

Registered Company Number: 05458883
Registered Charity Number: 1110703

BOLTON SCHOOL
(Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018



BOLTON SCHOOL

CONTENTS

Contents	Page
Governors, Officers and Advisors	1 - 2
Annual Report of the Governors and Strategic Report	3 - 14
Independent Auditors' Report	15 - 17
Consolidated Statement of Financial Activities	18
Balance Sheets	19
Consolidated Cash Flow Statement	20 - 21
Notes to the Financial Statements	22 - 55

BOLTON SCHOOL

GOVERNORS, OFFICERS AND ADVISORS

FOR THE YEAR ENDED 31 AUGUST 2018

GOVERNORS AND CHARITY TRUSTEES

All Governors and Trustees are directors of the School. They have all served in office throughout the year except where indicated.

Mr M T Griffiths (Chairman) **	
Mr G Apsion	
Mr C A Cowling * **	
Mrs H Critchlow	
Ms K Diggle	
Mr E Fairweather *	
Mrs S E Fisher	
Mr J R B Gould	(resigned 7 December 2018)
Mrs A Hundle	
Mr R Ogilvie	
Mr A D Oldershaw	(resigned 7 December 2018)
Mr D Mohyuddin	
Mr A Palmer *	
Mrs L Relph	
Mr I Riley **	
Mrs C Topham	(resigned 7 December 2018)
Miss A J Valentine *	
Miss S Huang	(appointed 5 October 2018)

COMPANY SECRETARY:

Mrs C L Fox

OFFICERS:

Headmaster	Mr P Britton MBE
Headmistress	Miss S Hincks
Clerk & Treasurer to the Governors	Mrs C L Fox
Address	Chorley New Road Bolton BL1 4PA
Website	www.boltonschool.org

Notes

* Member of the Finance Committee

** Member of the Investment Committee

BOLTON SCHOOL

GOVERNORS, OFFICERS AND ADVISORS

FOR THE YEAR ENDED 31 AUGUST 2018

ADVISORS:

Bankers: The Royal Bank of Scotland PLC
46-48 Deansgate
Bolton
BL1 1BH

Solicitors: Berrymans Lace Mawer
Kings House
42 King Street West
Manchester
M3 2NU

Auditors: Crowe U.K. LLP (previously Crowe Clark Whitehill LLP)
The Lexicon
Mount Street
Manchester
M2 5NT

Investment Advisers: UBS AG
1 Finsbury Avenue
London
EC2M 2AN

Dewhurst Torevell & Co. Ltd
5 Oxford Court
Manchester
M2 3WQ

Partners Capital LLP
5th Floor
5 Young Street
London W8 5EH

Insurance Broker: Marsh Ltd
Capital House
1-5 Perrymount Road
Haywards Heath
West Sussex
RH16 3SY

Actuaries: Scottish Life
19 St Andrews Square
Edinburgh
EH2 1YE

BOLTON SCHOOL

ANNUAL REPORT OF THE GOVERNORS AND STRATEGIC REPORT

FOR THE YEAR ENDED 31 AUGUST 2018

The Governors have pleasure in presenting their annual report for the year ended 31 August 2018, under the Charities Act 2011 and the Companies Act 2006, together with the audited financial statements for the year, and confirm that the latter comply with the requirements of the Act, the Governing Document and the Charities SORP 2015.

REFERENCE AND ADMINISTRATIVE INFORMATION

Bolton School was created under a Scheme of Administration dated 1 April 1915, which joined together the Bolton Grammar School, originally founded ante 1516, with the Bolton High School for Girls, founded in 1877. The School is constituted as a charitable company, which is also sole corporate trustee of The Bolton School Foundation (the Foundation) regulated by a Scheme of the Charity Commissioners dated 20 December 2006. The Company itself is registered under Charity number 1110703, and as a company limited by guarantee (under Company Number 05458883) and is regulated by its Memorandum and Articles of Association dated 20 May 2005. A Uniting Direction, to expedite the administration and to combine the financial statements of the two entities and sixty one other associated charities was granted by the Charity Commission and this formed part of the Scheme. The financial statements have been prepared on the basis of the Uniting Direction dated 3 November 2009.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Governing Body determines the strategic direction and general policy of Bolton School. The Governors co-ordinate their responsibilities through the following committees; Appeals, Appointments, Bursary, Consultative, Development, Finance, Investment, Estates and a Limited Trading Company. The Executive Committee, comprising a Governor and the Senior Officers provides the essential link between day to day management and long term Governance issues. Most of these committees meet each term, usually before the meeting of the full Governing Body. All members of the Governing Body are recruited by invitation, dependent on their skills, talent, expertise and experience, following approval from the Board. New Governors are inducted into the workings of the Charity and its Schools, including policy and procedures, through a series of meetings with the Clerk and Treasurer, the Headmaster and Headmistress. The Main Board of Governors normally meets six times a year, alternating an operational report meeting with a discussion covering strategic topics. These strategic meetings also provide useful Governor training on whole school issues.

The day to day management of Bolton School is delegated to the Headmaster, the Headmistress and the Clerk and Treasurer, who attend the Governing Body meetings and associated committees. The Governors of the School who served during the year are shown on page 1. Particulars of the Charity's professional advisors are also given on page 2. Please see note 19 of this document for details regarding other charities connected to Bolton School. The Charity has a wholly owned non-charitable subsidiary, Bolton School Services Limited, whose activities and trading performance are detailed in this report.

Bolton School actively supports the attainment of the highest standards in the Independent Schools' sector, partly through networking with other major schools and partly through peer group studies for the evaluation of quality and performance improvement methods. We also co-operate with many local charities in our ongoing endeavours to widen public access to the schooling we can provide, to optimise the use of our cultural and sporting facilities and to awaken in our pupils an awareness of the social context of the all-round education they receive at Bolton School. The School also benefits from the generosity of a thriving network of alumni whose close support we greatly appreciate and gladly acknowledge.

EMPLOYEE INFORMATION

The Foundation operates as one employer and takes a responsible view in the affairs concerning all of its employees. Professional and robust policies and procedures exist, that adhere to current employment law, for all matters, before, during and after a member of staff's relationship with the organisation. A thorough process of Continuous Professional Development is managed across all five Schools, the Nursery and the service departments.

BOLTON SCHOOL

ANNUAL REPORT OF THE GOVERNORS AND STRATEGIC REPORT FOR THE YEAR ENDED 31 AUGUST 2018

The Foundation has a Consultative Committee involving Governors, Senior Executive Officers and employees represented from all areas, which meets once a term to discuss and debate current issues and obtain feedback on a variety of topics. Throughout the academic year, the Executive Committee reviews and develops a wide portfolio of whole School policies and procedures for employment and safety aspects. All employees also have the opportunity to meet within their respective departments on a regular basis and are provided with updates regarding the factors affecting the Foundation's performance. The Foundation operates a recruitment and application policy that complies with the latest employment legislation to ensure a fair selection procedure is applied for all external and internal applicants. During the year, the Foundation consulted with all members of staff concerning many varied matters and policies.

The Headmaster, the Headmistress and the Clerk and Treasurer are the key management personnel of the charity. Their remuneration is set by Governors who hold a Senior Officers' Remuneration Committee meeting annually. The remuneration is set by reference to relevant benchmarks and reports in the sector for comparable roles.

INVESTMENT POLICY AND OBJECTIVES

The investment objectives of Bolton School are to maintain the real value of the investment portfolio by achieving an annualised total return of UK RPI + 4% pa over the economic cycle. This will enable regular transfers to School to fund bursaries, whilst maintaining the real value of the fund in line with School fee inflation.

The investment objectives are to be achieved by an investment portfolio with a moderate/high risk profile but viewed with a medium to long term time horizon, comprised mainly of equities with a bias towards overseas holdings.

Bolton School retains the services of UBS Wealth Management Ltd, Dewhurst Torevell & Co. Ltd and Partners Capital LLP who, between them, manage the portfolio on a discretionary basis, apart from Dewhurst Torevell & Co. Ltd who act on an advisory basis, and report termly to the Governing Body via the Investment Committee. This committee meets with the investment managers regularly throughout the year to review investment performance, risk, asset allocation and objectives. Performance is reported against suitable benchmarks over a variety of periods.

OBJECTS, AIMS, OBJECTIVES AND PUBLIC BENEFIT, ACTIVITIES

Objects

The Objects of the Charity shall be the provision and conduct in or near Bolton of a day School for boys and girls and the similar provision and conduct (in or near Bolton) of a day Nursery for boys and girls.

Bolton School educates some 2,300 pupils from 0 to 18 years old, and we are confident we will continue to operate around this capacity for the foreseeable future. This is a result of our continued resolve to give equal emphasis to a very high standard of academic achievement and to the full range of cultural, sporting and social activities which ensure a fully rounded education. An open access policy is in place to encourage bright pupils who are awarded a bursary to attend, even if their parents are not able to afford the fees. The resulting wide and inclusive social mix within School is an important part of our ethos. In 2017/18, 21% of the Senior School's pupils received some form of financial assistance. Many of these pupils received a full fee bursary. The School draws many of its students from beyond the immediate Bolton post codes.

Aims

Bolton School aims to maintain its heritage endowment. The buildings are Grade II listed. The School also has various other permanent endowments requiring it to preserve for posterity various works of art, artefacts, books and historical documents relating to the School's history, as well as a number of unendowed trust funds held for special purposes in connection with the development of the Schools' facilities as well as for bursaries, prizes and other educational purposes.

BOLTON SCHOOL

ANNUAL REPORT OF THE GOVERNORS AND STRATEGIC REPORT

FOR THE YEAR ENDED 31 AUGUST 2018

Focus continues to be on the achievement of strong academic performance, further widening of access to the education provided by the Schools, improving the Schools' facilities and increasing the involvement of pupils in extra-curricular activities and enrichment.

Objectives and Public Benefit

Our objectives are set to reflect our educational aims and the ethos of Bolton School. It is important to us that we maintain and enhance the academic success of the School. This objective is set in the context of the broader goals we set for the School and its pupils.

In setting our objectives and planning our activities the Governors have given careful consideration to the Charity Commission's general guidance on public benefit, advancing education and on fee-charging.

Bolton School welcomes pupils from all backgrounds. To admit a prospective pupil we need to be satisfied that our School will be able to educate and develop them to the best of their potential and in line with the general standards achieved by their peers. Entrance interviews and assessments are undertaken to satisfy ourselves and parents that the pupil will be able to cope with the pace of learning and benefit from the education we provide. Economic status, gender, ethnicity, race, religion or disability do not form part of our assessment process.

We are an equal opportunity organisation and are committed to a working environment that is free from any form of discrimination on the grounds of colour, race, ethnicity, sex, sexual orientation or disability. We will make reasonable adjustments to meet the needs of staff or pupils who are or become disabled.

It is important to us that access to the education we offer is not restricted to those who can afford our fees. We believe our pupils benefit from learning within a diverse community. A great deal of learning occurs through social interaction, conversation and shared experience, which helps our pupils develop an understanding of the perspectives of other people that will be vital in their adult lives.

The Governors view our bursary awards as important in helping to ensure children from families who would otherwise not be able to afford the fees can access the education we offer. Our bursary awards are available to all who meet our general entry requirements and are made on the basis of academic achievement and calculated by reference to parental means or to relieve hardship where a pupil's education and future prospects would otherwise be at risk, for example in the case of redundancy. In assessing means we take a number of factors into consideration including family income, net assets, savings and family circumstances, for example dependant relatives and the number of siblings.

The bursary awards range from 10% to 100% remission of fees. There is also a hardship fund that can supplement bursary awards to pay for extra-curricular activities, equipment and school trips. Information about fee assistance through bursaries is provided to all applying to the School. Further details of our bursary policy and how to apply are available on our website and are widely publicised.

In addition to all of the above, the five Schools and the Nursery have continued to extend their community and outreach activities, their indirect activities, which include mentoring vulnerable children, enabling bright children to enjoy our facilities and teaching and income generation for local, regional and national Charities. The School has an extensive public benefit portfolio.

