or Bridgwater where there is a wider range of courses on offer. The Opportunity Area funding has facilitated the College being able to offer construction, hair and beauty and catering courses in post 16 from September 2018.

Going Concern

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

FINANCIAL REVIEW

Financial Review

The Academy Trust generated an operating surplus of £741,000 for the year to 31 August 2018 (£887,000 for 2017).

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

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

During the year ended 31 August 2018, total expenditure of £18,547,000 (£18,521,000 in 2017) was covered by recurrent grant funding from the DfE, together with other incoming resources of £19,288,000.

At 31 August 2018 the net book value of fixed assets was £36,614,000 (£35,116,000 in 2017) 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 £1,426,692. 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 £4,428,205 (total funds less the amount held in fixed assets and restricted pension funds) and unspent capital funds of £1,740,394, this amount is earmarked for future projects as follows:

• Provision against extra staffing costs/deficit	£663,315
• Capital Projects including new build and master plan	£886,222
• Sports centre maintenance & upgrades	£247,675
• CIF and Salix loans	£1,713,894
• Schools Improvement	£112,353
• Premises and facilities ring fenced balances	£106,474
• Specific/ Curriculum ring fenced balances	£397,074

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

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

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

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

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

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 £1,000,000 and earned £6,000 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 89% of the Trust's incoming resources were ultimately Government funded and whilst this level is expected to continue, there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

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

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

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

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

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

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

There have been two occasions that have resulted in fraud during the year:

One was the hacking of an internal email account to secure a fraudulent change in bank details for an

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

employee's pay. Internal processes and controls have been upgraded and extra training has been carried out to ensure such an attack could not be replicated.

The second was a ransomware attack on West Somerset College. Costs of £8k were incurred by the Trust to reinstate the targeted data. Our internal auditors have undertaken a review of our IT procedures and controls and have provided recommendations for improvement. A review of learnings has also been carried out. More investment has been made into the cyber security of the Trust and an ongoing investment in processes and systems has been implemented to minimise the risk of recurrence. The ESFA have been notified of this fraud.

Having upgraded the systems and implemented additional processes, each internal audit report resulted in an Adequate Assurance rating. The cyber security of the Trust will be subject to further internal audit follow up and scrutiny in 2018.19 and reports will be made to the Audit Committee.

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

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.

FUNDRAISING

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

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

Under the Financial Regulations no tainted charitable payments are permitted.

Any fundraising complaints would be made at Academy level first being escalated to the Trust if necessary.

PLANS FOR FUTURE PERIODS

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

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

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

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

academies websites.

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

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

From 1 September 2018 Otterhampton Primary School has joined the trust following a successful intervention by the Trust to improve outcomes there.

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.

However, in January 2018 Bridgwater College Trust was awarded a grant of £495,000 on behalf of a number of Somerset Schools to improve the maths outcomes in the county. The Trust has treated the grant and expenditure as an agency arrangement in the accounts.

EMPLOYEE INVOLVEMENT AND EMPLOYMENT OF THE DISABLED

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

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

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

Employee Consultations

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

TRUSTEES INDEMNITIES

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

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, was approved by order of the Board of Trustees, as company directors, on 4 December 2018 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 8 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
A Berry, Chair of Trustees	8	8
A Burrows (appointed 6.12.2017)	5	5
C Chevalley	7	8
P Elliott, Chief Executive Officer	8	8
S Gibson	8	8
S Grundy (appointed 27.9.2017)	8	8
D Hannay	6	8
D Rayner, Chair of Audit Committee	7	8
H Strawbridge	6	8
M Swallow (resigned 11.1.18)	4	5

One new trustee was appointed following the review of skills and experience and he is also a parent trustee, one was appointed as he was appointed as chair of one of the academies and one trustee resigned as he had other work commitments and could not spare the time needed.

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

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

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

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
A Berry	5	5
A Burrows	1	1
C Chevalley	4	5
D Hannay	5	5
P Elliott	4	5

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

BRIDGWATER COLLEGE TRUST
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GOVERNANCE STATEMENT (continued)

framework. The Audit Committee is responsible for agreeing the audit programme based on the risk profile.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
H Strawbridge	3	5
P Elliott	5	5
D Rayner	4	5
S Gibson	4	5
M Swallow	1	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.

Previously, 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. The review looked at the effectiveness of LGBs to hold the Headteachers to account and assessed how well Governors know their individual schools. Following the review the Trust will produce a series of videos to support governor understanding.

REVIEW OF VALUE FOR MONEY

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

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

Further sharing of resources across academies, particularly for HR, Finance, IT and Health and Safety and secondments to Otterhampton Primary School and Hamp Academy to help improve outcomes.

Robust financial governance and budget management.

Trust wide procurement of legal services, external and internal audit, insurance and other professional services to ensure best value for money.

A successful tender process was carried out for external catering provision at West Somerset from 1 September 2017 and for Brymore to be implemented from November 2018.

