

COMPANY REGISTRATION NUMBER: 05190072
CHARITY REGISTRATION NUMBER: 1105547

Bridgewater School
Company Limited by Guarantee
Financial Statements
31 August 2018

BEEVER AND STRUTHERS
Chartered accountants & statutory auditor
St. George's House
215 - 219 Chester Road
Manchester
M15 4JE

Bridgewater School
Company Limited by Guarantee
Financial Statements
Year Ended 31 August 2018

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Bridgewater School
Company Limited by Guarantee
Trustees' Annual Report (Incorporating the Director's Report)
Year Ended 31 August 2018

The trustees, who are also the directors for the purposes of company law, present their report and the financial statements of the charity for the year ended 31 August 2018.

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 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, Development, 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 improvement of the

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Year Ended 31 August 2018

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).

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 from the age of 3 to 18.

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 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 standard 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 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 eight 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 the 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 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 whole school 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

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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.

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.

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 saw the continuation of the upward trend in the highest grades. The students and staff thrived despite the pressure posed by the new system. The A*-B grades have increased from last year as well as exceeding this year's school targets. Across the year group the proportion of students achieving 5 good passes was on target whilst one third of grades were at A*/A and the new top grades of 9-7. Overall, almost 60% of grades were at least B or its equivalent in the new system.

At A level the school saw students achieve a 98% pass rate of which almost half of all grades were A*-B and a quarter A*-A. 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, with the PTA organising a highly successful Family Fun Day involving children from the wider community as well as the regular planned events such as Easter Egg Roll and the Prep Disco. All PTA 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.

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Year Ended 31 August 2018

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 continue 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.

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 new 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 has employed a Marketing and Development Manager, whose role is to assist in the delivery of the SSDP in relation to Fundraising and Marketing across the whole 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 current assets are available and adequate to fulfil its obligations.

The school's profit for 2017/18 was £57k, which is £39k higher than the budgeted profit of £18k. The school's cashflow remained strong throughout the year.

Understandably, staffing is the largest cost.

Percentage of staff costs to total income = 74% (75% in 2017/18)

Percentage of staff costs to total costs = 75% (76% in 2017/18)

Despite the above slight reductions from prior year, the full time equivalent staffing has increased to 76, compared to 72 in the prior year. This is a further indication of the increase in income of 6% compared to the prior year.

The school commenced the year in September 2017 with 452 pupils and ended the year with 467 pupils. This is a small decrease from the prior year when pupil numbers at the year end were 471. There has been a reduction in pupil numbers in prep, in particular in infants, but an increase in the senior school.

For the first year, bursarial assistance has not increased but the school has still continued to support 106 families, in line with the school's public benefit obligations, and awarded 45 scholarships across Years 7 to 13.

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Year Ended 31 August 2018

EBITDA required by the bank is 110%. The school exceeded this all year, ending on an EBITDA ratio at August 2018 of 232%.

Plans for future periods

This is supported by the ongoing development to the infrastructure of the school and the provision of improving levels of service and facilities. In terms of the curriculum, the school constantly assesses the ever-changing market place and the demands of pupils both current and prospective. An influence in this area will be the current economic situation and the size of the student body number, with a balance between the provisions of subjects to meet all desires versus what is good for 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 via the Primary Liaison Officer 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.

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 £57k for the 2017/18 year, the school is forecast to make a profit of £168k for 2018/19 and are therefore taking the opportunity to invest within the school, focussing on new buildings in particular. The plan is to convert the wooden prep hall one storey building into a two storey multi-purpose facility. The current plan is for the school to fund 50% of the costs, as there is the capacity within the cashflow to accommodate this; the remaining 50% would be funded via a loan increase from the bank.

Public Benefit

As a registered charity, the school is aware of its public benefit responsibilities and whilst already undertaking numerous tasks to fulfill this role e.g. bursaries, market rates, invitation to local school children to partake in

Principle 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

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Year Ended 31 August 2018

identified are risk to injury to those on site and also potential loss of school's data. The government is proposing an increase in Teachers' Pensions employer contributions from 16.48% to 23.6%. The potential financial impact is approximately £115k from 2019/20 onwards. Discussions are in place with regards to:

- " Leaving the TPS before they apply exit penalties
- " Not offering the scheme to any new members of staff
- " Joining a different pension scheme

The treasury is yet to confirm the actual increase but any increase will have a significant impact on the finances of the school and plans are being put in place by either following the above proposals or considering staff redundancies or increasing the school fees.

