

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

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2014**

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

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**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 2014**

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<b>Members</b>	Mr D Randall Ms F McMillan Mr M Robbins <sup>1</sup>
<b>Trustees</b>	Ms H Strawbridge <sup>1</sup> Mr M Robbins, Chair Mr S Brewer <sup>1</sup> Ms K Ursell <sup>1</sup> Ms C Chevalley Mrs J Ashworth <sup>1</sup> Ms S Thatcher Mr P Elliott, Executive Head Teacher <sup>1</sup>  <sup>1</sup> Audit Committee
<b>Company registered number</b>	08098956
<b>Principal and registered office</b>	Bridgwater College Bath Road Bridgwater Somerset TA6 4PZ
<b>Senior management team</b>	Mr P Elliott, Executive Head Teacher Mr M Thomas, Head Teacher - Brymore Academy Mr L Talmage, Head Teacher - Hamp Academy Ms G Warren, Finance and Business Director
<b>Independent auditors</b>	Bishop Fleming LLP Chartered Accountants Statutory Auditors 2nd Floor Stratus House Emperor Way Exeter Business Park Exeter EX1 3QS
<b>Solicitors</b>	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 2014**

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The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2014. The annual report serves the purpose of both a Trustees' report, and a Directors' report under company law.

The Trust operates three academies, Bridgwater College Academy, Hamp Academy and Brymore Academy.

Bridgwater College Academy converted to academy status on 1 September 2012 from the three schools serving the Sedgemoor Estate; East Bridgwater Community School, Sedgemoor Manor Junior School and Sedgemoor Manor Infant and Nursery School. It is the first all-through school in Somerset for pupils aged 3 to 16. It has a pupil capacity of 1532 and had a roll of 621 in the primary phase and 575 in the secondary phase on 2 January 2014 (October 2013: 596 primary and 612 secondary).

Hamp Academy converted to academy status on 1 September 2013. The predecessor school was Hamp Junior School serving the Hamp Estate in Bridgwater. It has a pupil capacity of 240 and had a roll of 232 in the school census in October 2014 (October 2013: 231).

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 200 and had a roll of 194 (116 boarders; 78 day pupils) in the school census in October 2014 (October 2013: capacity of 150 and 100 boarders and 43 day pupils).

## **STRUCTURE, GOVERNANCE AND MANAGEMENT**

### **Constitution**

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

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

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

### **Members' liability**

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

### **Trustees' Indemnities**

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

In accordance with normal commercial practice the Academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £2,000,000 on any one claim.

**BRIDGWATER COLLEGE TRUST  
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**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2014**

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

Up to two parent Directors are appointed by the parents by election. The Chairs of each Local Governing Body are treated as a Director of the Trust.

The Academy Trust has established , for each Academy, a Local Governing Body, whose role shall be to provide advice to the Trust in relation to the functioning of that Academy. The role of the Local Governing Body and the membership of it, is for the Trust to decide, but the Trust, will as a minimum ensure that:

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

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

When appointing new Trustees, the Board will give consideration to the skills and experience mix of existing Trustees in order to ensure that the Board has the necessary skills to contribute fully to the Academy's development.

The Trustees, Directors and Governors who were in office at 31 August 2014 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 four 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 copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Trustees. As there are normally only two or three new Trustees a year, induction tends to be done informally and is tailored specifically to the individual. Advantage is taken of specific courses offered by the Local Authority and other bodies.

**Organisational Structure**

The Academy Trust structure consists of three levels: the Trustees, 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 Head / Executive Headteacher.

The Local Governing Body is responsible for developing vision, aims and objectives of the Academy within the parameters set by the Trust; adopting an annual plan and budget; monitoring the Academy by the use of budgets and making major decisions about the direction of the school; capital expenditure; and senior staff appointments.

The Trustees and Board of Trustees have devolved responsibility for day to day management of the Academy to the Headteacher and Senior Management Team (SMT).

**BRIDGWATER COLLEGE TRUST  
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**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2014**

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The Academy Leadership Team (ALT) of Bridgwater College Academy consisted of the Executive Headteacher, two Heads of School, Head of Curriculum, Head of Staff Development, Head of Inclusion, two deputy Headteachers and the Head of Business, Finance and Estates. 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 authorisation of spending within agreed budgets 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, Deputy, School Business Manager, SENCO and Safeguard lead, Upper Phase Leader and Lower Phase 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 authorisation of spending within agreed budgets 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 authorisation of spending within agreed budgets and the appointment of staff, though appointment Boards for senior posts in the SLT always contain a Trustee. Some spending control is also devolved to budget holders.

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

At Trust level there is an audit committee.

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

- Finance, Personnel and General Purposes Committee - this meets at least three 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, receiving reports from the Responsible Officer/internal audit and drafting the annual budget including setting staffing levels.
- 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.

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

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

The Executive Headteacher of Bridgwater College Academy is the Accounting Officer.

**BRIDGWATER COLLEGE TRUST  
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**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2014**

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**Connected Organisations, including Related Party Relationships**

The Trust is connected to the Principal Sponsor of the Trust, Bridgwater 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.

**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 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

**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 will maximise the benefits of an 'all-through', joined up and seamless education from 3 to 16. Being an all age Academy will ensure 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.

Our aspiration is that students and their families are able to gain the maximum benefit from their relationship with the Academy and experience of learning.

**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2014**

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The main objectives of Bridgwater College Academy during the year ended 31 August 2014 are summarised below:

To ensure that the process of education is a partnership between the learner, the school and the parents, together with the Trustees, employers and the community.

- To keep the student at the centre of this process.
- To strive to equalise the opportunities for each student to develop their talents to the fullest extent.
- To make the curriculum equally accessible to all students, raising their own expectations and society's expectations of them.
- To provide each student with the experience of challenging learning styles that value not only individual thinking, but also the collaborative skills of investigating, discussing and communicating.
- To engender in each student, a thirst for knowledge that will be enjoyed throughout her or his life.

#### 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, including working in partnership with a National Leader in Education.

At Hamp the aim is to achieve the best for, and from, each child. We intend 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.

Key activities and targets were identified in the Educational Development Plan and were influenced by the significant challenges and opportunities arising from national changes in education policy and funding, including the conversion to Academy status and local challenges. 18% of the Academy's pupils have English as an additional language. 37% of the school are classified as SEN and 60% are entitled to Pupil Premium. Despite this the year 6 in 2014 were the highest achieving cohort in the history of the school. Every cohort has shown improvement year on year, starting at a higher point on the age related expectation in the following year.

The activities included the following:

- review of numeracy, literacy and ICT capability.
- development and embedding of key financial and administrative procedures arising from conversion.
- continued development of systems for tracking and monitoring pupil attainment.
- range of activities to promote community adhesion and support of other charities activities.

#### Brymore Academy

An Educational Development plan was drawn up which detailed the key challenges and how they would be addressed. In particular this included continuing to improve the quality of teaching and learning and assessment. There has been considerable work and improvement on the standards of teaching and learning in Brymore following restructuring of the staffing. Nearly 60% of the school have an SEN need and a lot of work is done to improve the students' value added scores.

The activities included the following:

- review of numeracy, literacy and ICT capability.
- review of staffing levels in the light of budgetary pressure.
- further development of the intranet to support administration and communication.
- development and embedding of key financial and administrative procedures arising from conversion.
- continued development of systems for tracking and monitoring pupil attainment.
- range of activities to promote community adhesion and support of other charities activities.



