

Bridgewater High School

(A company limited by guarantee)

Annual Report and Financial Statements

for the period from 1 September 2016 to 30 April 2017



HALLIDAYS

MORE THAN JUST ACCOUNTANTS

Hallidays
Riverside House
Kings Reach Business Park
Yew Street
Stockport
SK4 2HD

Bridgewater High School

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Bridgewater High School

Reference and Administrative Details

Members

Mr G Bratley
Mr S Broomhead
Mr J Hampton
Mr S Whatmore

Trustees

Mr S Whatmore (Chair)
Mrs A Gittins (Vice-Chair)
Mr J Betts
Mr G Bratley
Mr I Deas
Dr R Hayward
Mrs A Howard (resigned 25 November 2016)
Mr M Hughes (resigned 27 January 2017)
Mr T Long (Principal and Accounting Officer)
Mr M Malam (Staff Trustee)
Mrs A Pailing
Mr M Palmer
Miss M Plimmer (Staff Trustee)
Mrs M Scattergood
Mr G Stuart
Mrs J Wells
Mr I Wilson

Company Secretary

Mrs A Laing

Senior Management Team

Mr T Long, Principal and Accounting Officer
Mrs T Hatton, Headteacher (Lower School)
Mr K Powell, Headteacher (Upper School)
Mr P Jones, Deputy Headteacher
Miss C Beswick, Assistant Headteacher
Mr T Eden, Assistant Headteacher
Mr T Lambrianides, Assistant Headteacher
Mr B McCahey, Assistant Headteacher
Mrs C Unsworth, Assistant Headteacher
Mr M Malam, Lead Practitioner
Mr A McMahan, Lead Practitioner
Mr D Morrison, Lead Practitioner (appointed 5th December 2016)
Mrs A Laing, Strategic Director of Finance and Resources

Bridgewater High School

Reference and Administrative Details (continued)

Company Name Bridgewater High School

**Principal and
Registered Office** Broomfields Road
Appleton
Warrington
WA4 3AE

**Company Registration
Number** 09286883

Auditors Hallidays
Riverside House
Kings Reach Business Park
Yew Street
Stockport
SK4 2HD

Bankers Lloyds Bank
Horsemarket St
Warrington
Cheshire
WA4 6HP

Solicitors Browne Jacobson LLP
18-22 Bridge St,
Manchester
M3 3BZ

Bridgewater High School

Trustees' Report for the period from 1 September 2016 to 30 April 2017

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the period 1 September 2016 to 30 April 2017. The annual report serves the purposes of both a Trustees' report, and a Directors' report under company law.

The Trust operates an Academy for pupils aged 11-16 with a Sixth Form for pupils aged 16-18 and includes a Designated Provision for pupils on the Autistic Spectrum serving the area of south Warrington. It has a total pupil capacity of 1,672 and had a roll of 1,603 in the school census of 1 October 2016. The Academy has two sites half a mile apart. The Lower School has approximately 900 pupils at KS3 (aged 11-14) and the Upper School has approximately 700 pupils at KS4 and 5 (aged 15 - 18).

Structure, governance and management

Constitution

The Academy 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 Academy Trust. The Trustees of the Academy Trust are also the directors of the charitable company for the purposes of company law. The charitable company is known as Bridgewater High School.

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

Trustees' indemnities

The Academy through its Articles has indemnified its Trustees to the fullest extent permissible by law. During the period the Academy also purchased and maintained liability insurance for its Trustees.

Method of recruitment and appointment or election of Trustees

The Trustee body is composed of up to 19 Trustees including 12 appointed by the Members (Member, Community and Co-opted Trustees), 4 parent Trustees, two staff Trustees and the Principal.

Community and Co-opted Trustees are appointed by the Members of the Trust. In appointing new community and co-opted Trustees, the Members will take into consideration the skills and experience required by the Academy Trust and seeks to match those requirements when appointing new Trustees.

Parent Trustees are elected by parents of registered pupils at the Academy and staff Trustees are elected by school staff following the election processes laid down in the Governors' Handbook (November 2015 edition).

Policies and procedures adopted for the induction and training of Trustees

All new Trustees will go through a process of induction with the Chair, the Principal and the Clerk to the Governing Body. Training needs will be identified through the induction process. The Academy Trust has access to online training packages as well as courses run through the National Governors Association.

Bridgewater High School

Trustees' Report for the period from 1 September 2016 to 30 April 2017 (continued)

Organisational structure

The Trustees are responsible for setting the strategic aims and direction and policies of the Trust. The Trustees are responsible for monitoring the effectiveness of those policies in achieving the Trust's strategic aims and for monitoring overall school performance. The implementation and management of the strategic aims and policies are delegated to the Principal and the school's senior leadership team.

The senior leadership team consists of the Principal, two Headteachers each responsible for the operation of a site, one Deputy Headteacher, five Assistant Headteachers, three Leading Practitioners, and the Director of Finance and Resources. The leadership team is balanced across the two school sites to provide operational management whilst each leader retains responsibility for an aspect of whole school strategy such as safeguarding, teaching and learning, CPD, performance management, assessment, pupil premium, progress, curriculum, pupil voice, stakeholder communication.

The Trustees have established committees to enable them to carry out their role successfully. The committees are Scrutiny and Finance (including Audit up to August 2016), Audit (established September 2016), Curriculum, Human Resources, Safeguarding, Site Management and Students, Community and Stakeholders.

The Scrutiny and Finance committee is responsible for setting and approving the school budget annually and for monitoring the school's finances on a monthly and annual basis. The Principal is the Accounting Officer and the Director of Finance and Resources acts as the Chief Financial Officer for the Trust. The implementation of the budget and expenditure within the approved annual budget is delegated to the Principal. The scheme of delegation lays down approval requirements for purchases within and outside the budgetary limits.

Arrangements for setting pay and remuneration of key management personnel

The Governors' Pay Review Committee reviews and approves remuneration annually for all key management personnel. All key management personnel with the exception of the Strategic Director of Finance and Resources are under School Teachers Pay and Conditions and approval of their remuneration falls under the performance management and appraisal processes as laid down in the School Teachers Pay and Conditions Document which is reviewed annually and the Academy's Pay Policy (also reviewed annually). The Strategic Director of Finance and Resources is paid in accordance with local government pay and conditions. The Academy used the local authority's Job Evaluation Scheme to ensure that all support roles including senior roles are evaluated fairly. Performance Management and Annual Appraisal are carried out in accordance with the school's Pay Policy.

Bridgewater High School

Trustees' Report for the period from 1 September 2016 to 30 April 2017 (continued)

Related Parties and other Connected Charities and Organisations

Bridgewater High School is in partnership with LiveWire CIC sharing the facilities at the local Leisure Centre adjacent to the school for curriculum uses. It is also in partnership with the local tennis club, Stockton Heath Tennis Club where outdoor courts previously funded through Lottery funding are shared between the school during curriculum time and the club at evenings and weekends with the aim of promoting healthy lifestyles and activity in the local community.

Bridgewater High School also works in partnership with other local secondary schools and Warrington LA as part of the Warrington Challenge where the partners are committed to working together to benefit young people across Warrington and the wider area, focusing on school improvement. Bridgewater High School is a founder member of the formal organisation Warrington Education Board.

