

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 2020

# **Bridgewater School**

## **Contents**

Reference and Administrative Details	1
Trustees' Report	2 to 9
Statement of Trustees' Responsibilities	10
Independent Auditors' Report	11 to 14
Statement of Financial Activities	15
Balance Sheet	16
Statement of Cash Flows	17
Notes to the Financial Statements	18 to 30

# **Bridgewater School**

## **Reference and Administrative Details**

<b>Trustees</b>	Ms K Simpson
	Mrs P Byrne
	Mr N Beesley
	Mr C Melia
	Mr C Ryan
	Mrs A Dagg
	Ms K Mort
	Dr M Moss
	Mr S Harrison
	Ms J Jones
	Mr C Haighton
	Mr I Bamford
<b>Secretary</b>	Ms E F Davenport
<b>Principal Office</b>	Drywood Hall
	Worsley Road
	Worsley
	Manchester
	M28 2WQ
	The charity is incorporated in England.
<b>Company Registration Number</b>	05190072
<b>Charity Registration Number</b>	1105547
<b>Auditor</b>	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 2020.

### **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 Teacher and the Bursar, with the board overseeing 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 an initial meeting/call with the Chair of Governors to explain the responsibilities of the role, which is followed by a meeting with the Head Teacher and Bursar. Once an agreement has been made, and if successful, the new member is invited to join the next governors' meeting, at which they are co-opted. The new member will be inaugurated via the new introductory process including, as appropriate, a tour of the school, 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, safeguarding, 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 have been the state of the UK and global economy and Brexit, both of which have had an 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 continues to be a key aim for the school and the board during what continues to be uncertain times. A new risk of course is the impact of Covid-19, which is further detailed on Page 4.

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.

In the last fifteen years, the school completed the construction of a 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 companies, 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, within the parameters of Covid-19 restrictions. The school also plays host to a local amateur theatre group as well as providing a base for an external performing arts school.

In the last ten years an 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, the school has invested in the EYFS outdoor provision 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.

Over the last two years 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. This extra classroom was pivotal in enabling the school to expand its Prep VI to two form for the 2019/20 school year. Over the summer a much needed refurbishment of one of the science laboratories has been carried out to offer a brighter and more engaging learning environment.

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. Specific investment has been made to enable all teaching staff to deliver a full curriculum remotely during the pandemic. 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. During lockdown, the school has also loaned IT equipment to pupils who would otherwise not have access to it to enable them to engage in remote lessons.

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 Bursar and the Finance Manager, with support from the Finance Committee, continue 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. The global pandemic has prevented the school carrying out any events which would bring groups of people together and has therefore restricted money raised for school 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 was found to be fully compliant in all areas.

### **Impact of Covid-19**

In March 2020 the government announced that all schools, due to the pandemic of Covid-19, had to close with the exception of opening for the children of key workers. The impact on the school community, both staff and students, and beyond the school gates in the local area and the wider world has been significant and this cannot be understated. As schools were expected to manage situations never experienced before in supporting families whose livelihoods were at risk whilst trying to remotely educate children in a manner alien to education.

The school community united and was able to open its doors to some year groups in the Prep department at the beginning of June and then the summer period was spent trying to create a Covid-secure environment for pupils and all employees. The work of the Head Teacher and the Senior Leadership Team, with the unrivalled support of the governing body, and the careful management of finances by the Bursar and Finance Manager, enabled the school to open in a confident manner in September 2020.

Due to the careful management of the finances and a measured response, rather than a reaction, to the situation the school was able to pass on savings to parents resulting in a 20% refund off the summer term's fees. This was supported by the management of furlough claims and other savings. In further support of parents the fee increase for the 2020/21 year was deferred to January 2021.

# **Bridgewater School**

## **Trustees' Report**

### **Impact of Covid-19 - continued**

The school would like to acknowledge the support and commitment of its teaching staff. Despite having faced the challenges in the prior year of entering into consultation regarding the Teachers' Pension Scheme, resulting in the agreement to leave the TPS at year end and join a Defined Contribution Scheme in its place, the teaching staff have shown an ongoing commitment to the school. During the pandemic there have been minimal staff absences and in the summer term teachers were working round the clock to support their students remotely, as the new home/school relationship was set up with teachers and parents.

