

Company registration number: 05190072

Charity registration number: 1105547

Bridgewater School

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 August 2019

Bridgewater School

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Bridgewater School

Reference and Administrative Details

Trustees	Ms K Simpson
	Mrs P Byrne (appointed 16 October 2019)
	Mr N Beesley
	Mr C Melia (appointed 16 October 2019)
	Mr C Ryan
	Mrs A Dagg
	Ms K Mort
	Dr M Moss
	Mr S Harrison (appointed 2 September 2019)
	Ms J Jones
	Mr C Houghton
	Mr I Bamford
	Ms E F Davenport
Secretary	
Principal Office	Drywood Hall
	Worsley Road
	Worsley
	Manchester
	M28 2WQ
	The charity is incorporated in England.
Company Registration Number	05190072
Charity Registration Number	1105547
Auditor	Beever and Struthers
	St. George's House
	215 - 219 Chester Road
	Manchester
	M15 4JE

Bridgewater School

Trustees' Report

The trustees, who are directors for the purposes of company law, present the annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2019.

Structure, Governance and Management

The company's constitution is set out in the Memorandum and Articles of Association and includes the provision for the Governors/Directors to propose and appoint new Governors.

Governors/Directors may be co-opted in recognition of their special expertise being valuable to the work of the board, and the overall aims of the charity, subject to a maximum of 14 Governors.

The Governors/Directors are also the charity Trustees of the charitable company.

Governors/Directors, once appointed, retire at intervals and are eligible for re-election every four years. All meetings of the company are Governors' meetings; Governors' meetings are held at least termly.

The main governing body is comprised of those individuals detailed above, although there are sub-committees, of which these names are members, who specialise in specific tasks. These committees enable specialist focus on key aspects of school operation and include: Finance, Compliance & Governance, Education & Child Welfare, Personnel/Disciplinary and Remuneration.

The Governors are legally responsible for the financial aspects of the company and determine the overall policy of the school. The general day-to-day operations are delegated to the Head and the Bursar, with the board taking strategic decisions under consultation with the school and the committees as appropriate. Committees are authorised to take forward matters within their own remit, under advice to the Board.

There is a formal basis for recruitment of new Governors. Focus is given to identifying those people who have a particular skill and also for their enthusiasm and participation in developing the school towards its future aims. The appointment process comprises of a meeting with the Governors to explain the responsibilities of the role, as well as an interview which is followed by procedural participation in a board meeting after which, if all are in agreement and the applicant is willing, they are co-opted. The new member will be inaugurated via the new introductory process including, as appropriate, a tour of the establishment, provision of the relevant guide/hand books and any sector specific training, all part of the process to ensure that they understand their role and their responsibilities as a Director of the company, Governor of the school and Trustee of the charity.

The Directors have examined the major strategic, business and operational risks which the school faces and confirm that systems have been established to enable regular reports to be produced so that the necessary steps can be taken to minimise these risks. Issues addressed include: pupil numbers, school marketing, financial monitoring, health & safety, on-going educational development, refurbishment and further improvements of the school site. These areas are under continual review within the school's strategic development plan.

Two keys risks are the state of the UK and global economy and Brexit, both of which could potentially have a significant impact on the independent school sector. There has been a departure of students from this sector into the state sector and the maintenance of the student population will be a key aim for the school and the board during what continue to be difficult times.

Bridgewater School is a member of both the Independent Schools Association (ISA) and the Independent Schools Council (ISC) and is regulated by the Independent Schools Inspectorate (ISI).

Bridgewater School

Trustees' Report

Objectives and Activities

The charity's main objective is to advance education and training, which is currently provided by the provision of a school for the education of boys and girls between the ages of three and eighteen years.

The school's aim is to develop each pupil's personal qualities to the full whilst striving for the very best standards in education and thus enabling all to achieve the highest academic qualifications of which they are capable.

There is a desire to promote the school to potential pupils and parents who do not currently have the financial means to attend and, for such instances, the school operates a means-tested bursary system to provide financial assistance to pupils with the overall intention to create opportunities for children whose parents find an independent school beyond their budget.

A number of scholarships are also awarded based on excellence in academia, sport and performing arts.