As part of the Trust's commitment to teacher training, the Trust works with Manchester Metropolitan University and Edgehill University to provide teacher training placements and also to develop the expertise of the Trust's teaching expertise through seconding Trust staff to work in training posts.

The school is a designated National Support School (NSS). The Principal is a National Leader of Education and a trained Ofsted inspector. The Chair of the Governing Body is a National Leader of Governance (NLG). Other staff are Specialist Leaders of Education (SLE). Therefore the Trust provides school improvement services to other school in the North West as a part of these roles.

Finally the Trust has set up the company, Bridgewater High School Trading Limited which focuses on the provision of facilities (normally contracted out to external contractors i.e. cleaning) and outdoor education primarily to the Trust's pupils through the delivery of the Duke of Edinburgh Award Scheme. Bridgewater High School was the first school in the North-West to gain the Duke of Edinburgh Operating Licence which enables it to administer the scheme directly for the benefit of its pupils. It has one of the largest uptakes of the scheme in the North West with approximately 170 students each year going through the Scheme at all levels. The Trust is now looking to expand the activities of the trading company. Bridgewater High School Trading Ltd also delivers appropriate and relevant training courses and offers its services to young people in the wider Warrington area.

The school also benefits from an active PTA which is an independent charity raising funds through the running of the school uniform shop and other activities during the school year.

Objectives and activities

Objects and aims

The object of Bridgewater High School is to advance for the public benefit of education in the United Kingdom in particular by establishing, maintaining carrying on, managing and developing school offering a broad and balanced curriculum. Supporting this object, the object of the school company Bridgewater High School Trading Ltd is to provide outdoor education-related services and facilities to the school's pupils and other young people and also to provide school improvement, training opportunities and related services to other educational institutions.

By fulfilling these objects, the Trust aims to provide an excellent standard of education to pupils at the school ensuring strong academic progress for all students and to support the pupils' all-round education and development as individuals, preparing them for adulthood. The Trust aims to ensure that it is fully inclusive, welcoming pupils from all backgrounds and with varying educational needs, working to meet their needs and help them fulfil their potential. The Trust also aims to work with other schools in the area and the Local Authority to ensure that all children in Warrington benefit from the highest possible standard of education.

Bridgewater High School

Trustees' Report for the period from 1 September 2016 to 30 April 2017 (continued)

Objectives, strategies and activities

In the pursuit of the Objects and Aims, the Academy is focused on:

- Inspiring and influencing others to believe in the fundamental importance of education in young people's lives and in the promotion of the value of education
- Inspiring integrity, creativity and resilience amongst the Academy's pupils and staff
- Demanding ambitious standards for all pupils, overcoming disadvantage and advancing equality, instilling a strong sense of accountability in our staff for the impact of their work on students' outcomes
- Shaping the current and future quality of the teaching profession through high quality training and sustained professional development for all the Academy's staff
- Sustaining wide, current knowledge and understanding of education systems locally, nationally and globally, and pursue continuous professional development
- Promoting optimistic personal behaviour, positive relationships and attitudes amongst the Academy's pupils and staff and in the wider community including parents, governors and local people
- Ensuring the Academy is outward-facing, working with other schools and organisations - in a climate of mutual challenge - championing best practice and securing excellent achievements for all pupils
- Securing strong governance, supporting the Trustees to understand their role and deliver their functions effectively - in particular their function in the setting educational strategies and holding the Principal and Headteacher to account for pupil, staff and financial performance
- Providing a safe, calm and well-ordered environment for all the Academy's pupils and staff, focused on safeguarding pupils and developing their exemplary behaviour in school and the wider society
- Exercising strategic, curriculum-led financial planning to ensure the equitable deployment of budgets and resources, in the best interests of pupils' achievements and the Academy's sustainability.

Public benefit

Bridgewater High School is run for the public benefit of young people and their families in the South Warrington and wider Warrington area, providing educational services. The objectives, strategies and activities in the year are focused on this providing this public benefit. The Trustees have complied with their duty to have due regard to guidance on public benefit published by the Charity Commission in exercising their powers and duties.

Bridgewater High School

Trustees' Report for the period from 1 September 2016 to 30 April 2017 (continued)

Strategic Report

Achievements and performance

The Trustees of Bridgewater High School monitor the performance of both students and staff through looking at a range of soft and hard data which include internal assessment data, academic success in external examinations and pupil progress for all students and for particular groups of student such as pupils with SEND and those entitled to pupil premium support, attendance, behaviours and exclusion data, participation in school life, student surveys and staff CPD and performance.

For the period of this report, only internal assessment data can be reported as there is no external assessment data available. The challenge for this academic year in reporting internal data arises, as Sean Hartford (National Director, Education for OFSTED) has written, from "the higher level of uncertainty...with the new English and Mathematics GCSEs being taken for the first time as well as the first set of new A Levels...none of us as yet knows what new grade will 'look like' in terms of pupil's work...there is always more volatility when qualifications change'.

The school offers a wide variety of opportunities through its varied extra-curricular programme in the Arts, Science and Sports in particular with a variety of school trips also being offered to pupils including the long-running German and American (Martha's Vineyard) student exchange programmes and trips to Poland, Venice and Iceland. Approximately 170 pupils took part in the Duke of Edinburgh Award Scheme with Bronze, Silver and Gold levels on offer, whilst there were a number of dance and drama trips to deepen pupils understanding and experience in these subjects. Y11 and Sixth Form pupils were offered a range of experiences and visits to help inform their choices post 16 and post 18 including trips to Cambridge and Leeds universities. Finally the full Y7 cohort will be taking part in the annual trip to Conway.

Key performance indicators

A robust approach has been taken, notwithstanding the challenges describe above to analysing the internal data and forecasting performance. Forecast results for the current Year 11 are shown below. The key points are:

- 69% of students are being forecast to gain a 5 or higher in English and Maths. A drift of 5% could be expected here. With 5 being judged as the top end of a C and the bottom end of a B, the expectation is that 64% would be a strong performance.
- 5+ A*-C (Inc Maths & English 4+) would be the closest measure to the old 5 A*-C inc. E/M. At 84% with, with a possible drift of 5%, the expectation is that 79% would be a strong performance.
- PP numbers for this cohort are low.
- Prior Attainment for this cohort is high.
- Included in this data are 5 students assessed as have significant levels of High Needs.
- The data presented is purely Attainment, not Progress.