Following a benchmarking exercise of utilities a specialist energy services company was appointed to consolidate electricity and gas end dates with a view to further optimising value for money across the Trust.

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.

GOVERNANCE STATEMENT (continued)

Within the Financial Regulations outlining requirements for accepting best value quotes, noting that this is not necessarily the cheapest quote.

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an 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 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The Board of Trustees has reviewed the key risks to which the 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 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

THE RISK AND CONTROL FRAMEWORK

The 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 Resources Committee (at Trust level) of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines.
- delegation of authority and segregation of duties;
- identification and management of risks.

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

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

Mazars report back to the Board of Trustees, through the Audit Committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

The internal auditor's role includes giving advice on financial matters, flagging up best practice and performing a range of checks on the Trust's systems. In particular the checks carried out in the current period included:

- 1) Core financial processes and controls audit
- 2) Human Resources key controls and processes audit
- 3) IT network and data security controls audit – the scope was changed to include looking at the lessons learned and the improvement and processes following the incidents noted below
- 4) Follow up of previous audits.

GOVERNANCE STATEMENT (continued)

The Trust confirms that the Independent Review function has been fully delivered in line with the requirements of the Academy Financial Handbook.

There have been two occasions that have resulted in fraud during the year:

One was the hacking of an internal email account to secure a fraudulent change in bank details for an employee's pay. Internal processes and controls have been upgraded and extra training has been carried out to ensure such an attack could not be replicated.

The second was a ransomware attack on West Somerset College. Costs of £8k were incurred by the Trust to reinstate the targeted data. Our internal auditors have undertaken a review of our IT procedures and controls and have provided recommendations for improvement. A review of learnings has also been carried out. More investment has been made into the cyber security of the Trust and an ongoing investment in processes and systems has been implemented to minimise the risk of recurrence. The ESFA have been notified of this fraud.

Having upgraded the systems and implemented additional processes, each internal audit report resulted in an Adequate Assurance rating. The cyber security of the Trust will be subject to further internal audit follow up and scrutiny in 2018.19 and reports will be made to the Audit Committee.

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 the internal auditor;
- the work of the external auditors;
- the work of the executive managers within the Trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the Board of Trustees on 4 December 2018 and signed on their 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 academy 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 academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

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

I confirm that the following instances of material irregularity, impropriety or funding non-compliance discovered to date have been notified to the board of trustees and ESFA. If any instances are identified after the date of this statement, these will be notified to the board of trustees and ESFA:

There have been two occasions that have resulted in fraud during the year:

One was the hacking of an internal email account to secure a fraudulent change in bank details for an employee's pay, resulting in a loss of £2k. Internal processes and controls have been upgraded and extra training has been carried out to ensure such an attack could not be replicated.

The second was a ransomware attack on West Somerset College. Costs of £8k were incurred by the Trust to reinstate the targeted data. Our internal auditors have undertaken a review of our IT procedures and controls and have provided recommendations for improvement. A review of learnings has also been carried out. More investment has been made into the cyber security of the Trust and an ongoing investment in processes and systems has been implemented to minimise the risk of recurrence.

Having upgraded the systems and implemented additional processes, each internal audit report resulted in an Adequate Assurance rating. The cyber security of the Trust will be subject to further internal audit follow up and scrutiny in 2018.19 and reports will be made to the Audit Committee.



**P Elliott
Accounting Officer**

Date: 4 December 2018

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

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

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and 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 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable 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 ESFA/DfE have been applied for the purposes intended.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable 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: 4 December 2018

**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 2018 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.

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 2018 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 2017 to 2018 issued by the Education and Skills Funding Agency.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the 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 Auditors' Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

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

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

RESPONSIBILITIES OF TRUSTEES

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

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

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

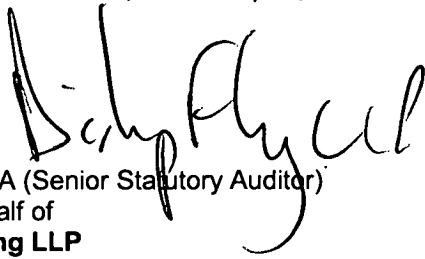
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

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

USE OF OUR REPORT

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 Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Trust and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



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:

14 Dec 2018

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

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

In accordance with the terms of our engagement letter dated 25 March 2014 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, 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 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to 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 2017, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2017 to 2018. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

APPROACH

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

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

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

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the 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 & SKILLS FUNDING AGENCY (continued)**

CONCLUSION

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

During the year, the Trust was subject to two fraudulent cyber-attacks. One was the hacking of an internal email account to secure a fraudulent change in bank details for an employee's pay, resulting in a £2k loss. The second was a ransomware attack on West Somerset College. Costs of £8k were incurred by the Trust to reinstate the targeted data. The Education and Skills Funding Agency, Board of Trustees and Police have been informed of both instances.