A key focus at this time and in the medium term plan is the continued development of the infrastructure of the school to provide state-of-the-art facilities which support the high standards of teaching and pastoral care already provided.

In the last fifteen years, the school completed the construction of a new multi-purpose sports facility, including a Sport-England standard sports hall, drama studio, kitchen and dining hall and high-specification classrooms, together with shower/changing facilities. The facility had the community in mind both in terms of aesthetics and impact on the environment, as well as public benefit with the provision of facilities which are otherwise few and far between in the local area. The facilities are well used for various activities open to children from outside of Bridgewater School, particularly so during the school holiday periods when activity camps run by other charities, and the local authority, make block bookings. The facilities within this building are used weekly by local community groups and sports clubs for events and training across all ages. The school also plays host to a local amateur theatre group as well as providing a base for an external performing arts school. The school also offers its facilities to a local nursery school to host their graduation ceremony each year.

In the last ten years a new EYFS facility has been created, in part to maintain and increase the number of younger students and also to assist in the marketing of this very important element of the curriculum and of Bridgewater School. More recently a canopy was added to the EYFS building which has further enhanced access to continuous play.

Following on from the Independent Schools Inspectorate (ISI) inspection in February 2015 the school has strived to build upon the praise which was received and also to address the suggestions for further development. Summer 2015 saw the delivery of a new 3G all-weather pitch enabling the school to deliver a comprehensive sports plan across the whole school. The school community also received a much awaited adventure play area with multiple climbing frames suitable for all ages.

During the summer of 2018 work has been carried out across various areas of the school to provide new equipment and better facilities. A new, much needed support classroom has been created from an old storage area, providing up-to-date technology and additional space.

Windows have been replaced by doors in Prep I and Prep II, giving access to a safe, secure outdoor learning environment created as an extension to both classrooms. The addition of outdoor gym equipment and a second phase of the play area have created further enrichment opportunities for students across all areas of the school.

Bridgewater School

Trustees' Report

Objectives and Activities - continued

The school continues to review and invest in its IT infrastructure, providing a stable platform for delivering education across all year groups. The addition of trolleys of Chromebooks in both the Prep and Senior departments has been a great advantage and provides excellent research opportunities. Chromebooks have also been purchased for use in the Art department and Sixth Form.

The school's ongoing strategy involves the continued scrutiny of the School Strategic Development Plan to address both the ongoing maintenance of the fabric of the school and the provision of added amenities to attract students from within the local community and further afield. Clearly, the current economic climate poses the challenge of balancing future development versus the size and requirements of the student body. In this matter the need for marketing, public awareness and publicity for the school will be of paramount importance to attract students from families seeking independent school education.

The Finance Committee continues to underpin this process in negotiation with bankers and will also seek the support of the PTA with fundraising events to raise money to purchase equipment and undertake small refurbishment projects.

Ultimately, the strategy is to develop and regenerate the existing school complex, to continue to replace and rejuvenate classrooms and facilities to a high standard and to maintain Bridgewater School's excellent reputation, both in terms of results, development of individuals and provision of facilities/curriculum.

The school had a regulatory Compliance Inspection in February 2018 conducted by ISI and the school were found to be fully compliant in all areas.

Achievements and Performance

At GCSE the school maintained a strong performance in the highest grades with what was a weaker cohort than the previous year. This was also the first cohort for which the new 9-1 grading system applied across all subjects. Over a third of all grades were at 6 and above whilst across the year group the proportion of students achieving 5 good passes was well above target.

At A level the school saw students achieve a 97% pass rate of which almost half of all grades were A*-B and the average points score per student increased significantly on the previous year. This enabled all students to secure a place at the University of their choice or a higher level apprenticeship.

The general reconfiguration continues with the wider building/development assessment, re-evaluating the needs and desires of the school, keeping a close focus on the student population and financial requirements.

During the year several fundraising events were successfully completed. Any fundraising is used to purchase items to enhance the children's experience within school. These range from musical instruments, theatre props and computer equipment to a school minibus. All fundraising has been done through the support of volunteers.