Bridgewater High School

Trustees' Report for the period from 1 September 2016 to 30 April 2017 (continued)

Strategic Report

	ALL	PP	PP L	PP M	PP H	U	M	L	SEN E	SEN
	%	%	%	%	%	%	%	%	%	%
Category: Pupils										
Students Included	289	27	3	15	7	155	99	12	3	52
Category: E&M Threshold										
Entered	99%	96%	100%	100%	86%	99%	100%	100%	100%	98%
Both Subjects Below 5	13%	44%	100%	47%	29%	1%	21%	92%	33%	48%
Only English Above 5	13%	11%	0%	13%	14%	2%	27%	8%	0%	13%
Only Maths Above 5	6%	4%	0%	7%	0%	1%	12%	0%	33%	8%
Both Subjects Above 5	69%	41%	0%	33%	57%	95%	39%	0%	33%	31%
Category: Performance										
Pupils with 5+ A*-C (4+)	92%	74%	33%	80%	71%	98%	91%	50%	33%	73%
Pupils with 5+ A*-C (Inc M/E 4+)	84%	56%	0%	53%	71%	97%	76%	8%	33%	50%
Pupils with 5+ A*-C (Inc M/E 5+)	69%	41%	0%	33%	57%	95%	39%	0%	33%	31%
Pupils with 5+ Grade 9-5	72%	37%	0%	33%	43%	94%	51%	0%	33%	33%
Pupils with 5+ Grade 9-5 (Inc M/E)	66%	37%	0%	33%	43%	92%	36%	0%	33%	29%
Category: Entries achieving a										
grade 9 to 8 (Inc A*)	10%	1%	0%	0%	4%	18%	1%	0%	0%	3%
grade 9 to 7 (Inc A*-A)	38%	13%	0%	2%	37%	61%	8%	0%	14%	11%
grade 9 to 5 (Inc A*-B)	70%	37%	0%	28%	63%	90%	48%	3%	43%	36%
grade 9 to 5 (Inc A*-C)	86%	62%	23%	59%	78%	97%	75%	34%	57%	62%
grade 9 to 4 (Inc A*-C)	90%	71%	38%	70%	82%	98%	84%	43%	62%	71%

Bridgewater High School

Trustees' Report for the period from 1 September 2016 to 30 April 2017 (continued)

Strategic Report

Attendance

Figures as from March 17th 2017

All Pupils/FSM/PUPIL PREMIUM/SEN/PA

*FSM = Free school meals

**PP = Pupil Premium

***PA = Persistent Absenteeism (attendance below 90%)

****PPPA = Pupil premium students who an attendance of less than 90%

	2016	2017	NA
Attendance	94.9%	95.3%	95%
Pupil Premium Absence	10.2%	9.0%	6.7%
SEN E Absence	7.5%	8.2%	7.1%
FSM Absence		11.2%	
Persistent Absenteeism	12.5%	9.9%	12.3%
Pupil Premium Persistent Absenteeism	35%	25%	20.5%

Going concern

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

Bridgewater High School

Trustees' Report for the period from 1 September 2016 to 30 April 2017 (continued)

Strategic Report

Financial review

The majority of the Academy's income is obtained from the Education Funding Agency (EFA) in the form of recurrent grants. The grants received from the EFA in the period ended 30 April 2017 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The Academy also received other grants from the EFA and other organisations, the use of which is restricted to particular purposes (such as the Capital Improvement Fund grant). In accordance with the Charities Statement of recommended practice, 'Accounting and Reporting by Charities (SORP 2015), such grants are shown in the Statement of Financial Activities as restricted income in the restricted general fund and fixed asset fund. The restricted fixed asset fund balance is reduced by depreciation charges over the expected useful life of the assets concerned.

During the period ended 30 April 2017, total expenditure of £5,641,224 was incurred (which excludes depreciation of £944,749 and FRS 102 service cost and interest of £179,000) covered by recurrent grant income from the EFA, together with other incoming resources which totalled £5,734,822. The excess of expenditure over income for the period was £93,598. Total funds carried forward amount to £254,634.

Unrestricted income and expenditure in the period ended 30 April 2017 amounted to £75,389 and £274 respectively.

At 30 April 2017 the net book value of fixed assets amounted to £37,108,106 and movements in fixed assets are shown in note 11 of the financial statements. The cost of fixed asset additions in the period ended 30 April 2017 amounted to £1,339,681.

During the year the Academy Trust received £1,409,459 of capital funding all of which is committed on capital projects.

Reserves policy

The Trustees review the level of reserves on an annual basis. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of the reserves. The Academy's current free reserves (total reserves less the amounts held in the fixed asset reserve and restricted pension fund reserve) is £254,634. The amount is kept secure for a time when it is needed to either self-finance schemes of major capital projects or support the revenue budget in future years.

The Trustees have decided to adopt a prudent approach to reserves and aim to build a reserve of designated funds of at least 5% of annual income to safeguard against unforeseen circumstances, capital improvements or developments. This is sound commercial practice designed to safeguard the quality of education received within the Academy.

In addition the net liability due to the Academy's participation in the Local Government Pension Scheme (LGPS) amounts to £2,221,000. The Trust recognises that this is a decrease in the liability from 2016. It recognises the potential risks caused by the year on year changes in the pension fund liability and potential impact on employer contributions in future years and the Trust's cash flow position. The Trustees regularly review the potential effect on the Academy's reserves. Parliament has agreed at the request of the Secretary of State for Education, to guarantee that, in the event of Academy closure, outstanding LGPS liabilities would be met by the Department of Education. This guarantee provides comfort to the Trustees in the unlikely event of Academy closure.

Bridgewater High School

Trustees' Report for the period from 1 September 2016 to 30 April 2017 (continued)

Strategic Report

Investment policy

The Trustees have the responsibility to invest any cash balances the Academy holds prudently and with due regard to managing the risk posed by any potential investment strategy whilst maximising potential returns. The Trustees safeguard cash balances by investing them in an interest bearing current account with a sound commercial bank (currently Lloyds Bank plc).

Principal risks and uncertainties

The Trustees regularly review the principal risks and uncertainties facing the Academy and have put in place robust internal control systems and risk management processes to manage the identified risks.

The principal uncertainty identified is the Academy's reliance on the pupil numbers being recruited at Y7 and at Y12. The Academy is regularly over-subscribed in Year 7. It has an excellent relationship with the local primary schools and this combines with the school's excellent results at KS4 to enable recruitment of pupils to be maintained. Recruitment into the school's Sixth Form is more challenging as pupils leaving Year 11 have a wide range of alternative providers to consider. A robust recruitment strategy is pursued annually and the Sixth Form has developed a reputation as a niche quality provider focusing on academic excellence and individual student support.

Plans for future periods

The Academy plans to continue to serve the area of South Warrington and the wider Warrington area by delivering excellent education to the pupils in its care. It will continue to develop strong partnerships with the other high schools and sixth forms in Warrington through the partnership working groups such as the Warrington Challenge and the Warrington Education Board. It has considered the potential of creating closer and more formal links with other educational organisations in the interests of further improving educational outcomes for the Academy's pupils and has formed a new multi-academy trust called The Challenge Academy Trust (TCAT) with 3 other local secondary schools, the local FE College and two local primary schools. The aim of the MAT and the other partnerships is to bring about school improvement through collaboration Warrington-wide. This merger went ahead after full consultation with all stakeholders on 1st May 2017 and therefrom this Academy became part of the TCAT Trust. All assets and liabilities were transferred from that date and the Bridgewater High School Trust will be dissolved as soon as all the legal requirements have been met. In addition, the Academy submitted an application to become a Teaching School which was subsequently approved strengthening the resources available to the academy to bring about these goals. The school is in the process of developing the teaching school action plan and see this as a significant development area.

The Academy will continue to adapt the service it provides in line with national and local educational initiatives whilst using its Academy status to ensure that the curriculum and extra-curriculum programs and pastoral care systems best fit the needs of the Academy's pupils.