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:

16 December 2018

BRIDGWATER COLLEGE TRUST
(A COMPANY LIMITED BY GUARANTEE)

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND
EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2018**

		Unrestricted funds 2018 £000	Restricted funds 2018 £000	Restricted fixed asset funds 2018 £000	Total funds 2018 £000	Total funds 2017 £000
	Note					
INCOME FROM:						
Donations and capital grants	2	69	-	2,363	2,432	1,881
Charitable activities	6	146	16,120	-	16,266	16,633
Other trading activities	3,4	584	-	-	584	887
Investments	5	6	-	-	6	7
TOTAL INCOME		805	16,120	2,363	19,288	19,408
EXPENDITURE ON:						
Raising funds	4	192	14	-	206	365
Charitable activities		505	16,011	1,825	18,341	18,156
TOTAL EXPENDITURE	7	697	16,025	1,825	18,547	18,521
NET BEFORE TRANSFERS		108	95	538	741	887
Transfers between Funds	21	-	(1,339)	1,339	-	-
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES		108	(1,244)	1,877	741	887
Actuarial gains on defined benefit pension schemes	28	-	2,559	-	2,559	1,955
NET MOVEMENT IN FUNDS		108	1,315	1,877	3,300	2,842
RECONCILIATION OF FUNDS:						
Total funds brought forward		2,444	(10,476)	36,060	28,028	25,186
TOTAL FUNDS CARRIED FORWARD		2,552	(9,161)	37,937	31,328	28,028

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 2018

	Note	£000	2018 £000	£000	2017 £000
FIXED ASSETS					
Intangible assets			3		3
Tangible assets	16		36,614		35,117
Investments			4		4
			<u>36,621</u>		<u>35,124</u>
CURRENT ASSETS					
Stocks		67		87	
Debtors	17	1,755		1,283	
Cash at bank and in hand		6,333		5,827	
		<u>8,155</u>		<u>7,197</u>	
CREDITORS: amounts falling due within one year	18	(2,083)		(1,404)	
NET CURRENT ASSETS			<u>6,072</u>		<u>5,793</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>42,693</u>		<u>40,917</u>
CREDITORS: amounts falling due after more than one year	19		(342)		(431)
NET ASSETS EXCLUDING PENSION SCHEME LIABILITIES			<u>42,351</u>		<u>40,486</u>
Defined benefit pension scheme liability	28		(11,023)		(12,458)
NET ASSETS			<u>31,328</u>		<u>28,028</u>
FUNDS OF THE ACADEMY TRUST					
Restricted funds:					
General funds	21	1,862		1,982	
Fixed asset funds	21	37,937		36,060	
		<u>39,799</u>		<u>38,042</u>	
Restricted funds excluding pension liability					
Pension reserve		(11,023)		(12,458)	
			<u>28,776</u>		<u>25,584</u>
Total restricted funds			<u>28,776</u>		<u>25,584</u>
Unrestricted funds	21		2,552		2,444
TOTAL FUNDS			<u>31,328</u>		<u>28,028</u>

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

**CONSOLIDATED BALANCE SHEET (continued)
AS AT 31 AUGUST 2018**

The financial statements on pages 28 to 61 were approved by the Trustees, and authorised for issue, on 4 December 2018 and are signed on their behalf, by:

A handwritten signature in black ink, appearing to be 'AB', written over a horizontal line.

**Mr A Berry
Chair of Trustees**

The notes on pages 34 to 61 form part of these financial statements.

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

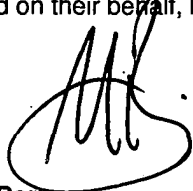
TRUST BALANCE SHEET
AS AT 31 AUGUST 2018

	Note	£000	2018 £000	£000	2017 £000
FIXED ASSETS					
Intangible assets			3		3
Tangible assets	16		36,614		35,117
Investments			4		4
			<u>36,621</u>		<u>35,124</u>
CURRENT ASSETS					
Stocks		67		87	
Debtors	17	1,794		1,380	
Cash at bank and in hand		6,238		5,678	
		<u>8,099</u>		<u>7,145</u>	
CREDITORS: amounts falling due within one year	18	(2,033)		(1,381)	
NET CURRENT ASSETS			<u>6,066</u>		<u>5,764</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>42,687</u>		<u>40,888</u>
CREDITORS: amounts falling due after more than one year	19		(342)		(431)
NET ASSETS EXCLUDING PENSION SCHEME LIABILITIES			<u>42,345</u>		<u>40,457</u>
Defined benefit pension scheme liability	28		(11,023)		(12,458)
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u>31,322</u>		<u>27,999</u>
FUNDS OF THE ACADEMY					
Restricted funds:					
Restricted funds	21	1,862		1,982	
Restricted fixed asset funds	21	37,937		36,060	
		<u>39,799</u>		<u>38,042</u>	
Restricted funds excluding pension asset					
Pension reserve		(11,023)		(12,458)	
			<u>28,776</u>		<u>25,584</u>
Total restricted funds					
Unrestricted funds	21		2,546		2,415
TOTAL FUNDS			<u>31,322</u>		<u>27,999</u>

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

**TRUST BALANCE SHEET (continued)
AS AT 31 AUGUST 2018**

The financial statements were approved by the Trustees, and authorised for issue, on 4 December 2018 and are signed on their behalf, by:

A handwritten signature in black ink, consisting of stylized, overlapping loops and strokes, enclosed within a large, hand-drawn oval.