Email, the school's website and other digital channels such as the school-managed social media platforms, continue to create the ideal medium for the relay of information between the school and the parent body. The senior school continues to use MILK, an online student planner system which replaced the old homework diary and provides an additional communication tool allowing both parents and students to log on and monitor homework, rewards and sanctions. The introduction of Tapestry in EYFS is a great way for parents to stay in touch with teachers for advice and for assessment of the children's work and acquiring their Early Learning Goals.

Bridgewater School

Trustees' Report

Achievements and Performance - continued

A key factor in the ongoing success of Bridgewater School is the retention and ongoing replenishment of pupil numbers. This is grounds for the continued focus and diligence in respect of the high standards of teaching provided and the environment in which the school operates.

Financial Review

The Financial Statements which follow reflect the school's financial activities. The principal funding source is the fees charged by the school. These are supplemented by the other income opportunities created by the rental of school facilities to clubs and the local community.

The school continues to closely monitor its financial performance, both in terms of expenses and also income, balanced against the ability to recruit new students and the need to take the school to a higher level in terms of facilities and innovation.

The constant pressure on pupil numbers and the need for bursaries has had an impact on the school's cash flow but, due to the close control of the finances, cash generation has been controlled with the impact of the ongoing economic pressures being evident.

The school's Marketing and Development Manager continues to assist in the delivery of the SSDP in relation to Fundraising and Marketing across the whole school as well as raising the social media profile of the school.

The Finance Committee's ongoing task is to evaluate the school's operating efficiencies, streamlining/consolidating where necessary in order that sufficient surplus funds are generated to aid future/ongoing development and maintaining the very high level of service and facilities provided.

The Governors consider the school's assets are available and adequate to fulfil its obligations.

The school's profit for 2018/19 was £195k, which is £27k higher than the budgeted profit of £168k and £138k higher than the prior year. The school's cashflow remained strong throughout the year, with no use of the overdraft occurring.

Understandably, staffing is the largest cost.

Percentage of staff costs to total income = 71% (74% in 2017/18)

Percentage of staff costs to total costs = 75% (75% in 2017/18)

Despite the above 3% reduction from prior year for staff costs to total income, this is a reflection of the increase in income by means of increased pupil numbers and decrease in bursarial assistance, as the full time equivalent staffing has increased to 80, compared to 76 in the prior year.

The school commenced the year in September 2018 with 468 pupils and ended the year with 484 pupils, which is an increase of 16 pupils from the prior year. This is a 6% decrease in pupil numbers across KG-Prep VI but an increase of 10% across the senior school.

In line with the prior year, bursarial assistance has continued to decrease slightly (by 4%) but the school has still continued to support 104 families, in line with the school's public benefit obligations, and awarded 52 scholarships across Years 7 to 13, which is a 15% increase from the prior year.

EBITDA required by the bank is 110%. The school exceeded this all year, ending on an EBITDA ratio at August 2019 of 336%, which is a 44% increase from the prior year.

Bridgewater School

Trustees' Report

Public Benefit

As a registered charity, the school is aware of its public benefit responsibilities and whilst already undertaking numerous tasks to fulfil this role e.g. bursaries, letting of facilities at below market rates, invitation to local school children to partake in performances, the use of facilities for various events, the school continually strives to broaden this across the school.

Principal Risks and Uncertainties

The Trustees of Bridgewater School have a Risk Assessment Policy in place which is reviewed annually. The school has collated a Risk Register which has identified Strategic, Operational, Regulatory and Financial risk. Likelihood and impact of the risks have been assessed and methods of avoiding, transferring and mitigating these have been taken into consideration. Principal risks have been identified as those which affect the running of the school such as a major incident eg. Fire, flood and storm. It also includes those which affect the financial aspect of the school such as reputational damage affecting pupil numbers on roll and possible fraud. Other risks identified are risk to injury to those on site and also potential loss of school's data.

The government's proposal to increase Teachers' Pensions employer contributions from 16.48% to 23.6% from September 2019 have raised real challenges for the school. Following consultation with the teaching staff the school have made the decision to leave TPS from August 2020 and to join a new DC scheme from 1st September 2020.

Current pupil numbers for 2019/20 are 485.