Auditor

In so far as the Trustees are aware:

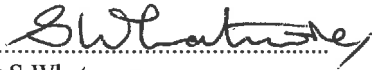
- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Bridgewater High School

Trustees' Report for the period from 1 September 2016 to 30 April 2017 (continued)

Strategic Report

Trustees' Report, incorporating a Strategic Report, approved by order of the members of the Board of Trustees on 7 December 2017 and signed on its behalf by:



Mr S Whatmore
(Chair of Trustees)

Bridgewater High School

Governance Statement

Scope of responsibility

As trustees, we acknowledge we have overall responsibility for ensuring that Bridgewater High School 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 Principal, 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 Bridgewater High School and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 4 times during the period. Attendance during the period at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
Mr S Whatmore (Chair)	4	4
Mrs A Gittins (Vice-Chair)	2	4
Mr J Betts	3	4
Mr G Bratley	4	4
Mr I Deas	4	4
Dr R Hayward	4	4
Mrs A Howard	1	1
Mr M Hughes	2	2
Mr T Long (Principal and Accounting Officer)	4	4
Mr M Malam (Staff Trustee)	4	4
Mrs A Pailing	4	4
Mr M Palmer	3	4
Miss M Plimmer (Staff Trustee)	4	4
Mrs M Scattergood	4	4
Mr G Stuart	3	4
Mrs J Wells	4	4
Mr I Wilson	4	4

Governance reviews

Bridgewater High School

Governance Statement (continued)

At the beginning of the year there were two unfilled Community Governor vacancies. 1 Parent Governor and 1 Community Governors resigned during the year leaving 3 Community Governor posts and 1 Parent Governor post unfilled.

The Governing Body has 6 committees which each focus on a particular aspect of the school receiving and scrutinising reports on the school's operations. They are Scrutiny and Finance, Curriculum, Human Resources, Safeguarding, Site Management and Students, Community and Stakeholders. The Governing Body had the intention of setting up an Audit committee during 2016/17 but the move to form a Multi- Academy Trust superseded this decision. Audit matters therefore remained under the overview of the Scrutiny and Finance committee for this period.

The Scrutiny & Finance committee is a sub-committee of the Full Governing Body. During 2016-17 it also incorporated the functions of the Audit committee. It consists of the Chair and Vice-Chair of the Governing Body, the Chairs of the sub-committees and the Principal. The Chair of the Governing Body is a fully-qualified accountant. It meets on a monthly basis and its functions are to set and approve the budget for the Trust, receive and monitor monthly financial reports to ensure the financial health of the Trust, oversee the financial internal control systems, oversee and monitor the overall strategic direction and performance of the school. Attendance at meetings during the period was as follows:

Trustee	Meetings attended	Out of a possible
Mr S Whatmore (Chair)	9	9
Mr J Betts	8	9
Mr G Bratley	8	9
Mrs A Gittins (Vice-Chair)	6	9
Dr R Hayward	6	9
Mr T Long (Principal and Accounting Officer)	9	9
Mrs M Scattergood	7	9

Bridgewater High School

Governance Statement (continued)

Review of value for money

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

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

- making comparisons with other/similar schools using data provided by the Government,
- challenging proposals, examining them for effectiveness, efficiency, and cost,
- requiring suppliers to compete on grounds of cost, and quality/suitability of services/products/backup.

Examples of the focus on achieving value for money has been demonstrated through

- 1) The focus on curriculum planning which has enabled staff to be used most effectively and efficiently
- 2) The review of absence management procedures leading to a reduction in overall absence levels
- 3) A review of catering services leading to an increase in revenue to the school
- 4) Renewal of the print and reprographics contracts leading to a significant reduction in cost.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy 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 Bridgewater High School for the period 1 September to 30 April 2017 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the Academy 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 Academy Trust's significant risks that has been in place for the period ending 30 April 2017 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

The risk and control framework

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

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

Bridgewater High School

Governance Statement (continued)

- identification and management of risks.

The Board of Trustees has considered the need for a specific internal audit function and has decided:

- to continue to carry out an annual financial management self-assessment process;
- to consider the appointment of an external reviewer to carry out additional checks ;

Review of effectiveness

As Accounting Officer, the Principal has responsibility for reviewing the effectiveness of the system of internal control. During the period in question the review has been informed by:

- the work of the external auditor;
- the work of the executive managers within the Academy 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 Scrutiny and Finance committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Full Governing Body on 8 December 2016 and signed on its behalf by:



.....
S Whatmore
(Chair of Trustees)



.....
T Long
(Principal and Accounting Officer)

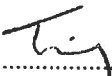
Bridgewater High School

Statement on Regularity, Propriety and Compliance

As Accounting Officer of Bridgewater High School I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2017.

I confirm that I and the Academy Trust Board of Trustees are able to identify any material irregular or improper use of funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook 2017.

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


.....
Mr T Long
(Accounting Officer)

Date: 8-12-17

Bridgewater High School

Statement of Trustees' Responsibilities

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

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

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards [FRS 102] have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 the ESFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the Board on 7 December 2017 and signed on its behalf by:



.....
Mr S Whatmore
Trustee

Bridgewater High School

Independent Auditor's Report on the Financial Statements to the Members of Bridgewater High School

Opinion

We have audited the financial statements of Bridgewater High School (the 'Academy') for the period from 1 September 2016 to 30 April 2017, which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, Balance Sheet, Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 30 April 2017 and of its incoming resources and application of resources, including its income and expenditure, for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.
- have been prepared in accordance with the Charities SORP 2015 and Academies Accounts Direction 2016 to 2017.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Academy in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Bridgewater High School

Independent Auditor's Report on the Financial Statements to the Members of Bridgewater High School (continued)

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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.

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities [set out on page 18], the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

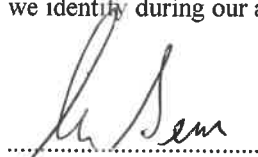
As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

Bridgewater High School

Independent Auditor's Report on the Financial Statements to the Members of Bridgewater High School (continued)

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Academy's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- Conclude on the appropriateness of the Trustees use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Academy's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Academy to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Academy to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Academy audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



.....
Anna Bennett (Senior Statutory Auditor)
For and on behalf of Hallidays, Statutory Auditor

Riverside House
Kings Reach Business Park
Yew Street
Stockport
SK4 2HD

Date: 07/12/17

Bridgewater High School

Independent Reporting Accountant's Report on Regularity to Bridgewater High School and the Education and Skills Funding Agency

In accordance with the terms of our engagement letter dated 6 March 2015 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Bridgewater High School during the period 1 September 2016 to 30 April 2017 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of the Governing Body's accounting officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of the Board of Trustees's funding agreement with the Secretary of State for Education dated 28 November 2014 and the Academies Financial Handbook extant from 1 September 2016, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2016 to 2017. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period from 1 September 2016 to 30 April 2017 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2016 to 2017 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

- We have confirmed that the activities conform to the academy's framework of authorities. As identified by review of minutes, management accounts, discussion with the accounting officer and other key management personnel.
- We have carried out an analytical review as part of the consideration of whether general activities of the academy are within the academy's framework of authorities.
- We have considered the evidence supporting the accounting officer's statement on regularity, propriety and compliance and have evaluated the general control environment of the academy and extended the procedures required for financial statements to include regularity.