BOLTON SCHOOL

ANNUAL REPORT OF THE GOVERNORS AND STRATEGIC REPORT

FOR THE YEAR ENDED 31 AUGUST 2018

At Bolton School we fully recognise the DfE / ISC joint understanding of May 2018, which sets out an understanding in relation to independent / state school partnership working and we promote cross sector partnerships as we feel strongly that the School has an important role to play in the success and aspirations of the town. To ensure the strategic nature of such work, regular meetings are held with Bolton council members and officers on an at least an annual basis. The Heads are full members of the Bolton Learning Partnership, which draws together all the local secondary school leaders to share expertise and discuss issues. Examples of current projects include our role as a hub school for the DfE Stimulating Physics Initiative (which has involved work with 17 local secondary schools), engagement with North West schools of the United Learning Trust on staff professional development, involvement in peer mentoring and Governance at two local schools and a project focused on HE aspirations with the local UTC. We have continued primary maths provision for local primary schools, which for a time was an ISSP funded project. A further example of engagement is our role as one of four partners in the Bolton Sports Alliance, a group of charitable organisations seeking to use expertise and contacts to provide high quality PE to local primary schools. We strongly believe that this planned engagement across a range of schools provides better support for all the young people in the community we live in than sponsorship of one local academy.

Our bursary funding is targeted significantly at children from lower income households to support social mobility. We currently spend almost £2.8m per annum on these bursaries, supporting 1 in 5 children who attend the senior school, many of whom receive 100% bursaries.

We have also been engaged with setting up the first state/independent school national SCITT (school-centred initial teacher training) in both Modern Foreign Languages and in Maths and Physics.

Bolton School organises a number of evening lectures of intellectual interest and a series of community concerts to which the public, including local state school pupils and teachers, are invited. In addition, the School hosts the Historical Association monthly meetings free of charge.

Two posts are funded across the Foundation to promote voluntary work by students and significant numbers of pupils become involved in projects in the community, for example in a local care home for the elderly, the local hospice and in several local Primary and High Schools. The provision of a monthly 'afternoon tea' at school for older members of our local community has been well received and adds to social cohesion. In another project pupil volunteers, with their teacher, provide science lessons for primary school children in two local schools, as part of their curriculum rather than as an enrichment activity.

There is much more value to a Bolton School education than academic education. The Charity is continuing to develop wider community links and to deepen existing relationships. These community links continue to thrive with many thousands of hours of voluntary service completed by the Sixth Form. Our SHINE Project, 'serious fun on Saturdays' for local children from Primary Schools close to Bolton School in Years 5 and 6, is a huge success. This programme helps raise the aspirations of bright children of limited means, by providing them with access to our facilities and staff expertise every Saturday morning over a 12 week period.

Bolton School was an extremely proud recipient of the Queen's Award for Voluntary Service (QAVS) in 2017. This unique UK national honour was created by The Queen in 2002 to mark the occasion of her Golden Jubilee, recognising excellence in voluntary activities carried out by groups in the community. It is the highest accolade given to local volunteer groups and is the equivalent of an MBE for an individual. The award represents a tremendous achievement for Bolton School and we are delighted to have won this recognition for the wide range of community activities and thousands of hours of voluntary service that our pupils are involved with.

This year Bolton School won the TES Independent Schools Award for 'Whole School Community initiative of the year'. TES described Bolton School as having a sterling record for being absolute leaders in the sector in community work.

There are regular meetings with senior officers from the Local Authority and from local interest groups to discuss how the School can continue to develop support for local provision. Aside from the extensive charitable collections made in school we have developed a programme of widening community access to facilities, at fee rates below commercial levels and sometimes free of charge. The Scout Headquarters, the Sports Hall, and BSSL's Summer School programme named Kidzone, continue to operate successfully.

BOLTON SCHOOL

ANNUAL REPORT OF THE GOVERNORS AND STRATEGIC REPORT

FOR THE YEAR ENDED 31 AUGUST 2018

Bolton School operates partnership activities with local state schools and the local community through its trading company BSSL. Children and adults from all backgrounds and from the wider community take part in these activities which are accessible by all members of the public, not just Bolton School pupils. For example, the Bolton Splash Swim Club continues to develop in a positive manner. The number of children currently enrolled is in excess of 700, with classes taking place over most weekends and evenings during the week. Our links with Bolton Metro and Bolton Amateur Swimming Club have proven successful, with children having the opportunity of a direct path into competitive swimming. The one week intensive swim clubs are also extremely popular as are the Life Guard ASA training and NRSTAC courses which continue to run over school holiday periods along with several other swim related activities and sessions for children from the local community. Devonshire Road Primary School and Gaskell Street Primary School utilise the School's pool for their school swimming lessons.

BSSL Multisport and Activity Camps take place in all of our school holidays with over 1,700 children attending. The activities run this year were Multi-Sports Camps, Stage Camps, Football Camps, Outdoor Adventure Camps, Netball Camps and the Freddie Flintoff Cricket Camp.

Children's themed parties continue to be popular and various sports clubs regularly hold events, games and competitions at Bolton School using our extensive grounds and enabling members of the local community to enjoy our facilities.

Efforts to build sporting partnerships and to deliver swimming lessons continue with several local primary and senior schools. The School's sports hall and swimming pool are almost fully booked out for public access and partnership events during the times when School does not require the facilities.

Kidzone, Bolton School's child care setting, provides before and after school care for Bolton School pupils and also Holiday Clubs over the year for children from any school in the area.

During the course of the year the School's outdoor learning and education centre, Patterdale Hall located in the Lake District, has participated widely with local and national initiatives that engage with the community and groups of underprivileged and disadvantaged youth, providing further public benefit. Examples of this work includes delivery in partnership of the Nation Citizenship Service with Inspira. This includes groups from all over the north of the country with the main aim of the programme being social responsibility. Our staff at the Hall liaise widely with local land owners and with the local National Trust land manager to ensure that use of the wider area is both sustainable and harmonious, and all parties can achieve their objectives of access, environment, adventure and sustainable business. They work free of charge with the local Patterdale CofE primary school in providing a day of activities a year to this small community school, helping to engage the students with their environment which they might otherwise find to be inaccessible. The Hall offers highly subsidised Scout weekends for Scouts to achieve their "nights away" badges and visit the beautiful Lake District National Park. The Hall works closely with Search and Rescue Dogs England, Wales and the Lake District providing a suitable training venue for them. Staff at the Hall also work with the Institute for Outdoor Learning and the Association of Heads of Outdoor Education Centres to help evaluate and promote the long lasting valuable public, community and personal benefits of learning away and outdoor adventure. Ultimately, all profits raised from Patterdale Hall activities are directed into the charitable bursary fund of Bolton School.

At the end of the academic year, it was felt that matters at the School were moving forward in a very positive and pro-active way, with the Foundation structure operating efficiently and effectively and with all parts of the Foundation in good heart.

BOLTON SCHOOL

ANNUAL REPORT OF THE GOVERNORS AND STRATEGIC REPORT

FOR THE YEAR ENDED 31 AUGUST 2018

Activities

Bolton School aims in all its parts to provide an all-round academic education for each individual, with wide spread participation in extra-curricular activities, supportive pastoral care, and a focus on developing leadership and outreach in an appropriate way in the local, national and international community.

This focus begins in the Nursery. The Nursery has developed and grown over the years and we now offer parents a choice of the traditional nursery setting which operates year round or the Nursery Class setting, which has a teacher-led focus and operates during term time only. The pastoral care, sense of community and focus on learning is also prevalent at Kidzone, our BSSL managed wrap-around care service and holiday club which also offers a long list of popular activities. The co-educational Infant School, Beech House, is located in magnificent modern spacious accommodation that allows the engaging and innovative curriculum taught there to flourish. The boys and girls are encouraged to engage in creative learning through a topic approach as well as building the firm foundations in reading, writing, expressing themselves and listening that will support them through their future academic success.

The Boys' Junior School at Park Road and the Girls' Junior School at Hesketh House each continue to thrive, offering a unique and caring environment with high academic standards and a broad range of extra-curricular activities.

The Senior Schools enjoyed excellent public examination results again this year. It was pleasing to see our pupils' continued success in gaining places at highly competitive Universities of their choice.

Pupils at Bolton School have had the opportunity to participate in a wide range of educational and enriching trips, whether locally, nationally or internationally and these have served to broaden their horizons.

Pupils are encouraged to challenge themselves intellectually by working with the most able from other schools, as well as competing in a range of academically challenging regional, national and international competitions.

Bolton School takes very seriously the need to develop in its pupils the skills which they will require in their future lives. It offers a comprehensive Careers service, supported by regular talks from former pupils who have earned prominence in their field. It also promotes among pupils an awareness of the need to contribute to the wider community and this year pupils have given their time and skills to organisations such as the local hospice, hospital, youth centre and care home, as well as to a wide variety of charities.

Music and drama are an important part of Bolton School life. There is a wide range of extra-curricular musical activities, many of which are run as joint ensembles with the Boys' and Girls' Division. They include Percussion Ensembles, Guitar Groups, String Quartets, Concert Bands, Orchestras, Choirs, Jazz Band, Brass Group, Saxophone, Clarinet and Flute groups, Rock Group and String Ensemble. All of these ensembles perform regularly throughout a very busy musical year across the Schools.

Sports and outdoor activities continue to be an important part of a Bolton School education with extensive use being made of the School's own outdoor learning and adventure centre at Patterdale Hall.

The Old Boltonians and Old Girls' Associations continue to have close links with the Schools. They have regular lunches and regional dinners around the country which are also very well supported. Record numbers of alumni have attended these events and the Foundation is extremely grateful for their loyalty and support. The Parents' Associations are working increasingly closely together and along with the Old Boys and Old Girls give much to the Schools in financial support for the Bursary Scheme and other projects as well as practical help with careers and interview skills for our current pupils and mentoring of University and early career Old Boys and Old Girls. The web based Bolton Alumni Network is a secure and reliable way for Alumni to keep in touch with old friends as well as establishing contacts and networks useful in their working lives.

BOLTON SCHOOL

ANNUAL REPORT OF THE GOVERNORS AND STRATEGIC REPORT

FOR THE YEAR ENDED 31 AUGUST 2018

STRATEGIC REPORT

REVIEW OF ACHIEVEMENTS AND PERFORMANCE IN THE YEAR

As far as public examinations are concerned we are delighted that the pupils in Years 11 and 13 have enjoyed considerable success at both GCSE and A Level as well as, of course, achieving remarkable results in the extra-curricular sphere.

At A level, 18% of grades were at A* grade. 54% of the grades were at A or A*. One key figure is the number of grades at A* to B at 'A' Level, since a number of top Universities have ABB as an important hurdle for individual candidates. 79% of A2 grades at Bolton School are awarded A* to B, a figure in line with the last few years. Once again, we are very pleased with the number of pupils who have been accepted on to highly competitive University courses as a result of their grades this summer and we wish them well in their future careers.

Year 11 pupils also achieved some excellent grades: 21% of grades were at the new Grade 9 and 65% of all grades were at either the new Grade 9 to 7 or the old Grade A* to A. These are impressive outcomes in a year of change.

In the latest 2016 ISI Inspection reports, all Schools in the Foundation were rated excellent in the quality of pupils' academic and other achievements and also excellent in the quality of pupils' personal development. It was heartening to hear the Inspectors express tremendously positive views about what they saw and experienced here at Bolton School during their inspection visits.

A vast number of current and former pupils and parents, as well as staff, continued to help with School fundraising and cultural activities during the year, and the Board would like to take this opportunity to say how much this help is appreciated.

FINANCIAL REVIEW

The School and its associated charities, collectively known as the Foundation, enjoyed another good year, achieving an improved and controlled positive net movements in funds. The School's trading company, Bolton School Services Limited (BSSL), has continued to maintain its valuable contribution to the Foundation by the method of gift aid and increased community involvement with the School's facilities. BSSL helps to protect the charitable status of the Foundation and generates revenue from non-core activities.