One of the school's many responsibilities regarding Covid-19 has been undertaking testing of all staff and senior school key worker children which, as of February 2021, was done twice weekly with lateral flow tests and when the children returned to school fully on the 8th March 2021 all senior school children required testing on three occasions before the responsibility was transferred to the home. Whilst the test kits have been provided free of charge, there has been no government support for this undertaking and all independent schools have had to incur the cost of this responsibility, predominantly with staffing and cleaning costs.

The trustees consider the school to be a going concern, especially based on the strong pupil numbers in the senior department. The necessary steps were taken to futureproof the school regarding pension contributions, as there was also the high risk that contributions with TPS would increase even further. The costs associated with professional fees for the consultation have all been incurred now and the school has the security of having set the employer pension contributions at 19.1%. The school acknowledges the risk of reducing pupil numbers and the costs/budgets across the whole school are continually renewed.

### **Achievements and Performance**

Due to the disruption caused by the pandemic, all external examinations were replaced in summer 2020 by Centre Assessed Grades, the school being required to submit an assessed grade for each student as well as a rank order within each subject. An extremely rigorous process was followed that considered a range of evidence from throughout the examination course, with standardisation meetings at both Head of Department and Senior Leadership level.

The evidence from baseline data and from work completed by students during their courses was of a particularly high academic level for both the GCSE and A Level cohorts; at GCSE half of all grades were at 7 and above (Equivalent to grade 'A' and above under the previous grading system) and at A Level 54% of all grades were at A or A\* with the average points score per student and per entry at the highest ever level. All of the Year 13 students secured a place at the University of their Choice or a higher level apprenticeship, including three students studying Medicine and one student studying Veterinary Medicine.

Following the first government-enforced school closure in March 2020, pupils had to continue their learning at home. For Years 1 to 13, this was achieved by a mixture of live and pre-recorded lessons. Pupils would return copies of their work to the teacher who would then mark the work and provided feedback. Early Years continue to use Tapestry for recording work completed at home, as well as having a daily lesson on the school's online blog. On the 2nd June, Early Years, Prep I and Prep VI were able to return to school full time. All pupils were able to return to school in September 2020, before returning to lockdown again on the 6th January 2021, where all learning returned to online again, although this time all of the lessons were live.

The school has planned various fundraising events including a Bursary Ball, all designed to involve parents and children from within the school and the wider community to raise funds towards school projects. Unfortunately these have all been cancelled or rescheduled due to Covid-19 restrictions. All fundraising is primarily with the school's parent body, with the exception of events like school fairs which are open to the general public. This type of fundraising does not strictly form part of the school's profit targets; the fundraising is instead used to fund projects around the school for the direct benefit of the children, such as the adventure playground.

# **Bridgewater School**

## **Trustees' Report**

### **Achievements and Performance - continued**

As there were no specific plans for spending the expected fundraising within the year there were no consequences of deferring this and the school did not need to seek alternative routes, eg drawing on the school's reserves. It did not feel appropriate to ask parents to contribute to fundraising; however, a number of parents did donate the 20% refund for the summer term back to school and this forms the majority of the fundraising total for the year.

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 enables parents to stay in touch with teachers for advice and for assessment of the children's work and acquiring their Early Learning Goals.

A key factor for the ongoing success of Bridgewater School is the retention and recruitment 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. As mentioned below in reference to the Teachers' Pension Scheme, the decrease in pupil numbers from 2019/20 to 2020/21 is due to Prep VI returning to its normal state of one form entry, as opposed to the two form entry that the school was able to accommodate for the 2019/20 school year.

### **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 new need to take the school to a higher level in terms of facilities and innovation.

Despite the constant pressure on pupil numbers and the ongoing need for bursaries, the school's close control of the finances has resulted in minimal impact on the school's cashflow.

The school's Marketing and Development Manager continues to assist in the delivery of the SSDP (Strategic School Development Plan) 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 2019/20 was £128k, which is £20k lower than the budgeted profit of £148k and £67k lower than the prior year's profit of £195k. The school's cashflow remained strong throughout the year, with no use of the overdraft occurring.