The school's key recruitment areas are Early Years, Year 7 and Year 12 and marketing strategies have been implemented for this.

Covid-19

Whilst the impact of Covid-19 obviously does not affect our accounts for the year ended August 2019, there has been an impact on the accounts for the 2019/20 year and on the budgeting for the 2020/21 year, both in terms of any fee reduction or any fee increase for the respective years. We may have to be prepared to restructure our timetable as we appreciate that the economic climate could result in a reduction in pupil numbers and ultimately in a reduction of subjects offered, as well as an increase in bursarial assistance. We are working hard to avoid this but are thinking ahead in anticipation should the situation arise.

Reserves Policy

The school has a reserves policy in place where a minimum of £50,000 per annum is to be transferred into a separate bank account. The reserves may be used for investment round the school site, which is in line with our 5 year building strategy, or to provide additional working capital should this be required. The transfer of reserves has been incorporated into our cashflows.

Key Management Personnel Pay Policy

The Remuneration Committee reviews the performance of the Head and the Bursar and makes recommendations to the Governing Body on the level of remuneration in the next academic year.

Bridgewater School

Trustees' Report

The annual report was approved by the trustees of the charity on 21 May 2020 and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'MCMoss', written over a dotted line.

Dr M Moss
Trustee

Bridgewater School

Statement of Trustees' Responsibilities

The trustees (who are also the directors of Bridgewater School for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with the 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;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 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 on other jurisdictions.

Approved by the trustees of the charity on 21 May 2020 and signed on its behalf by:



Dr M Moss
Trustee

Bridgewater School

Independent Auditor's Report to the Members of Bridgewater School

Opinion

We have audited the financial statements of Bridgewater School (the 'charity') for the year ended 31 August 2019, which comprise the Statement of Financial Activities, 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 United Kingdom Accounting Standards, comprising Charities SORP - FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and applicable law (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 August 2019 and of its results for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 charity 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 charity'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.

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.

Bridgewater School

Independent Auditor's Report to the Members of Bridgewater School

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report has 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 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 8), 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 charity'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 charity 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:

- 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 charity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.

Bridgewater School

Independent Auditor's Report to the Members of Bridgewater School

- 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 charity'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 charity 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 charity to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the charity 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.

Use of our report

This report is made solely to the charitable company'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 charity'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 charitable company and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

A handwritten signature in dark ink, appearing to read 'Beever and Struthers', is written over a dotted line.

Andrew McLaren (Senior Statutory Auditor)
For and on behalf of Beever and Struthers, Statutory Auditor

St. George's House
215 - 219 Chester Road
Manchester
M15 4JE

21 May 2020

Bridgewater School

Statement of Financial Activities for the Year Ended 31 August 2019 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted funds £	Total 2019 £
Income and Endowments from:			
Donations and legacies	3	6,903	6,903
Charitable activities	4	4,180,997	4,180,997
Other trading activities	6	34,121	34,121
Total income		<u>4,222,021</u>	<u>4,222,021</u>
Expenditure on:			
Charitable activities	7	(4,026,457)	(4,026,457)
Total expenditure		<u>(4,026,457)</u>	<u>(4,026,457)</u>
Net income		<u>195,564</u>	<u>195,564</u>
Net movement in funds		195,564	195,564
Reconciliation of funds			
Total funds brought forward		<u>3,425,203</u>	<u>3,425,203</u>
Total funds carried forward	20	<u>3,620,767</u>	<u>3,620,767</u>
	Note	Unrestricted funds £	Total 2018 £
Income and Endowments from:			
Donations and legacies	3	10,804	10,804
Charitable activities	4	3,761,053	3,761,053
Investment income	5	2	2
Other trading activities	6	35,422	35,422
Total income		<u>3,807,281</u>	<u>3,807,281</u>
Expenditure on:			
Charitable activities	7	(3,749,671)	(3,749,671)
Total expenditure		<u>(3,749,671)</u>	<u>(3,749,671)</u>
Net income		<u>57,610</u>	<u>57,610</u>
Net movement in funds		57,610	57,610
Reconciliation of funds			
Total funds brought forward		<u>3,367,593</u>	<u>3,367,593</u>
Total funds carried forward	20	<u>3,425,203</u>	<u>3,425,203</u>


All of the charity's activities derive from continuing operations during the above two periods.