**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 2018

	Note	2018 £000	2017 £000
Cash flows from operating activities			
Net cash provided by operating activities	23	<u>1,550</u>	<u>1,928</u>
Cash flows from investing activities:			
Dividends, interest and rents from investments		6	7
Purchase of tangible fixed assets		(3,322)	(2,363)
Capital grants from DfE Group		<u>2,363</u>	<u>1,744</u>
Net cash used in investing activities		<u>(953)</u>	<u>(612)</u>
Cash flows from financing activities:			
Repayments of borrowings		(119)	(64)
Cash inflows from new borrowing		<u>28</u>	<u>-</u>
Net cash used in financing activities		<u>(91)</u>	<u>(64)</u>
Change in cash and cash equivalents in the year		506	1,252
Cash and cash equivalents brought forward		<u>5,827</u>	<u>4,575</u>
Cash and cash equivalents carried forward	24	<u><u>6,333</u></u>	<u><u>5,827</u></u>

The notes on pages 34 to 61 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 2018

1. ACCOUNTING POLICIES

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

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

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

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/donor and include grants from the Department for Education Group.

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

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

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.

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

1. ACCOUNTING POLICIES (continued)

1.5 GOING CONCERN

The Trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the 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 section 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 £1,843,000 (2017: £3,349,000).

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 2018

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.
Leasehold property	-	straight line over 50 years for buildings and 125 years for land
Furniture and fixtures	-	straight line over 5 years

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

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 2018**

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.

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

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 2018

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 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

The Academy 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 2018 £000	Restricted funds 2018 £000	Restricted fixed asset funds 2018 £000	Total funds 2018 £000	Total funds 2017 £000
Donations	69	-	-	69	138
Capital Grants	-	-	2,363	2,363	1,743
	<u>69</u>	<u>-</u>	<u>2,363</u>	<u>2,432</u>	<u>1,881</u>
Total 2017	<u>138</u>	<u>-</u>	<u>1,743</u>	<u>1,881</u>	

BRIDGWATER COLLEGE TRUST
(A COMPANY LIMITED BY GUARANTEE)

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

3. TRUST TRADING ACTIVITIES

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Total funds 2018 £000	Total funds 2017 £000
Lettings	14	-	14	13
External Catering	-	-	-	49
Other	354	-	354	438
	<u>368</u>	<u>-</u>	<u>368</u>	<u>500</u>
Total 2017	<u>500</u>	<u>-</u>	<u>500</u>	

4. SUBSIDIARY TRADING ACTIVITIES

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Total funds 2018 £000	Total funds 2017 £000
TRADING INCOME				
Income	<u>216</u>	<u>-</u>	<u>216</u>	<u>387</u>
TRADING EXPENSES				
Expenses	<u>192</u>	<u>-</u>	<u>192</u>	<u>356</u>
Net income from subsidiary trading activities	<u>24</u>	<u>-</u>	<u>24</u>	<u>31</u>

5. INVESTMENT INCOME

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Total funds 2018 £000	Total funds 2017 £000
Bank interest	<u>6</u>	<u>-</u>	<u>6</u>	<u>7</u>
Total 2017	<u>7</u>	<u>-</u>	<u>7</u>	

BRIDGWATER COLLEGE TRUST
(A COMPANY LIMITED BY GUARANTEE)

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

6. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Total funds 2018 £000	Total funds 2017 £000
Education	-	14,771	14,771	15,165
Nursery	89	-	89	114
Boarding	57	1,349	1,406	1,354
	<u>146</u>	<u>16,120</u>	<u>16,266</u>	<u>16,633</u>
Total 2017	<u>171</u>	<u>16,462</u>	<u>16,633</u>	

FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Total funds 2018 £000	Total funds 2017 £000
DfE/ESFA grants				
General Annual Grant	-	12,573	12,573	13,097
Start up Grants	-	3	3	8
Other DfE Group grants	-	1,557	1,557	1,484
	<u>-</u>	<u>14,133</u>	<u>14,133</u>	<u>14,589</u>
Other Government grants				
High Needs	-	168	168	348
Other government grants	-	470	470	228
	<u>-</u>	<u>638</u>	<u>638</u>	<u>576</u>
	<u>-</u>	<u>14,771</u>	<u>14,771</u>	<u>15,165</u>
Total 2017	<u>-</u>	<u>15,164</u>	<u>15,164</u>	