**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2014**

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Agriculture and horticulture represent the very heart of the school's ethos and the Academy has a national reputation of excellence in these areas. Both subjects deliver excellent examination results which enable students to follow their chosen career path in Year 12 and beyond. The removal of these "vocational" qualifications from the league tables will place additional pressure on Brymore due to the nature of the current curriculum. To remove these subjects from the syllabus would destroy the very essence of and the unique appeal of Brymore which serves not only a need nationally but a significant employment sector within Britain. The decision has therefore been taken to continue to deliver both subjects to the majority of students, despite the clear ramifications regarding league tables that will result.

**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 Academy, the catchment area from which the students are drawn, and that the curriculum should comply with the substance of the national curriculum.

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

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

**STRATEGIC REPORT**

**Achievements and Performance**

Bridgwater College Academy

Bridgwater College Academy is in its second year of operation. Bridgwater College Academy is an all-through school of 1196 students from age 3 to 16. There are 575 students in the secondary phase and 621 students in the primary phase on 2 January 2014. The Academy also includes nursery provision. The Academy is sponsored by Bridgwater College and sought out its own sponsor for Academy conversion. No floor standards were ever met by either of the predecessor schools at Key Stage 2 or 4.

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

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

**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2014**

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KPIs both financial and academic has been good with the Secondary phase gaining the best ever results, improving on the previous best results obtained in 2013 with 42% of pupils obtaining 5+ A\* to C including English and Maths. On the previous measure (where certain vocational subjects were included in the measure) this would have been 49%. All measures exceeded the floor targets of 40% this year.

For Key Stage 2 there was a 7% increase in the percentage of students gaining level 4+ in Reading, Writing and Maths. For Key Stage 1 over 87% of students made expected progress in Reading, Writing and Maths.

**Hamp Academy**

For Key Stage 2 the writing and maths results above the expected progress level were very high ( 98% and 99%, versus the national average of 91% and 88%). For reading the expected achievement of 73% was below the national average of 88%.

Children in Year 6 also had an above average level of High Needs ( 46% of the cohort compared with the National Average of 16%) and 14% of the cohort had English as an additional language. Despite this they managed to perform significantly above the targets set for them. This demonstrates the excellent teaching of the staff at Hamp.

**Brymore Academy**

The class sizes are kept small to ensure the best opportunities for the boys.

Brymore has the lowest KS2 average point score on entry and the year 11 group in 2014 were a very low ability year group. Despite this there was 57% 3 levels progress in Maths ( the national expectation is 46% for an equivalent ability group) and 74% 3 levels progress in English ( the national expectation for the ability group would be 54%).

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

**Key Performance Indicators**

The main financial performance indicator is the level of reserves held at the Balance Sheet date. the restriction has been removed in the year. In period under review, £818,000 was carried forward representing 10.9% of GAG

As funding is based on pupil numbers this is also a key performance indicator. Pupil numbers for 2014 were 1,622, an increase of 40 over 2013. It is anticipated that this number will continue to rise.

Another key financial performance indicator is staffing costs as a percentage of DfE/EFA grants. For 2014 this was 74.2%, compared to 59% in 2013.

**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.

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**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2014**

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**FINANCIAL REVIEW**

**Financial Review**

The Academy Trust generated an operating surplus of £6,257,000 for the year to 31 August 2014. The operating surplus includes exceptional income from donated land, buildings and equipment of £5,815,000 and a transfer of funds and balances from the predecessor schools of £348,000, as well as transferred pension liabilities of £1,614,000 and borrowing obligations of £300,000. If these exceptional items are removed from the figure a revised operating surplus of £2,008,000 would result, which includes £1,814,000 of capital grants received in the year.

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 2014 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities.

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

During the year ended 31 August 2014, total expenditure of £11,653,000 was covered by recurrent grant funding from the DfE, together with other incoming resources of £12,423,000.

At 31 August 2014 the net book value of fixed assets was £17,613,000 and movements in tangible fixed assets are shown in note 15 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. Other assets have been included in the financial statements at a best estimate, taking into account purchase price and remaining useful lives.

The balance of the former school's budget share (£212,000) was transferred across on conversion and is shown as Unrestricted Funds.

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 27 to the financial statements.

Key financial policy adopted or reviewed during the year include the Finance Regulation 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. Other policies reviewed and updated included Charges and Lettings, Asset Management and Insurance.

**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.

**BRIDGWATER COLLEGE TRUST  
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**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2014**

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The Trust has determined that the appropriate level of free reserves should be equivalent to 4 weeks expenditure, approximately £896,000. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. Although, the Trust currently has free reserves of £1,897,000 (total funds less the amount held in fixed assets and restricted pension funds), this amount is earmarked for future projects as follows:

- Retentions on existing projects £190,000
- Provision against additional staffing costs £200,000
- School Improvement fund not spent in 2013/14 £60,000
- Maintenance of premises for boarding £115,000
- Site integration and security lights £165,000
- Other capital projects £400,000

The balance represents genuine free reserves.

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

**Investment Policy**

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

Day to day management of the surplus funds is delegated to the Headteacher within strict guidelines approved by the Board of Trustees. The Long Term investments placed during the year were an average of £250,000, maximum of £600,000 and earned £4,000 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 91.3% 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.

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.

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**TRUSTEES' REPORT (continued)  
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Fraud and mismanagement of funds - The Trust has appointed a Responsible Officer/internal audit to carry out checks on financial systems and records as required by the Academy Financial Handbook. All finance staff receive training to keep them up to date with financial practice requirements and develop their skills in this area.

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

The Trust has agreed a Risk Management Strategy and a Risk Register. These have been discussed by Trustees and include the financial risks to the Trust. The register and plan are regularly reviewed in light of any new information and formally reviewed annually.

Whilst the Trust is over-subscribed, risks to revenue funding from a falling roll are small. However, the reduction in post 16 funding levels, the freeze on the Government's overall education budget, changes in funding arrangements for High Needs and increasing employment and premises costs mean that budgets will be increasingly tight in coming years.

The Trustees examine the financial health formally every term. They review performance against budgets and overall expenditure by means of regular update reports at all Board and Finance Committee meetings. The Trustees also regularly review cash flow forecasts and ensure sufficient funds are held to cover all known and anticipated commitments.

At the year end, the Trust had no significant liabilities arising from trade creditors or debtors that would have a significant effect on liquidity.

The Board of Trustees recognises that the defined benefit pension scheme deficit (Local Government Pension Scheme), which is set out in Note 28 to the financial statements, represents a significant potential liability. However as the Trustees consider that the Trust is able to meet its known annual contribution commitments for the foreseeable future, this risk from this liability is minimised.

**PLANS FOR FUTURE PERIODS**

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

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

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

We plan to maintain small class sizes with a teaching assistant in each class which will reflect in Trust outcomes being improved

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**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2014**

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**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.