Current pupil numbers for 2018/19 are 474. This includes a large student group in Year 13 of 31, whom the school will obviously lose in the summer of 2019. Early Years numbers are currently good but local state schools have doubled their nursery intake which may have a potential impact on our pupil numbers.

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

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.

Trustees' Responsibilities Statement

The Trustees (who are also the Directors of Bridgewater School for the purposes of company law) are responsible for preparing the Trustees Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires that the Trustees prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 company and the income and expenditure of the company for that period.

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in operation.

Bridgewater School

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Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year Ended 31 August 2018

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the 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 company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditor

Beever and Struthers are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

Each of the persons who is a Trustee at the date of approval of this report confirms that:

So far as each Trustee is aware, there is no relevant audit information of which the company's auditor is unaware; and each Trustee has taken all steps that they ought to have taken as a Trustee to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

The trustees' annual report and the strategic report were approved on ..23./11/19..... and signed on behalf of the board of trustees by:



Dr M Moss
Trustee

Bridgewater School

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Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year Ended 31 August 2018

Reference and Administrative Details

Registered charity name	Bridgewater School
Charity registration number	1105547
Company registration number	05190072
Principal office and registered office	Bridgewater School Drywood Hall Worsley Road Worsley M28 2WQ

The Trustees

Dr M Moss
Mr C Houghton
Ms L Tyson (resigned 17 October 2018)
Ms J Jones
Mr S Brenchley (resigned 23 May 2018)
Ms K Mort
Ms K Simpson
Ms A Dagg
Mr M Gatenby (resigned 6 Feb 2018)
Mr N Beesley
Mr C Cheetham (resigned 23 May 2018)
Mr C Ryan (appointed 16 Oct 2017)
Mrs V Gould (appointed 23 May 2018)

Company Secretary Ms E F Davenport

Auditor Beever and Struthers
Chartered accountants & statutory auditor
St. George's House
215 - 219 Chester Road
Manchester
M15 4JE

Bankers Lloyds Bank plc
Bolton Hotel Street
PO Box 1000
BX11LT

The Royal Bank of Scotland Plc
1 Bridgewater Road
Walkden
Worsley
Manchester
M28 6AE

Bridgewater School
Company Limited by Guarantee
Independent Auditor's Report to the Members of Bridgewater School
Year Ended 31 August 2018

Opinion

We have audited the financial statements of Bridgewater School "the charitable company" for the year ended 31 August 2018 which comprise the Statement of Financial Activities, the Summary Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2018 and of its surplus for the year;
- 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 charitable company 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 to you 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 charitable company'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.

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Year Ended 31 August 2018

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the other information. 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.

Opinions 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 which includes the directors' report prepared for the purposes of company law for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within 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 the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which 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.

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Independent Auditor's Report to the Members of Bridgewater School
Year Ended 31 August 2018

Responsibilities of Trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 6, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company'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 charitable company or to cease operations, or have no realistic alternative but to do so.

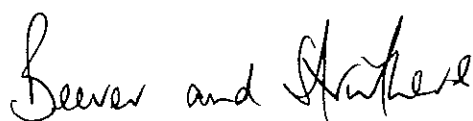
Auditor's responsibilities for the audit of the financial statements

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 web-site at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members 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 the charitable company's members 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
Chartered Accountants and Statutory Auditor

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

Date: 25 April 2019

Bridgewater School

Company Limited by Guarantee

Statement of Financial Activities (including income and expenditure account)

Year Ended 31 August 2018

		2018		2017
	Note	Unrestricted funds £	Total funds £	Total funds £
Income and endowments				
Charitable activities	5	3,761,053	3,761,053	3,544,164
Other trading activities	6	35,422	35,422	34,566
Investment income	7	2	2	1,894
Other income	8	10,804	10,804	24,746
Total income		<u>3,807,281</u>	<u>3,807,281</u>	<u>3,605,370</u>
Expenditure				
Expenditure on charitable activities	9,10	3,749,671	3,749,671	3,603,427
Total expenditure		<u>3,749,671</u>	<u>3,749,671</u>	<u>3,603,427</u>
Net income and net movement in funds		<u>57,610</u>	<u>57,610</u>	<u>1,943</u>
Reconciliation of funds				
Total funds brought forward		3,367,593	3,367,593	3,365,650
Total funds carried forward		<u>3,425,203</u>	<u>3,425,203</u>	<u>3,367,593</u>

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing activities.