The funds breakdown for 2018 is shown in note 20.

Bridgewater School
(Registration number: 05190072)
Balance Sheet as at 31 August 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	13	5,899,212	6,001,499
Current assets			
Debtors	14	410,540	388,519
Cash at bank and in hand		815,037	469,093
		1,225,577	857,612
Creditors: Amounts falling due within one year	15	(1,473,158)	(1,338,297)
Net current liabilities		(247,581)	(480,685)
Total assets less current liabilities		5,651,631	5,520,814
Creditors: Amounts falling due after more than one year	16	(2,030,864)	(2,095,611)
Net assets		3,620,767	3,425,203
Funds of the charity:			
Unrestricted income funds			
Unrestricted funds		3,620,767	3,425,203
Total funds	20	3,620,767	3,425,203

The financial statements on pages 12 to 26 were approved by the trustees, and authorised for issue on 21 May 2020 and signed on their behalf by:



 Dr M Moss
 Trustee

Bridgewater School

Statement of Cash Flows for the Year Ended 31 August 2019

	Note	2019 £	2018 £
Cash flows from operating activities			
Net cash income		195,564	57,610
Adjustments to cash flows from non-cash items			
Depreciation		211,069	198,322
Investment income	5	<u>-</u>	<u>(2)</u>
		406,633	255,930
Working capital adjustments			
Increase in debtors	14	(22,021)	(51,738)
Increase in creditors	15	<u>136,670</u>	<u>36,491</u>
Net cash flows from operating activities		<u>521,282</u>	<u>240,683</u>
Cash flows from investing activities			
Interest receivable and similar income	5	-	2
Purchase of tangible fixed assets	13	<u>(108,782)</u>	<u>(135,489)</u>
Net cash flows from investing activities		(108,782)	(135,487)
Cash flows from financing activities			
Repayment of loans and borrowings	15	<u>(66,556)</u>	<u>(65,677)</u>
Net increase in cash and cash equivalents		345,944	39,519
Cash and cash equivalents at 1 September		<u>469,093</u>	<u>429,574</u>
Cash and cash equivalents at 31 August		<u><u>815,037</u></u>	<u><u>469,093</u></u>

All of the cash flows are derived from continuing operations during the above two periods.

Bridgewater School

Notes to the Financial Statements for the Year Ended 31 August 2019

1 Charity status

The charity is limited by guarantee, incorporated in England, and consequently does not have share capital. Each of the trustees is liable to contribute an amount not exceeding £10 towards the assets of the charity in the event of liquidation.

The address of its registered office is:

Drywood Hall
Worsley Road
Worsley
Manchester
M28 2WQ

These financial statements were authorised for issue by the trustees on 21 May 2020.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

The financial statements have been prepared in accordance with 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) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). They also comply with the Companies Act 2006 and Charities Act 2011.

Basis of preparation

Bridgewater School meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern nor any significant areas of uncertainty that affect the carrying value of assets held by the charity.

Income and endowments

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of the income receivable can be measured reliably.

Donations and legacies

Donations are recognised when the charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance by the charity before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that these conditions will be fulfilled in the reporting period.

Bridgewater School

Notes to the Financial Statements for the Year Ended 31 August 2019

Expenditure

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Charitable activities

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Support costs

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, for example, allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

Governance costs

These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and trustees's meetings and reimbursed expenses.

Tangible fixed assets

Individual fixed assets are initially recorded at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Depreciation and amortisation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Depreciation method and rate
Freehold Property	2% straight line
Long Leasehold Property	2% straight line
Fixtures & Fittings	10-25% straight line
Motor Vehicles	25% straight line
Equipment	10-20% straight line

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the charity will not be able to collect all amounts due according to the original terms of the receivables.

Bridgewater School

Notes to the Financial Statements for the Year Ended 31 August 2019

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the charity does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Fund structure

Unrestricted income funds are general funds that are available for use at the trustees's discretion in furtherance of the objectives of the charity.