**AUDITORS**

In so far as the Trustees are aware:

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

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

Trustees' report, incorporating a strategic report, approved by order of the board of trustees, as company directors, on 3 December 2014 and signed on the board's behalf by:

**Mr M Robbins  
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 Executive Head Teacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between 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 Trustees' responsibilities statement. The board of trustees has formally met 5 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
Mr M Robbins	0	0
Ms H Strawbridge	3	5
Mr M Robbins, Chair	3	5
Mr S Brewer	4	5
Ms K Ursell	5	5
Ms C Chevalley	4	4
Mrs J Ashworth	4	5
Ms S Thatcher	4	5

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

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Mr M Robbins	1	1
Mr D Randall	1	1
Ms F McMillan	0	1

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

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Ms H Strawbridge	3	3
Mr M Robbins	2	3
Mr S Brewer	3	3
Ms K Ursell	3	3
Mrs J Ashworth	1	2
Mr P Elliott	3	3

**GOVERNANCE STATEMENT (continued)**

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**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 2013 to 31 August 2014 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 2013 to 31 August 2014 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 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 not to appoint an internal auditor. However, the Trustees have appointed Ms H Strawbridge, Chair of the Audit Committee as Responsible Officer (RO).

The RO's role includes giving advice on financial matters and performing a range of checks on the Trust's financial systems. On a quarterly basis, the RO reports to the board of trustees on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

The Trust has outsourced to Somerset County Council the responsibility of reviewing the operation of the systems of control, to ensure the RO can discharge her financial responsibilities. The Trust confirms that the RO function has been fully delivered in line with the requirements of the Academy Financial Handbook.



**GOVERNANCE STATEMENT (continued)**

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**REVIEW OF EFFECTIVENESS**

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

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

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the and 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 3 December 2014 and signed on its behalf, by:

**Mr M Robbins**  
**Chair of Trustees**

**Mr P Elliott**  
**Accounting Officer**

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

**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

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

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

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

**Mr P Elliott  
Accounting Officer**

Date: 3 December 2014

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

**TRUSTEES' RESPONSIBILITIES STATEMENT  
FOR THE YEAR ENDED 31 AUGUST 2014**

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

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

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

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

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

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

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

**Mr M Robbins  
Chair of Trustees**

**Date: 3 December 2014**

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

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

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We have audited the financial statements of Bridgwater College Trust for the year ended 31 August 2014 which comprise the Statement of financial activities, the Balance sheet, the Cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2013 to 2014 issued by the Education Funding Agency.

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

**RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS**

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the charitable 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.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

**SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Trust's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

**OPINION ON FINANCIAL STATEMENTS**

In our opinion the financial statements:

- give a true and fair view of the state of the charitable Trust's affairs as at 31 August 2014 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Academies Accounts Direction 2013 to 2014 issued by the Education Funding Agency.

**OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006**

In our opinion the information given in the Trustees' report, incorporating the Strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

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

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

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**MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

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

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

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

10 December 2014

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

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

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In accordance with the terms of our engagement letter dated 25 March 2014 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2013 to 2014, 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 2013 to 31 August 2014 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 EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Bridgwater College Trust and EFA 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 EFA, 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 2013, 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 2013 to 2014. 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 2013 to 31 August 2014 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 2013 to 2014 issued by EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

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

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

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

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

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**CONCLUSION**

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2013 to 31 August 2014 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Tim Borton FCA (Reporting Accountant)

**Bishop Fleming LLP**  
Chartered Accountants  
Statutory Auditors  
2nd Floor Stratus House  
Emperor Way  
Exeter Business Park  
Exeter  
EX1 3QS  
10 December 2014

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

**STATEMENT OF FINANCIAL ACTIVITIES**  
**(incorporating income and expenditure account and statement of total recognised gains and losses)**  
**FOR THE YEAR ENDED 31 AUGUST 2014**

		Unrestricted funds 2014 £000	Restricted funds 2014 £000	Restricted fixed asset funds 2014 £000	Total funds 2014 £000	As restated total funds 2013 £000
<b>INCOMING RESOURCES</b>						
Incoming resources from generated funds:						
Transfer from Local Authority on conversion	2	348	(1,614)	5,515	4,249	7,592
Other voluntary income	2	111	15	-	126	22
Activities for generating funds	3	284	-	-	284	227
Investment income	4	12	-	-	12	2
Incoming resources from charitable activities		140	11,285	1,814	13,239	9,835
<b>TOTAL INCOMING RESOURCES</b>		<b>895</b>	<b>9,686</b>	<b>7,329</b>	<b>17,910</b>	<b>17,678</b>
<b>RESOURCES EXPENDED</b>						
Costs of generating funds:						
Costs of generating voluntary income		11	-	-	11	22
Fundraising expenses and other costs		-	-	-	-	239
Charitable activities		619	10,501	478	11,598	7,436
Governance costs	9	-	44	-	44	183
<b>TOTAL RESOURCES EXPENDED</b>	<b>6</b>	<b>630</b>	<b>10,545</b>	<b>478</b>	<b>11,653</b>	<b>7,880</b>
<b>NET INCOMING / (OUTGOING) RESOURCES BEFORE TRANSFERS</b>		<b>265</b>	<b>(859)</b>	<b>6,851</b>	<b>6,257</b>	<b>9,798</b>



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

**STATEMENT OF FINANCIAL ACTIVITIES (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2014**

		Unrestricted funds 2014 £000	Restricted funds 2014 £000	Restricted fixed asset funds 2014 £000	Total funds 2014 £000	As restated total funds 2013 £000
Transfers between Funds	21	(50)	(702)	752	-	-
<b>NET INCOME FOR THE YEAR</b>		<b>215</b>	<b>(1,561)</b>	<b>7,603</b>	<b>6,257</b>	<b>9,798</b>
Actuarial gains and losses on defined benefit pension schemes		-	125	-	125	(557)
<b>NET MOVEMENT IN FUNDS FOR THE YEAR</b>		<b>215</b>	<b>(1,436)</b>	<b>7,603</b>	<b>6,382</b>	<b>9,241</b>
Total funds at 1 September		585	(1,738)	10,394	9,241	-
<b>TOTAL FUNDS AT 31 AUGUST</b>		<b>800</b>	<b>(3,174)</b>	<b>17,997</b>	<b>15,623</b>	<b>9,241</b>

All activities relate to continuing operations.

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

The notes on pages 27 to 52 form part of these financial statements.

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

**BALANCE SHEET**  
**AS AT 31 AUGUST 2014**

	Note	£000	2014 £000	£000	As restated 2013 £000
<b>FIXED ASSETS</b>					
Intangible assets			3		-
Tangible assets	15		17,613		10,395
Investments			4		-
			<u>17,620</u>		<u>10,395</u>
<b>CURRENT ASSETS</b>					
Stocks	16	54		-	
Debtors	17	823		568	
Cash at bank and in hand		2,677		1,365	
		<u>3,554</u>		<u>1,933</u>	
<b>CREDITORS:</b> amounts falling due within one year	18	(1,080)		(720)	
<b>NET CURRENT ASSETS</b>			<u>2,474</u>		<u>1,213</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>20,094</u>		<u>11,608</u>
<b>CREDITORS:</b> amounts falling due after more than one year	19		(200)		-
<b>NET ASSETS EXCLUDING PENSION SCHEME LIABILITY</b>			<u>19,894</u>		<u>11,608</u>
Defined benefit pension scheme liability	27		(4,271)		(2,367)
<b>NET ASSETS INCLUDING PENSION SCHEME LIABILITY</b>			<u>15,623</u>		<u>9,241</u>
<b>FUNDS OF THE ACADEMY</b>					
Restricted funds:					
General funds	21	1,097		629	
Fixed asset funds	21	17,997		10,394	
		<u>19,094</u>		<u>11,023</u>	
Restricted funds excluding pension liability					
Pension reserve		(4,271)		(2,367)	
		<u>14,823</u>		<u>8,656</u>	
Total restricted funds			<u>14,823</u>		<u>8,656</u>
Unrestricted funds	21		800		585
<b>TOTAL FUNDS</b>			<u>15,623</u>		<u>9,241</u>

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

**BALANCE SHEET (continued)  
AS AT 31 AUGUST 2014**

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The financial statements were approved by the Trustees, and authorised for issue, on 3 December 2014 and are signed on their behalf, by:

**Mr M Robbins  
Chair of Trustees**

The notes on pages 27 to 52 form part of these financial statements.