The notes on pages 15 to 26 form part of these financial statements.

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Statement of Financial Position
31 August 2018

	Note	2018 £	£	2017 £	£
Fixed assets					
Tangible fixed assets	16		6,001,499		6,064,332
Current assets					
Debtors	17	388,519		336,781	
Cash at bank and in hand		<u>469,093</u>		<u>429,574</u>	
		857,612		766,355	
Creditors: Amounts Falling due Within One Year	18	<u>1,338,297</u>		<u>1,299,576</u>	
Net current liabilities			<u>480,685</u>		<u>533,221</u>
Total assets less current liabilities			<u>5,520,814</u>		<u>5,531,111</u>
Creditors: Amounts Falling due after More than One Year	19		<u>2,095,611</u>		<u>2,163,518</u>
Net assets			<u>3,425,203</u>		<u>3,367,593</u>
Funds of the charity					
Unrestricted funds			<u>3,425,203</u>		<u>3,367,593</u>
Total charity funds	21		<u>3,425,203</u>		<u>3,367,593</u>

These financial statements were approved by the board of trustees and authorised for issue on ..23/11/18., and are signed on behalf of the board by:



Dr M Moss
Trustee

The notes on pages 15 to 26 form part of these financial statements.

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Statement of Cash Flows
Year Ended 31 August 2018

	2018 £	2017 £
Cash flows from operating activities		
Net income	57,610	1,943
<i>Adjustments for:</i>		
Depreciation of tangible fixed assets	198,322	179,383
Other interest receivable and similar income	(2)	(1,894)
Interest payable and similar charges	73,539	53,706
Accrued expenses	33,076	131,758
<i>Changes in:</i>		
Trade and other debtors	(51,738)	(41,290)
Trade and other creditors	3,415	39,435
Cash generated from operations	314,222	363,041
Interest paid	(73,539)	(53,706)
Interest received	2	1,894
Net cash from operating activities	<u>240,685</u>	<u>311,229</u>
Cash flows from investing activities		
Purchase of tangible assets	(135,489)	(164,415)
Net cash used in investing activities	<u>(135,489)</u>	<u>(164,415)</u>
Cash flows from financing activities		
Proceeds from borrowings	(65,677)	(63,954)
Net cash used in financing activities	<u>(65,677)</u>	<u>(63,954)</u>
Net increase in cash and cash equivalents	39,519	82,860
Cash and cash equivalents at beginning of year	429,574	346,714
Cash and cash equivalents at end of year	<u>469,093</u>	<u>429,574</u>

The notes on pages 15 to 26 form part of these financial statements.

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Notes to the Financial Statements
Year Ended 31 August 2018

1. General Information

The charity is a public benefit entity and a private company limited by guarantee, registered in England and Wales and a registered charity in England and Wales. The address of the registered office is Bridgewater School, Drywood Hall, Worsley Road, Worsley, M28 2WQ.

2. Statement of Compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the 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)) and the Companies Act 2006.

3. Accounting Policies

Basis of Preparation

The financial statements have been prepared on the historical cost basis.

The financial statements are prepared in sterling, which is the functional currency of the entity.

The charity constitutes a public benefit entity as defined by FRS 102.

Going Concern

The trustees assess whether the use of going concern is appropriate i.e whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The trustees make this assessment in respect of a least one year from the date of authorisation for issue of the financial statements and have concluded that the Charity has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Charity's ability to continue as a going concern basis of accounting in preparing the financial statements.

Judgements and Key Sources of Estimation Uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The charity makes estimates and assumptions concerning the future. The charity considers that none of the estimates and assumptions made have a significant risk of causing a material adjustment to the carrying value of assets and liabilities within the next financial year.

Fund Accounting

Funds held by the charity are unrestricted funds - these are funds which can be used in accordance with the charitable objectives at the discretion of the trustees.

Bridgewater School
Company Limited by Guarantee
Notes to the Financial Statements *(continued)*
Year Ended 31 August 2018

3. Accounting Policies *(continued)*

Incoming Resources

All income is included in the statement of financial activities when entitlement has passed to the charity, it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- income from school fees represent amounts receivable for the school period ending 31 August for teaching and associated services provided. Fees receivable are stated after deducting allowances, scholarships, bursaries and other remissions granted by the school from its unrestricted funds.
- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- legacy income is recognised when receipt is probable and entitlement is established.
- income from donated goods is measured at the fair value of the goods unless this is impractical to measure reliably, in which case the value is derived from the cost to the donor or the estimated resale value. Donated facilities and services are recognised in the accounts when received if the value can be reliably measured. No amounts are included for the contribution of general volunteers.