# **Bridgewater School**

## **Trustees' Report**

### **Financial Review - continued**

Understandably, staffing is the largest cost.

Percentage of staff costs to total income = 73% (71% in 2018/19)

Percentage of staff costs to total costs = 76% (75% in 2018/19)

The increase of 2% and 1% for staff costs to total income and total costs respectively from prior year is primarily based on the staff pay increase plus the additional cost relating to the employer pension contributions to the Teachers' Pension Scheme.

The school commenced the year in September 2019 with 480 pupils and ended the school year with 485 pupils, which is an increase of 1 pupil from the prior year. There has been 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 (by 2.4%) but the school has still continued to support 97 families, in line with the school's public benefit obligations, and awarded 55 scholarships across Years 7 to 13, which is a 5.7% 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 2020 of 306%, which is a 9% decrease from the prior year.

The Teachers' Pension Scheme is reviewed every 4 years and the 2018 review saw a very large % increase from 16.1% to 23.68%, which had a significant financial impact. Therefore Bridgewater School, along with many other independent schools, decided to review this position and entered into a consultation process with the staff. This resulted in the decision to withdraw from the TPS on 30th September 2020. Despite the withdrawal being a significant move for the school, the staff showed understanding and cooperation in protecting the future of the school. It was anticipated that the next increase due to take place in 2022 would have brought a further large increase. As the TPS was a Defined Benefit scheme, the negotiations were delivered in a very sensitive manner, as the Aviva APTIS Pension was a Defined Contribution scheme. It should be noted that in order to cater for the £120k one year Teachers' Pensions increase from 16.48% to 23.68%, the school was able to create as a one-off a two form entry within Prep VI, which enabled the final year in the TPS to be affordable.

In terms of the curriculum, the school constantly assesses the ever-changing market place and the demands of pupils and the future of the school as a whole. The further use of the sports hall and sporting events will continue, with Bridgewater playing host to occasions such as inter-school cross country and chess tournaments. Furthermore, the involvement of local schools managed by the Marketing and Development Manager is being developed in a number of areas including the invitation to matinee shows by the Performing Arts & English Departments. This community involvement is expected to assist ultimately with the overall standing of the school through recruitment and the utilisation of the facilities out of school hours by the youth sections of local sports clubs, fitness clubs, drama groups, and other activities.

The Board of Governors is acutely aware of the need to provide the highest possible standard of education whilst remaining attractive and affordable to the community in which the school operates and the board will continue to strive to keep the fees as low as possible.

# **Bridgewater School**

## **Trustees' Report**

### **Financial Review - continued**

The Board will continue to utilise forecasts and budget controls, monitoring the position on a monthly basis, planning for future improvements to the school in terms of facilities, classrooms, playgrounds etc. and also in terms of infrastructure, i.e. buildings, IT hardware etc.

The school is privileged to employ a highly qualified, professional and dedicated workforce which is going from strength to strength. This is reflected in, amongst other things, the consistently good examination results and behaviour of children, who continue to set an example to others.

The board is of the opinion that the school now has a solid foundation upon which to continue to develop in all areas and to respond effectively to the considerable challenges which all schools will face over the coming years.

Following on from the profit of £128k for the 2019/20 year, the school is forecast to make a profit of £66k for 2020/21. The plan was to reinvest this in the school buildings in line with the 5 year building plan; however following the Covid-19 outbreak, all building investment has been placed on hold.

The school has a bank loan that is split 50% fixed and 50% variable, with the overall outstanding balance at August 2020 at £2.0m. The fixed element of the loan is to be renewed at the 10 year mark in September 2025. The loan repayments in 2019/20 totalled £134k and the loan interest paid totalled £70k.

### **Public Benefit**

As a registered charity, the school is aware of its public benefit responsibilities. The school and its trustees follow the guidance from the Charities Commission regarding public benefit and how this is being delivered by the school.

Primary public benefit undertaken by the school are:

- Bursarial assistance
- Letting and use of school facilities across the community and at rates below market average
- Invitation to local school children to partake in performances
- The use of facilities to host various events with other schools within the community.

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.