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

**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 31 AUGUST 2014**

	Note	2014 £000	2013 £000
Net cash flow from operating activities	23	1,480	520
Returns on investments and servicing of finance	24	6	(1)
Capital expenditure and financial investment	24	(491)	235
Cash transferred on conversion to an academy trust	26	367	584
<b>CASH INFLOW BEFORE FINANCING</b>		<b>1,362</b>	<b>1,338</b>
Financing	24	(50)	-
<b>INCREASE IN CASH IN THE YEAR</b>		<b>1,312</b>	<b>1,338</b>

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS**  
**FOR THE YEAR ENDED 31 AUGUST 2014**

	2014 £000	2013 £000
Increase in cash in the year	1,312	1,338
Cash outflow from decrease in debt and lease financing	50	-
<b>CHANGE IN NET DEBT RESULTING FROM CASH FLOWS</b>	<b>1,362</b>	<b>1,338</b>
Loan acquired on conversion	(300)	-
<b>MOVEMENT IN NET FUNDS IN THE YEAR</b>	<b>1,062</b>	<b>1,338</b>
Net funds at 1 September 2013	1,365	27
<b>NET FUNDS AT 31 AUGUST 2014</b>	<b>2,427</b>	<b>1,365</b>

The notes on pages 27 to 52 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 2014**

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**1. ACCOUNTING POLICIES**

**1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities' published in March 2005, the Academies Accounts Direction 2013 to 2014 issued by EFA, applicable accounting standards and 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 and include grants from the Department for Education.

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2014**

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**1. ACCOUNTING POLICIES (continued)**

**1.3 INCOMING RESOURCES**

All incoming resources are included in the Statement of financial activities when the Trust has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

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

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund.

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

Sponsorship income provided to the Trust which amounts to a donation is recognised in the Statement of financial activities in the period in which it is receivable, where there is certainty of receipt and it is measurable.

The value of donated services and gifts in kind provided to the Trust are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the Trust can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the Statement of financial activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Trust's policies.

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

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

**1.4 RESOURCES EXPENDED**

Expenditure is recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities are costs incurred in the Trust's educational operations.

Governance costs include the costs attributable to the Trust's compliance with constitutional and statutory requirements, including audit, strategic management and Trustees' meetings and reimbursed expenses.

All resources expended are inclusive of irrecoverable VAT.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2014**

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**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 one year from the date of approval of the financial statements. The Trustees conclude that it is appropriate to prepare accounts on the going concern basis for the year ended 31 August 2014.

**1.6 TANGIBLE FIXED ASSETS AND DEPRECIATION**

All assets costing more than £1,000 are capitalised.

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. The related grants are credited to a restricted fixed asset fund in the Statement of financial activities and are carried forward in the Balance sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of financial activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Trust's depreciation policy.

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.

Tangible fixed assets are stated at cost less depreciation. Depreciation is not charged on freehold land. Depreciation on other tangible fixed assets is provided at rates calculated to write off the cost of those assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	straight line over 50 years
Long term leasehold property	-	straight line over 50 years for buildings and 125 years for land
Motor vehicles	-	straight line over 3 years
Fixtures and fittings	-	straight line over 5 years
Computer equipment	-	straight line over 3 years

**1.7 STOCKS**

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

**1.8 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.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2014**

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**1. ACCOUNTING POLICIES (continued)**

**1.9 PENSIONS**

Retirement benefits to employees of the Trust are provided by the Teachers' Pension Scheme ("TPS") and the Local Government Pension Scheme ("LGPS"). These are defined benefit schemes and the assets are held separately from those of the Trust.

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 quinquennial valuations using a prospective benefit method. As stated in note 27, the TPS is a multi-employer scheme and the Trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

The LGPS is a funded scheme and the assets are held separately from those of the 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 method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and gains and losses on the settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of financial activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

**1.10 CONVERSION TO AN ACADEMY TRUST**

The conversion from a state maintained school to an academy trust involved the transfer of identifiable assets and liabilities and the operation of the school for £NIL consideration and has been accounted for under the acquisition accounting method.

The assets and liabilities transferred on conversion from Brymore School and Hamp School to an academy trust have been valued at their fair value, being a reasonable estimate of the current market value that the Trustees would expect to pay in an open market for an equivalent item. Their fair value is in accordance with the accounting policies set out for Bridgwater College Trust. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in the Statement of financial activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

Further details of the transaction are set out in note 26.



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**2. VOLUNTARY INCOME**

	Unrestricted funds 2014 £000	Restricted funds 2014 £000	Total funds 2014 £000	Total funds 2013 £000
Transfer from Local Authority on conversion	348	3,901	4,249	7,592
Donations	111	15	126	22
	<u>459</u>	<u>3,916</u>	<u>4,375</u>	<u>7,614</u>

**3. ACTIVITIES FOR GENERATING FUNDS**

	Unrestricted funds 2014 £000	Restricted funds 2014 £000	Total funds 2014 £000	Total funds 2013 £000
Lettings	67	-	67	5
Other	217	-	217	222
	<u>284</u>	<u>-</u>	<u>284</u>	<u>227</u>

**4. INVESTMENT INCOME**

	Unrestricted funds 2014 £000	Restricted funds 2014 £000	Total funds 2014 £000	Total funds 2013 £000
Bank interest	12	-	12	2
	<u>12</u>	<u>-</u>	<u>12</u>	<u>2</u>

**5. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES**

	Unrestricted funds 2014 £000	Restricted funds 2014 £000	Total funds 2014 £000	As restated total funds 2013 £000
Education	20	11,977	11,997	9,705
Nursery	120	-	120	130
Boarding	-	1,122	1,122	-
	<u>140</u>	<u>13,099</u>	<u>13,239</u>	<u>9,835</u>

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**FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS**

	<b>Unrestricted funds 2014 £000</b>	<b>Restricted funds 2014 £000</b>	<b>Total funds 2014 £000</b>	<b>As restated total funds 2013 £000</b>
<b>DfE/EFA grants</b>				
Capital Grants	-	1,238	1,238	1,653
General Annual Grant	-	8,386	8,386	5,896
Start up Grants	-	436	436	369
Other DfE/EFA grants	-	1,133	1,133	1,417
	<u>-</u>	<u>11,193</u>	<u>11,193</u>	<u>9,335</u>
<b>Other Government grants</b>				
High Needs	-	208	208	370
Other capital grants	-	576	576	-
	<u>-</u>	<u>784</u>	<u>784</u>	<u>370</u>
<b>Other funding</b>				
Internal catering income	20	-	20	-
	<u>20</u>	<u>-</u>	<u>20</u>	<u>-</u>
	<u>20</u>	<u>11,977</u>	<u>11,997</u>	<u>9,705</u>