Financial instruments

Classification

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Where shares are issued, any component that creates a financial liability of the company is presented as a liability in the balance sheet. The corresponding dividends relating to the liability component are charged as interest expense in the income statement.

Recognition and measurement

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the charity intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the charity transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the charity, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

Bridgewater School

Notes to the Financial Statements for the Year Ended 31 August 2019

3 Income from donations and legacies

	Unrestricted funds		
	General	Total	Total
	£	2019	2018
		£	£
Donations and legacies;			
Donations	6,903	6,903	10,804
	<u>6,903</u>	<u>6,903</u>	<u>10,804</u>

4 Income from charitable activities

	Unrestricted funds		
	General	Total	Total
	£	2019	2018
		£	£
School fees	4,917,871	4,917,871	4,535,124
Other sales	120,826	120,826	102,931
Coach fees	111,057	111,057	97,804
Discounts	(262,442)	(262,442)	(264,637)
Bursaries and Scholarships	(706,315)	(706,315)	(710,169)
	<u>4,180,997</u>	<u>4,180,997</u>	<u>3,761,053</u>

5 Investment income

	Total	Total
	2019	2018
	£	£
Interest receivable and similar income;		
Interest receivable on bank deposits	<u>-</u>	<u>2</u>

6 Other Trading Activities

	Unrestricted funds		
	General	Total	Total
	£	2019	2018
		£	£
Hire of facilities	34,121	34,121	35,422

Bridgewater School

Notes to the Financial Statements for the Year Ended 31 August 2019

7 Expenditure on charitable activities

	Unrestricted funds		
	General	Total	Total
	£	2019	2018
		£	£
Charitable activities	3,303,421	3,303,421	3,078,453
Support costs	723,036	723,036	671,218
	<u>4,026,457</u>	<u>4,026,457</u>	<u>3,749,671</u>
Activity undertaken directly	Activity support costs	Total	Total
£	£	2019	2018
		£	£
Charitable activities	3,303,421	4,018,920	3,742,932
Support costs	-	7,537	6,739
	<u>3,303,421</u>	<u>4,026,457</u>	<u>3,749,671</u>

£4,026,457 (2018 - £3,749,671) of the above expenditure was attributable to unrestricted funds and £Nil (2018 - £Nil) to restricted funds.

8 Analysis of governance and support costs

Support costs allocated to charitable activities

	Total	Total
	2019	2018
	£	£
Staff costs	567,076	517,002
General office	121,314	122,484
Legal and professional	18,785	18,487
Bank charges	8,324	6,306
	<u>715,499</u>	<u>664,279</u>

Governance costs

	Unrestricted funds		
	General	Total	Total
	£	2019	2018
		£	£
Audit fees			
Audit of the financial statements	5,060	5,060	4,845
Other fees paid to auditors	2,476	2,476	1,894
	<u>7,536</u>	<u>7,536</u>	<u>6,739</u>

Bridgewater School

Notes to the Financial Statements for the Year Ended 31 August 2019

9 Net incoming/outgoing resources

Net incoming resources for the year include:

	2019	2018
	£	£
Operating leases - plant and machinery	18,680	17,809
Depreciation of fixed assets	<u>211,069</u>	<u>198,322</u>

10 Trustees remuneration and expenses

No trustees, nor any persons connected with them, have received any remuneration from the charity during the year (2018: £nil).

No trustees have received any reimbursed expenses or any other benefits from the charity during the year (2018: £nil).

11 Staff costs

The aggregate payroll costs were as follows:

	2019	2018
	£	£
Staff costs during the year were:		
Wages and salaries	2,456,955	2,297,423
Social security costs	228,850	211,747
Pension costs	<u>280,821</u>	<u>253,971</u>
	<u><u>2,966,626</u></u>	<u><u>2,763,141</u></u>

The average number of full-time equivalent employees during the year is analysed as below:

	2019	2018
	No	No
Teaching staff	46	44
Administrative staff	9	9
Support staff	<u>25</u>	<u>23</u>
	<u><u>80</u></u>	<u><u>76</u></u>

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

	2019	2018
	No	No
£60,001 - £70,000	2	2
£70,001 - £80,000	<u>1</u>	<u>1</u>

The total employee benefits of the key management personnel of the charity were £345,731 (2018 - £337,696).