2019/20 was the final full complete year of being in the Teachers' Pensions Scheme, ultimately leaving the scheme on the 30th September 2020, one month after the year end. On the 1st October the school joined the Aviva APTIS pension, which is a DC scheme. Employer pension contributions have reduced from 23.68% to 19.10% from the 1st October 2020.

# **Bridgewater School**

## **Trustees' Report**

### **Principal Risks and Uncertainties – continued**

Current pupil numbers for 2020/21 are 453.

As always, the school's key recruitment areas are Early Years, Year 7 and Year 12 and marketing strategies have been implemented for this. As senior school numbers are currently buoyant, the marketing focus will be on Prep recruitment, in particular Early Years and Key Stage 1.

The school acknowledges the impact of Covid-19 and the potential financial uncertainties, of which pupil numbers is the largest challenge, both in terms of retention and recruitment. The main focus of the Marketing and Development Manager is on recruitment, especially within the Prep department.

As the pandemic impacted on the possibility of open days etc, the school invested in creating a virtual tour of the whole school site. This allows potential parents to take a full tour of the school and its facilities, as well as viewing interviews with the Head Teacher and key members of staff, at a time convenient for them. The school is aware that some recent enquiries are as a consequence of the virtual tour.

There has also been significant investment in IT equipment to enable uninterrupted teaching for all pupils from KG to Year 13. This has resulted in providing a structure to reflect as normal as possible a school day and there has been exceptional support from parents for this.

### **Reserves Policy**

The school has a cash 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 the school's 5 year building strategy, or to provide additional working capital should this be required. The transfer of reserves has been incorporated into the cashflows.

The school recognises that the current cash reserves held are insufficient for the purposes of covering a significant cost, such as three months' salaries. However, the current cash balance of £100k in reserves is for the purpose of contributing towards future building projects and a minimum of £50k per year will be transferred.

The total funds held by the charity is £3.8m, all unrestricted. Fixed assets total £5.7m, which leaves free reserves at a negative £1.9m. It is the school's aim that as each year passes, the cash balance will increase and the loan balance will decrease thus improving the free reserves balance.

### **Key Management Personnel Pay Policy**

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

### **Disclosure of information to auditor**

Each trustee has taken steps that they ought to have taken as a trustee in order to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information. The trustees confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

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

.....  
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 ..... 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 2020, 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 2020 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **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 10), 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

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.

## **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 10), 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

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.

## **Bridgewater School**

### **Independent Auditor's Report to the Members of Bridgewater School**

- 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.
- 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.



## **Bridgewater School**

### **Independent Auditor's Report to the Members of Bridgewater School**

#### **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.

.....  
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

Date:.....

# Bridgewater School

## Statement of Financial Activities for the Year Ended 31 August 2020 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted funds £	Total 2020 £
<b>Income and Endowments from:</b>			
Donations and legacies	3	227,239	227,239
Charitable activities	4	4,036,536	4,036,536
Other trading activities	5	17,521	17,521
Total income		4,281,296	4,281,296
<b>Expenditure on:</b>			
Charitable activities	6	(4,152,544)	(4,152,544)
Total expenditure		(4,152,544)	(4,152,544)
Net income		128,752	128,752
Net movement in funds		128,752	128,752
<b>Reconciliation of funds</b>			
Total funds brought forward		3,620,767	3,620,767
Total funds carried forward	22	3,749,519	3,749,519
	Note	Unrestricted funds £	Total 2019 £
<b>Income and Endowments from:</b>			
Donations and legacies	3	6,903	6,903
Charitable activities	4	4,180,997	4,180,997
Other trading activities	5	34,121	34,121
Total income		4,222,021	4,222,021
<b>Expenditure on:</b>			
Charitable activities	6	(4,026,457)	(4,026,457)
Total expenditure		(4,026,457)	(4,026,457)
Net income		195,564	195,564
Net movement in funds		195,564	195,564
Total funds brought forward		3,425,203	3,425,203
Total funds carried forward	22	3,620,767	3,620,767

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

The notes on pages 18 to 30 form an integral part of these financial statements.