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**6. RESOURCES EXPENDED**

	Staff costs	Non Pay Expenditure		Total	Total
	2014	Premises	Other	2014	2013
	£000	2014	2014	£000	£000
		£000	£000		
Costs of generating voluntary income	-	-	11	11	22
Cost of activities for generating funds	-	-	-	-	239
<b>COSTS OF GENERATING FUNDS</b>	<b>-</b>	<b>-</b>	<b>11</b>	<b>11</b>	<b>261</b>
Education	6,225	299	1,045	7,569	5,203
Nursery	108	4	11	123	-
Boarding	233	2	13	248	-
Support costs - Education	1,342	717	841	2,900	2,233
Support costs - Boarding	396	142	220	758	-
<b>CHARITABLE ACTIVITIES</b>	<b>8,304</b>	<b>1,164</b>	<b>2,130</b>	<b>11,598</b>	<b>7,436</b>
<b>GOVERNANCE</b>	<b>-</b>	<b>-</b>	<b>44</b>	<b>44</b>	<b>183</b>
	<b>8,304</b>	<b>1,164</b>	<b>2,185</b>	<b>11,653</b>	<b>7,880</b>

**7. DIRECT COSTS**

	Education	Nursery	Boarding	Total	As restated total
	£000	£000	£000	2014	2013
				£000	£000
Pension finance costs	167	-	-	167	75
Educational supplies	509	15	11	535	283
Examination fees	58	-	-	58	83
Staff development	51	-	-	51	23
Other costs	145	-	2	147	7
Supply teachers	18	-	-	18	-
Technology costs	92	-	-	92	126
Wages and salaries	5,166	108	201	5,475	3,801
National insurance	368	-	12	380	271
Pension cost	692	-	20	712	487
Depreciation	303	-	2	305	47
	<b>7,569</b>	<b>123</b>	<b>248</b>	<b>7,940</b>	<b>5,203</b>

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**8. SUPPORT COSTS**

	<b>Education</b>	<b>Boarding</b>	<b>Total</b>	<b>As restated</b>
	<b>£000</b>	<b>£000</b>	<b>2014</b>	<b>total</b>
			<b>£000</b>	<b>2013</b>
				<b>£000</b>
Other costs	34	-	34	131
Recruitment and other staff costs	72	-	72	61
Maintenance of premises and equipment	392	43	435	582
Cleaning	33	8	41	31
Rent and rates	83	29	112	34
Heat and light	147	62	209	96
Insurance	88	11	99	91
Security and transport	27	6	33	36
Catering	124	148	272	81
Technology costs	35	-	35	-
Office overheads	177	49	226	17
Legal and professional	170	6	176	-
Bank interest and charges	6	-	6	2
Wages and salaries	935	337	1,272	737
National insurance	34	14	48	28
Pension cost	368	45	413	133
Depreciation	175	-	175	173
	<u>2,900</u>	<u>758</u>	<u>3,658</u>	<u>2,233</u>

**9. GOVERNANCE COSTS**

	<b>Total</b>	<b>As restated</b>
	<b>funds</b>	<b>total</b>
	<b>2014</b>	<b>funds</b>
	<b>£000</b>	<b>2013</b>
		<b>£000</b>
Auditors' remuneration	21	16
Legal and Professional	4	41
Other costs	19	126
	<u>44</u>	<u>183</u>

**10. NET INCOMING / (OUTGOING) RESOURCES**

This is stated after charging:

	<b>2014</b>	<b>2013</b>
	<b>£000</b>	<b>£000</b>
Depreciation of tangible fixed assets:		
- owned by the charity	481	220
Auditors' remuneration	21	16
Operating lease rentals:		
- plant and machinery	35	15
	<u>537</u>	<u>251</u>

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**11. STAFF**

**a. Staff costs**

Staff costs were as follows:

	<b>2014</b>	2013
	<b>£000</b>	£000
Wages and salaries	<b>6,605</b>	4,315
Social security costs	<b>428</b>	298
Pension costs	<b>1,124</b>	620
	<hr/>	<hr/>
	<b>8,157</b>	5,233
Supply teacher costs	<b>117</b>	173
Compensation payments	<b>25</b>	51
Other costs	<b>5</b>	-
	<hr/>	<hr/>
	<b>8,304</b>	5,457
	<hr/> <hr/>	<hr/> <hr/>

**b. Staff severance payments**

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £25,000. Two of the non-statutory/non-contractual payments exceeded £5,000 individually, and these were for £12,000 and £11,000.

**c. Staff numbers**

The average number of persons employed by the Trust during the year expressed as full time equivalents was as follows:

	<b>2014</b>	2013
	<b>No.</b>	No.
Teachers	<b>109</b>	71
Administration and support	<b>144</b>	72
Management	<b>12</b>	9
	<hr/>	<hr/>
	<b>265</b>	152
	<hr/> <hr/>	<hr/> <hr/>

**d. Higher paid staff**

The number of employees whose emoluments fell within the following bands was:

	<b>2014</b>	2013
	<b>No.</b>	No.
In the band £60,001 - £70,000	<b>1</b>	2
In the band £70,001 - £80,000	<b>2</b>	0
In the band £90,001 - £100,000	<b>0</b>	1
In the band £100,001 - £110,000	<b>1</b>	0
	<hr/>	<hr/>
	<b>4</b>	3
	<hr/> <hr/>	<hr/> <hr/>

The above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2014 employer's pension contributions for these staff amounted to £32,000 (2013: £32,000).

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2014**

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**12. CENTRAL SERVICES**

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

- Financial services
- Clerking services

The Trust charges for these services on the following basis:

A flat percentage of income of 0.7%

The actual amounts charged during the year were as follows:

	<b>2014</b>
	<b>£000</b>
Bridgwater College Academy	70
Brymore Academy	15
Hamp Academy	11
	<hr/>
Total	<b>96</b>
	<hr/> <hr/>

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**13. TRUSTEES' REMUNERATION AND EXPENSES**

The Principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Principal and staff, and not in respect of their services as Trustees. Other Trustees did not receive any payments, other than expenses, from the Trust in respect of their role as Trustees. The value of Trustees' remuneration fell within the following bands:

	<b>2014</b>	2013
	<b>£000</b>	£000
Mr P Elliott	<b>100-105</b>	105-110

During the year, no Trustees received any benefits in kind (2013: £NIL).

During the year ended 31 August 2014, expenses totalling £226 (2013: £267) were reimbursed to 1 Trustee (2013: 1).

**14. TRUSTEES' AND OFFICERS' INSURANCE**

In accordance with normal commercial practice the Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2014 was £3,242 (2013: £1,536). The cost of this insurance is included in the total insurance cost.