BRIDGWATER COLLEGE TRUST
(A COMPANY LIMITED BY GUARANTEE)

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

7. EXPENDITURE

	Staff costs	Premises	Other costs	Total	Total
	2018	2018	2018	2018	2017
	£000	£000	£000	£000	£000
Expenditure on raising voluntary income	-	-	14	14	9
Expenditure on trading activities	115	-	77	192	356
Education					
Direct costs	10,191	463	1,894	12,548	12,414
Support costs	2,124	638	1,711	4,473	4,388
Nursery					
Direct costs	71	-	7	78	92
Support costs	15	1	-	16	24
Boarding					
Direct costs	457	67	68	592	493
Support costs	328	47	259	634	745
	13,301	1,216	4,030	18,547	18,521
Total 2017	13,435	1,320	3,766	18,521	

8. DIRECT COSTS

	Education	Nursery	Boarding	Total	Total
	£000	£000	£000	2018	2017
	£000	£000	£000	£000	£000
Administration expenses	3	-	-	3	2
Pension finance costs	320	-	-	320	290
Educational supplies	823	7	16	846	851
Examination fees	156	-	-	156	164
Staff development	100	-	-	100	87
Other costs	61	-	1	62	75
Supply teachers	5	-	-	5	53
Technology costs	114	-	-	114	112
Wages and salaries	7,506	71	382	7,959	7,814
National insurance	687	-	26	713	721
Pension cost	1,998	-	49	2,047	2,076
Depreciation	775	-	118	893	754
	12,548	78	592	13,218	12,999
Total 2017	12,414	92	493	12,999	

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

9. SUPPORT COSTS

	Education £000	Nursery £000	Boarding £000	Total 2018 £000	Total 2017 £000
Staff development	1	-	-	1	-
Other costs	20	-	6	26	18
Recruitment and support	74	-	-	74	109
Maintenance of premises and equipment	86	-	9	95	412
Cleaning	61	-	10	71	83
Rent and rates	158	-	23	181	166
Energy costs	333	1	5	339	319
Insurance	87	-	18	105	108
Security and transport	105	-	16	121	96
Catering	91	-	165	256	277
Technology costs	38	-	7	45	17
Office overheads	187	-	43	230	257
Legal and professional	138	-	2	140	305
Bank interest and charges	4	-	2	6	7
(Profit) / Loss on disposal of fixed assets	462	-	-	462	-
Governance	32	-	-	32	71
Wages and salaries	1,643	15	265	1,923	2,033
National insurance	151	-	13	164	143
Pension cost	331	-	50	381	339
Depreciation	471	-	-	471	397
	4,473	16	634	5,123	5,157
Total 2017	4,388	24	745	5,157	

10. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2018 £000	2017 £000
Depreciation of tangible fixed assets: - owned by the Academy Trust	1,364	1,151
Operating lease rentals	95	95

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

11. AUDITORS' REMUNERATION

	2018	2017
	£000	£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	6
All other non-audit services not included above	6	6
	<u>6</u>	<u>6</u>

BRIDGWATER COLLEGE TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

12. STAFF COSTS

a. Staff costs

Staff costs were as follows:

	2018	2017
	£000	£000
Wages and salaries	9,939	9,948
Social security costs	876	868
Operating costs of defined benefit pension schemes	2,428	2,433
	13,243	13,249
Supply teachers not through payroll	4	53
Staff restructuring costs	54	133
	13,301	13,435

Staff restructuring costs comprise:

	2018	2017
	£000	£000
Redundancy payments	54	133

b. Non-statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £38,579 (2017: £5,620). Individually these amounts were £13,000, £2,000, £11,000, £1,000, £10,000 and £10,000.

c. Staff numbers

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

	2018	2017
	No.	No.
Teachers	134	134
Administration and support	298	311
Management	23	22
	455	467

Average headcount expressed as a full time equivalent:

	2018	2017
	No.	No.
Total staff	350	365

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

12. STAFF COSTS (continued)

d. Higher paid staff

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

	2018	2017
	No.	No.
In the band £60,001 - £70,000	4	4
In the band £70,001 - £80,000	2	3
In the band £80,001 - £90,000	2	0
In the band £110,001 - £120,000	0	1
In the band £120,001 - £130,000	1	0

e. Key management personnel

The key management personnel of the Academy Trust comprise the Trustees (who do not receive remuneration for their role as Trustees), the Chief Executive Officer, the Headteachers of each school, the Chief Financial Officer and 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 £570,904 (2017: £529,163). The increase is primarily caused by the fact the Chief Operating Officer role has been in place for the full year of 2017/18 and only part of the prior year when created in January 2017.

13. CENTRAL SERVICES

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

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

The Trust charges for these services on the following basis:

Staff and other direct costs have been calculated and the total costs is split over the academies according to the total income at the academies.