**Bridgewater School**  
**(Registration number: 05190072)**  
**Balance Sheet as at 31 August 2020**

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Tangible assets	14	5,723,874	5,899,212
<b>Current assets</b>			
Debtors	15	459,858	410,540
Cash at bank and in hand	16	638,416	815,037
		1,098,274	1,225,577
<b>Creditors: Amounts falling due within one year</b>	17	(1,114,651)	(1,473,158)
<b>Net current liabilities</b>		(16,377)	(247,581)
<b>Total assets less current liabilities</b>		5,707,497	5,651,631
<b>Creditors: Amounts falling due after more than one year</b>	18	(1,957,978)	(2,030,864)
<b>Net assets</b>		3,749,519	3,620,767
<b>Funds of the charity:</b>			
<b>Unrestricted income funds</b>			
Unrestricted funds		3,749,519	3,620,767
<b>Total funds</b>	22	3,749,519	3,620,767

The financial statements on pages 15 to 30 were approved by the trustees, and authorised for issue on ..... and signed on their behalf by:

.....  
Dr M Moss  
Trustee

The notes on pages 18 to 30 form an integral part of these financial statements.

## Bridgewater School

### Statement of Cash Flows for the Year Ended 31 August 2020

	Note	2020 £	2019 £
<b>Cash flows from operating activities</b>			
Net cash income		128,752	195,564
<b>Adjustments to cash flows from non-cash items</b>			
Depreciation	7	<u>218,055</u>	<u>211,069</u>
		346,807	406,633
<b>Working capital adjustments</b>			
Increase in debtors	15	(49,318)	(22,021)
(Decrease)/increase in creditors	17	<u>(367,795)</u>	<u>136,670</u>
Net cash flows from operating activities		(70,306)	521,282
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets	14	(42,717)	(108,782)
<b>Cash flows from financing activities</b>			
Repayment of loans and borrowings	17	<u>(63,598)</u>	<u>(66,556)</u>
Net (decrease)/increase in cash and cash equivalents		(176,621)	345,944
Cash and cash equivalents at 1 September		<u>815,037</u>	<u>469,093</u>
Cash and cash equivalents at 31 August		<u><u>638,416</u></u>	<u><u>815,037</u></u>

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

The notes on pages 18 to 30 form an integral part of these financial statements.

## **Bridgewater School**

### **Notes to the Financial Statements for the Year Ended 31 August 2020**

#### **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

#### **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) - (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 2020**

#### **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' 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:

<b>Asset class</b>	<b>Depreciation method and rate</b>
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 2020**

#### **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 2020

### 3 Income from donations and legacies

	Unrestricted		
	General	Total	Total
	£	2020	2019
		£	£
Donations	16,414	16,414	6,903
Furlough claim	210,825	210,825	-
	<u>227,239</u>	<u>227,239</u>	<u>6,903</u>

### 4 Income from charitable activities

	Unrestricted		
	General	Total	Total
	£	2020	2019
		£	£
School fees	4,881,147	4,881,147	4,917,871
Other sales	31,685	31,685	120,826
Coach fees	76,673	76,673	111,057
Discounts	(274,820)	(274,820)	(262,442)
Bursaries and Scholarships	(678,149)	(678,149)	(706,315)
	<u>4,036,536</u>	<u>4,036,536</u>	<u>4,180,997</u>

### 5 Other Trading Activities

	Unrestricted		
	General	Total	Total
	£	2020	2019
		£	£
Hire of facilities	<u>17,521</u>	<u>17,521</u>	<u>34,121</u>

### 6 Expenditure on charitable activities

	Activity undertaken directly	Activity support costs	2020
	£	£	£
Charitable activities	3,248,288	682,761	3,931,049
Support costs	-	10,670	10,670
	<u>3,248,288</u>	<u>693,431</u>	<u>3,941,719</u>



# Bridgewater School

## Notes to the Financial Statements for the Year Ended 31 August 2020

	Activity undertaken directly £	Activity support costs £	2019 £
Charitable activities	3,303,421	715,499	4,018,920
Support costs	-	7,537	7,537
	<u>3,303,421</u>	<u>723,036</u>	<u>4,026,457</u>