**15. TANGIBLE FIXED ASSETS**

	Freehold property £000	Long term leasehold property £000	Motor vehicles £000	Fixtures and fittings £000	Computer equipment £000	Total £000
<b>COST</b>						
As restated at 1 September 2013	7,267	3,016	26	257	309	10,875
Additions	1,096	422	6	234	126	1,884
Transfer on conversion	4,226	1,388	-	180	21	5,815
At 31 August 2014	<u>12,589</u>	<u>4,826</u>	<u>32</u>	<u>671</u>	<u>456</u>	<u>18,574</u>
<b>DEPRECIATION</b>						
As restated at 1 September 2013	114	59	24	165	118	480
Charge for the year	189	109	1	77	105	481
At 31 August 2014	<u>303</u>	<u>168</u>	<u>25</u>	<u>242</u>	<u>223</u>	<u>961</u>
<b>NET BOOK VALUE</b>						
At 31 August 2014	<u><u>12,286</u></u>	<u><u>4,658</u></u>	<u><u>7</u></u>	<u><u>429</u></u>	<u><u>233</u></u>	<u><u>17,613</u></u>
As restated at 31 August 2013	<u><u>7,153</u></u>	<u><u>2,957</u></u>	<u><u>2</u></u>	<u><u>92</u></u>	<u><u>191</u></u>	<u><u>10,395</u></u>

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**15. TANGIBLE FIXED ASSETS (continued)**

Included in land and buildings is freehold land at valuation of £1,551,000 (2013: £444,000) which is not depreciated.

**16. STOCKS**

	<b>2014</b>	2013
	<b>£000</b>	£000
Farm stock	<b>54</b>	-

**17. DEBTORS**

	<b>2014</b>	2013
	<b>£000</b>	£000
Trade debtors	<b>62</b>	11
VAT repayable	<b>154</b>	178
Prepayments and accrued income	<b>607</b>	379
	<b>823</b>	568

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

	<b>2014</b>	2013
	<b>£000</b>	£000
Other loans	<b>50</b>	-
Trade creditors	<b>2</b>	11
Other creditors	<b>346</b>	164
Accruals and deferred income	<b>682</b>	545
	<b>1,080</b>	720

**DEFERRED INCOME**

Deferred income at 1 September 2013	<b>123</b>
Resources deferred during the year	<b>94</b>
Amounts released from previous years	<b>(123)</b>
Deferred income at 31 August 2014	<b>94</b>

At the balance sheet date the academy was holding funds received in advance for free school meals to be provided to key stage 1 pupils as of 1 September 2014 and boarding fees in respect of the next financial year.



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**FOR THE YEAR ENDED 31 AUGUST 2014**

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

	<b>2014</b>	2013
	<b>£000</b>	£000
Other loans	<b>200</b>	-

Other loans included above relate to a loan provided to Brymore Academy by Somerset County Council prior to conversion. The loan capital is repaid at £50,000 per annum along with a £4,000 interest payment.

**20. PRIOR YEAR ADJUSTMENT**

Two prior year adjustments have been reflected in these accounts as follows;

1) Correction of the valuation of the Bridgwater College Academy land and buildings transferred on conversion. The impact of this adjustment is to increase the value transferred on conversion by £7,098,000 and additional depreciation of £136,000. The net impact on the restricted fixed asset fund as at 31 August 2013 is an increase of £6,962,000.

2) A prior year adjustment has been made to reflect a capital grant received from the local authority and the capitalisation of assets purchased with this grant. The impact is to increase capital grants and freehold buildings by £1,430,000.

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**21. STATEMENT OF FUNDS**

	As Restated Brought Forward £000	Incoming resources £000	Resources Expended £000	Transfers in/out £000	Gains/ (Losses) £000	Carried Forward £000
<b>UNRESTRICTED FUNDS</b>						
General funds	585	838	(573)	(50)	-	800
Training farm	-	57	(57)	-	-	-
	<u>585</u>	<u>895</u>	<u>(630)</u>	<u>(50)</u>	<u>-</u>	<u>800</u>
<b>RESTRICTED FUNDS</b>						
General Annual Grant (GAG)	629	8,386	(7,495)	(702)	-	818
High Needs	-	208	(208)	-	-	-
Pupil premium	-	847	(690)	-	-	157
Start up grant	-	436	(436)	-	-	-
Boarding	-	1,122	(1,007)	-	-	115
Other DfE/EFA funding	-	72	(65)	-	-	7
Other restricted funds	-	229	(229)	-	-	-
Pension reserve	(2,367)	(1,614)	(415)	-	125	(4,271)
	<u>(1,738)</u>	<u>9,686</u>	<u>(10,545)</u>	<u>(702)</u>	<u>125</u>	<u>(3,174)</u>
<b>RESTRICTED FIXED ASSET FUNDS</b>						
Fixed assets transferred on conversion	8,523	5,515	(283)	50	-	13,805
Fixed assets purchased from GAG and other restricted funds	90	-	(141)	702	-	651
DfE/EFA Capital grants	351	1,238	(18)	-	-	1,571
Other capital donations	1,430	576	(36)	-	-	1,970
	<u>10,394</u>	<u>7,329</u>	<u>(478)</u>	<u>752</u>	<u>-</u>	<u>17,997</u>
Total restricted funds	<u>8,656</u>	<u>17,015</u>	<u>(11,023)</u>	<u>50</u>	<u>125</u>	<u>14,823</u>
Total of funds	<u><u>9,241</u></u>	<u><u>17,910</u></u>	<u><u>(11,653)</u></u>	<u><u>-</u></u>	<u><u>125</u></u>	<u><u>15,623</u></u>

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

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

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

**Special Educational 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 EFA for children that qualify for free school meals to enable the academy to address the current underlying inequities between those children and their wealthier peers.

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

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

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

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

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

**Fixed assets transferred on conversion** - This represents the buildings and equipment donated to the Trust from the Local Authority on conversion of the three Academies.

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

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

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

**OTHER INFORMATION**

Under the funding agreement with the Secretary of State, the Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2014.

**ANALYSIS OF ACADEMIES BY FUND BALANCE**

Fund balances at 31 August 2014 were allocated as follows:

	<b>Total £000</b>
Bridgwater College Academy	<b>1,388</b>
Hamp Academy	<b>379</b>
Brymore Academy	<b>120</b>
Central funds	<b>11</b>
Total before fixed asset fund and pension reserve	<b>1,898</b>
Restricted fixed asset fund	<b>17,997</b>
Pension reserve	<b>(4,271)</b>
Total	<b>15,624</b>

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**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 depreciation £000	Total £000
Central	-	45	-	66	111
Bridgwater College Academy	4,747	795	352	973	6,867
Hamp Academy	733	131	54	199	1,117
Brymore	1,086	514	129	877	2,606
	<u>6,566</u>	<u>1,485</u>	<u>535</u>	<u>2,115</u>	<u>10,701</u>

**SUMMARY OF FUNDS**

	As Restated Brought Forward £000	Incoming resources £000	Resources Expended £000	Transfers in/out £000	Gains/ (Losses) £000	Carried Forward £000
General funds	585	895	(630)	(50)	-	800
Restricted funds	(1,738)	9,686	(10,545)	(702)	125	(3,174)
Restricted fixed asset funds	10,394	7,329	(478)	752	-	17,997
	<u>9,241</u>	<u>17,910</u>	<u>(11,653)</u>	<u>-</u>	<u>125</u>	<u>15,623</u>