The actual amounts charged during the year were as follows:

	2018	2017
	£000	£000
Bridgwater College Academy	403	192
Brymore Academy	217	59
Hamp Academy	94	19
West Somerset Community College	270	134
	984	404
Total	984	404

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

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 within the following bands: P Elliott: Remunerations £120,000 - £125,000 (2017: £115,000 - £120,00), Employer's pension contributions £Nil (2016: £Nil).

During the year, no Trustees received any benefits in kind (2017: £NIL).

During the year ended 31 August 2018, expenses totalling £1,000 (2017: £1,000) were reimbursed to Trustees.

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

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 £5,000,000 on any one claim and the cost for the year ended 31 August 2018 was £2,341 (2017: £3,511).

16. TANGIBLE FIXED ASSETS

GROUP AND TRUST	Freehold property £000	Leasehold property £000	Furniture and fixtures £000	Motor vehicles £000	Computer equipment £000	Total £000
COST						
At 1 September 2017	29,451	6,123	2,265	39	1,104	38,982
Additions	2,276	245	615	4	182	3,322
Disposals	(572)	-	(6)	-	-	(578)
At 31 August 2018	31,155	6,368	2,874	43	1,286	41,726
DEPRECIATION						
At 1 September 2017	1,643	502	916	31	773	3,865
Charge for the year	576	118	470	3	197	1,364
On disposals	(111)	-	(6)	-	-	(117)
At 31 August 2018	2,108	620	1,380	34	970	5,112
NET BOOK VALUE						
At 31 August 2018	29,047	5,748	1,494	9	316	36,614
At 31 August 2017	27,808	5,621	1,349	8	331	35,117

BRIDGWATER COLLEGE TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

17. DEBTORS

	GROUP		TRUST	
	2018	2017	2018	2017
	£000	£000	£000	£000
Trade debtors	245	185	286	169
Other debtors	306	198	306	311
Prepayments and accrued income	1,204	900	1,202	900
	1,755	1,283	1,794	1,380

18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	GROUP		TRUST	
	2018	2017	2018	2017
	£000	£000	£000	£000
Other loans	91	93	91	93
Trade creditors	169	5	146	3
Other taxation and social security	232	232	213	215
Other creditors	392	384	392	384
Accruals and deferred income	1,199	690	1,191	686
	2,083	1,404	2,033	1,381

	GROUP		TRUST	
	£000	£000	£000	£000
DEFERRED INCOME				
Deferred income at 1 September 2017	63	162	63	162
Resources deferred during the year	307	63	307	63
Amounts released from previous years	(63)	(162)	(63)	(162)
Deferred income at 31 August 2018	307	63	307	63

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 2018 and boarding fees in respect of the next financial year.

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

	GROUP		TRUST	
	2018	2017	2018	2017
	£000	£000	£000	£000
Other loans	342	431	342	431

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FOR THE YEAR ENDED 31 AUGUST 2018

19. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR (continued)

Included in other loans is a loan of £150,000 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 £282,750 repayable in six-monthly instalments over 8 years with an applicable interest rate of 0%.

20. FINANCIAL INSTRUMENTS

	2018	2017
	£000	£000
Financial assets measured at amortised cost	7,559	6,793
Financial liabilities measured at amortised cost	(1,733)	(1,279)

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

BRIDGWATER COLLEGE TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

21. STATEMENT OF FUNDS (continued)

RESTRICTED FIXED ASSET FUNDS

Fixed assets transferred on conversion/acquisition of academies	27,351	-	(979)	50	-	26,422
Fixed assets purchased from GAG and other restricted funds	1,146	-	(310)	1,289	-	2,125
DfE/ESFA Capital grants	5,026	1,865	(474)	-	-	6,417
Other capital donations	2,537	498	(62)	-	-	2,973
	<u>36,060</u>	<u>2,363</u>	<u>(1,825)</u>	<u>1,339</u>	<u>-</u>	<u>37,937</u>
Total restricted funds	<u>25,584</u>	<u>18,483</u>	<u>(17,850)</u>	<u>-</u>	<u>2,559</u>	<u>28,776</u>
Total of funds	<u>28,028</u>	<u>19,288</u>	<u>(18,547)</u>	<u>-</u>	<u>2,559</u>	<u>31,328</u>

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/ESFA 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.

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

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

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

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

21. STATEMENT OF FUNDS (continued)

equipment donated to the Trust from the Local Authority on conversion or the acquisition of existing academies.

Fixed assest 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 to transfer funds from GAG to fixed assets for fixed asset expenditure from GAG.