Bridgewater School

Notes to the Financial Statements for the Year Ended 31 August 2019

12 Taxation

The charity is a registered charity and is therefore exempt from taxation.

13 Tangible fixed assets

	Land and buildings £	Furniture and equipment £	Motor vehicles £	Computer equipment £	Total £
Cost					
At 1 September 2018	7,459,551	923,023	81,729	283,108	8,747,411
Additions	<u>5,143</u>	<u>20,614</u>	<u>-</u>	<u>83,025</u>	<u>108,782</u>
At 31 August 2019	<u>7,464,694</u>	<u>943,637</u>	<u>81,729</u>	<u>366,133</u>	<u>8,856,193</u>
Depreciation					
At 1 September 2018	1,803,579	825,541	63,956	52,836	2,745,912
Charge for the year	<u>140,849</u>	<u>32,992</u>	<u>4,444</u>	<u>32,784</u>	<u>211,069</u>
At 31 August 2019	<u>1,944,428</u>	<u>858,533</u>	<u>68,400</u>	<u>85,620</u>	<u>2,956,981</u>
Net book value					
At 31 August 2019	<u>5,520,266</u>	<u>85,104</u>	<u>13,329</u>	<u>280,513</u>	<u>5,899,212</u>
At 31 August 2018	<u>5,655,972</u>	<u>97,482</u>	<u>17,773</u>	<u>230,272</u>	<u>6,001,499</u>

Included within the net book value of land and buildings above is £2,696,433 (2018 - £2,716,279) in respect of freehold land and buildings and £2,823,833 (2018 - £2,939,647) in respect of leaseholds.

Included within the cost of long leasehold property is £80,976 (2018: £80,976) in respect of interest capitalised during the construction of the school's new sports hall.

14 Debtors

	2019 £	2018 £
Trade debtors	340,218	328,414
Accrued income	57,348	50,241
Other debtors	<u>12,974</u>	<u>9,864</u>
	<u>410,540</u>	<u>388,519</u>

Bridgewater School

Notes to the Financial Statements for the Year Ended 31 August 2019

15 Creditors: amounts falling due within one year

	2019 £	2018 £
Bank loans	66,621	68,430
Trade creditors	108,241	83,971
Other taxation and social security	56,353	53,270
Other creditors	175,364	194,839
Accruals and deferred income	1,066,579	937,787
	<u>1,473,158</u>	<u>1,338,297</u>
	2019 £	2018 £
Deferred income at 1 September 2018	(832,716)	(772,928)
Resources deferred in the period	(1,010,440)	(832,716)
Amounts released from previous periods	810,476	772,928
Deferred income at year end	<u>(1,032,680)</u>	<u>(832,716)</u>

16 Creditors: amounts falling due after one year

	2019 £	2018 £
Bank loans	<u>2,030,864</u>	<u>2,095,611</u>

17 Obligations under leases and hire purchase contracts

Operating lease commitments

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2019 £	2018 £
Land and buildings		
Within one year	<u>2,500</u>	<u>2,500</u>
Other		
Within one year	3,485	15,680
Between one and five years	<u>7,841</u>	<u>11,326</u>
	<u>11,326</u>	<u>27,006</u>

Bridgewater School

Notes to the Financial Statements for the Year Ended 31 August 2019

18 Pension and other schemes

Defined contribution pension scheme

The amount recognised in income or expenditure as an expense in relation to defined contribution plans was £280,821 (2018: £253,971).

The Charity's employees either belong to the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff, or a defined contribution scheme for administrative staff.

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

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

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS or scheme) is a statutory, unfunded, defined benefit occupational scheme, governed by the Teachers' Pensions Regulations 2010 (as amended), and the Teachers' Pension Scheme Regulations 2014 (as amended). These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

Teachers' Pension Budgeting and Valuation Account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and Public Service Pensions Act (2013) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis - contributions from members, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Acts.

The Teachers' Pensions Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

Valuation of the Teachers' Pension Scheme

The latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers will pay an increased contribution rate of 23.68% from September 2019 (this includes the administration levy of 0.8%). The timing of the implementation is to align its introduction with employers' budget planning cycles. Until then, employers will pay the current rate of 16.48%.