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

	Unrestricted funds 2014 £000	Restricted funds 2014 £000	Restricted fixed asset funds 2014 £000	Total funds 2014 £000	As restated total funds 2013 £000
Tangible fixed assets	-	-	17,613	17,613	10,394
Intangible fixed assets	3	-	-	3	-
Fixed asset investments	4	-	-	4	-
Current assets	911	2,009	634	3,554	1,934
Creditors due within one year	(118)	(912)	(50)	(1,080)	(720)
Creditors due in more than one year	-	-	(200)	(200)	-
Provisions for liabilities and charges	-	(4,271)	-	(4,271)	(2,367)
	<u>800</u>	<u>(3,174)</u>	<u>17,997</u>	<u>15,623</u>	<u>9,241</u>

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**23. NET CASH FLOW FROM OPERATING ACTIVITIES**

	<b>2014</b>	As restated 2013
	<b>£000</b>	£000
Net incoming resources before revaluations	<b>6,257</b>	9,798
Returns on investments and servicing of finance	<b>(6)</b>	1
Net assets transferred on conversion	<b>(4,249)</b>	(7,592)
Donations in kind	<b>(250)</b>	-
Depreciation of tangible fixed assets	<b>481</b>	193
Other capital grants	<b>(326)</b>	(2,157)
Capital grants from DfE	<b>(1,238)</b>	-
Decrease in stocks	<b>6</b>	-
Decrease/(increase) in debtors	<b>169</b>	(568)
Increase in creditors	<b>103</b>	720
FRS17 pension finance (income)/cost	<b>167</b>	75
FRS 17 pension costs less contributions paid	<b>248</b>	50
Increase in provisions	<b>118</b>	-
	<hr/>	<hr/>
<b>NET CASH INFLOW FROM OPERATIONS</b>	<b>1,480</b>	520
	<hr/> <hr/>	<hr/> <hr/>

**24. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT**

	<b>2014</b>	2013
	<b>£000</b>	£000
<b>RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>		
Interest received	<b>12</b>	1
Interest paid	<b>(6)</b>	(2)
Hire purchase interest	<b>-</b>	-
	<hr/>	<hr/>
<b>NET CASH INFLOW/(OUTFLOW) FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>	<b>6</b>	(1)
	<hr/> <hr/>	<hr/> <hr/>
<b>CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT</b>		
Purchase of tangible fixed assets	<b>(1,636)</b>	(492)
Capital grants from DfE	<b>819</b>	727
Other capital grants	<b>326</b>	-
	<hr/>	<hr/>
<b>NET CASH (OUTFLOW)/INFLOW FROM CAPITAL EXPENDITURE</b>	<b>(491)</b>	235
	<hr/> <hr/>	<hr/> <hr/>
<b>FINANCING</b>		
Repayment of loans	<b>(50)</b>	-
	<hr/> <hr/>	<hr/> <hr/>

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**25. ANALYSIS OF CHANGES IN NET FUNDS**

	1 September 2013 £000	Cash flow £000	Acquisition £000	Other non-cash changes £000	31 August 2014 £000
Cash at bank and in hand:	1,365	1,312	-	-	2,677
<b>DEBT:</b>					
Finance leases	-	-	-	-	-
Debts due within one year	-	-	(50)	-	(50)
Debts falling due after more than one year	-	50	(250)	-	(200)
<b>NET FUNDS</b>	<b>1,365</b>	<b>1,362</b>	<b>(300)</b>	<b>-</b>	<b>2,427</b>

**26. CONVERSION TO AN ACADEMY TRUST**

On 1 September 2013 Hamp Junior School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Bridgwater College Trust from Somerset County Council for £NIL consideration.

The transfer has been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the Balance sheet under the appropriate headings with a corresponding net amount recognised as net incoming resources in the Statement of financial activities as voluntary income.

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

	Unrestricted funds £000	Restricted funds £000	Restricted fixed asset funds £000	Total funds £000
Tangible fixed assets				
- Freehold/leasehold land and buildings	-	-	1,388	1,388
- Other tangible fixed assets	-	-	10	10
Budget surplus on LA funds	136	-	-	136
LGPS pension deficit	-	(437)	-	(437)
<b>Net assets/(liabilities)</b>	<b>136</b>	<b>(437)</b>	<b>1,398</b>	<b>1,097</b>

The above net assets include £136,000 that were transferred as cash.

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**CONVERSION TO AN ACADEMY TRUST**

On 1 September 2013 Brymore School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Bridgwater College Trustt from Somerset County Council for £NIL consideration.

The transfer has been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the Balance sheet under the appropriate headings with a corresponding net amount recognised as net incoming resources in the Statement of financial activities as voluntary income.

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

	<b>Unrestricted funds £000</b>	<b>Restricted funds £000</b>	<b>Restricted fixed asset funds £000</b>	<b>Total funds £000</b>
Budget surplus on other school funds	140	-	-	140
Borrowing obligations	-	-	(300)	(300)
Other identified assets and liabilities	72	-	-	72
Tangible fixed assets	-	-	-	-
- Freehold/leasehold land and buildings	-	-	4,226	4,226
- Other tangible fixed assets	-	-	191	191
LGPS pension deficit	-	(1,177)	-	(1,177)
	<hr/>	<hr/>	<hr/>	<hr/>
Total	<b>212</b>	<b>(1,177)</b>	<b>4,117</b>	<b>3,152</b>

The above net assets include £231,000 that were transferred as cash.

**27. PENSION COMMITMENTS**

The Trust'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 defined benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2004 and of the LGPS 31 March 2013.

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

**Teachers' Pension Scheme**

**Introduction**

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**27. PENSION COMMITMENTS (continued)**

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.

The Teachers' Pensions Regulations require an annual account to be kept of receipts and expenditure (including the cost of pensions' increases). From 1 April 2001, the account has been credited with a real rate of return, which is equivalent to assuming that the balance in the account is invested in notional investments that produce that real rate of return.

**Valuation of the Teachers' Pension Scheme**

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 (currently 14.1%);
- total scheme liabilities for service to the effective date of £191,500 million, and notional assets of £176,600 million, giving a notional past service deficit of £14,900 million; and
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations.

The new employer contribution rate is applicable from 1 April 2015 and will be implemented for the TPS from September 2015.

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

**Teachers' Pension Scheme Changes**

Lord Hutton made recommendations in 2011 about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation with trade unions and other representative bodies. In March 2012 the Department for Education published proposals for the design for a reformed TPS.

The key provisions of the reformed scheme include: a pension based on career average earnings; an accrual rate of 1/57th; and a Normal Pension Age equal to State Pension Age, but with options to enable members to retire earlier or later than their Normal Pension Age. Pension benefits built up before 1 April 2015 will be fully protected.

In addition, the proposed final agreement includes a Government commitment that those within 10 years of Normal Pension Age on 1 April 2012 will see no change to the age at which they can retire, and no decrease in the amount of pension they receive when they retire. There will also be further transitional protection, tapered over a three and a half year period, for people who would fall up to three and a half years outside of the 10 year protection.

In his interim report of October 2010, Lord Hutton recommended that short-term savings were also required, and that the only realistic way of achieving these was to increase member contributions. At the Spending Review 2010 the Government announced an average increase of 3.2 percentage points on the



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**27. PENSION COMMITMENTS (continued)**

contribution rates by 2014-15. The increases have been phased in from April 2012 on a 40:80:100% basis.

