

# MICHAEL HALL SCHOOL

England & Wales · Charity number 307006

## Details

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**Status** Registered

**Legal form** Other

**Company number** [00539034](#)

**Registered** 1963-07-24

**Register** [View on the Charity Commission register](#)

## Contact

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**Address** Kidbrooke Park  
Priory Road  
Forest Row  
East Sussex  
RH18 5JA

**Phone** 01342 822275

**Email** [accounts@michaelhall.co.uk](mailto:accounts@michaelhall.co.uk)

**Website** <http://www.michaelhall.co.uk/>

## Activities

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**Objects:** A SCHOOL FOR THE EDUCATION OF CHILDREN ON THE METHODS ADVOCATED BY DR RUDOLF STEINER.

**Activities:** Steiner Waldorf School

## Classification

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- **How:** Makes Grants To Individuals, Provides Human Resources, Provides Buildings/facilities/open Space, Provides Services
- **What:** Education/training
- **Who:** Children/young People

## Geography

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- **Area of benefit:** WEALDEN
- East Sussex

## Finances

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Period end	Income	Expenditure	Assets	Employees
2025-07-31	£5,166,369	£4,920,791	£7,538,158	117
2024-07-31	£4,812,229	£4,419,434	£6,969,058	106
2023-07-31	£4,088,026	£4,000,212	£6,526,124	102
2022-07-31	£3,393,196	£3,535,277	£6,375,546	107
2021-07-31	£3,787,551	£3,901,892	£6,232,359	119
2020-07-31	£4,047,744	£4,738,843	£4,309,493	130

## Trustees

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Name	Role	Appointed
MICHAEL HALL SCHOOL LIMITED		1954-10-08

**MICHAEL HALL SCHOOL**

England & Wales - Charity number 307006

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# Accounts

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**MICHAEL HALL SCHOOL**

**Trustees Report  
and Financial Statements  
for the year ended 31 July 2025**

**Registered Charity Number 307006**

# **MICHAEL HALL SCHOOL**

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2025

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# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2025

## REFERENCE AND ADMINISTRATIVE DETAILS

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### Trustee

The sole trustee of the charity is a company limited by guarantee, Michael Hall School Limited, company number 539034. The directors of this company are the Council of Trustees of the charity for charity law purposes and are set out below:

J Angus	(Parent)	(resigned 1 July 2025)
J Durrant	(Independent)	(resigned 25 July 2025)
J Harrison	(Parent)	(appointed 1 September 2023)
D Jones	(Teacher)	(appointed 1 September 2023)
N Michaels	(Parent)	(appointed 23 November 2020)
R Moore	(Independent)	(resigned 26 May 2025)
T Souleiman	(Parent)	(appointed 9 December 2019)
E Tilezhinskii	(Parent)	(appointed 1 September 2023)
J Hulbert	(Self Employed)	(appointed 25 March 2025)
C Marcus	(Parent)	(appointed 1 July 2025)
S Delfas	(Parent)	(appointed 1 July 2025)
H Carter	(Parent)	(appointed 1 July 2025)
R Dahele	(Parent)	(appointed 1 July 2025)
R Lyon	(Independent)	(appointed 1 July 2025)
S King	(Independent)	(appointed 1 July 2025)
E Hawker	(Teacher)	(appointed 10 December 2025)

The Association members are the guarantors of the trustee company and hold the right to appoint or remove members of the Council of Trustees. No person may be appointed as a member unless they are an Association member.

### Management

The trustees delegate the day to day management of the school to committees comprised of members of staff.

### Key management personnel (throughout year to end of academic year 2024/25 unless stated otherwise)

S Stokes	Principal (to August 2024)
E Hawker	Acting Principal (to August 2025) Director of Studies (to August 2024)
J Courtenay	Assistant Principal and Lower School Assistant Principal
R Ford-Blanchard	Assistant Principal and Early Years Childhood Lead (to December 2025)
M Devaris	Upper School Assistant Principal (to August 2025)
C Parker	Designated Safeguarding Lead
C Martin	Inclusion Coordinator
R Michael	Head of People and Culture
C Fullbrook	Head of Finance
T Sowter	Head of Operations
R Lidert	Designated Safeguarding Lead (from September 2025)
S McWilliams	Principal (from August 2025)
C Little	Head of Inclusion (from September 2025)
R Harkness	Head of Upper School (from September 2025)

### Principal office

Kidbrooke Park  
Priory Road  
Forest Row  
East Sussex  
RH18 5JA

### Charity registered number

307006

# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2025

## REFERENCE AND ADMINISTRATIVE DETAILS

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### **Auditor**

Blue Spire Limited  
Cawley Priory  
South Pallant  
Chichester  
West Sussex  
PO19 1SY