Bridgewater School

Notes to the Financial Statements for the Year Ended 31 August 2019

Scheme Changes

The arrangements for a reformed Teachers' Pension Scheme, in line with the recommendations made by Lord Hutton, in particular the introduction of a Career Average Revalued Earnings (CARE) scheme, were implemented from 1 April 2015.

In December 2018, the Court of Appeal held that transitional protection provisions contained in the reformed judicial and firefighter pension schemes, introduced as part of public service pension reforms in 2015, gave rise to direct age discrimination and were therefore unlawful. The Supreme Court, in a decision made in June 2019, have rejected the Government's application for permission to appeal the Court of Appeal's ruling. The case will now be referred to an Employment Tribunal for a decision regarding the remedy which will need to be offered to those members of the two schemes who were subject of the age discrimination.

HM Treasury are clear that the ruling has implications for the other public service schemes, including the Teachers' Pension Scheme. Those implications are currently being considered and any impact on scheme costs is expected to be looked at within the next scheme valuation, which is currently scheduled to be based on April 2020 data and implemented in April 2023.

The employer's pension costs paid to TPS in the period amounted to £263,673 (2018: £245,588).

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

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

Defined Contribution Scheme

The Charity makes a contribution of 3% of salary to this pension scheme to March 2019 and 5% since April 2019, and acts as an agent in collecting and paying over employee pension contributions. The contributions made for the accounting period are treated as an expense and were £17,148 (2018: £8,382).

19 Commitments

Capital commitments

The total amount contracted for but not provided in the financial statements was £Nil (2018 - £11,337).

20 Funds

	Balance at 1 September 2018 £	Incoming resources £	Resources expended £	Balance at 31 August 2019 £
Unrestricted funds				
General	<u>(3,425,203)</u>	<u>(4,222,021)</u>	<u>4,026,457</u>	<u>(3,620,767)</u>

Bridgewater School

Notes to the Financial Statements for the Year Ended 31 August 2019

	Balance at 1 September 2017 £	Incoming resources £	Resources expended £	Balance at 31 August 2018 £
Unrestricted funds				
General	<u>(3,367,593)</u>	<u>(3,807,281)</u>	<u>3,749,671</u>	<u>(3,425,203)</u>

21 Analysis of net assets between funds

	Unrestricted funds General £	Total funds £
Tangible fixed assets	5,899,212	5,899,212
Current assets	1,225,577	1,225,577
Current liabilities	(1,473,158)	(1,473,158)
Creditors over 1 year	<u>(2,030,864)</u>	<u>(2,030,864)</u>
Total net assets	<u>3,620,767</u>	<u>3,620,767</u>

	Unrestricted funds General £	Total funds 2018 £
Tangible fixed assets	6,001,499	6,001,499
Current assets	857,612	857,612
Current liabilities	(1,338,297)	(1,338,297)
Creditors over 1 year	<u>(2,095,611)</u>	<u>(2,095,611)</u>
Total net assets	<u>3,425,203</u>	<u>3,425,203</u>

22 Financial instruments

Financial liabilities measured at amortised cost	2019	2018
Bank loan payable falling due within 1 year	66,621	68,430
Bank loan payable falling due in more than 1 year but less than 5	268,027	294,756
Bank loan payable falling due after 5 years	1,762,837	1,800,854
	<u>2,097,485</u>	<u>2,164,040</u>

The bank loan is secured by two charges; a floating charge over the property and undertakings of the Charity and a fixed charge over the freehold and leasehold property.

The bank loan will mature in 2040. Interest is charged on one half of the value of the loan (£1.175m) at 2% above the bank's base rate. Interest is charged on the remaining £1.175m loan at a protected/hedged rate of 4.31% for the term of the loan.

Bridgewater School

Notes to the Financial Statements for the Year Ended 31 August 2019

23 Related party transactions

There are a number of trustees and members of the senior management team whose children attend the school. All fees were charged in line with the published fee structure. See note 10 for details of other transactions with Trustees. No further related party transactions requiring disclosure were undertaken.