As an educational Charity we enjoy tax exemption on our educational activities and on our investment income and gains provided these are applied for our charitable aims. We are also entitled to an 80% reduction on our business rates on the property we occupy for our charitable purposes. The financial benefits we receive from these tax exemptions are all applied for educational purposes and help us to maintain our bursary funds.

However, we are unable to reclaim VAT input tax on the School's costs as School fees are exempt for VAT purposes. We also pay tax through payroll generated national insurance contributions.

In addition to the very substantial benefits our School brings to our pupils, the local community and society through the education we offer, our bursary programme and our 'community benefits' programme create a social asset without cost to the Exchequer.

Fundraising Performance

The School's Bursary Fund continues to flourish as fundraising efforts and initiatives continue to bring in funds to support bursaries and to relieve hardship for parents where the pupil's education and future prospects would otherwise be at risk. We have made good progress with plans to expand our fundraising efforts to be able to increase the number of means-tested bursaries and to support further capital developments.

BOLTON SCHOOL

ANNUAL REPORT OF THE GOVERNORS AND STRATEGIC REPORT

FOR THE YEAR ENDED 31 AUGUST 2018

This year a superb £1.3m (2017: £1.1m) was pledged in total of which £0.8m (2017: £1.1m) was received or receivable. We are extremely grateful to all who have shown their generosity by donating.

We were able to award grants and bursaries from our bursary funds of £2.8 million in total resulting in 342 pupils receiving a means tested bursary, representing 21% of our senior school pupils. Grants and bursaries are awarded on the basis of educational ability and financial circumstances, subject to the restrictions imposed by the donor of the funds.

The charity uses an in house team for the purpose of fund-raising and is fully registered with the Fundraising Regulator to which it pays the statutory fundraising levy and abides by their Fundraising Code of Practice. There have been no failures to comply with the scheme or standards and no complaints received by the charity about its fundraising activities. The charity has taken all reasonable precautions to protect vulnerable people and other members of the public from unreasonably intrusive or persistent fundraising.

Investment Performance

At the end of the year, the Foundation's managed investments were valued at £33.3m (2017: £30.2m). The overall total investment return was 7% (2017: 13%). Over the medium to long term cycle (defined as exceeding 10 years), the investment objective rate of return is UK RPI + 4%. Over the last 10 years, the Foundation's overall average investment return has been 7%, which is 4% above the average UK RPI of 3% in the same time frame.

Operating Performance

The group's net incoming resources for the year amounted to £1m (2017: £1.5m), with fund balances carried forward at the end of the year of £54.8m (2017: £51.6m).

Reserves Level and Policy

The Governors have examined the needs, risks and challenges faced by the Schools in both the short and medium terms along with the relevant financial plans and forecasts and have formulated a policy to meet those needs. The School has no accumulated free reserves and has a negative position, however the Governors are satisfied with this position given the bank facilities that are provided and the flexibility and strength of future cash forecast flows. This policy is reviewed at Board level on a regular basis and monitored in line with strategic plans. Bolton School's free reserves are (£4.0m) (2017: (£7.6m)).

Since 'free reserves' are defined as unrestricted funds less tangible fixed assets the level of free reserves is effectively determined through the annual budget process. Each year the fee increase is set at such a level as to ensure there is sufficient operating cash generated to provide an agreed fixed percentage of income to transfer to the restricted bursary fund and also to provide an agreed fixed percentage of income to spend on tangible fixed assets, whilst gradually reducing any bank debt to nil.

The Governors expect the present level of activities to be sustained for the current year and the financial position of each of the funds to remain at the current satisfactory position or improve. The performance of the trading subsidiary is expected to remain strong. They anticipate no difficulty in meeting Bolton School's financial obligations.

The defined benefit pension liability is included in the unrestricted funds as required by FRS 102. The scheme is in deficit by £2.5m at 31 August 2018 (2017: £2.5m). The corresponding liability does not result in an immediate cash flow impact on the School. Contributions into the pension plan are met through planned income. Further information can be found in note 21 to these financial statements.

BOLTON SCHOOL

ANNUAL REPORT OF THE GOVERNORS AND STRATEGIC REPORT

FOR THE YEAR ENDED 31 AUGUST 2018

RISK MANAGEMENT

During the year the Executive Officers on behalf of the Governors have examined the principal areas of Bolton School's operations and considered the major risks in each of these. In the opinion of the Governors the School has established systems which, under normal circumstances, should allow these risks to be managed to an acceptable level in its day to day operations. A risk register is held and updated on a regular basis.

The Governors continue to keep Bolton School's activities under review, particularly with regard to any major risks that may arise from time to time, and to monitor the effectiveness of the system of internal controls and other viable means, including insurance cover where appropriate, by which those risks identified by the Governors can best be managed.

The key controls used by Bolton School include:

- Formal agendas for all Committee and Board activity,
- Detailed terms of reference,
- Comprehensive strategic planning, budgeting and management accounting,
- Established organisational structure and lines of reporting,
- Formal written policies,
- Clear authorisation and approval levels, and
- Vetting procedures as required by law for the protection of the vulnerable.

PRINCIPAL RISKS AND UNCERTAINTIES

Governors consider rising costs due to legislative changes, economic turbulence and a consequential recessionary impact on the affordability of school fees to be the most significant risk and cause for prudent future planning. For this reason, School fee increases have been kept to the minimum required to fund the School's operations. We plan to maintain a balanced and sustainable budget each year, controlling costs without compromising the quality of provision delivered to our pupils.

Health, Safety and Welfare risks range from fire and infrastructure to personal risks (most notably when away from School on trips and expeditions). The level and breadth of activity at Bolton School is impressive and the risks associated with these activities are managed by thorough planning and active risk management. In the event of a major disaster a Crisis Response plan exists to help the School maintain daily operations.

The risk of not receiving an excellent ISI inspection result is actively managed by having excellent and clear policies, procedures and educational standards in place and by ensuring they are strictly adhered to across Bolton School and the Nursery. Staff operate in an 'inspection ready' mode at all times of the inspection cycle.

Similarly, the risk of poor examination results or value added performance leading to a devaluation of the perceived value of a Bolton School education is closely managed and monitored. Exam results, value added performance results and specific key performance indicators are monitored and reported annually to the Governing Body. Within the Schools, monitoring of achievement takes place on an individual pupil basis and a high level of investment in educational resources is maintained and innovatively and progressively developed.

Recruitment and retention policies exist to attract and retain the best teachers, ensuring safe recruitment and policies and procedures are in place to attract the highest possible calibre of student at all levels, both in terms of ability and motivation. Scholarship and Bursary provision is made available at Senior School to further mitigate the risk of not attracting the best calibre pupils.

BOLTON SCHOOL

ANNUAL REPORT OF THE GOVERNORS AND STRATEGIC REPORT

FOR THE YEAR ENDED 31 AUGUST 2018

The Governors consider the sustainability of the School's ethos to be dependent upon retaining the charitable status of the Foundation, and if this were to be negatively impacted by external political forces, this would present a significant risk to Bolton School.

Should legislation be changed to the effect that school fees were to attract VAT, this would represent a significant issue to Bolton School and could render school fees largely unaffordable to a great number of our pupils and potential pupils whose families' would struggle to fund an independent education at a consequently higher price.

The School's Bursary Fund is heavily reliant upon global stock market performance alongside the continued support of our generous benefactors. A catastrophic decline in either of these factors would present a significant risk to the School's ability to continue to fund bursaries at the current generous level. This in turn would have a negative impact on Bolton School's ethos, to which our bursary policies heavily contribute.

FUTURE PLANS

We intend Bolton School to stand out as a thriving academically selective independent day school in the north of England - a national leader in promoting social mobility through providing access to the broadest range of pupils, using the benefits from the Boys' and Girls' divisional structure to offer a first class modern academic education with effective and focused pastoral care. It will encourage participation and excellence in wide ranging activities, promote strong community values, and thereby equip young women and men with the resilience to go out to make a difference in their world.

Strategic intents in the forthcoming years to 2030 include:

1. To be the first choice independent school North of Manchester for Nursery, Infant, Junior, Senior and Sixth Form, providing an academic all round education adding value in all senses for some 2,300 students from 0-18; to be an academic school, taking advantage, where there are benefits, of a single sex education on a co-educational campus, in preparing the leaders and citizens of the 21st century.
2. To be acknowledged as a centre of excellence for teaching and learning, focusing on modern educational developments and technology in and outside the classroom and through pedagogical developments aimed at shaping the agenda within subjects, professional development, examining and influencing national educational debate; develop, recruit and retain staff through a Continuing Professional Development programme for teachers, support staff and central services.
3. To ensure that fee rises are kept as low as possible we will control costs by making savings where opportunities arise and prioritise enhancing other sources of income, to develop existing areas of business for BSSL; to identify, plan, implement and develop new areas of business; and to enhance profitability through further selling the Bolton School brand.
4. We will build a bursary fund that is large enough to enable bursary awards to be made available to all children from families who would otherwise not be able to afford the fees but who qualify to access the education we offer. We wish to be acknowledged nationally as a school with thriving alumni contacts, fund raising achievements and endowed bursary funds. Using alumni mentoring activity and networks to further support the social mobility agenda.
5. To manage a robust financial model aimed at ensuring financial independence and keeping fee rises as low as possible, with the purpose of promoting social diversity in the school, within the constraints of having the resources to fund a high quality education and to produce a surplus to enhance both bursary spending and support capital investment, including both restoration work and new projects.
6. To be acknowledged as a national leader in terms of the variety of our extra-curricular and activities programme, the depth and breadth of participation, partnership working and innovation, adding value and providing leadership opportunities through a programme of outreach activities.

BOLTON SCHOOL

ANNUAL REPORT OF THE GOVERNORS AND STRATEGIC REPORT

FOR THE YEAR ENDED 31 AUGUST 2018

7. To be acknowledged as expert role models in the provision of pastoral care for our students within single sex schools, introducing them to the wider world through the opportunities and encouragement provided and promoting community cohesion, charity work, mental health, resilience and character.
8. Taking an active role in our local, national and international community, playing a leading role in the local community, serving the local and regional area as an important partner in the Bolton community, promoting social cohesion and partnership outreach activities contributing to the development and success of the town of Bolton and within the North West.

These aims underpin development plans which have been developed for each area of the School and enable the School to enhance its ability to provide a first-class education to its pupils.

STATEMENT OF ACCOUNTING AND REPORTING RESPONSIBILITIES

The members of the Governing Body (who are also the directors of Bolton School for the purposes of company law) are responsible for preparing the Annual Report and the financial statements with applicable law and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards).

Company law requires the Governing Body to prepare financial statements for each financial year. Under that law the Governing Body 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 Governing Body members 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 the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the Governing Body members are required to:

- select the most suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 members of the Governing Body are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions, 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 and the provisions of the charity's constitution. They are also responsible for safeguarding the assets of the charity and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Insofar as each of the Directors, as members of the Governing Body at the date of approval of this report, is aware there is no relevant audit information (information needed by the Company's auditor in connection with preparing the audit report) of which the Company's auditor is unaware. Each member of the Governing Body has taken all the steps that he or she should have taken as a member of the Governing Body in order to make himself or herself aware of the relevant audit information and to establish that the Company's auditor is aware of that information.

BOLTON SCHOOL

**ANNUAL REPORT OF THE GOVERNORS AND STRATEGIC REPORT
FOR THE YEAR ENDED 31 AUGUST 2018**

Approved by the Governing Body of Bolton School Limited on 7 December 2018, including, in their capacity as company directors, the Strategic Report contained therein, and signed on its behalf by:

A handwritten signature in black ink, reading "Michael C. Griffiths". The signature is written in a cursive style with a large initial 'M' and a distinct 'C'.

**Mr M T Griffiths
Chairman of Governors**

BOLTON SCHOOL

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BOLTON SCHOOL

Opinion

We have audited the financial statements of Bolton School for the year ended 31 August 2018 which comprise the Consolidated Statement of Financial Activities, the Consolidated and School Balance Sheets and the Consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 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 group's and the charitable company's affairs as at 31 August 2018 and of the group's 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 group 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 group's or 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.