ANALYSIS OF ACADEMIES BY FUND BALANCE

Fund balances at 31 August 2018 were allocated as follows:

	Total 2018 £000	Total 2017 £000
Bridgwater College Academy	1,519	1,831
Brymore Academy	443	433
Hamp Academy	491	334
West Somerset Community College	1,512	1,410
Central funds	449	418
	<hr/>	<hr/>
Total before fixed asset fund and pension reserve	4,414	4,426
Restricted fixed asset fund	37,937	36,060
Pension reserve	(11,023)	(12,458)
	<hr/>	<hr/>
Total	31,328	28,028
	<hr/>	<hr/>

BRIDGWATER COLLEGE TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

21. STATEMENT OF FUNDS (continued)

ANALYSIS OF ACADEMIES BY COST

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

	Teaching and educational support staff costs £000	Other support staff costs £000	Educational supplies £000	Other costs excluding depreciat- ion £000	Total 2018 £000	Total 2017 £000
Bridgwater College Academy	4,188	818	264	706	5,976	6,728
Brymore Academy	1,864	582	138	757	3,341	3,436
Hamp Academy	957	130	97	151	1,335	1,498
West Somerset Community College	2,452	660	134	909	4,155	4,969
Central	462	491	214	142	1,309	315
	<u>9,923</u>	<u>2,681</u>	<u>847</u>	<u>2,665</u>	<u>16,116</u>	<u>16,946</u>

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 September 2016 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2017 £000
General Funds	2,191	1,202	(1,001)	52	-	2,444
RESTRICTED FUNDS						
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
UIFSM	-	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)
	<u>(12,180)</u>	<u>16,463</u>	<u>(16,369)</u>	<u>(345)</u>	<u>1,955</u>	<u>(10,476)</u>

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

21. STATEMENT OF FUNDS (continued)

RESTRICTED FIXED ASSET FUNDS

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
	<u>35,175</u>	<u>1,743</u>	<u>(1,151)</u>	<u>293</u>	<u>-</u>	<u>36,060</u>
Total restricted funds	<u>22,995</u>	<u>18,206</u>	<u>(17,520)</u>	<u>(52)</u>	<u>1,955</u>	<u>25,584</u>
Total of funds	<u>25,186</u>	<u>19,408</u>	<u>(18,521)</u>	<u>-</u>	<u>1,955</u>	<u>28,028</u>

22. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Restricted fixed asset funds 2018 £000	Total funds 2018 £000
Intangible fixed assets	-	-	3	3
Tangible fixed assets	-	-	36,613	36,613
Fixed asset investments	-	-	4	4
Current assets	2,552	3,867	1,739	8,158
Creditors due within one year	-	(2,005)	(80)	(2,085)
Creditors due in more than one year	-	-	(342)	(342)
Pension scheme liability	-	(11,023)	-	(11,023)
	<u>2,552</u>	<u>(9,161)</u>	<u>37,937</u>	<u>31,328</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	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)
Provisions for liabilities and charges	-	(12,458)	-	(12,458)
	<u>2,444</u>	<u>(10,476)</u>	<u>36,060</u>	<u>28,028</u>

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

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

	GROUP	
	2018	2017
	£000	£000
Net income for the year (as per Statement of Financial Activities)	741	887
Adjustment for:		
Depreciation charges	1,364	1,151
Interest payable	(6)	(7)
Loss on the sale of fixed assets	461	-
Decrease/(increase) in stocks	20	(1)
(Increase)/decrease in debtors	(472)	849
Increase/(decrease) in creditors	681	(360)
Other capital grants	(2,363)	(1,744)
Defined benefit pension scheme cost less contributions payable	784	864
Defined benefit pension scheme finance cost	340	289
Net cash provided by operating activities	1,550	1,928

24. ANALYSIS OF CASH AND CASH EQUIVALENTS

	GROUP	
	2018	2017
	£000	£000
Cash at bank and in hand	6,333	5,827
	6,333	5,827

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

27. CAPITAL COMMITMENTS

At 31 August 2018 the group and Trust had capital commitments as follows:

	GROUP		TRUST	
	2018	2017	2018	2017
	£000	£000	£000	£000
Contracted for but not provided in these financial statements	1,607	2,164	1,607	2,164

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

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

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 £906,108 (2017: £874,271).

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).

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 2018 was £953,000 (2017: £940,000), of which employer's contributions totalled £731,000 (2017: £728,000) and employees' contributions totalled £222,000 (2017: £212,000). 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:

	2018	2017
Discount rate for scheme liabilities	2.65 %	2.60 %
Rate of increase in salaries	3.80 %	4.20 %
Rate of increase for pensions in payment / inflation	2.30 %	2.70 %
Inflation assumption (CPI)	2.30 %	2.70 %

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

	2018	2017
Retiring today		
Males	24.0	23.9
Females	25.2	25.1
Retiring in 20 years		
Males	26.3	26.2
Females	27.5	27.4

	At 31 August 2018 £000	At 31 August 2017 £000
Sensitivity analysis		
Discount rate +0.1%	504	513
Discount rate -0.1%	(517)	(526)
Mortality assumption - 1 year increase	(705)	(714)

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28. PENSION COMMITMENTS (continued)

Mortality assumption - 1 year decrease	681	690
CPI rate +0.1%	(470)	(456)
CPI rate -0.1%	458	444

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

	Fair value at 31 August 2018 £000	Fair value at 31 August 2017 £000
Equities	6,867	6,016
Gilts	513	465
Corporate bonds	863	840
Property	847	762
Cash	453	369
Total market value of assets	9,543	8,452

The actual return on scheme assets was £374,000 (2017: £995,000).