Resources Expended

Liabilities are recognised as expenditure once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Resources expended are included in the Statement of Financial Activities on an accruals basis, inclusive of any VAT which cannot be recovered.

- Charitable activities include expenditure associated with tuition, school meals, school trips and other associated activities and include both the direct costs and support costs relating to these activities.
- Governance costs include those incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements.
- Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources.

Operating Leases

Rentals under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

Tangible Assets

All fixed assets are initially recorded at cost.

Bridgewater School
Company Limited by Guarantee
Notes to the Financial Statements *(continued)*
Year Ended 31 August 2018

3. Accounting Policies *(continued)*

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Freehold Property	-	2% straight line
Long Leasehold Property	-	2% straight line
Fixtures & Fittings	-	10-25% Straight line
Motor Vehicles	-	25% reducing balance
Equipment	-	10-20% Straight line

Impairment of Fixed Assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

Financial Instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 17. Prepayments are not financial instruments.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 18, 19 and 23. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

Bridgewater School

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year Ended 31 August 2018

3. Accounting Policies *(continued)*

Defined Contribution Plans

Retirement benefits to academic and related staff of the Charity are provided by the Teachers' Pension Scheme ('TPS').

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

Retirement benefits to administrative staff of the Charity are provided by a defined contributions scheme. Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided.

4. Limited by Guarantee

The Charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding-up is limited to £10.

5. Charitable Activities

	Unrestricted Funds £	Total Funds 2018 £	Unrestricted Funds £	Total Funds 2017 £
School Fees	4,535,124	4,535,124	4,284,039	4,284,039
Discounts	(264,637)	(264,637)	(244,628)	(244,628)
Bursaries and Scholarships	(710,169)	(710,169)	(690,766)	(690,766)
Coach Fees	97,804	97,804	92,643	92,643
Other income	102,931	102,931	102,876	102,876
	<u>3,761,053</u>	<u>3,761,053</u>	<u>3,544,164</u>	<u>3,544,164</u>

6. Other Trading Activities

	Unrestricted Funds £	Total Funds 2018 £	Unrestricted Funds £	Total Funds 2017 £
Hire of facilities	<u>35,422</u>	<u>35,422</u>	<u>34,566</u>	<u>34,566</u>

Bridgewater School
Company Limited by Guarantee
Notes to the Financial Statements *(continued)*
Year Ended 31 August 2018

7. Investment Income

	Unrestricted Funds	Total Funds 2018	Unrestricted Funds	Total Funds 2017
	£	£	£	£
Bank interest receivable	<u>2</u>	<u>2</u>	<u>1,894</u>	<u>1,894</u>

8. Other Income

	Unrestricted Funds	Total Funds 2018	Unrestricted Funds	Total Funds 2017
	£	£	£	£
PTA donation	1,209	1,209	7,971	7,971
Other donations	<u>9,595</u>	<u>9,595</u>	<u>16,775</u>	<u>16,775</u>
	<u>10,804</u>	<u>10,804</u>	<u>24,746</u>	<u>24,746</u>

The PTA donation is a donation of items purchased for the school.

9. Expenditure on Charitable Activities by Fund Type

	Unrestricted Funds	Total Funds 2018	Unrestricted Funds	Total Funds 2017
	£	£	£	£
Charitable activities	3,078,453	3,078,453	2,981,890	2,981,890
Support costs	<u>671,218</u>	<u>671,218</u>	<u>621,537</u>	<u>621,537</u>
	<u>3,749,671</u>	<u>3,749,671</u>	<u>3,603,427</u>	<u>3,603,427</u>

10. Expenditure on Charitable Activities by Activity Type

	Activities undertaken directly	Support costs	Total funds 2018	Total fund 2017
	£	£	£	£
Charitable activities	3,078,453	664,479	3,742,932	3,596,887
Governance costs	<u>—</u>	<u>6,739</u>	<u>6,739</u>	<u>6,540</u>
	<u>3,078,453</u>	<u>671,218</u>	<u>3,749,671</u>	<u>3,603,427</u>

The Governance costs relate wholly to Auditors Remuneration in respect of the statutory audit of the Charity's accounts.