### 7 Loan interest payable

	Unrestricted funds General £	Total 2020 £	Total 2019 £
Bank Loan Interest	70,293	70,293	74,336
	<u>70,293</u>	<u>70,293</u>	<u>74,336</u>

### 8 Analysis of governance and support costs

#### Support costs allocated to charitable activities

	Total 2020 £	Total 2019 £
Staff costs	515,272	567,076
General office	108,614	121,314
Legal and professional	64,246	18,785
Bank charges	5,299	8,324
	<u>693,431</u>	<u>715,499</u>

### 9 Auditors' remuneration

	2020 £	2019 £
Audit of the financial statements	5,940	5,840
<b>Other fees to auditors</b>		
All other non-audit services	4,730	2,476

## **Bridgewater School**

### **Notes to the Financial Statements for the Year Ended 31 August 2020**

#### **10 Net incoming/outgoing resources**

Net incoming resources for the year include:

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Operating leases - plant and machinery	6,485	18,680
Audit fees	5,940	5,840
Depreciation of fixed assets	<u>210,492</u>	<u>211,069</u>

#### **11 Trustees remuneration and expenses**

No trustees, nor any persons connected with them, have received any remuneration from the charity during the year (2019: £nil).

No trustees have received any reimbursed expenses or any other benefits from the charity during the year (2019: £nil).

## Bridgewater School

### Notes to the Financial Statements for the Year Ended 31 August 2020

#### 12 Staff costs

The aggregate payroll costs were as follows:

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
<b>Staff costs during the year were:</b>		
Wages and salaries	2,515,207	2,456,955
Social security costs	236,920	228,850
Pension costs	419,537	280,821
	<u>3,171,664</u>	<u>2,966,626</u>

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

	<b>2020</b>	<b>2019</b>
	<b>No</b>	<b>No</b>
Teaching staff	43	46
Administrative staff	9	9
Support staff	25	25
	<u>77</u>	<u>80</u>

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

	<b>2020</b>	<b>2019</b>
	<b>No</b>	<b>No</b>
£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 £371,425 (2019 - £345,731).

#### 13 Taxation

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

## Bridgewater School

### Notes to the Financial Statements for the Year Ended 31 August 2020

#### 14 Tangible fixed assets

	Land and buildings £	Fixtures and fittings £	Motor vehicles £	Equipment £	Total £
<b>Cost</b>					
At 1 September 2019	7,464,694	943,637	81,729	366,133	8,856,193
Additions	<u>2,382</u>	<u>18,430</u>	<u>-</u>	<u>21,905</u>	<u>42,717</u>
At 31 August 2020	<u>7,467,076</u>	<u>962,067</u>	<u>81,729</u>	<u>388,038</u>	<u>8,898,910</u>
<b>Depreciation</b>					
At 1 September 2019	1,944,428	858,533	68,400	85,620	2,956,981
Charge for the year	<u>140,863</u>	<u>36,376</u>	<u>3,331</u>	<u>37,485</u>	<u>218,055</u>
At 31 August 2020	<u>2,085,291</u>	<u>894,909</u>	<u>71,731</u>	<u>123,105</u>	<u>3,175,036</u>
<b>Net book value</b>					
At 31 August 2020	<u>5,381,785</u>	<u>67,158</u>	<u>9,998</u>	<u>264,933</u>	<u>5,723,874</u>
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>

Included within the net book value of land and buildings above is £2,557,952 (2019 - £2,696,433) in respect of freehold land and buildings and £2,823,833 (2019 - £2,823,833) 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.

#### 15 Debtors

	2020 £	2019 £
Trade debtors	402,785	340,218
Prepayments and Accrued income	54,524	57,348
Other debtors	<u>2,549</u>	<u>12,974</u>
	<u>459,858</u>	<u>410,540</u>

## Bridgewater School

### Notes to the Financial Statements for the Year Ended 31 August 2020

#### 16 Cash and cash equivalents

	2020 £	2019 £
Cash on hand	183	246
Cash at bank	638,233	814,791
	<u>638,416</u>	<u>815,037</u>