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.

BOLTON SCHOOL

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BOLTON SCHOOL

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 our audit

- the information given in the trustees' report, which includes the directors' report and the strategic 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 strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the group and the charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the [strategic report or the] directors' report included within the trustees' report.

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

- the parent company has not kept adequate accounting records or
- the parent company 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 trustees' responsibilities statement set out on page 13, 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 group's or 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.

BOLTON SCHOOL

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BOLTON SCHOOL

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. 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.



Vicky Szulist

Senior Statutory Auditor

For and on behalf of

Crowe U.K. LLP

Statutory Auditor

The Lexicon
Mount Street
Manchester
M2 5NT

Date *14th February 2019*

BOLTON SCHOOL

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating the Consolidated Income and Expenditure Account)
FOR THE YEAR ENDED 31 AUGUST 2018

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	Total Funds £'000	Total 2017 £'000
INCOME AND ENDOWMENTS FROM:						
Charitable Activities						
- School fees	2	25,911	-	-	25,911	25,773
Ancillary trading income	5	35	-	-	35	31
Other trading activities						
Non ancillary trading income	5	5	-	-	5	7
Activities for generating funds:						
- Bolton School Services Limited	4	2,536	-	-	2,536	2,373
Dividends, bank and other interest	3	80	166	-	246	549
Grants & Donations Receivable	6	-	847	-	847	1,101
Total Incoming Resources		28,567	1,013	-	29,580	29,834
EXPENDITURE ON:						
Raising funds						
- Bolton School Services Limited	4	2,181	-	-	2,181	2,062
Financing costs		126	7	-	133	171
Fundraising & Publicity Costs		505	-	-	505	458
Total costs of raising funds		2,812	7	-	2,819	2,691
Charitable activities						
Education and grant making		22,776	2,802	132	25,710	25,669
Total Resources Expended	8	25,588	2,809	132	28,529	28,360
Net incoming/(outgoing) resources from operations before transfers and investment gains						
		2,979	(1,796)	(132)	1,051	1,474
Gains on investments		399	1,567	12	1,978	3,002
Gains on investment property		165	-	-	165	7
Transfers between funds		(1,478)	1,478	-	-	-
NET INCOME		2,065	1,249	(120)	3,194	4,483
Pension scheme actuarial gains		3	-	-	3	731
NET MOVEMENT IN FUNDS		2,068	1,249	(120)	3,197	5,214
Fund balances brought forward	17	21,431	27,105	3,069	51,605	46,391
FUND BALANCES CARRIED FORWARD	17 (A, B & C)	23,499	28,354	2,949	54,802	51,605

The notes on pages 22 to 55 form part of these financial statements.

BOLTON SCHOOL

REGISTERED COMPANY NUMBER: 05458883

CONSOLIDATED AND SCHOOL BALANCE SHEETS

AS AT 31 AUGUST 2018

		Consolidated		School	
	Notes	2018 £'000	2017 £'000	2018 £'000	2017 £'000
FIXED ASSETS					
Tangible assets	9	27,490	27,543	27,190	27,181
Investment property	10	1,106	941	1,106	941
Investment assets	11	<u>33,329</u>	<u>30,183</u>	<u>32,877</u>	<u>29,759</u>
		<u>61,925</u>	<u>58,667</u>	<u>61,173</u>	<u>57,881</u>
CURRENT ASSETS					
Stocks		32	28	14	9
Debtors	12	875	760	814	1,046
Cash		<u>1,820</u>	<u>2,800</u>	<u>1,204</u>	<u>2,305</u>
		2,727	3,588	2,032	3,360
CREDITORS: due within one year	13	<u>(6,626)</u>	<u>(7,425)</u>	<u>(6,342)</u>	<u>(7,187)</u>
NET CURRENT LIABILITIES		<u>(3,899)</u>	<u>(3,837)</u>	<u>(4,310)</u>	<u>(3,827)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		58,026	54,830	56,863	54,054
CREDITORS: due after more than one year	14	<u>(713)</u>	<u>(745)</u>	<u>(713)</u>	<u>(745)</u>
NET ASSETS EXCLUDING PENSION LIABILITY		57,313	54,085	56,150	53,309
DEFINED BENEFIT PENSION LIABILITY	21	<u>(2,511)</u>	<u>(2,480)</u>	<u>(2,511)</u>	<u>(2,480)</u>
NET ASSETS INCLUDING PENSION LIABILITY		<u>54,802</u>	<u>51,605</u>	<u>53,639</u>	<u>50,829</u>
ENDOWED FUNDS	17	2,949	3,069	2,790	2,910
RESTRICTED FUNDS	17	28,354	27,105	27,976	26,755
UNRESTRICTED FUNDS					
- General funds		21,552	19,870	20,926	19,603
- Designated fund		4,316	4,064	4,316	4,064
- Revaluation reserve		142	(23)	142	(23)
- Pension reserve		<u>(2,511)</u>	<u>(2,480)</u>	<u>(2,511)</u>	<u>(2,480)</u>
	17	<u>23,499</u>	<u>21,431</u>	<u>22,873</u>	<u>21,164</u>
TOTAL FUNDS	17	<u>54,802</u>	<u>51,605</u>	<u>53,639</u>	<u>50,829</u>

The net result for the financial year dealt with in the financial statements of the parent charity was a surplus of £2,810k (2017: surplus of £5,172k).

The financial statements were approved and authorised for issue by the Board of Governors of Bolton School on and signed on its behalf by:

Michael Griffiths 7th December 2018
Mr M T Griffiths
Chairman of Governors

The notes on pages 22 to 55 form part of these financial statements.

BOLTON SCHOOL

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2018

	Notes	2018 £'000	2018 £'000	2017 £'000	2017 £'000
NET CASH INFLOW FROM OPERATIONS					
Net cash provided by operating activities	(i)		<u>1,504</u>		<u>2,004</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Investment income receipts		246		550	
Payment for tangible fixed assets		(1,496)		(1,566)	
Proceeds on sale of tangible fixed assets		-		17	
Payment for investments		(6,665)		(24,983)	
Payments for additions to investment property		-		(1)	
Proceeds from sale of investments		<u>5,991</u>		<u>24,913</u>	
NET CASH USED IN INVESTING ACTIVITIES			(1,924)		(1,070)
CASH FLOWS FROM FINANCING ACTIVITIES					
Finance costs paid		<u>(66)</u>		<u>(171)</u>	
NET CASH USED IN FINANCING ACTIVITIES			(66)		(171)
CHANGE IN CASH AND CASH EQUIVALENTS IN THE YEAR			(486)		763
CASH AND CASH EQUIVALENTS AT START OF THE YEAR			<u>3,480</u>		<u>2,717</u>
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	(ii)		<u>2,994</u>		<u>3,480</u>

BOLTON SCHOOL

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2018

(i) Reconciliation of net income to net cash inflow from group operations

	2018	2017
	£'000	£'000
Net incoming resources	1,051	1,474
<i>Non-operating cashflows eliminated:</i>		
Investment income	(246)	(550)
Financing costs	133	171
Depreciation charges added back	1,534	1,466
Profit on sale of assets	15	(1)
Increase in stocks	(4)	(5)
(Increase)/Decrease in debtors	(115)	86
Decrease in creditors	(831)	(501)
Pension scheme adjustment	(33)	(136)
Net cash inflow from consolidated operating activities	<u>1,504</u>	<u>2,004</u>

ii) Analysis of cash and cash equivalents

	2018	2017
	£'000	£'000
Cash at bank	1,820	2,800
Deposits	1,174	680
	<u>2,994</u>	<u>3,480</u>

The notes on pages 22 to 55 form part of these financial statements.

BOLTON SCHOOL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES

(a) Basis of Accounting

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102), the Companies Act 2006 and 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 (FRS102) - effective 1 January 2015.

The functional currency of the School is considered to be GBP because that is the currency of the primary economic environment in which the School operates.

The accounts are drawn up on the historical cost basis of accounting, as modified by the revaluation of investment properties and other investments.

The School is a Public Benefit Entity registered as a charity in England and Wales and a company limited by guarantee. It was incorporated on 20 May 2005 (company number: 05458883) and registered as a charity on 3 August 2005 (charity number: 1110703). The registered office is Chorley New Road, Bolton BL1 4PA.

The School continues to attract pupils and has strong pupil numbers even in the current economic climate. The School manages operational cash flow to make best use of available resources. Investments held as fixed assets are liquidated if necessary. Overall the governors are confident that the School has sufficient resources to continue as a going concern and consider that there were no material uncertainties over the School's financial viability.

(b) Basis of Consolidation

The group financial statements consolidate the financial statements of the School and its subsidiary undertaking Bolton School Services Limited (company number: 02783995), and other connected funds being Sally Hodgkiss Trust, The Popplewell Scholarship and The Christine Margaret Rawlinson Memorial Trust. All inter group transactions and profits are eliminated fully on consolidation. As permitted by section 408 of the Companies Act 2006, the parent Charity's income and expenditure account has not been included in these financial statements. The accounts of Bolton School as a single entity include the results of the School as a limited company and the historical charity under the revised Uniting Direction dated 3 November 2009.

The School has taken advantage of the exemption available to qualifying entity in FRS 102 from the requirement to present a charity only cash flow statement with the consolidated financial statements.

(c) Fees and Similar Income

Fees receivable in respect of the provision of education to pupils are stated after deducting allowances, bursaries and other remissions granted. Fees receivable, charges for services and use of premises are accounted for in the period in which the service is provided.

Fees for education to be provided in future years are carried forward as deferred income in the balance sheet.

BOLTON SCHOOL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

(d) Fee Extras

The School collects monies in respect of trips and pays these monies out in full to third parties. As these funds do not represent income for the School, they are not accounted for in the Statement of Financial Activities.

(e) Donations and Legacies

Donations received for the general purposes of the Charity are credited to the general unrestricted fund. Donations for purposes restricted by the wishes of the donor are taken to restricted funds, where these wishes are legally binding on the Governors. Donations required to be retained as capital in accordance with the donor's wishes are accounted for as endowments – permanent or expendable according to the nature of the restriction.

Voluntary incoming resources are accounted for as and when entitlement arises, the amount can be reliably quantified and the economic benefit to the School is considered probable.

(f) Resources Expended

Expenditure is accrued as soon as a liability is considered probable, discounted to present value for longer term liabilities including the irrecoverable VAT.

Expenditure is allocated to expense headings on a direct cost basis, with staff costs being allocated according to the estimated time spent by staff working in relevant departments.

Costs of generating funds include all financing support costs.

Charitable activities include expenditure associated with the objects of the School and include both the direct costs and support costs of the activity.

Governance costs include those costs associated with constitutional and statutory requirements of running the School.

BOLTON SCHOOL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (Continued)

(g) Tangible Fixed Assets and Depreciation

The School land and buildings are stated at costs incurred since 1953. Prior to this date such information is not readily available and has not been included in the financial statements. However, due to the heritage nature of earlier buildings expenditure and the fact that the book life is only 50 years, this treatment has no significant effect on the historical cost net book value of the School property in the financial statements.

Depreciation is provided on the original cost of School buildings and additions thereto since 1953 and no freehold land is depreciated. Depreciation of other fixed assets is provided at rates calculated to write off the cost of each asset evenly over its estimated useful life, as follows:

Assets under construction	Nil
Freehold buildings since 1953	50 years
Buildings improvements	25 years
Grounds expenditure	10 – 25 years
Fixtures and fittings	10 – 20 years
Furniture and equipment	5 – 10 years
Motor coaches	8 years
Other vehicles	5 years

Capital items costing less than £1,000 are written off as expenses when acquired and put in use.

(h) Investments

Listed investments are valued at their market value on the last day of the accounting period.

Changes in the valuation of investments during the year are shown as unrealised gains or losses. Gains and losses arising from the disposal of assets are disclosed as realised, being the difference between the sale proceeds and the market value at the beginning of the year.

Investments in subsidiaries are valued at cost less provision for impairment.