### **Solicitor**

Ellis Whittham Limited  
Woodhouse  
Aldford  
Chester  
Cheshire  
CH3 6JD

### **Bankers**

HSBC  
38 London Road  
East Grinstead  
West Sussex  
RH19 1AB

Barclays Bank Plc  
18 Southgate Street  
Gloucester  
GL1 2DH

Triodos Bank  
Brunel House  
11 The Promenade  
Bristol  
BS8 3NN

# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2025

## REPORT OF THE TRUSTEE

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The Board of Directors of Michael Hall School Limited, as the Trustee of Michael Hall School have pleasure in presenting the annual report for the purposes of the Charities Act 2011, together with the accounts for the year ended 31 July 2025. The Directors have adopted the provisions of the Statement of Recommended Practice "Accounting and Reporting by Charities" (FRS 102) in preparing the annual report and financial statements of the charity.

### STRUCTURE, GOVERNANCE AND MANAGEMENT

#### 1.1 Context

Michael Hall School is a registered charity constituted as an unincorporated association under a Trust deed dated 21 January 1925 and the Memorandum and Articles of Association of the Trust company dated 25 September 1954 as revised. The company was established to act as a trustee of the Michael Hall School Trust, a charitable trust that operates a school in Forest Row, East Sussex. The purpose of the Trust is to provide for, and conduct, the education of children in accordance with the principles and methods of Rudolf Steiner. The sole trustee of Michael Hall School for the purposes of charity law is Michael Hall School Limited.

Michael Hall School Limited is controlled by its Board of Directors whose members are appointed or removed by Association of Company Members. The Board of Directors are known as the "Council of Trustees". The Directors are referred to as "Trustees" and hold portfolio responsibilities that map onto the school's priorities and refer to the Ofsted Inspection Framework that came into effect in May 2019. As an independent school, the School also adheres to the Independent School Standards (ISS).

All Trustees are selected based on the contribution that they will make to the governance of the organisation and their relevant knowledge, skills and experiences. They are supported with copies of the Charity Commission's guidance to Trustees and introduced to the activities of the charity by the existing Board and School's senior staff. New Trustees are inducted through a process which incorporates training in various relevant areas including Health and Safety, Safer Recruitment, Safeguarding and Child Protection.

Trustees are provided with training as and when required and there is an annual training plan for Trustees which sits alongside the School Improvement Plan (SIP). A comprehensive schedule of monitoring visits enables Trustees to hold leaders to greater account for all strategic development and post-Ofsted priorities.

The setting of pay and remuneration is completed by the Trustees with reference to publicised pay scales and benchmarked against similar roles in comparable organisations.

#### 1.2 Risk Management

The Trustees have assessed the significant risks to which the charity is exposed.

#### 1.3 Ofsted and ISS Inspections

In October 2024, Ofsted conducted a full Section 5 inspection including an assessment of the School's performance against the Independent Schools Standards (ISS) and found the School to be rated "Good" in all areas of:

- The quality of education
- Behaviour and attitudes
- Personal development
- Leadership and management
- Early years provision
- Sixth-form provision

The ISS standards were met at this inspection. The five Key Performance indicators for this year were therefore achieved and will now require maintenance.

# **MICHAEL HALL SCHOOL**

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2025

## **REPORT OF THE TRUSTEE**

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Following a robust recruitment process to employ a highly skilled new Principal for September 2025, Stuart McWilliams was appointed. The new Principal was supported with a thorough induction schedule put in place by Waldorf UK and the Trustees. This included visits to other Waldorf schools and a mentor who has been a Principal of a Waldorf school in the past.

The school continues to work with comprehensive School Improvement Plan/Self Evaluation Form (SIP/SEF) which was shared with the Trustees in September 2025. The plan is evaluated and updated regularly, and informs the Trustee monitoring visits which hold leaders to account for progress against the strategic priorities.

The school works closely with Waldorf UK who support and advocate for the school and for the Waldorf movement in a nationwide sense. The School's relationship with Waldorf UK is strong.

Waldorf UK continue to offer training to all staff, support to Senior Leaders and training to Ofsted in line with Waldorf education. This alignment is anticipated to continue having a positive effect on Ofsted inspections for all schools within the UK Movement.

### **1.4 School Leadership**

The new Principal works alongside the Heads of school, INCO and DSL. The Head of Finance also sits within the senior leadership team. The Principal heads both the educational and business functions.

The Business Leadership Team has been disbanded with the positions of Head of People and Culture and Head of Operations no longer in operation, with a view to ensure the leadership team is of appropriate size for the current scale of the school.