#### 17 Creditors: amounts falling due within one year

	2020 £	2019 £
Bank loans	75,909	66,621
Trade creditors	72,227	108,241
Other taxation and social security	59,688	56,353
Other creditors	234,316	175,364
Accruals and deferred income	672,511	1,066,579
	<u>1,114,651</u>	<u>1,473,158</u>
	<b>2020</b> <b>£</b>	<b>2019</b> <b>£</b>
Deferred income at 1 September 2019	(1,032,680)	(832,716)
Resources deferred in the period	(603,709)	(1,010,440)
Amounts released from previous periods	1,010,440	810,476
Deferred income at year end	<u>(625,949)</u>	<u>(1,032,680)</u>

#### 18 Creditors: amounts falling due after one year

	2020 £	2019 £
Bank loans	<u>1,957,978</u>	<u>2,030,864</u>

## **Bridgewater School**

### **Notes to the Financial Statements for the Year Ended 31 August 2020**

#### **19 Obligations under leases and hire purchase contracts**

##### **Operating lease commitments**

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

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
<b>Land and buildings</b>		
Within one year	<u>2,500</u>	<u>2,500</u>
<b>Other</b>		
Within one year	3,485	3,485
Between one and five years	<u>4,356</u>	<u>7,841</u>
	<u>7,841</u>	<u>11,326</u>

#### **20 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 £419,537 (2019: £280,821).

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 2016.

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

##### **Teachers' Pension Scheme**

###### **Introduction**

The Teachers' Pension Scheme (TPS 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.

## **Bridgewater School**

### **Notes to the Financial Statements for the Year Ended 31 August 2020**

#### **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**

As a result of the latest scheme valuation employer contributions were increased in September 2019 from a rate of 16.4% to 23.6%. Employers also pay a charge equivalent to 0.08% of pensionable salary costs to cover administration expenses.

The next valuation is expected to take effect in 2023.

#### **Scheme Changes**

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, rejected the Government's application for permission to appeal the Court of Appeal's ruling and subsequently referred the case to an Employment Tribunal to determine a 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.

Since then, claims have also been lodged against the main public service schemes including the TPS. The Department has conceded those in line with the rest of the government. In July 2020 HM Treasury launched a 12-week public consultation which will provide evidence to support the delivery of an appropriate remedy for the affected schemes, including TPS.

A final remedy will be determined once the results of the consultation are established.

In December 2019, a further legal challenge was made against the TPS relating to an identified equalities issue whereby male survivors of opposite-sex marriages and civil partnerships are treated less favourably than survivors in same-sex marriages and civil partnerships. The Secretary of State for Education agreed not to defend the case. In June 2020, the Employment Tribunal recorded its findings in respect of the claimant. DfE is currently working to establish what changes are necessary to address this discrimination.

Any impact of these events will be taken into account when the next scheme valuation is implemented. This is scheduled to be implemented in April 2023, based on April 2020 data.

## Bridgewater School

### Notes to the Financial Statements for the Year Ended 31 August 2020

#### Defined Contribution Scheme

The Charity makes a contribution of 3% of salary for support staff 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).

#### 21 Commitments

##### Capital commitments

The total amount contracted for but not provided in the financial statements was £Nil (2019 - £Nil).

#### 22 Funds

	<b>Balance at 1 September 2019 £</b>	<b>Incoming resources £</b>	<b>Resources expended £</b>	<b>Balance at 31 August 2020 £</b>
<b>Unrestricted funds</b>				
General	<u>3,620,767</u>	<u>4,281,296</u>	<u>(4,152,544)</u>	<u>3,749,519</u>
	<b>Balance at 1 September 2018 £</b>	<b>Incoming resources £</b>	<b>Resources expended £</b>	<b>Balance at 31 August 2019 £</b>
<b>Unrestricted funds</b>				
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 2020

#### 23 Analysis of net assets between funds

	Unrestricted funds General £	Total funds at 31 August 2020 £
Tangible fixed assets	5,723,874	5,723,874
Current assets	489,269	489,269
Current liabilities	(495,875)	(495,875)
Creditors over 1 year	<u>(1,967,746)</u>	<u>(1,967,746)</u>
Total net assets	<u>3,749,522</u>	<u>3,749,522</u>
	Unrestricted General £	Total funds 2019 £
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>

#### 24 Financial instruments

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.

#### 25 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.