Bridgewater High School

Independent Reporting Accountant's Report on Regularity to Bridgewater High School and the Education and Skills Funding Agency (continued)

- We have assessed and tested a sample of the specific control activities over regularity of a particular activity. In performing sample testing of expenditure, we have considered whether the activity is permissible within the academy's framework of authorities. We confirm that each item tested has been appropriately authorised in accordance with the academy's delegated authorities and that the internal delegations have been approved by the governing body and conform to the limits set by the Department for Education.
- Formal representations have been obtained from the governing body and the accounting officer acknowledging their responsibilities including disclosing all non-compliance with laws and regulations specific to the authorising framework, access to accounting records, provision of information and explanations, and other matters where direct evidence is not available.
- In performing sample testing of expenditure, we have reviewed against specific terms of grant funding within the funding agreement. We have reviewed the list of suppliers and have considered whether supplies are from related parties and have reviewed minutes for evidence of declaration of interest, and whether or not there was involvement in the decision to order from this supplier.
- We have performed sample testing of other income and tested whether activities are permitted within the academy trust's charitable objects.

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 period from 1 September 2016 to 30 April 2017 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.


.....
HALLIDAYS

For and on behalf of Hallidays, Chartered Accountants

Riverside House
Kings Reach Business Park
Yew Street
Stockport
SK4 2HD

Date: 07/12/17

Bridgewater High School

Statement of Financial Activities for the Period from 1 September 2016 to 30 April 2017 (including Income and Expenditure Account)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Pension Funds £	Restricted Fixed Asset Funds £	Total 2017 £
Income and endowments from:						
Donations and capital grants	2	-	169,353	-	1,409,459	1,578,812
<i>Charitable activities:</i>						
Funding for the Academy trust's educational operations	3	-	5,442,913	-	-	5,442,913
Other trading activities	4	74,727	47,167	-	-	121,894
Investments	5	662	-	-	-	662
Total		75,389	5,659,433	-	1,409,459	7,144,281
Expenditure on:						
<i>Charitable activities:</i>						
Academy trust educational operations	7	274	5,640,950	179,000	944,749	6,764,973
Net income/(expenditure)		75,115	18,483	(179,000)	464,710	379,308
Transfers between funds		-	51,841	-	(51,841)	-
Other recognised gains and losses						
Actuarial gains on defined benefit pension schemes	25	-	-	668,000	-	668,000
Net movement in funds		75,115	70,324	489,000	412,869	1,047,308
Reconciliation of funds						
Total funds/(deficit) brought forward at 1 September 2016		109,195	-	(2,710,000)	37,948,800	35,347,995
Total funds/(deficit) carried forward at 30 April 2017		184,310	70,324	(2,221,000)	38,361,669	36,395,303

All the trust's activities derive from discontinued operations following the management of the academy trust transferring to another trust with effect from 1 May 2017 (see note 27 for further details).

Bridgewater High School

Statement of Financial Activities for the Year Ended 31 August 2016 (including Income and Expenditure Account)

Note	Unrestricted Funds £	Restricted General Funds £	Restricted Pension Funds £	Restricted Fixed Asset Funds £	Total 2016 £	
Income and endowments from:						
Donations and capital grants	2	-	370,057	-	1,646,506	2,016,563
<i>Charitable activities:</i>						
Funding for the Academy trust's educational operations	3	-	8,264,630	-	-	8,264,630
Other trading activities	4	118,092	78,120	-	-	196,212
Investments	5	1,111	-	-	-	1,111
Total		<u>119,203</u>	<u>8,712,807</u>	<u>-</u>	<u>1,646,506</u>	<u>10,478,516</u>
Expenditure on:						
<i>Charitable activities:</i>						
Academy trust educational operations	7	<u>32,555</u>	<u>8,897,457</u>	<u>150,000</u>	<u>1,569,506</u>	<u>10,649,518</u>
Net income/(expenditure)		86,648	(184,650)	(150,000)	77,000	(171,002)
Transfers between funds		(44,808)	9,462	-	35,346	-
Other recognised gains and losses						
Actuarial gains on defined benefit pension schemes	25	<u>-</u>	<u>-</u>	<u>(1,041,000)</u>	<u>-</u>	<u>(1,041,000)</u>
Net movement in funds/(deficit)		41,840	(175,188)	(1,191,000)	112,346	(1,212,002)
Reconciliation of funds						
Total funds/(deficit) brought forward at 1 September 2015		<u>67,355</u>	<u>175,188</u>	<u>(1,519,000)</u>	<u>37,836,454</u>	<u>36,559,997</u>
Total funds/(deficit) carried forward at 31 August 2016		<u>109,195</u>	<u>-</u>	<u>(2,710,000)</u>	<u>37,948,800</u>	<u>35,347,995</u>


Bridgewater High School

(Registration number: 09286883)

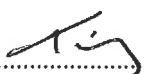
Balance Sheet as at 30 April 2017

	Note	30 April 2017 £	31 August 2016 £
Fixed assets			
Tangible assets	11	37,108,106	36,713,173
Current assets			
Debtors	12	1,790,065	831,785
Cash at bank and in hand		<u>670,803</u>	<u>1,721,625</u>
		2,460,868	2,553,410
Creditors: Amounts falling due within one year	13	<u>(787,670)</u>	<u>(1,028,459)</u>
Net current assets		<u>1,673,198</u>	<u>1,524,951</u>
Total assets less current liabilities		38,781,304	38,238,124
Creditors: Amounts falling due after more than one year	14	<u>(165,001)</u>	<u>(180,129)</u>
Net assets excluding pension liability		38,616,303	38,057,995
Pension scheme liability	25	<u>(2,221,000)</u>	<u>(2,710,000)</u>
Net assets including pension liability		<u>36,395,303</u>	<u>35,347,995</u>
Funds of the Academy:			
Restricted funds			
Restricted general fund	15	70,324	-
Restricted fixed asset fund	15	38,361,669	37,948,800
Restricted pension fund	15	<u>(2,221,000)</u>	<u>(2,710,000)</u>
		36,210,993	35,238,800
Unrestricted funds			
Unrestricted general fund	15	<u>184,310</u>	<u>109,195</u>
Total funds		<u>36,395,303</u>	<u>35,347,995</u>

The financial statements on pages 24 to 48 were approved by the Trustees, and authorised for issue on 7 December 2017 and signed on their behalf by:



 Mr S Whatmore
 (Chairman)



 Mr T Long
 (Principal and Accounting Officer)

Bridgewater High School

Statement of Cash Flows for the Period from 1 September 2016 to 30 April 2017

	Note	2017 £	2016 £
Cash flows from operating activities			
Net cash used in operating activities	19	(1,099,527)	(450,644)
Cash flows from investing activities	21	70,440	726,870
Cash flows from financing activities	20	<u>(21,735)</u>	<u>6,450</u>
Change in cash and cash equivalents in the period		(1,050,822)	282,676
Cash and cash equivalents at 1 September		<u>1,721,625</u>	<u>1,438,949</u>
Cash and cash equivalents at 30 April	22	<u>670,803</u>	<u>1,721,625</u>

Bridgewater High School

Notes to the Financial Statements for the Period from 1 September 2016 to 30 April 2017

1 Accounting policies

Statement of accounting policies

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

Basis of preparation

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

Bridgewater High School meets the definition of a public benefit entity under FRS 102.

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 company to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy Trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Income

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

Grants

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

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

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

Bridgewater High School

Notes to the Financial Statements for the Period from 1 September 2016 to 30 April 2017 (continued)

1 Accounting policies (continued)

Sponsorship income

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

Donations

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

Other income

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

Donated goods, facilities and services

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

Transfer on conversion

Where assets are received by the trust on conversion to an academy, the transferred assets are measured at fair value and recognised in the balance sheet at the point when the risks and rewards of ownership pass to the trust. An equal amount of income is recognised as Transfer on conversion within Donations and capital grant income.