Bridgewater School
Company Limited by Guarantee
Notes to the Financial Statements *(continued)*
Year Ended 31 August 2018

11. Analysis of Support Costs

	Analysis of support costs	Total 2018	Total 2017
	£	£	£
Staff costs	517,202	517,202	484,681
General office	122,483	122,483	105,284
Legal and professional	18,487	18,487	19,328
Bank charges	6,306	6,306	5,704
	<u>664,478</u>	<u>664,478</u>	<u>614,997</u>

12. Net Income

Net income is stated after charging/(crediting):

	2018	2017
	£	£
Depreciation of tangible fixed assets	198,322	179,383
Operating lease rentals	<u>17,809</u>	<u>18,155</u>

13. Auditors Remuneration

	2018	2017
	£	£
Fees payable for the audit of the financial statements	<u>6,738</u>	<u>6,540</u>
Fees payable to the charity's auditor and its associates for other services: Other non-audit services	<u>3,160</u>	<u>526</u>
Fees payable in respect of the charity's pension scheme: Audit of the pension scheme	<u>750</u>	<u>630</u>

14. Staff Costs

The total staff costs and employee benefits for the reporting period are analysed as follows:

	2018	2017
	£	£
Wages and salaries	2,297,423	2,205,820
Social security costs	211,747	195,057
Employer contributions to pension plans	253,971	299,331
	<u>2,763,141</u>	<u>2,700,208</u>

The average head count of employees during the year was 76 (2017: 72). The average number of full-time equivalent employees during the year is analysed as follows:

	2018	2017
	No.	No.
Number of teaching and administrative staff	<u>76</u>	<u>72</u>

Bridgewater School
Company Limited by Guarantee
Notes to the Financial Statements (continued)
Year Ended 31 August 2018

14. Staff Costs (continued)

The number of employees whose remuneration for the year fell within the following bands, were:

	2018	2017
	No.	No.
£60,000 to £69,999	2	2
£70,000 to £79,999	1	1
	<u>3</u>	<u>3</u>

The key management personnel of the Charity comprise the Trustees and the Senior Management Team. The Senior Management Team consists of the Head Teacher, Deputy Head Teachers and the School Bursar. The employee benefits of the Senior Management Team of the Charity were £337,696 (2017: £321,107). Details of payments to Trustees are included Note 15.

15. Trustee Remuneration and Expenses

No remuneration or other benefits from employment with the charity or a related entity were received by the trustees (2017: Nil). No expenses were paid to trustees during the year (2017: Nil)

16. Tangible Fixed Assets

	Freehold property £	Long leasehold property £	Fixtures and fittings £	Motor vehicles £	Equipment £	Total £
Cost						
At 1 Sep 2017	3,618,718	3,815,637	866,867	81,728	228,971	8,611,921
Additions	25,196	–	56,156	–	54,137	135,489
At 31 Aug 2018	<u>3,643,914</u>	<u>3,815,637</u>	<u>923,023</u>	<u>81,728</u>	<u>283,108</u>	<u>8,747,410</u>
Depreciation						
At 1 Sep 2017	863,630	799,635	798,341	58,032	27,951	2,547,589
Charge for the year	64,005	76,355	27,153	5,924	24,885	198,322
At 31 Aug 2018	<u>927,635</u>	<u>875,990</u>	<u>825,494</u>	<u>63,956</u>	<u>52,836</u>	<u>2,745,911</u>
Carrying amount						
At 31 Aug 2018	<u>2,716,279</u>	<u>2,939,647</u>	<u>97,529</u>	<u>17,772</u>	<u>230,272</u>	<u>6,001,499</u>
At 31 Aug 2017	<u>2,755,088</u>	<u>3,016,002</u>	<u>68,526</u>	<u>23,696</u>	<u>201,020</u>	<u>6,064,332</u>

At 31 August 2018, included within the net book value of land and building is £2,716,279 (2017 - £2,755,088) in relation to freehold land and buildings and £2,939,647 (2017 - £3,016,002) relating to long term leasehold land and buildings.

Included within the cost of long leasehold property is £80,976 (2017 - £80,976) in respect of interest capitalised during the construction of the school's new sports hall.