(i) Investment Properties

Investment properties are included in the balance sheet at their open market value and are not depreciated.

(j) Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow moving stocks.

(k) Advance fee scheme creditors

Amounts received under the school's Advance Fee Scheme contracts for education not yet utilised to settle school fees are recorded as deferred income and allocated as current liabilities where the education will be provided within 12 months from the reporting date and as long-term liabilities where the education will be provided in subsequent years.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (Continued)

(l) Finance Leases and Hire Purchases

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease and hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the group. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Statement of Financial Activities.

(m) Operating Leases

Rentals applicable to operating leases where substantially all of the risks and rewards of ownership remain with the lessor are charged to the Statement of Financial Activities on a straight line over the term of the lease.

(n) Taxation

The School is a registered charity, and as such is entitled to tax exemptions on all its income and gains, properly applied for its charitable purposes.

(o) Recognition of Liabilities

Liabilities are recognised once there is a legal or constructive obligation that commits the School to the obligation.

(p) Funds

Unrestricted funds are expendable at the discretion of the Governors in furtherance of the objects or administration of the School.

Designated funds comprise unrestricted funds that have been set aside by the Governors for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowed funds comprise of individual trust funds set up by specific donors, the capital of which may not be expended. The purposes and uses of the endowed funds are set out in the notes to the financial statements.

(q) Pension Schemes

Teaching Staff

The Scheme contributes to the Teachers' Pension Defined Benefits Scheme at rates set by the Scheme Actuary and advised to the Governors by the Scheme Administrator. The Scheme is a multi-employer pension scheme and it is not possible to identify the assets and liabilities of the Scheme which are attributable to the School. In accordance with FRS 102 therefore, the Scheme is accounted for as a defined contribution scheme.

BOLTON SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (Continued)

(q) Pension Schemes (Continued)

Support Staff

The School operates two pension schemes for its support staff, a final salary scheme, which is now closed to new entrants, and to further benefit accruals, and two defined contribution schemes.

Bolton School Retirement Benefit Scheme is the final salary pension scheme.

The final salary scheme is valued every three years by a professionally qualified actuary, the rates of contribution payable being determined by the actuary. Pension costs are charged to the Statement of Financial Activities over the average working lives of employees, in accordance with the recommendation of a qualified independent actuary. Further details are shown in note 21.

This Scheme is being accounted for under FRS 102, with the annually calculated notional surplus or deficit on the funding of the Scheme shown in the financial statements as a designated fund entitled "Pensions Reserve", which is deducted from Unrestricted Funds in the balance sheet.

Contributions payable to the School's defined contribution scheme are charged to the Statement of Financial Activities so as to spread the cost of pensions over the service lives of employees in the schemes.

(r) Financial instruments

Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost with the exception of investments which are held at fair value. Financial assets held at amortised cost comprise cash at bank and in hand, together with trade and other debtors. A specific provision is made for debts for which recoverability is in doubt. Cash at bank and in hand is defined as all cash held in instant access bank accounts and used as working capital. Financial liabilities held at amortised cost comprise all creditors except social security and other taxes and provisions.

(s) Critical accounting judgements and key sources of estimation uncertainty

In the application of the accounting policies, Governors are required to make judgements, estimates, and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affected current and future periods.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

The pension value of the defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions which include the discount rate. Any changes in these assumptions which are disclosed in note 21 will impact the carrying amount of the pension liability.

BOLTON SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 AUGUST 2018

2. FEE INCOME ANALYSIS

School Fees

The School's fee income comprised:

	2018 £'000	<i>2017</i> <i>£'000</i>
Gross Fees	26,448	26,246
Less: Total Bursaries and fee assistance	(2,695)	(2,656)
Less: Staff Discount	(421)	(412)
Less: Non-foundation grants and scholarships	(116)	(61)
	23,216	23,117
Add back: Bursaries and fee assistance paid for by Restricted Funds	<u>2,695</u>	<u>2,656</u>
Total School fees	<u>25,911</u>	<u>25,773</u>

The above includes bursaries and other financial support including scholarships, awarded to 399 (2017: 387) individuals.

3. INVESTMENT INCOME

	Unrestricted £'000	Restricted £'000	Endowed £'000	Total 2018 £'000	<i>Total</i> <i>2017</i> <i>£'000</i>
Listed investments – UK	39	161	-	200	509
Bank interest received	<u>3</u>	<u>5</u>	<u>-</u>	<u>8</u>	<u>6</u>
	<u>42</u>	<u>166</u>	<u>-</u>	<u>208</u>	<u>515</u>
Property investment income					
Rents receivable	<u>38</u>	<u>-</u>	<u>-</u>	<u>38</u>	<u>34</u>
	<u>80</u>	<u>166</u>	<u>-</u>	<u>246</u>	<u>549</u>

BOLTON SCHOOL**NOTES TO THE FINANCIAL STATEMENTS (Continued)****FOR THE YEAR ENDED 31 AUGUST 2018****4. INCOME FROM SUBSIDIARY TRADING ACTIVITIES**

The School has a 100% interest in its trading subsidiary Bolton School Services Limited.

Bolton School Services Limited's principal activity continues to be that of promoting commercial activities which use the School's assets to generate income from lettings, coach operating services and other activities. Its trading results for the year, as extracted from the audited financial statements, are summarised below:

	2018	<i>2017</i>
	£'000	<i>£'000</i>
Turnover	2,535	2,373
Cost of sales	<u>(2,006)</u>	<u>(1,899)</u>
Gross profit	529	474
Administration expenses	<u>(174)</u>	<u>(163)</u>
Operating profit	355	311
Gift aid payment to Bolton School	-	(314)
Interest receivable	2	1
Interest payable	-	-
Retained profit/(loss) for the year	<u>357</u>	<u>(2)</u>
Shareholders' Funds	<u>625</u>	<u>268</u>

No gift aid payment to Bolton School has been recognised in the accounts of Bolton School Services Limited as the company has adopted the amendments to FRS 102 as set out in the Triennial Review 2017 amendments.

5. OTHER INCOME

	Unrestricted	Restricted	Endowed	Total	<i>Total</i>
	£'000	£'000	£'000	2018	<i>2017</i>
				£'000	<i>£'000</i>
Ancillary trading income					
Retained deposits	8	-	-	8	4
Entrance exams	<u>27</u>	-	-	<u>27</u>	<u>27</u>
	<u>35</u>	-	-	<u>35</u>	<u>31</u>
Non-ancillary trading income					
Miscellaneous	<u>5</u>	-	-	<u>5</u>	<u>7</u>

BOLTON SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 AUGUST 2018

6. GRANTS AND DONATIONS RECEIVABLE

	Unrestricted	Restricted	Endowed	Total	Total
	£'000	£'000	£'000	2018 £'000	2017 £'000
Funding for Future	-	19	-	19	50
Nursery	-	-	-	-	22
School Bursary fund	-	659	-	659	823
Lever bursaries	-	140	-	140	140
Jameson Trust	-	-	-	-	12
Philip & Enid Hargreaves	-	-	-	-	-
Memorial Fund	-	3	-	3	-
Prize fund	-	-	-	-	2
Memorial fund	-	-	-	-	3
Headmaster's fund	-	1	-	1	2
Robert Extra Curricular Fund	-	10	-	10	21
George Lancashire Fund	-	15	-	15	26
	<u>-</u>	<u>847</u>	<u>-</u>	<u>847</u>	<u>1,101</u>

BOLTON SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 AUGUST 2018

7. STAFF COSTS AND NUMBERS

The aggregate payroll costs for the year were as follows:

	2018 £'000	2017 £'000
Wages and salaries	14,619	14,210
Social security costs	1,375	1,315
Pension contribution	<u>2,013</u>	<u>1,960</u>
	<u>18,007</u>	<u>17,485</u>

Aggregate employee benefits of key management personnel	<u>438</u>	<u>435</u>
---	------------	------------

The senior officers of the Foundation are the Headmaster, Headmistress and Clerk to the Governors who constitute the key management personnel.

No Governors or persons connected with them received any remuneration or other benefits during the year (2017: £nil).

During the year one Governor received reimbursement of out of pocket travel expenses of £793 (2017: £623 for two Governors).

The average monthly number of employees during the year was as follows:

	2018 No.	2017 No.
Teaching staff	349	349
Support staff	59	60
Premises staff	66	68
Welfare staff	69	72
Transport and other BSSL staff	<u>56</u>	<u>54</u>
	<u>599</u>	<u>603</u>

The average monthly number of full time equivalent employees during the year was as follows:

	2018 No.	2017 No.
Teaching staff	293	289
Support staff	49	49
Premises staff	46	46
Welfare staff	44	43
Transport and other BSSL staff	<u>28</u>	<u>25</u>
	<u>460</u>	<u>452</u>

BOLTON SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 AUGUST 2018

7. STAFF COSTS AND NUMBERS (continued)

The remuneration package of the higher paid employees was:

	2018 No.	2017 No.
£60,001 - £70,000	3	4
£70,001 - £80,000	3	2
£80,001 - £90,000	2	2
£120,001 - £130,000	1	1
£130,001 - £140,000	<u>1</u>	<u>1</u>

Included in the above higher paid employees were 8 (2017: 8) accruing benefits under defined benefit pension schemes and 2 (2017: 2) under defined contribution schemes. The amount paid to defined benefit schemes on behalf of the above higher paid employees was £111,098 (2017: £108,530). The amount paid to defined contribution schemes on behalf of the above higher paid employees was £16,757 (2017: £15,115).

During the year there were redundancy or termination payments which amounted to £64,753.

BOLTON SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 AUGUST 2018

8. ANALYSIS OF EXPENDITURE

a) Total expenditure

	Staff costs	Other	Depreciation	Total	Total
	£'000	£'000	£'000	2018	2017
				£'000	£'000
Costs of generating funds					
Trading expenditure	1,044	1,049	88	2,181	2,062
Fundraising	158	97	-	255	239
Financing costs	-	133	-	133	171
Publicity	88	162	-	250	219
Total costs of generating funds	<u>1,290</u>	<u>1,441</u>	<u>88</u>	<u>2,819</u>	<u>2,691</u>
Charitable Activities – Education					
Academic	14,056	1,932	654	16,642	16,915
Welfare	663	730	64	1,457	1,357
Premises	1,101	1,829	495	3,425	3,273
Grants, prizes and awards	-	2,739	-	2,739	2,703
Support costs and governance	897	317	233	1,447	1,421
Total charitable expenditure	<u>16,717</u>	<u>7,547</u>	<u>1,446</u>	<u>25,710</u>	<u>25,669</u>
Total Resources Expended	<u>18,007</u>	<u>8,988</u>	<u>1,534</u>	<u>28,529</u>	<u>28,360</u>

b) Grants, awards and prizes

	2018	2017
	£'000	£'000
From Restricted Funds:		
Bursaries and other grants and awards	2,695	2,656
Pupil Support	38	39
Prizes and leaving awards	-	-
From Unrestricted Funds:	6	8
Prizes and leaving awards		
	<u>2,739</u>	<u>2,703</u>

c) Governance included in support costs

	2018	2017
	£'000	£'000
Remuneration paid to the auditors for audit services	33	32
Reimbursement of personal expenses to governors - travel	1	1
Other governance costs	1	3
	<u>35</u>	<u>36</u>

Please refer to note 7 for details of personal expenses reimbursed to governors.

In addition to the above audit remuneration the auditor received fees for corporate taxation services totalling £910 (2017: £895) and for accounts preparation services totalling £1,000 (2017: £980).