Transfer of existing academies into the trust

Where assets are received on the transfer of an existing academy into the trust, the transferred assets are measured at fair value and recognised in the balance sheet at the point when the risks and rewards of ownership pass to the trust, which is on signing of the transfer agreement with the transferring trust. An equal amount of income is recognised for the Transfer of an existing academy into the trust within Donations and capital grant income.

Donated fixed assets

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's accounting policies.

Bridgewater High School

Notes to the Financial Statements for the Period from 1 September 2016 to 30 April 2017 (continued)

1 Accounting policies (continued)

Expenditure

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

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

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

Charitable activities

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

Tangible fixed assets

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment. Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on 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 Academy Trust's depreciation policy.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset over its expected useful lives, per the table below.

Asset class	Depreciation method and rate
Buildings	2% straight line
Plant and Machinery	20% reducing balance
Fixtures, fittings and equipment	20% reducing balance
Computer equipment	33.33% straight line
Motor vehicles	25% straight line

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

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

Bridgewater High School

Notes to the Financial Statements for the Period from 1 September 2016 to 30 April 2017 (continued)

1 Accounting policies (continued)

Liabilities

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

Provisions

Provisions are recognised when the Academy Trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

Leased assets

Rentals under operating leases are charged on a straight line basis over the lease term.

Financial Instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 12. Prepayments are not financial instruments. Amounts due to the charity's wholly owned subsidiary are held at face value less any impairment.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 13 and 14. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to charity's wholly owned subsidiary are held at face value less any impairment.

Taxation

The Academy 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 Academy 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.

Bridgewater High School

Notes to the Financial Statements for the Period from 1 September 2016 to 30 April 2017 (continued)

1 Accounting policies (continued)

Pension benefits

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

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

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

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

Fund accounting

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

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

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

Critical accounting estimates and areas of judgement

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

Bridgewater High School

Notes to the Financial Statements for the Period from 1 September 2016 to 30 April 2017 (continued)

1 Accounting policies (continued)

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 25, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 30 April 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Agency accounting

The academy trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The trust can use up to 0% of the allocation towards its own administration costs and this is recognised in the statement of financial activities. The funds received and paid and any balances held are disclosed in note 28.

Bridgewater High School

Notes to the Financial Statements for the Period from 1 September 2016 to 30 April 2017 (continued)

2 Donations and capital grants

	Restricted funds £	Restricted fixed asset funds £	Total 2017 £	Total 2016 £
Educational trips and visits	165,559	-	165,559	367,452
Capital grants	-	1,409,459	1,409,459	1,646,506
Other donations	3,794	-	3,794	2,605
	<u>169,353</u>	<u>1,409,459</u>	<u>1,578,812</u>	<u>2,016,563</u>

3 Funding for the Academy Trust's educational operations

	Restricted funds £	Total 2017 £	Total 2016 £
DfE/ESFA revenue grants			
General annual grant (GAG)	5,048,948	5,048,948	7,761,246
Other DfE/EFA grants	141,801	141,801	194,055
	<u>5,190,749</u>	<u>5,190,749</u>	<u>7,955,301</u>
Other government grants			
Local authority grants	252,164	252,164	309,329
Total grants	<u>5,442,913</u>	<u>5,442,913</u>	<u>8,264,630</u>

4 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
Hire of facilities	28,403	-	28,403	39,462
Catering income	15,136	-	15,136	19,301
School shop sales	116	-	116	821
Other income	31,072	47,167	78,239	136,628
	<u>74,727</u>	<u>47,167</u>	<u>121,894</u>	<u>196,212</u>

Bridgewater High School

Notes to the Financial Statements for the Period from 1 September 2016 to 30 April 2017 (continued)

5 Investment income

	Unrestricted funds £	Total 2017 £	Total 2016 £
Bank interest	662	662	1,111

6 Expenditure

	Non Pay Expenditure			Total 2017 £	Total 2016 £
	Staff costs £	Premises £	Other costs £		
Academy's educational operations					
Direct costs	4,231,625	860,006	382,885	5,474,516	8,840,444
Allocated support costs	559,972	552,515	177,970	1,290,457	1,809,074
	4,791,597	1,412,521	560,855	6,764,973	10,649,518

Net income/(expenditure) for the period includes:

	2017 £	2016 £
Operating leases - other leases	26,764	70,161
Fees payable to auditor - audit	8,000	7,750
- other audit services	6,845	5,920
Depreciation	944,749	1,561,344

Bridgewater High School

Notes to the Financial Statements for the Period from 1 September 2016 to 30 April 2017 (continued)

7 Charitable activities

	Total 2017 £	Total 31 August 2016 £	
Direct costs - educational operations	5,474,516	8,840,444	
Support costs - educational operations	<u>1,290,457</u>	<u>1,809,074</u>	
	<u>6,764,973</u>	<u>10,649,518</u>	
	Educational operations £	Total 2017 £	Total 2016 £
Analysis of support costs			
Support staff costs	559,972	559,972	711,525
Depreciation	84,743	84,743	141,501
Premises costs	467,772	467,772	653,531
Other support costs	162,675	162,675	290,660
Governance costs	<u>15,295</u>	<u>15,295</u>	<u>11,857</u>
Total support costs	<u>1,290,457</u>	<u>1,290,457</u>	<u>1,809,074</u>

Bridgewater High School

Notes to the Financial Statements for the Period from 1 September 2016 to 30 April 2017 (continued)

8 Staff

Staff costs

	2017	31 August
	£	2016
		£
Staff costs during the period were:		
Wages and salaries	3,591,435	5,620,218
Social security costs	357,633	482,311
Pension costs	755,489	1,029,994
Apprenticeship levy	1,054	-
	<u>4,705,611</u>	<u>7,132,523</u>
Supply teacher costs	74,926	133,835
Staff restructuring costs	11,060	80,500
	<u>4,791,597</u>	<u>7,346,858</u>
	2017	2016
	£	£
Staff restructuring costs comprise:		
Severance payments	<u>11,060</u>	<u>80,500</u>

Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £11,060 (2016: £80,500). Individually, the payments were:

Non-statutory payments £11,060

Staff numbers

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

	2017	2016
	No	No
Teachers	105	107
Administration and support	78	78
Management	13	13
	<u>196</u>	<u>198</u>

Bridgewater High School

Notes to the Financial Statements for the Period from 1 September 2016 to 30 April 2017 (continued)

8 Staff (continued)

Higher paid staff

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

	2017 No	2016 No
£60,001 - £70,000	-	2
£70,001 - £80,000	1	2
£90,001 - £100,000	-	1
£100,001 - £110,000	-	2

The key management personnel of the Academy Trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Academy Trust was £641,083 (2015: £1,082,821).

9 Related party transactions - trustees' remuneration and expenses

One or more trustees has been paid remuneration or has received other benefits from an employment with the Academy Trust. The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment.