The Department for Education has continued to work closely with trade unions and other representatives bodies to develop the reformatted Teachers' Pension Scheme and regulations giving effect to it came into force on 1 April 2014. Communications are being rolled out and the reformatted scheme will commence on 1 April 2015.

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The Trust is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the Trust has taken advantage of the exemption in FRS 17 and 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 2014 was £540,000, of which employer's contributions totalled £395,000 and employees' contributions totalled £145,000. The agreed contribution rates for future years are 15.1% 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.

The Trust's share of the assets and liabilities in the scheme and the expected rates of return were:

	<b>Expected return at 31 August 2014 %</b>	<b>Fair value at 31 August 2014 £000</b>	<b>Expected return at 31 August 2013 %</b>	<b>Fair value at 31 August 2013 £000</b>
Equities	<b>6.70</b>	<b>1,669</b>	6.50	664
Gilts	<b>3.00</b>	<b>152</b>	3.50	55
Bonds	<b>2.90</b>	<b>274</b>	4.40	100
Property	<b>5.90</b>	<b>231</b>	3.50	73
Cash	<b>2.90</b>	<b>48</b>	0.50	18
Total market value of assets		<b>2,374</b>		910
Present value of scheme liabilities		<b>(6,645)</b>		(3,277)
Deficit in the scheme		<b>(4,271)</b>		(2,367)

The amounts recognised in the Balance sheet are as follows:

	<b>2014 £000</b>	<b>2013 £000</b>
Present value of funded obligations	<b>(6,645)</b>	(3,277)
Fair value of scheme assets	<b>2,374</b>	910
Net liability	<b>(4,271)</b>	(2,367)

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**27. PENSION COMMITMENTS (continued)**

The amounts recognised in the Statement of financial activities are as follows:

	<b>2014</b>	2013
	<b>£000</b>	£000
Current service cost	<b>(643)</b>	(253)
Interest on obligation	<b>(276)</b>	(110)
Expected return on scheme assets	<b>109</b>	35
	<u>          </u>	<u>          </u>
Total	<b>(810)</b>	(328)
	<u>          </u>	<u>          </u>

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

	<b>2014</b>	2013
	<b>£000</b>	£000
Opening defined benefit obligation	<b>3,277</b>	-
Current service cost	<b>643</b>	253
Interest cost	<b>276</b>	110
Contributions by scheme participants	<b>145</b>	73
Actuarial Losses	<b>88</b>	619
Benefits paid	<b>(16)</b>	-
Liability transferred on conversion	<b>2,232</b>	2,222
	<u>          </u>	<u>          </u>
Closing defined benefit obligation	<b>6,645</b>	3,277
	<u>          </u>	<u>          </u>

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

	<b>2014</b>	2013
	<b>£000</b>	£000
Opening fair value of scheme assets	<b>910</b>	-
Expected return on assets	<b>109</b>	35
Actuarial gains and (losses)	<b>213</b>	62
Contributions by employer	<b>395</b>	202
Contributions by employees	<b>145</b>	73
Benefits paid	<b>(16)</b>	-
Asset transferred on conversion	<b>618</b>	538
	<u>          </u>	<u>          </u>
	<b>2,374</b>	910
	<u>          </u>	<u>          </u>

The cumulative amount of actuarial gains and losses recognised in the Statement of financial activities was £432,000 loss (2013: £557,000 loss).

The Trust expects to contribute £444,000 to its Defined benefit pension scheme in 2015.

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**27. PENSION COMMITMENTS (continued)**

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	<b>2014</b>	2013
Equities	<b>70.00 %</b>	73.00 %
Gilts	<b>6.00 %</b>	6.00 %
Bonds	<b>12.00 %</b>	11.00 %
Property	<b>10.00 %</b>	8.00 %
Cash	<b>2.00 %</b>	2.00 %

Principal actuarial assumptions at the Balance sheet date (expressed as weighted averages):

	<b>2014</b>	2013
Discount rate for scheme liabilities	<b>4.00 %</b>	4.70 %
Expected return on scheme assets at 31 August	<b>5.90 %</b>	5.90 %
Rate of increase in salaries	<b>4.50 %</b>	5.10 %
Rate of increase for pensions in payment / inflation	<b>2.60 %</b>	2.90 %

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

	<b>2014</b>	2013
Retiring today		
Males	<b>23.6</b>	20.1
Females	<b>26.0</b>	24.1
Retiring in 20 years		
Males	<b>25.8</b>	22.1
Females	<b>28.3</b>	26.0

Amounts for the current and previous period are as follows:

Defined benefit pension schemes

	<b>2014</b>	2013
	<b>£000</b>	£000
Defined benefit obligation	<b>(6,645)</b>	(3,277)
Scheme assets	<b>2,374</b>	910
Deficit	<b>(4,271)</b>	(2,367)
Experience adjustments on scheme liabilities	<b>(88)</b>	(619)
Experience adjustments on scheme assets	<b>213</b>	62

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**28. OPERATING LEASE COMMITMENTS**

At 31 August 2014 the Trust had annual commitments under non-cancellable operating leases as follows:

	<b>2014</b>	2013
	<b>£000</b>	£000
<b>EXPIRY DATE:</b>		
Within 1 year	<b>3</b>	-
Between 2 and 5 years	<b>42</b>	11
After more than 5 years	<b>1</b>	-
	<u><u>46</u></u>	<u><u>11</u></u>

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**29. RELATED PARTY TRANSACTIONS**

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

During the year an amount of £215,000 (2013: £318,000) was paid to the sponsor, Bridgwater College for the following:

	<b>2014</b>	2013
	<b>£000</b>	£000
Curriculum courses	<b>104</b>	177
Careers service	<b>11</b>	12
Exams service	<b>36</b>	16
Free school meals pupils on college courses	-	4
Clerk to trustees	-	12
Recruitment expenses	<b>4</b>	4
Project manager for Hamp and Brymore	<b>60</b>	36
Pre-conversion BCA	-	51
Pre-conversion Hamp - marketing	-	2
Pre-conversion Hamp - HR and general	-	4
	<hr/> <b>215</b> <hr/>	<hr/> 318 <hr/>

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**30. ACADEMY BOARDING TRADING ACCOUNT**

	2014 £000	2013 £000
<b>INCOME</b>		
Other Dfe/EFA grants	244	-
Boarding income	878	-
	<u>1,122</u>	<u>-</u>
<b>DIRECT COSTS</b>		
Educational supplies	11	-
Other costs	2	-
Wages and salaries	201	-
National insurance	12	-
Pension costs	20	-
Depreciation	2	-
	<u>248</u>	<u>-</u>
<b>SUPPORT COSTS</b>		
Maintenance of premises and equipment	43	-
Cleaning	8	-
Rent and rates	29	-
Heat and light	62	-
Insurance	11	-
Security and transport	6	-
Catering	148	-
Office overheads	49	-
Legal and professional	6	-
Wages and salaries	337	-
National insurance	14	-
Pension costs	45	-
	<u>758</u>	<u>-</u>
<b>SURPLUS / (DEFICIT)</b>	<b>116</b>	<b>-</b>
SURPLUS / (DEFICIT) BROUGHT FORWARD	-	-
<b>SURPLUS / (DEFICIT) CARRY FORWARD</b>	<b>116</b>	<b>-</b>