BOLTON SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 AUGUST 2018

9. TANGIBLE FIXED ASSETS - CONSOLIDATED

	Freehold land and buildings £'000	Assets under construction £'000	Furniture and equipment £'000	Fixtures and fittings £'000	Motor Vehicles £'000	Total £'000
Cost						
At 1 September 2017	28,215	28	2,652	9,551	894	41,340
Additions	-	1	380	1,074	41	1,496
Disposals	-	-	(189)	-	(164)	(353)
At 31 August 2018	28,215	29	2,843	10,625	771	42,483
Depreciation						
At 1 September 2017	6,780	-	2,119	4,314	584	13,797
Charge for the year	590	-	290	573	81	1,534
Disposals	-	-	(188)	-	(150)	(338)
At 31 August 2018	7,370	-	2,221	4,887	515	14,993
Net book values						
At 31 August 2018	20,845	29	622	5,738	256	27,490
<i>At 31 August 2017</i>	<i>21,435</i>	<i>28</i>	<i>533</i>	<i>5,237</i>	<i>310</i>	<i>27,543</i>

Assets held as security

The Defined Benefit Pension liability of £2,511,000 is secured on the following freehold properties:

68, 74, 76 and 78 Dobson Road
 Bolton School Nursery
 Leverhulme Pavilion
 72 Dobson Road
 191 Park Road
 Patterdale Hall

BOLTON SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 AUGUST 2018

9. TANGIBLE FIXED ASSETS - SCHOOL

	Freehold land and buildings	Assets under construction	Furniture and equipment	Fixtures and fittings	Total
	£'000	£'000	£'000	£'000	£'000
Cost					
At 1 September 2017	28,215	28	2,561	9,494	40,298
Additions	-	1	380	1,074	1,455
Disposals	-	-	(184)	-	(184)
At 31 August 2018	<u>28,215</u>	<u>29</u>	<u>2,757</u>	<u>10,568</u>	<u>41,569</u>
Depreciation					
At 1 September 2017	6,780	-	2,034	4,303	13,117
Charge for the year	590	-	289	567	1,446
Disposals	-	-	(184)	-	(184)
At 31 August 2018	<u>7,370</u>	<u>-</u>	<u>2,139</u>	<u>4,870</u>	<u>14,379</u>
Net book values					
At 31 August 2018	<u>20,845</u>	<u>29</u>	<u>618</u>	<u>5,698</u>	<u>27,190</u>
<i>At 31 August 2017</i>	<i><u>21,435</u></i>	<i><u>28</u></i>	<i><u>527</u></i>	<i><u>5,191</u></i>	<i><u>27,181</u></i>

Assets held as security

The Defined Benefit Pension liability of £2,511,000 is secured on the following freehold properties:

68, 74, 76 and 78 Dobson Road
Bolton School Nursery
Leverhulme Pavilion
72 Dobson Road
191 Park Road
Patterdale Hall

BOLTON SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 AUGUST 2018

10. INVESTMENT PROPERTY – CONSOLIDATED AND SCHOOL

	Freehold Investment property £'000
Valuation	
At 1 September 2017	941
Revaluation in the year	<u>165</u>
	<u>1,106</u>
At 31 August 2018	

Investment property consists of the schools' land and buildings that are held for investment purposes and which are not used in the school's own activities.

As of 31 August 2018 the investment properties have been revalued by the governors on an open market value for existing use basis.

11. INVESTMENTS - CONSOLIDATED

	Listed investments £'000	COIF Shares £'000	Fixed interest £'000	Cash £'000	Total 2018 £'000
At 1 September 2017	27,988	222	1,293	680	30,183
Additions	6,665	-	-	600	7,265
Disposals	(4,668)	-	(1,293)	(106)	(6,067)
Unrealised gains	<u>1,934</u>	<u>14</u>	<u>-</u>	<u>-</u>	<u>1,948</u>
At 31 August 2018	<u>31,919</u>	<u>236</u>	<u>-</u>	<u>1,174</u>	<u>33,329</u>

The investments are managed for the school by UBS AG, Dewhurst Torevell & Co Ltd and Partners Capital LLP. All investments are managed and held in the UK.

Investments with a market value of over 5% of the total market value of investments are as follows:

	2018 £'000	2017 £'000
The Master Portfolio Ltd	5,903	5,621
Partners Capital Phoenix Fund II Ltd	1,985	-
Partners Capital Greyhawk Fund	2,035	1,836
UBS Investment Funds ICVC SHS/S & P 500 Class J	<u>1,712</u>	<u>1,782</u>

BOLTON SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 AUGUST 2018

11. INVESTMENTS - SCHOOL

	Listed investments £'000	Fixed interest £'000	Cash £'000	Total £'000
At 1 September 2017	27,788	1,293	678	29,759
Additions	6,664	-	600	7,264
Disposals	(4,668)	(1,293)	(106)	(6,067)
Unrealised gains	<u>1,921</u>	<u>-</u>	<u>-</u>	<u>1,921</u>
At 31 August 2018	<u>31,705</u>	<u>-</u>	<u>1,172</u>	<u>32,877</u>

Investments with a market value of over 5% of the total market value of investments are as follows:

	2018 £'000	2017 £'000
The Master Portfolio Ltd	5,905	5,621
Partners Capital Greyhawk Caymen Feeder Fund Ltd	2,035	1,836
Partners Capital Phoenix Fund II Ltd	1,985	-
UBS Investments Funds ICVC SHS/ S&P 500 Class J	<u>1,712</u>	<u>1,782</u>

BOLTON SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 AUGUST 2018

12. DEBTORS

	Consolidated		School	
	2018 £'000	2017 £'000	2018 £'000	2017 £'000
Due within one year				
Fee debtors	102	109	102	109
Trade debtors	72	91	24	20
Other debtors	100	76	75	61
Prepayments	601	484	583	463
Amount due from subsidiary undertaking	-	-	30	393
	<u>875</u>	<u>760</u>	<u>814</u>	<u>1,046</u>

BOLTON SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 AUGUST 2018

13. CREDITORS: Amounts falling due within one year

	Consolidated		School	
	2018	2017	2018	2017
	£'000	£'000	£'000	£'000
Bank overdraft	2,357	3,520	2,357	3,520
Fees received in advance	436	310	436	310
Trade creditors	695	665	639	619
Social security and other taxes	339	324	339	324
Other creditors & accruals	1,562	1,440	1,334	1,248
Pensions	251	243	251	243
Pupil deposits	644	641	644	641
Deferred income - advance fee scheme (note 15)	<u>342</u>	<u>282</u>	<u>342</u>	<u>282</u>
	<u>6,626</u>	<u>7,425</u>	<u>6,342</u>	<u>7,187</u>

The school has an overdraft facility in place to the value of £6,000,000 at 31 August 2018, and £2,357,209 of this has been used (£3,520,180 in 2017).

The bank overdraft facility is secured by an unlimited inter company composite guarantee by and between Bolton School and Bolton School Services Limited.

14. CREDITORS: Amounts falling due after more than one year

	Consolidated		School	
	2018	2017	2018	2017
	£'000	£'000	£'000	£'000
Deferred income - advance fee scheme (note 15)	<u>713</u>	<u>745</u>	<u>713</u>	<u>745</u>

BOLTON SCHOOL**NOTES TO THE FINANCIAL STATEMENTS (Continued)****FOR THE YEAR ENDED 31 AUGUST 2018****15. ADVANCE FEE PAYMENTS**

Advance fee income is received from parents under arrangements entered into with the School under its Fees in Advance Scheme. This income is applied to meet payments of tuition fees at Bolton School as they fall due.

Parents may enter into a contract to pay to the School up to the equivalent of seven years' tuition fees in advance. The money may be returned subject to specific conditions on the receipt of one term's notice.

	2018	2017
	£'000	£'000
After 5 years	207	284
Within 2 to 5 years	331	300
Within 1 to 2 years	<u>175</u>	<u>160</u>
	713	744
Within 1 year	<u>342</u>	<u>282</u>
	<u>1,055</u>	<u>1,026</u>

The movement during the year on advanced fees were as follows:

	2018	2017
	£'000	£'000
Balance at 1 September 2017	1,026	1,047
New advanced fees received in the year	342	319
Discount given	6	11
Amounts utilised in payment of fees	<u>(319)</u>	<u>(351)</u>
Balance at 31 August 2018	<u>1,055</u>	<u>1,026</u>

16. FINANCIAL INSTRUMENTS

	2018	2017
	£000	£000
Financial assets measured at amortised cost (a)	2,094	3,076
Financial assets measured at fair value (b)	33,329	30,183
Financial liabilities measured at amortised cost (c)	3,243	2,988
Financial liabilities measured at fair value (d)	2,511	2,480

BOLTON SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 AUGUST 2018

16. FINANCIAL INSTRUMENTS (CONTINUED)

- (a) Financial assets include cash, trade and fee debtors and other debtors
- (b) Financial assets held at fair value include assets held as investments
- (c) Financial liabilities include deposits, trade creditors and other creditors
- (d) Financial liabilities held at fair value include Bolton School pension scheme deficit

Impairment losses charged to financial assets measured at amortised cost in the year amounted to £1,536 (2017: £18,833).

BOLTON SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

17. NET ASSETS OF THE FUNDS OF THE CHARITY AND GROUP

The Charity's and Group net assets belong to the various funds as follows:

	Fixed Assets	Investments and investment property	Net Current Assets/ (Liabilities)	Long Term Liabilities	Pension Liability	Fund Balances 2018
	£'000	£'000	£'000	£'000	£'000	£'000
Charity Unrestricted Funds						
General Funds	21,887	3,959	(4,920)	-	-	20,926
Revaluation reserve	-	-	142	-	-	142
Pension Reserve	-	-	-	-	(2,511)	(2,511)
Leigh-Bramwell Designated Fund	-	3,868	157	-	-	4,025
Other Designated Funds	376	-	(85)	-	-	291
Total Unrestricted School Funds	22,263	7,827	(4,706)	-	(2,511)	22,873
Charity Restricted Funds						
Lever Scholarship (Assisted Places) Fund	-	11,065	265	-	-	11,330
School Open Door Bursary Fund	-	10,579	154	-	-	10,733
Fees in Advance Fund	-	1,383	(190)	(713)	-	480
Other Restricted Funds	3,040	1,633	760	-	-	5,433
Total Restricted School Funds	3,040	24,660	989	(713)	-	27,976
Charity Endowed Funds						
Endowed Land and Buildings	-	1,496	(360)	-	-	1,136
Other Endowed Funds	1,887	-	(233)	-	-	1,654
Total Endowed School Funds	1,887	1,496	(593)	-	-	2,790
Total School Funds	27,190	33,983	(4,310)	(713)	(2,511)	53,639
Group Endowed Funds						
The Christine Margaret Rawlinson Memorial Trust	-	51	9	-	-	60
The Popplewell Award Endowed Fund	-	252	28	-	-	280
Group Restricted Funds						
Sally Hodgkiss Trust	-	149	49	-	-	198
Non-charitable trading funds	300	-	325	-	-	625
Total Consolidated Funds	27,490	34,435	(3,899)	(713)	(2,511)	54,802