The value of trustees' remuneration and other benefits was as follows:

Mr T Long (Principal and Accounting Officer) (Principal):

Remuneration: £70,000 - £75,000 (2016 - £105,000 - £110,000)

Employer's pension contributions: £10,000 - £15,000 (2016 - £15,000 - £20,000)

Mr M Malam (Staff Trustee) (Assistant Headteacher):

Remuneration: £35,000 - £40,000 (2016 - £50,000 - £55,000)

Employer's pension contributions: £5,000 - £10,000 (2016 - £5,000 - £10,000)

Miss M Plimmer (Staff Trustee) (Teacher):

Remuneration: £30,000 - £35,000 (2016 - £40,000 - £45,000)

Employer's pension contributions: £5,000 - £10,000 (2016 - £5,000 - £10,000)

During the period ended 30 April 2017, travel and subsistence expenses totalling £273 (2016 - £Nil) were reimbursed or paid directly to 1 trustees (2016 - 0).

Other related party transactions involving the trustees are set out in note 26.

10 Trustees' and officers' insurance

In accordance with normal commercial practice the Academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the period ended 30 April 2017 was included in the total insurance cost.

Bridgewater High School

Notes to the Financial Statements for the Period from 1 September 2016 to 30 April 2017 (continued)

11 Tangible fixed assets

	Leasehold land and buildings £	Furniture and equipment £	Motor vehicles £	Computer hardware £	Total £
Cost					
At 1 September 2016	34,268,596	5,189,778	11,165	27,592	39,497,131
Additions	<u>1,323,944</u>	<u>7,938</u>	<u>-</u>	<u>7,799</u>	<u>1,339,681</u>
At 30 April 2017	<u>35,592,540</u>	<u>5,197,716</u>	<u>11,165</u>	<u>35,391</u>	<u>40,836,812</u>
Depreciation					
At 1 September 2016	1,155,583	1,618,872	4,419	5,084	2,783,958
Charge for the year	<u>459,324</u>	<u>477,107</u>	<u>1,861</u>	<u>6,456</u>	<u>944,748</u>
At 30 April 2017	<u>1,614,907</u>	<u>2,095,979</u>	<u>6,280</u>	<u>11,540</u>	<u>3,728,706</u>
Net book value					
At 30 April 2017	<u>33,977,633</u>	<u>3,101,737</u>	<u>4,885</u>	<u>23,851</u>	<u>37,108,106</u>
At 31 August 2016	<u>33,113,013</u>	<u>3,570,906</u>	<u>6,746</u>	<u>22,508</u>	<u>36,713,173</u>

12 Debtors

	2017 £	2016 £
Trade debtors	31,696	6,387
VAT recoverable	69,957	64,262
Other debtors	1,947	6,605
Prepayments	161,293	122,310
Accrued income	<u>1,525,172</u>	<u>632,221</u>
	<u>1,790,065</u>	<u>831,785</u>

Bridgewater High School

Notes to the Financial Statements for the Period from 1 September 2016 to 30 April 2017 (continued)

13 Creditors: amounts falling due within one year

	2017	2016
	£	£
Trade creditors	150,118	341,133
Other taxation and social security	135,073	138,272
Other creditors	43,968	39,022
Accruals	133,331	47,326
Deferred income	9,672	208,353
Pension scheme creditor	117,524	117,630
School fund liabilities	175,356	114,095
Salix loan	22,628	22,628
	787,670	1,028,459

	2017
	£
Deferred income	
Deferred income at 1 September 2016	208,353
Resources deferred in the period	9,672
Amounts released from previous periods	(208,353)
Deferred income at 30 April 2017	9,672

At the balance sheet date the academy was holding funds received in advance in respect of placement fees from Warrington Borough Council and lettings for May 2017.

14 Creditors: amounts falling due after one year

	2017	2016
	£	£
Other creditors	6,853	25,127
Salix loan	158,148	155,002
	165,001	180,129

At the Balance Sheet date, the academy had received £180,775 of Salix funding relating to capital projects. Salix funding is an interest free loan approved by the Education Funding Agency (EFA) repayable in equal instalments over eight years. Repayments falling due within twelve months of the Balance Sheet date are included in note 13.

Bridgewater High School

Notes to the Financial Statements for the Period from 1 September 2016 to 30 April 2017 (continued)

15 Funds

	Balance at 1 September 2016 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 30 April 2017 £
Restricted general funds					
General Annual Grant (GAG)	(951,561)	5,048,948	(4,078,904)	51,841	70,324
Other DfE/ESFA grants	194,055	141,801	(335,856)	-	-
Other income	757,506	468,684	(1,226,190)	-	-
	<u>-</u>	<u>5,659,433</u>	<u>(5,640,950)</u>	<u>51,841</u>	<u>70,324</u>
Restricted fixed asset funds					
DfE/ESFA capital grants	2,474,867	1,409,459	(91,928)	(59,640)	3,732,758
Capital expenditure from GAG	10,721	-	(445)	7,799	18,075
Assets transferred on conversion	35,463,212	-	(852,376)	-	34,610,836
	<u>37,948,800</u>	<u>1,409,459</u>	<u>(944,749)</u>	<u>(51,841)</u>	<u>38,361,669</u>
Restricted pension funds					
Pension reserve	(2,710,000)	-	(179,000)	668,000	(2,221,000)
Total restricted funds	<u>35,238,800</u>	<u>7,068,892</u>	<u>(6,764,699)</u>	<u>668,000</u>	<u>36,210,993</u>
Unrestricted funds					
Unrestricted general funds	<u>109,195</u>	<u>75,389</u>	<u>(274)</u>	<u>-</u>	<u>184,310</u>
Total funds	<u><u>35,347,995</u></u>	<u><u>7,144,281</u></u>	<u><u>(6,764,973)</u></u>	<u><u>668,000</u></u>	<u><u>36,395,303</u></u>

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

Restricted general funds are those resources that have been designated restricted by the grant provider in meeting the objects of the Academy.

Restricted fixed asset funds are those funds relating to the long term assets of the Academy used in delivering the objects of the Academy.

Unrestricted funds are funds which the Governors may use in the pursuance of the Academy's objectives and are expendable at the discretion of the Governors.

Bridgewater High School

Notes to the Financial Statements for the Period from 1 September 2016 to 30 April 2017 (continued)

16 Analysis of net assets between funds

Fund balances at 30 April 2017 represented by:

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	-	37,108,106	37,108,106
Current assets	184,310	842,219	1,434,339	2,460,868
Current liabilities	-	(765,042)	(22,628)	(787,670)
Creditors over 1 year	-	(6,853)	(158,148)	(165,001)
Pension scheme liability	-	(2,221,000)	-	(2,221,000)
Total net assets	184,310	(2,150,676)	38,361,669	36,395,303

17 Capital commitments

	2017 £	2016 £
Contracted for, but not provided in the financial statements	1,434,339	1,336,374

18 Commitments under operating leases

Operating leases

At 30 April 2017 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2017 £	2016 £
Amounts due within one year	26,956	21,376
Amounts due between one and five years	7,043	-
	33,999	21,376

Bridgewater High School

Notes to the Financial Statements for the Period from 1 September 2016 to 30 April 2017 (continued)

19 Reconciliation of net income/(expenditure) to net cash inflow/(outflow) from operating activities

	2017	2016
	£	£
Net income/(expenditure)	379,308	(171,002)
Depreciation	944,748	1,569,505
Capital grants from DfE and other capital income	(1,409,459)	(1,646,506)
Interest receivable	(662)	(1,111)
Defined benefit pension scheme cost less contributions payable	143,000	92,000
Defined benefit pension scheme finance cost	36,000	58,000
Increase in debtors	(933,400)	(216,932)
Decrease in creditors	(259,062)	(134,598)
Net cash used in Operating Activities	<u>(1,099,527)</u>	<u>(450,644)</u>