Bridgewater School
Company Limited by Guarantee
Notes to the Financial Statements *(continued)*
Year Ended 31 August 2018

17. Debtors

	2018	2017
	£	£
Trade debtors	328,414	277,034
Prepayments and accrued income	50,241	51,437
Other debtors	9,864	8,310
	<u>388,519</u>	<u>336,781</u>

18. Creditors: Amounts Falling due Within One Year

	2018	2017
	£	£
Bank loans and overdrafts - note 23	68,430	66,200
Trade creditors	83,971	100,110
Accruals and deferred income	937,787	904,711
Social security and other taxes	53,270	50,741
Other creditors	194,839	177,814
	<u>1,338,297</u>	<u>1,299,576</u>

19. Creditors: Amounts Falling due after More than One Year

	2018	2017
	£	£
Bank loans and overdrafts - note 23	<u>2,095,611</u>	<u>2,163,518</u>

20. Pensions and Other Post Retirement Benefits

Defined contribution plans

The amount recognised in income or expenditure as an expense in relation to defined contribution plans was £253,971 (2017: £299,331).

Bridgewater School
Company Limited by Guarantee
Notes to the Financial Statements *(continued)*
Year Ended 31 August 2018

20. Pensions and Other Post Retirement Benefits *(continued)*

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

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

Valuation of the Teachers' Pension Scheme

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

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%))
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations

Bridgewater School
Company Limited by Guarantee
Notes to the Financial Statements *(continued)*
Year Ended 31 August 2018

20. Pensions and Other Post Retirement Benefits *(continued)*

- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

During the previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

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

Under the definitions set out in Financial Reporting Standard 102 (FRS 102), the TPS is a multi-employer pension scheme. The 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.

Contribution to Teachers' Pension Scheme

Defined Contribution Scheme

The Charity makes a contribution of 3% of salary to this pension scheme 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 £8,382 (2017: £7,359).

21. Analysis of Charitable Funds

Unrestricted funds

	At 1 September 2 017	Income	Expenditure	At 31 August 201 8
	£	£	£	£
General funds	<u>3,367,593</u>	<u>3,807,281</u>	<u>(3,749,671)</u>	<u>3,425,203</u>

	At 1 September 2 016	Income	Expenditure	At 31 August 201 7
	£	£	£	£
General funds	<u>3,365,650</u>	<u>3,605,370</u>	<u>(3,603,427)</u>	<u>3,367,593</u>

Bridgewater School
Company Limited by Guarantee
Notes to the Financial Statements *(continued)*
Year Ended 31 August 2018

22. Analysis of Net Assets Between Funds

	Unrestricted Funds	Total Funds
	£	2018 £
Tangible fixed assets	6,001,499	6,001,499
Current assets	857,612	857,612
Creditors less than 1 year	(1,338,297)	(1,338,297)
Creditors greater than 1 year	(2,095,611)	(2,095,611)
Net assets	<u>3,425,203</u>	<u>3,425,203</u>

	Unrestricted Funds	Total Funds
	£	2017 £
Tangible fixed assets	6,064,332	12,128,664
Current assets	766,355	1,532,710
Creditors less than 1 year	(1,299,576)	(2,599,152)
Creditors greater than 1 year	(2,163,518)	(4,327,036)
Net assets	<u>3,367,593</u>	<u>6,735,186</u>

23. Financial Instruments

The carrying amount for each category of financial instrument is as follows:

	2018 £	2017 £
Financial liabilities measured at amortised cost		
Bank loan payable falling due within 1 year	68,430	66,200
Bank loan payable falling due in more than 1 year but less than 5	294,756	286,489
Bank loan payable falling due after 5 years	1,800,854	1,877,029
	<u>2,164,040</u>	<u>2,229,718</u>

The bank loan is secured by 2 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 at 2.0% above the banks base rate with interest applied to one half of the original loan (£1.175m) being protected / hedged at a fixed rate of 4.31% for the term of the loan.

24. Capital Commitments

Capital expenditure contracted for but not provided for in the financial statements is as follows:

	2018 £	2017 £
Tangible fixed assets	<u>11,334</u>	<u>40,015</u>

Bridgewater School
Company Limited by Guarantee
Notes to the Financial Statements *(continued)*
Year Ended 31 August 2018

25. Operating Lease Commitments

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

	2018	2017
	£	£
Not later than 1 year	18,180	14,695
Later than 1 year and not later than 5 years	11,326	12,195
	<u>29,506</u>	<u>26,890</u>

26. Related Parties

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. No further related party transactions requiring disclosure were undertaken.