BOLTON SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 AUGUST 2018

17. NET ASSETS OF THE FUNDS OF THE CHARITY AND GROUP (CONTINUED)

	Fixed Assets	Investments and investment property	Net Current Assets/ (Liabilities)	Long Term Liabilities	Pension Liability	Fund Balances 2017
	£'000	£'000	£'000	£'000	£'000	£'000
Charity Unrestricted Funds						
General Funds	21,729	3,610	(5,736)	-	-	19,603
Revaluation reserve	-	-	(23)	-	-	(23)
Pension Reserve	-	-	-	-	(2,480)	(2,480)
Leigh-Bramwell Designated Fund	-	3,372	401	-	-	3,773
Other Designated Funds	<u>394</u>	<u>-</u>	<u>(103)</u>	<u>-</u>	<u>-</u>	<u>291</u>
Total Unrestricted School Funds	<u>22,123</u>	<u>6,982</u>	<u>(5,461)</u>	<u>-</u>	<u>(2,480)</u>	<u>21,164</u>
Charity Restricted Funds						
Lever Scholarship (Assisted Places) Fund	-	10,352	266	-	-	10,618
School Open Door Bursary Fund	-	9,198	1,219	-	-	10,417
Fees in Advance Fund	-	1,294	(153)	(745)	-	396
Other Restricted Funds	<u>3,038</u>	<u>1,475</u>	<u>811</u>	<u>-</u>	<u>-</u>	<u>5,324</u>
Total Restricted School Funds	<u>3,038</u>	<u>22,319</u>	<u>2,143</u>	<u>(745)</u>	<u>-</u>	<u>26,755</u>
Charity Endowed Funds						
Endowed Land and Buildings	-	1,399	(275)	-	-	1,124
Other Endowed Funds	<u>2,019</u>	<u>-</u>	<u>(233)</u>	<u>-</u>	<u>-</u>	<u>1,786</u>
Total Endowed School Funds	<u>2,019</u>	<u>1,399</u>	<u>(508)</u>	<u>-</u>	<u>-</u>	<u>2,910</u>
Total School Funds	<u>27,180</u>	<u>30,700</u>	<u>(3,826)</u>	<u>(745)</u>	<u>(2,480)</u>	<u>50,829</u>
Group Endowed Funds						
The Christine Margaret Rawlinson Memorial Trust	-	48	9	-	-	57
The Popplewell Award Endowed Fund	-	236	27	-	-	263
Group Restricted Funds						
Sally Hodgkiss Trust	-	140	49	-	-	189
Non-charitable trading funds	<u>363</u>	<u>-</u>	<u>(96)</u>	<u>-</u>	<u>-</u>	<u>267</u>
Total Consolidated Funds	<u>27,543</u>	<u>31,124</u>	<u>(3,837)</u>	<u>(745)</u>	<u>(2,480)</u>	<u>51,605</u>

BOLTON SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 AUGUST 2018

17A. ENDOWED FUNDS: MOVEMENTS IN THE YEAR

	Balance at 1 September 2017 £'000	Incoming Endowment £'000	Resources Expended £'000	Transfers and Investment Gains/(Losses) £'000	Balance at 31 August 2018 £'000
Prize funds	15	-	-	-	15
B Crossley	4	-	-	-	4
M Mitchell	2	-	-	-	2
Middle School Awards	10	-	-	-	10
W F Tillotson Award	168	-	-	12	180
Derrick and Monica Brooke					
Jameson Trust	796	-	-	-	796
Professor Stevens	94	-	-	-	94
Headmaster's Fund	13	-	-	-	13
Headmistress's Fund	22	-	-	-	22
Land and Buildings	<u>1,786</u>	<u>-</u>	<u>(132)</u>	<u>-</u>	<u>1,654</u>
School Endowed Funds	2,910	-	(132)	12	2,790
The Christine Margaret Rawlinson Memorial Trust	29	-	-	-	29
The Popplewell Award	<u>130</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>130</u>
Consolidated Endowed Funds	<u>3,069</u>	<u>-</u>	<u>(132)</u>	<u>12</u>	<u>2,949</u>

	Balance at 1 September 2016 £'000	Incoming Endowment £'000	Resources Expended £'000	Transfers and Investment Gains/(Losses) £'000	Balance at 31 August 2017 £'000
Prize funds	15	-	-	-	15
B Crossley	4	-	-	-	4
M Mitchell	2	-	-	-	2
Middle School Awards	10	-	-	-	10
W F Tillotson Award	150	-	-	18	168
Derrick and Monica Brooke					
Jameson Trust	796	-	-	-	796
Professor Stevens	94	-	-	-	94
Headmaster's Fund	13	-	-	-	13
Headmistress's Fund	22	-	-	-	22
Land and Buildings	<u>1,908</u>	<u>-</u>	<u>(122)</u>	<u>-</u>	<u>1,786</u>
School Endowed Funds	3,014	-	(122)	18	2,910
The Christine Margaret Rawlinson Memorial Trust	29	-	-	-	29
The Popplewell Award	<u>130</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>130</u>
Consolidated Endowed Funds	<u>3,173</u>	<u>-</u>	<u>(122)</u>	<u>18</u>	<u>3,069</u>

BOLTON SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 AUGUST 2018

17A. ENDOWED FUNDS: MOVEMENTS IN THE YEAR (Continued)

Prize and B Crossley funds

These funds are endowed funds to provide for prizes and awards for pupils at the School.

M Mitchell

This fund exists to support needy girls, preferably those going to University.

Middle School Award

This award exists to support boys only.

The Popplewell Award

This fund exists to provide University funding for former pupils of the Boys' Division.

W F Tillotson fund

The W F Tillotson fund provides bursaries for pupils at the School.

The Christine Margaret Rawlinson Memorial Trust

The Trust was established to provide travel awards for pupils of Bolton School which will offer them the opportunity for self-development through exposure to cultural experiences.

Land and Buildings

Certain parts of the School's land and buildings form part of this endowment.

Professor Stevens Fund

The fund exists to provide bursary support for Chemistry students.

Headmaster's Fund

This fund is used for the benefit of the School.

Headmistress's Fund

This fund is used for the benefit of the School.

Derrick and Monica Brooke Jameson Trust

The fund exists to provide bursaries for pupils at the School.

BOLTON SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 AUGUST 2018

17B. RESTRICTED FUNDS: MOVEMENTS IN THE YEAR

	Balance at 1 September 2017 £'000	Incoming Resources £'000	Expended Resources £'000	Transfers and Investment Gains/(Losses) £'000	Balance at 31 August 2018 £'000
Bequest – Nette	78	-	-	-	78
Fees in Advance Fund	394	8	(6)	82	478
The Funding the Future Campaign	3,096	19	(67)	-	3,048
School Open Door Bursary Fund	10,417	724	(2,512)	2,105	10,734
Lever Scholarship (Assisted Places) Fund	10,618	206	(151)	657	11,330
Leigh-Bramwell Fund (Sutcliffe Bequest)	384	2	-	22	408
B Crossley	1	-	-	-	1
M Mitchell	1	-	-	-	1
Middle School Awards	5	-	-	-	5
W F Tillotson Award	29	1	-	(1)	29
Clifford Ingham Fund	5	-	(1)	-	4
Bradshaw Smith Prize Funds	6	-	-	-	6
Jameson Trust	11	-	-	-	11
Professor Stevens Fund	175	6	-	56	237
Headmaster's Fund	191	2	(3)	18	208
Headmistress's Fund	6	1	(2)	1	6
Hargreaves	10	-	(1)	1	10
Raspin Fund	14	3	-	-	17
Higginson Fund	201	1	(2)	12	212
George Lancashire fund	247	1	-	16	264
Dr Forsyth	801	20	(37)	49	833
Roberts Extra curricular	46	-	(15)	-	31
Essen	14	10	(3)	-	21
	<u>5</u>	<u>-</u>	<u>(1)</u>	<u>-</u>	<u>4</u>
School Restricted Funds	26,755	1,004	(2,801)	3,018	27,976
Sally Hodgkiss Trust	188	1	-	9	198
The Popplewell Award	134	8	(8)	15	149
The Christine Margaret Rawlinson Memorial Trust	<u>28</u>	<u>-</u>	<u>-</u>	<u>3</u>	<u>31</u>
Consolidated Restricted Funds	<u>27,105</u>	<u>1,013</u>	<u>(2,809)</u>	<u>3,045</u>	<u>28,354</u>

Transfers relate to the School's contribution to the Bursary fund of £1,477,964.

BOLTON SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 AUGUST 2018

17B. RESTRICTED FUNDS: MOVEMENTS IN THE YEAR (CONTINUED)

	<i>Balance at 1 September 2016 £'000</i>	<i>Incoming Resources £'000</i>	<i>Expended Resources £'000</i>	<i>Transfers and Investment Gains/(Losses) £'000</i>	<i>Balance at 31 August 2017 £'000</i>
Bequest – Nette	78	-	-	-	78
Fees in Advance Fund	404	-	(11)	1	394
The Funding the Future Campaign	3,112	50	(66)	-	3,096
School Open Door Bursary Fund	9,143	986	(2,393)	2,681	10,417
Lever Scholarship (Assisted Places) Fund	9,462	322	(242)	1,076	10,618
Leigh-Bramwell Fund (Sutcliffe Bequest)	348	5	-	31	384
B Crossley	1	-	-	-	1
M Mitchell	1	-	-	-	1
Middle School Awards	5	-	-	-	5
W F Tillotson Award	26	3	-	-	29
Clifford Ingham Fund	5	-	-	-	5
Bradshaw Smith	6	-	-	-	6
Prize Funds	9	2	-	-	11
Jameson Trust	55	28	-	92	175
Professor Stevens Fund	154	5	-	32	191
Headmaster's Fund	5	2	(2)	1	6
Headmistress's Fund	7	1	-	2	10
Hargreaves	11	3	-	-	14
Raspin Fund	181	3	(1)	18	201
Higginson Fund	229	5	(12)	25	247
George Lancashire fund	699	40	(17)	79	801
Dr Forsyth	61	-	(15)	-	46
Roberts Extra curricular	-	21	(7)	-	14
Essen	5	-	-	-	5
School Restricted Funds	24,007	1,476	(2,766)	4,038	26,755
Sally Hodgkiss Trust	171	2	-	15	188
The Popplewell Award	112	7	(8)	23	134
The Christine Margaret Rawlinson Memorial Trust	22	1	-	5	28
Consolidated Restricted Funds	<u>24,312</u>	<u>1,486</u>	<u>(2,774)</u>	<u>4,081</u>	<u>27,105</u>

Leigh-Bramwell Fund (Sutcliffe Bequest) and Bequest – Nette
These funds exist for the purpose of pupil support, girls only.

Fees in Advance Fund

This is the capital prepayment scheme of which School fees payers can enter into.

The Funding the Future Campaign

This was set up for the purpose of financing the building of the Arts Centre and other capital projects.

BOLTON SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 AUGUST 2018

17B. RESTRICTED FUNDS: MOVEMENTS IN THE YEAR (Continued)

Dr Edith Forsyth Scholarship Award

This fund relates to the restricted income and expenditure of the Dr Edith Forsyth Scholarship Award set up to provide financial support for five years of university medical training for Girls' Division pupils.

School Open Door Bursary Fund

In 1997 this fund was set up to generate monies to replace the Government Assisted Places Scheme and it also contains funding in respect of the 1997 Bursary Appeal.

Sally Hodgkiss Trust and Lever Scholarship (Assisted Places) Fund

These funds exist for the purpose of pupil support.

Clifford Ingham Fund

This fund supports pupils on an adventurous activity.

Bradshaw Smith

This fund exists for maintenance of buildings extant prior to 1939.

B Crossley

This fund relates to the restricted income and expenditure on the B Crossley endowment fund.

Middle School Awards

This fund relates to the restricted income and expenditure on the Middle School Awards endowment fund.

W F Tillotson Award

This fund relates to the restricted income and expenditure on the W F Tillotson Scholarship endowment fund.

M Mitchell

This fund relates to the restricted income and expenditure on the M Mitchell endowment fund.

Professor Stevens Fund

The income from this fund is used to provide bursaries for Chemistry students.

Headmaster's Fund

This fund is used for the benefit of the School.

Headmistress's Fund

This fund is used for the benefit of the School.

Prize Fund

This fund relates to the restricted income and expenditure on the Prize Fund endowment fund.

Derrick and Monica Brooke Jameson Trust

The income from this fund is used to provide bursaries for pupils at the School.

Philip and Enid Hargreaves Memorial Fund

This fund supports pupils on School trips.

The Raspin Fund

This fund supports extra-curricular trips and activities for less affluent girls, which are relevant to their academic studies.

The Essen Fund

This fund supports cross cultural understanding and learning in Western Europe and also the study of modern European languages by providing support for financially disadvantaged pupils to participate in cross-cultural study and language exchanges in Western Europe.

BOLTON SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 AUGUST 2018

17B. RESTRICTED FUNDS: MOVEMENTS IN THE YEAR (Continued)

The Higginson Fund

This fund is to provide bursary support to girls, with a preference for children of the clergy.

George Lancashire fund

This fund is to provide bursary support to pupils from the Eccles area.

Roberts Extra Curricular Fund

This fund is available for Boys on a Roberts Bursary to join in extra-curricular trips that they may otherwise not be able to afford.