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

	2018 £000	2017 £000
Current service cost	(1,515)	(1,622)
Past service cost	(21)	(1)
Interest income	224	161
Interest cost	(544)	(451)
Total	(1,856)	(1,913)

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

	2018 £000	2017 £000
Opening defined benefit obligation	20,910	20,471
Current service cost	1,515	1,622
Interest cost	544	451
Employee contributions	222	222
Actuarial gains	(2,414)	(1,657)
Benefits paid	(231)	(199)
Past service costs	20	-
Closing defined benefit obligation	20,566	20,910

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28. PENSION COMMITMENTS (continued)

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

	2018 £000	2017 £000
Opening fair value of scheme assets	8,452	7,212
Interest income	229	168
Actuarial gains	145	298
Employer contributions	731	758
Employee contributions	222	222
Benefits paid	(231)	(199)
Administration expenses	(5)	(7)
	<u>9,543</u>	<u>8,452</u>
Closing fair value of scheme assets	<u>9,543</u>	<u>8,452</u>

29. OPERATING LEASE COMMITMENTS

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

GROUP	2018 £000	2017 £000
AMOUNTS PAYABLE:		
Within 1 year	84	87
Between 1 and 5 years	69	185
Total	<u>153</u>	<u>272</u>

30. RELATED PARTY TRANSACTIONS

No related party transactions took place in the period of account, other than certain Trustees' remuneration and expenses already disclosed in note 14.

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 £97,000 (2017: £132,000) was paid to the sponsor, Bridgwater & Taunton College for curriculum courses, careers service and exams service. In entering into the transaction the Trust has complied with the requirements of the Academies Financial Handbook 2017. Purchases were provided 'at no more than cost' and Bridgwater & Taunton College has provided a statement of assurance confirming this.

31. POST BALANCE SHEET EVENTS

Otterhampton Primary School converted to an Academy and joined the Trust on 1 September 2018.

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NOTES TO THE FINANCIAL STATEMENTS
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32. ACADEMY BOARDING TRADING ACCOUNT

		2018	2017
		£000	£000
INCOME			
Internal catering income	42	22	
Sales to students	-	27	
Boarding letting	15	7	
Boarding income	1,349	1,299	
		1,406	1,355
DIRECT COSTS			
Educational supplies	16	30	
Other costs	1	1	
Wages and salaries	382	351	
National insurance	26	32	
Pension costs	49	55	
Depreciation	118	24	
		592	493
SUPPORT COSTS			
Other costs	6	8	
Maintenance of premises and equipment	9	14	
Cleaning	10	13	
Rent and rates	23	21	
Energy costs	5	59	
Insurance	18	15	
Security and transport	16	9	
Catering	165	196	
Technology costs	7	-	
Office overheads	43	49	
Legal and professional	2	-	
Bank interest and charges	2	3	
Wages and salaries	265	235	
National insurance	13	18	
Pension costs	50	60	
		634	700
SURPLUS / (DEFICIT)		180	162

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33. 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 2018	£ 143,325
Total liabilities as at 31 August 2018	£ 129,696
Total equity as at 31 August 2018	£ 13,628

Turnover for the year ended 31 August 2018	£ 144,231
Expenditure for the year ended 31 August 2018	£ 130,693
Profit for the year ended 31 August 2018	£ 13,628

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 2018	£ 28,281
Total liabilities as at 31 August 2018	£ 19,774
Total equity as at 31 August 2018	£ 8,506

Turnover for the year ended 31 August 2018	£ 71,991
Expenditure for the year ended 31 August 2018	£ 63,485
Profit for the year ended 31 August 2018	£ 8,506

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 2018	£ 5,346
Total liabilities as at 31 August 2018	£ 21,353
Total equity as at 31 August 2018	£ (16,007)

Turnover for the year ended 31 August 2018	£	-
Expenditure for the year ended 31 August 2018	£	-
Result for the year ended 31 August 2018	£	-

BRIDGWATER COLLEGE TRUST
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NOTES TO THE FINANCIAL STATEMENTS
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34. AGENCY ARRANGEMENTS

The Academy Trust distributes 16-19 bursary funds to students as an agent for the ESFA. In the accounting period ended 31 August 2018 the Academy Trust received £21,691 and disbursed £18,177 from the fund. An amount of £24,498 is included in other creditors relating to the undistributed funds payable to the ESFA.