20 Cash flows from financing activities

	2017	2016
	£	£
Repayments of borrowing	(21,735)	(10,530)
Cash inflows from new borrowing	-	16,980
Net cash (used in)/provided by financing activities	<u>(21,735)</u>	<u>6,450</u>

21 Cash flows from investing activities

	2017	2016
	£	£
Dividends, interest and rents from investments	662	1,111
Purchase of tangible fixed assets	(1,339,681)	(920,747)
Capital funding received from sponsors and others	1,409,459	1,646,506
Net cash provided by investing activities	<u>70,440</u>	<u>726,870</u>

22 Analysis of cash and cash equivalents

	2017	2016
	£	£
Cash at bank and in hand	<u>670,803</u>	<u>1,721,625</u>
Total cash and cash equivalents	<u>670,803</u>	<u>1,721,625</u>

Bridgewater High School

Notes to the Financial Statements for the Period from 1 September 2016 to 30 April 2017 (continued)

23 Contingent liabilities

During the life of the funding agreement, in the event of the sale or disposal by other means of any asset for which a government capital grant was received, the academy is required either to re-invest the proceeds or to repay to the Secretary of State for Education the same proportion of the proceeds of the sale or disposal as equates with the proportion of the original cost met by the Secretary of State.

Upon termination of the funding agreement, whether as a result of the Secretary of State or the Academy serving notice, the academy shall repay to the Secretary of State sums determined by reference to:-

- a) the value at that time of the academy's site and premises and other assets held for the purpose of the academy and
- b) the extent to which expenditure incurred in providing those assets was met by payments by the Secretary of State under the funding agreement.

24 Members' liability

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

25 Pension and similar obligations

The Academy's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Cheshire West and Cheshire Council. Both are multi-employer 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 2012 and of the LGPS 31 March 2013.

Contributions amounting to £117,630 (2016 - (117,630)) were payable to the schemes at 31 August and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

Bridgewater High School

Notes to the Financial Statements for the Period from 1 September 2016 to 30 April 2017 (continued)

25 Pension and similar obligations (continued)

Valuation of the Teachers' Pension Scheme

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

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge).
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

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

The employer's pension costs paid to TPS in the period amounted to £446,595 (2016: £696,747).

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

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

Bridgewater High School

Notes to the Financial Statements for the Period from 1 September 2016 to 30 April 2017 (continued)

25 Pension and similar obligations (continued)

Local government pension scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the period ended 30 April 2017 was £166,000 (2016 - £311,000), of which employer's contributions totalled £166,000 (2016 - £241,000) and employees' contributions totalled £Nil (2016 - £70,000). The agreed contribution rates for future years are 22.1 per cent for employers (increasing by 0.5% each year up to a maximum of 30.1%) and employee contributions are banded and change with salary for employees.

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

Principal actuarial assumptions

	At 30 April 2017 %	At 31 August 2016 %
Rate of increase in salaries	2.80	3.10
Rate of increase for pensions in payment/inflation	2.50	2.10
Discount rate for scheme liabilities	<u>2.60</u>	<u>2.00</u>

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

	At 30 April 2017	At 31 August 2016
Retiring today		
Males retiring today	22.30	22.30
Females retiring today	24.50	24.40
Retiring in 20 years		
Males retiring in 20 years	23.90	24.10
Females retiring in 20 years	<u>26.50</u>	<u>26.70</u>

Sensitivity analysis

	At 30 April 2017 £	At 31 August 2016 £
Discount rate -0.5%	627,000.00	699,000.00
Salary increase rate +0.5%	161,000.00	251,000.00
Pension increase rate +0.5%	<u>453,000.00</u>	<u>426,000.00</u>

The Academy Trust's share of the assets in the scheme were:

Bridgewater High School

Notes to the Financial Statements for the Period from 1 September 2016 to 30 April 2017 (continued)

25 Pension and similar obligations (continued)

	At 30 April 2017	At 31 August 2016
	£	£
Equities	1,803,000	1,602,000
Government bonds	1,180,000	1,178,000
Property	229,000	211,000
Cash and other liquid assets	66,000	30,000
Total market value of assets	<u>3,278,000</u>	<u>3,021,000</u>

The actual return on scheme assets was £3,278,000 (2016 - £89,000).

Amounts recognised in the statement of financial activities

	2017	2016
	£	£
Current service cost	143,000	92,000
Total operating charge	<u>143,000</u>	<u>92,000</u>

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

	2017	2016
	£	£
At 1 September	5,731,000	3,768,000
Current service cost	309,000	333,000
Interest cost	77,000	147,000
Employee contributions	48,000	70,000
Actuarial (gains)/losses	(630,000)	1,413,000
Benefits paid	(36,000)	-
At 30 April	<u>5,499,000</u>	<u>5,731,000</u>

Changes in the fair value of academy's share of scheme assets:

	2017	2016
	£	£
At 1 September	3,021,000	2,249,000
Interest income	41,000	89,000
Actuarial gains	38,000	372,000
Employer contributions	166,000	241,000
Employee contributions	48,000	70,000
Benefits paid	(36,000)	-
At 30 April	<u>3,278,000</u>	<u>3,021,000</u>

Bridgewater High School

Notes to the Financial Statements for the Period from 1 September 2016 to 30 April 2017 (continued)

26 Related party transactions

Owing to the nature of the Academy Trust and the composition of the board of governors being drawn from local public and private sector organisations, transactions may take place with organisations in which the Trust has 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. The following related party transactions took place in the period of account.

Warrington Borough Council

(A local authority in which S Broomhead, a Member, is the Chief Executive.

During the year transactions totalling £264,450 (2016: £309,929) of educational grant income and £107,744 (2016: £189,067) of establishment and professional expenses took place. There was a net outstanding amount at 31 August 2017 of £4,289 (2016: £Nil) due to Warrington Borough Council.)

At the balance sheet date the amount due to Warrington Borough Council was £Nil (2016 - £Nil).

Bridgewater High School Trading Limited

(Bridgewater High School Trading Limited is a company limited by guarantee. The Directors of which are all Trustees and employees of the Academy Trust. During the year the Academy Trust has paid Bridgewater High School Trading Limited £27,415 for cleaning services.

One of the Trust's teaching staff undertakes work on the Duke of Edinburgh scheme awards and the value of the time given to Bridgewater High School Trading Limited is £12,415.)

At the balance sheet date the amount due to Bridgewater High School Trading Limited was £Nil (2016 - £Nil).

27 Events after the end of the reporting period

On 1st May 2017, the entire operations, assets and liabilities of the academy trust were transferred at nil consideration to The Challenge Academy Trust, a multi-academy trust, an exempt charity and company limited by guarantee registered in England and Wales. All staff members were transferred under TUPE regulations to The Challenge Academy Trust on the same date..

28 Agency arrangements

The Academy Trust distributes 16-19 bursary funds to students as an agent for EFA. In the accounting period ending 30 April 2017 the trust received £5,704 and disbursed £991 from the fund. An amount of £11,463 is included in other creditors relating to funds that will be disbursed next year.