17C. UNRESTRICTED FUNDS: MOVEMENTS IN THE YEAR

	<i>Balance at 1 September 2017 £'000</i>	<i>Incoming Resources £'000</i>	<i>Expended Resources £'000</i>	<i>Transfers, Investment and Actuarial Gains/(Losses) £'000</i>	Balance at 31 August 2018 £'000
Designated Funds:					
Nursery School Fund	291	1,164	(935)	(229)	291
Leigh-Bramwell	<u>3,773</u>	<u>23</u>	<u>-</u>	<u>229</u>	4,025
	4,064	1,187	(935)	-	4,316
Revaluation reserve	(23)	-	-	165	142
Pension reserve	(2,480)	-	(34)	3	(2,511)
General Funds	<u>19,603</u>	<u>24,842</u>	<u>(22,440)</u>	<u>(1,079)</u>	20,926
School Unrestricted Funds	21,164	26,029	(23,409)	(911)	22,873
Non-charitable trading funds	<u>267</u>	<u>2,538</u>	<u>(2,179)</u>	<u>-</u>	626
Consolidated Unrestricted Funds	<u>21,431</u>	<u>28,567</u>	<u>(25,588)</u>	<u>(911)</u>	<u>23,499</u>

Transfers comprise a contribution to the Bursary Fund of the surplus made by the Nursery in the year.

BOLTON SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 AUGUST 2018

17C. UNRESTRICTED FUNDS: MOVEMENTS IN THE YEAR (CONTINUED)

	<i>Balance at 1 September 2016 £'000</i>	<i>Incoming Resources £'000</i>	<i>Expended Resources £'000</i>	<i>Transfers, Investment and Actuarial Gains/(Losses) £'000</i>	Balance at 31 August 2017 £'000
Designated Funds:					
Nursery School Fund	291	1,221	(891)	(330)	291
Leigh-Bramwell	<u>3,362</u>	<u>60</u>	<u>-</u>	<u>351</u>	<u>3,773</u>
	3,653	1,281	(891)	21	4,064
Revaluation reserve	(30)	-	-	7	(23)
Pension reserve	(3,347)	-	136	731	(2,480)
General Funds	<u>18,360</u>	<u>24,693</u>	<u>(22,647)</u>	<u>(803)</u>	<u>19,603</u>
School Unrestricted Funds	18,636	25,974	(23,402)	(44)	21,164
Non-charitable trading funds	<u>270</u>	<u>2,374</u>	<u>(2,062)</u>	<u>(315)</u>	<u>267</u>
Consolidated Unrestricted Funds	<u>18,906</u>	<u>28,348</u>	<u>(25,464)</u>	<u>(359)</u>	<u>21,431</u>

Nursery School Fund

All available funds/surpluses from 2017/18 will be transferred to the Foundation's Bursary Fund on an ongoing basis.

Leigh-Bramwell

All derived income is spent on awarding means tested bursaries on an ongoing basis and the capital for future developmental projects.

100/500 Anniversary Fund

The academic year 2015-16 saw the school celebrate 100 years of the Foundation on its present site and 500 years of Bolton School. The fund was set up to provide funds to support the different events planned during that year and has now been spent.

BOLTON SCHOOL**NOTES TO THE FINANCIAL STATEMENTS (Continued)****FOR THE YEAR ENDED 31 AUGUST 2018****18. RELATED PARTY TRANSACTIONS**

The school owns all of the issued share capital of Bolton School Services Limited. Its results are shown in Note 4. There are no other related party transactions which need to be disclosed, other than one of the Governors, Amanda Valentine, is also a director of and Compliance Officer at one of the School's investment manager firms, Dewhurst Torevell & Co Ltd. Since their appointment Ms Valentine has taken no part in the School's investment management activities or decisions and is no longer a member of the School's Investment Committee. Total advisor charges paid to Dewhurst Torevell & Co Ltd in the year were £49,719 (2017: £15,323).

A number of the governors at the School who held office for at least part of the year had children enrolled at the School during the year. The children attend the School on the same terms as the other pupils.

19. CONNECTED CHARITIES

The Scott Bolton Trust is a separate trust with separate trustees. It was established to manage funds provided by the Scott Family for the benefit of pupils and former pupils at Bolton School.

20. FINANCIAL COMMITMENTS

At 31 August 2018 the group had future minimum lease payments under non cancellable operating leases as follows:

	Land and buildings		Other	
	2018	2017	2018	2017
	£'000	£'000	£'000	£'000
Within one year	16	-	31	40
Between two and five years	65	-	102	5
After five years	<u>68</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>149</u>	<u>-</u>	<u>133</u>	<u>45</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 AUGUST 2018

21. PENSION SCHEMES

Teaching Staff

The School participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £1,479,990 (2017: £1,474,304) and at the year-end £194,890 (2017 - £243,319) was accrued in respect of contributions to this scheme.

The TPS is an unfunded multi-employer defined benefits pension scheme governed by The Teachers' Pensions Regulations 2010 (as amended) and The Teachers' Pension Scheme Regulations 2014 (as amended). Members contribute on a "pay as you go" basis with contributions from members and the employer being credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

The employer contribution rate is set by the Secretary of State following scheme valuations undertaken by the Government Actuary's Department. The most recent actuarial valuation of the TPS was prepared as at 31 March 2012 and the valuation report, which was published in June 2014, confirmed an employer contribution rate for the TPS of 16.4% from 1 September 2015. Employers are also currently required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 16.48%.

This employer rate will be payable until the completion and outcome of the next actuarial valuation which is being prepared as at 31 March 2016. Her Majesty's Treasury published draft Directions for the TPS on 6 September 2018 to allow the Department for Education to finalise this valuation. Early indications from the valuation are that the amount employers will be required to pay towards the scheme may increase substantially from September 2019.

There are also indications that the protections in the new cost cap mechanism required by the Public Service Pensions Act 2013 mean public sector workers will get improved pension benefits for employment over the period April 2019 to March 2023.

Support Staff Defined Contribution Scheme

The total contribution payable to the School's defined contribution schemes during the year was £528,375 (2017: £488,059).

Support Staff Defined Benefit Bolton School Pension Scheme

The School operates a defined benefit pension scheme in the UK. This is a separate trustee administered fund holding the pension scheme assets to meet long term pension liabilities. Since 31 January 2009 it has been closed to the accrual of new benefits. A full actuarial valuation was carried out at 1 September 2016 by a qualified independent actuary, and updated on an approximate basis to 31 August 2018.

The most recent actuarial valuation showed a deficit of £2,177,000. The School agreed with the trustees that it will aim to eliminate the deficit over a period of 40 years from 31 August 2016 by the payment of a contribution of £213,351 in December 2016 followed by annual contributions of £46,000 increasing at 3% per annum. In addition and in accordance with the schedule of contributions, the School has agreed with the trustees to meet the levies to the Pension Protection Fund.

BOLTON SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 AUGUST 2018

21. PENSION SCHEMES (Continued)

a) The amounts recognised in the balance sheet are as follows:

	2018	2017
	£'000	£'000
Present value of funded obligations	(2,564)	(2,748)
Fair value of plan assets	<u>53</u>	<u>268</u>
Net liability	<u>(2,511)</u>	<u>(2,480)</u>

b) Changes in the present value of the defined benefit obligation

	2018	2017
	£'000	£'000
Opening defined benefit obligation	2,748	4,062
Service cost	-	-
Interest cost	69	85
Employee contributions	-	-
Actuarial (gains)/losses	(1)	(672)
Benefits paid	<u>(252)</u>	<u>(727)</u>
Defined benefit obligation at end of year	<u>2,564</u>	<u>2,748</u>

c) Changes in the fair value of the scheme assets

	2018	2017
	£'000	£'000
Opening fair value of scheme assets	268	715
Interest income	2	12
Actuarial gains/(losses)	2	59
Employer contributions	46	215
Employee contributions	-	-
Expenses paid	(13)	(6)
Benefits paid	<u>(252)</u>	<u>(727)</u>
Fair value of the scheme assets	<u>53</u>	<u>268</u>

BOLTON SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 AUGUST 2018

21. PENSION SCHEMES (continued)

d) The amounts included within the Statement of Financial Activities are as follows:

	2018	2017
	£'000	£'000
Expected return on scheme assets	-	-
Expenses	(13)	(6)
Interest on pension liabilities	(67)	(73)
Total amount charged to the Statement of Financial Activities:	(80)	(79)
Net actuarial gains/(losses) recognised in the year	3	731
Net cumulative actuarial losses	<u>2,448</u>	<u>2,451</u>

Bolton School expects to contribute £47,380 to its defined benefit pension scheme in 2018/19. This is a significant reduction in its contribution which has occurred as a result of the School providing further properties as security to the pension scheme.

e) Reconciliation of movements in present value of plan liabilities and assets:

	2018	2017
	£'000	£'000
Net liability at beginning of the year	(2,480)	(3,347)
Movements in the year:	(31)	867
Net liability at end of the year	<u>(2,511)</u>	<u>(2,480)</u>

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

	2018	2017
Equities	87%	96%
Bonds	<u>13%</u>	<u>4%</u>

The actual return on the scheme assets in the year was:

	2018	2017
	£'000	£'000
Assets	<u>4</u>	<u>71</u>

BOLTON SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 AUGUST 2018

21. PENSION SCHEMES (continued)

g) The Principal actuarial assumptions at the balance sheet date:

	2018	2017
Discount rate	2.7%	2.5%
Retail price inflation	3.5%	3.3%
Consumer price inflation	2.5%	2.3%
Rate of increase in salaries	n/a	n/a
Expected return on scheme assets	3.5%	3.5%
Assumed life expectancy in years at age 65:		
Retiring in 20 years – males	24.5	25.2
Retiring in 20 years – females	26.7	27.8
Assumed life expectancy in years at age 68:		
Retiring today – males	21.9	19.3
Retiring today – females	24.0	21.3

h) History of experience gains and losses:

	2018	2017	2016	2015	2014
	£'000	£'000	£'000	£'000	£'000
Difference between expected and actual return on assets	2	59	70	(9)	4
Experience gains and losses arising on the scheme liabilities	-	440	16	5	13
Scheme liabilities	2,564	2,748	4,062	3,104	3,037
Scheme assets	53	268	715	604	452
Deficit in the scheme	2,511	2,480	3,347	2,500	2,585

BOLTON SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 AUGUST 2018

**22. Consolidated Statement of Financial Activities – Comparative figures by fund type
Year Ended 31 August 2017**

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	Total Funds 2017 £'000
INCOME AND ENDOWMENTS FROM:					
Charitable Activities					
- School fees	2	25,773	-	-	25,773
Ancillary trading income	5	31	-	-	31
Other trading activities					
Non ancillary trading income	5	7	-	-	7
Activities for generating funds:					
- Bolton School Services Limited	4	2,373	-	-	2,373
Dividends, bank and other interest	3	142	407	-	549
Grants & Donations Receivable	6	22	1,079	-	1,101
Total Incoming Resources		28,348	1,486	-	29,834
EXPENDITURE ON:					
Raising funds					
- Bolton School Services Limited	4	2,062	-	-	2,062
Non ancillary trading costs		-	-	-	-
Financing costs		160	11	-	171
Fundraising & Publicity Costs		458	-	-	458
Total costs of raising funds		2,680	11	-	2,691
Charitable activities					
Education and grant making		22,784	2,763	122	25,669
Total Resources Expended	8	25,464	2,774	122	28,360
Net incoming/(outgoing) resources from operations before transfers and investment gains					
		2,884	(1,288)	(122)	1,474
Gains on investments		628	2,356	18	3,002
Gains/(losses) on investment property		7	-	-	7
Transfers between funds		(1,725)	1,725	-	-
NET INCOME		1,794	2,793	(104)	4,483
Pension scheme actuarial gains/(losses)		731	-	-	731
NET MOVEMENT IN FUNDS		2,525	2,793	(104)	5,214
Fund balances brought forward	17	18,906	24,312	3,173	46,391
FUND BALANCES CARRIED FORWARD	17 (A,B & C)	21,431	27,105	3,069	51,605