### **1.5 School Reputation**

The Trustees are mindful that now the school has achieved a good Ofsted rating that the momentum of positive reputation continues. We must work hard to bring new families to the community and communicate all that a Waldorf education has to offer, as well as to retain our existing families. The school continues to have a positive presence on social media platforms as well a radio campaign, we also attended the Independent School Show for the first time. The children's learning, festivals and all other aspects of school life are promoted widely and this offers us a strong basis for marketing and promoting the School in a variety of ways. We continue to monitor social media sites for any negative comments or feedback from individual parents, and approach these parents directly to see if we can help to resolve their issue, whilst also ensuring that comments remain in adherence to our values and Parent Code of Conduct.

### **1.6 Promotion of the School**

Our school website presents the School in a fresh, modern light, while still firmly grounded in Steiner principles of education and Anthroposophy. This includes a fundraising page and a donate button, making it easier for interested parties to donate to the School. Online ticketing has been introduced which has increased ticket sales for the School's events. Our newsletter on the website also includes a paid advertising section for the community.

The school is also reconnecting with Old Scholars as a positive way to keep everyone engaged with the school once they have left the school.

### **1.7 Finances**

Other risks that Trustees carefully monitor relate to the specific operational areas of the charity and its finances. The Trustees closely monitor reserve levels, ensure controls exist over critical financial systems, and examine the operational and business risks faced by the charity. A comprehensive strategic plan for the business has been agreed, which sets out a range of desirable reinvestment opportunities for growing the fabric of the school and improving its offering and commercial performance to ensure an upturn in the organisation's financial security.

# **MICHAEL HALL SCHOOL**

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2025

## **REPORT OF THE TRUSTEE**

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VAT came into full operation on 1st January 2025. The school has also lost business rates relief of 80% and following the budget in 2024 employers' National Insurance contributions also increased significantly.

Sales of three properties have now completed with funds safeguarded in a separate account. Several rejuvenation projects are planned to make the site sustainable.

Debt from unpaid fees remains steady with parents who build up debt given the chance to spread payments over a certain period (3, 6 or 12 months) to allow them to get back on track. A stringent credit control policy remains in place with cash collection over 95% of fees outstanding. Parents are contacted by credit control in the first instance and then escalated to the Head of Finance should non-payment persist. We try to work with all families to come to a solution, however, should we not, notice is handed to the family and we have a good debt collection agency who works on our behalf to collect the debt.

The school offers an extensive fee assistance programme, based on a means-tested method, and during the course of the 2024-25 academic year, 42 families have benefitted from this. 48 families have been granted fee assistance for the 2025/26 school year. As one of the many initiatives to ensure the school's business model is redeveloped with sustainability in mind, the fee assistance programme has been thoroughly reviewed and redesigned and is now fixed at 30% maximum allowance. The process remains under constant review to ensure the process remains current and sustainable.

An allocation of 5% of gross fee income remains in place has been set as a maximum fee assistance budget which is distributed to families on a means tested basis using objective criteria and assessed with the support of a third-party company, under a new clear Fee Assistance Policy. Fee Assistance has now been capped at 30% 2024/25 to ensure the programme can help as many families as possible but within the more sustainable parameters established.

### **OBJECTIVES AND ACTIVITIES**

The charity's principal objective is to provide for and conduct the education of children in accordance with Steiner Waldorf educational principles.

It pursues this objective by the administering of Michael Hall School at its premises in Forest Row, East Sussex. In doing so it provides education to and attends to the welfare of children in the school, whilst maintaining and improving the school's premises and grounds.

In determining how best to pursue this objective, the Trustees have had regard to the Charity Commission's guidance on public benefit.

Early Childhood has now been split into 2 areas. Our 'Saplings' provision for 2-3 year olds opened in September 2023 and our existing Kindergarten will now have a provision for 4-6 year olds. This has enabled the School to offer an education to children from 2 years through to 18. A Forest Kindergarten has also opened in September 2025.

Fees continue to represent over 90% of the charity's income. Fees continue to be the main driver of income, and our Marketing and Admissions Manager is addressing the needs of the school further by aiming to boost pupil numbers and beginning to market the school to its full potential as well as boost our connections with the alumni body.

Taking its inspiration from Rudolph Steiner, the School's curriculum is delivered with age-appropriate awareness, which takes into account the cognitive and emotional stages of child development. The aim of the school is to provide a holistic education, providing the students with skills and a passion for lifelong learning that promotes confidence and encourages well rounded, creative and practical individuals. Alongside traditional GCSE and A level qualifications, the education is delivered through an extremely diverse Steiner Waldorf curriculum portfolio.

# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2025

## REPORT OF THE TRUSTEE

The objective is further secured through:

- An expectation of exceptional teaching and learning, within the Steiner Waldorf tradition, that celebrates diversity and promotes inclusivity;
- Regular opportunities for collaborative, high quality CPD to ensure consistent and best practice;
- The promotion of the highest standards of behaviour, achieved through clear expectations and positive relationships within the school community;
- The unique character of the School;
- Shared whole School values of dignity, respect, celebration and ambition for all;
- The School as a hub for its local community and families;
- Networking within the wider Steiner Waldorf community through forging strong links with Waldorf UK and other Schools within the Movement.

## ACHIEVEMENTS AND PERFORMANCE

### 3.1 Context

The annual programme of cultural events, festivals, trips and residentials has enriched the curriculum for children of all ages. Immersive learning experiences are evident in abundance and colleagues' creative approaches to delivering the curriculum are a source of inspiration.

Our exam results are shown in the table below. Note the school is non-selective. We believe we have proven that this still allows us to realise each child's academic potential while also enabling a more rounded appreciation of human value and everyone's unique gifts.

### 3.2.a GCSE Results July 2025



Exams Results GCSEs - 2025

SUBJECT	No. of students	9	8	7	6	5	4	3	2	1	% Pass (4-9)
FINE ART	14	4	1	4	3		1		1		93%
ENGLISH LANGUAGE	24	2	5	2	4	3	2	4	1		79%
MATHEMATICS	24	1	4		7	8	2	2			92%
COMBINED SCIENCE	25		5	8	6	7	1				100%
BIOLOGY	6	3	1	1	1						100%
PHYSICS	7	2	3	1	1						100%
CHEMISTRY	6	2	3	1							100%
GERMAN	7	4	1	2							100%
SPANISH	6		3	1		1		1			83%
HISTORY	7	3	2	1	1						100%
GEOGRAPHY	16	3	2	1	2	4	2	2			88%
TOTALS	145	24	32	22	25	23	8	9	2	0	90%

STATISTICS	
Grades 7-9	54%
Grades 4-9	92%

#### Other Qualifications

SUBJECT	No. of students	9	8	7	6	5	4	3	0	0	%Pass (4-9)
FURTHER MATHS L2	3	1		1		1					100%
BTEC ART & DESIGN	4			1		3					100%

# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2025

## REPORT OF THE TRUSTEE

### 3.2.b A-Level Results July 2025



A - Levels 2025

SUBJECT	No. of students	A*	A	B	C	% A* - C
BIOLOGY	10		1	6		70%
CHEMISTRY	5	1		1	1	60%
GEOGRAPHY	5		1	1	1	60%
MATHEMATICS	4			2	1	75%
PHOTOGRAPHY	5	1	1	1	1	80%
PHYSICS	6	1		1		33%
A-LEVEL PSYCHOLOGY	11		1	4	3	73%
ENGLISH LITERATURE	11	3	4	2	1	91%
HISTORY	2			2		100%
ART & DESIGN FINE ART	13	10	2		1	100%
TOTALS	72	15	10	20	9	76%

STATISTICS	
Pupils gaining A* - A	36%
Pupils gaining A* - B	64%
Pupils gaining A* - C	76%

#### Other Qualifications

SUBJECT	No. of students	A*	A	B	C	% A* - C
AS LEVEL PSYCHOLOGY	1				1	100%
EXTENDED PROJECTS	4	1	3			100%

Exam results in both GCSEs and A-Levels saw steady results similar to those in 2024 with a slight increase in the higher marks awarded. This demonstrates our ability to combine both the Steiner curriculum and achieve academic results.

### 3.3 Internal Progress and Attainment

Our systems for tracking and monitoring pupil progress and attainment for all internal year cohorts have improved significantly this year since the arrival of the new School Principal. A programme of termly pupil progress meetings enable staff to feel confident that they are meeting the needs of every child in their care, with support from appropriate colleagues, such as senior school leaders and the learning support team.

Senior Leaders currently analyse the assessment data, to ensure that academic performance targets are accurate and that students remain on track. This work will continue to be delegated to core Subject Leads over the course of the next academic year as part of their continuing professional development in role.

There is a greater sense of accountability and autonomy for the progress data that is being produced and this programme will continue to be developed across the School in greater depth next year.

### 3.4 Staff Numbers

Staff numbers have remained stable through the course of the year which shows robust recruitment. The resignations that have been made have not all been replaced in a like for like role. There has been consideration regarding redeployment of existing staff and amalgamating roles, therefore reducing cost. There are no plans to increase staff numbers at present.

# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2025

## REPORT OF THE TRUSTEE

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### 3.5 Pupil Numbers

After the introduction of VAT in January 2025 we have seen a decline of 10% in pupil numbers and forecast to drop a further 10% in the school year 2026/27. The Trustees and SLT continue to consider the impact of this on the schools' finances and what mitigating action might be appropriate to best align to those changes. The school will begin to explore the opportunity to welcome back international students in 2026/27.

Open days have been streamlined to represent each area of the school and has been a huge success. This is evident in the record number of attendees, contributing to a substantial conversion rate within the past year. Interestingly despite VAT the interest in the school is still there and hunger from other Waldorf and International schools remains.

The school has initiated weekly tours, providing prospective families with regular opportunities to visit the School and gain insight on what Michael Hall has to offer.

The website has been updated to include a fundraising page, an easy-to-use application form and online ticketing, which makes the customer experience better and the website easier to use.

Regular exit interviews with outgoing families continue to be carried out, with valuable information gathered and shared with the Senior Leadership Team (SLT) and trustees. This aims to enhance efficiency, address any issues, and continually refine school processes.

### 3.6 Estate and Buildings

The Estates Manager and the Senior leadership have put a comprehensive strategic business plan in place to maximise the potential from the entire School site, which includes the following targeted elements:

- Three properties have now been sold, with significant investment back into the existing and remaining residential buildings planned over the course of 2026. There are also no further plans to sell the remaining asset which was originally planned to be sold.
- Our wedding licence was renewed for 4 years from May 2023. The renewal includes for the first-time external wedding ceremony locations, allowing anyone to be married on our mansion terraces or under the colonnade.
- Plans are underway to increase letting potential across the site. Targets will include increasing the wedding let provision, theatre use, and wider use of the school grounds during the holiday periods.
- Lettings of all our facilities continue to increase pushed forward by the estate and lettings team. We have retained all our historical bookings of the gym and studio spaces, even with an increase in lettings fees. We have been able to increase our offering of lettings availability over the summer holidays and have incorporated external summer camps, performance companies and an international yoga retreat into our summer schedule.
- Planning process is underway for a number of relevant projects for the School's development, with two priority identified as specifically important: the refurbishment of the upper floors of the Clock House building and the building of a new stand-alone Craft block to re-home Woodwork, Handwork, Metalwork and Joinery into a modern, state of the art, purpose-built space.
- A comprehensive Site Development Plan has been implemented for building works over the next 15 years, including rebuilding, renewing and refurbishment work. These plans would not only increase and enhance the educational provision but also have major let potential.
- An asset management register is being completed to determine potential areas of income revenue in order to support the School and its development.
- Repairs to the historic Culvert Tunnel running under the school grounds are planned for 2027 with the help of grants/funding to be found.

# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2025

## REPORT OF THE TRUSTEE

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To support these elements and our School community in general, fundraising opportunities are featured on our website and some of the projects to be considered are:

- Theatre auditorium rejuvenation and the creation of a new lobby and refreshment area, and toilet facilities, allowing us to host events comprehensively
- Coffee/Refreshments catering trailer to increase income from events

A comprehensive Site Development Plan (SDP) for the next 3-5 years is now in place and is being used as a central planning document for all anticipated building projects, budget considerations and planning applications.

### 3.7 Public Benefit

The Trustees acknowledge the duty to have due regard to the Charity's Commission's published General and relevant sub sector guidance on public benefit. We have referred to this guide when reviewing our aims, strategy and in planning future activities. All activities undertaken by the School are for the public benefit.

### 3.8 Investments and performance

Work continues looking into the investments the school owns via shares. Issues continue around access to these funds given the historical nature and issues regarding permanent endowments limiting the school's ability to form an investment policy, however, as market conditions continue to fluctuate we are aware that the price over the past 12 months has been erratic and we are looking at options to release the funds to invest back into the school.

## FINANCIAL REVIEW

During the year under review the school is reporting net movement on funds of £569,100 (2024: £442,934) inclusive of a gain on investments of £11,222 (2024 gain: £24,431) and a net credit on the movement of the pension deficit provision of £18,894 (2024 credit: £25,708), giving an operating surplus of £538,984 (2024 operating surplus: £392,795).

As at 31 July 2025, the charity's total funds amounted to £7,538,158 (2024: £6,969,058) of which £1,017,271 (2024: £1,019,563) is held within endowment funds with a further £9,507 (2024: £32,308) restricted leaving unrestricted funds of £6,511,380 (2024: £5,917,187). Within unrestricted funds are designated amounts totalling £5,964,660 (2024: £6,476,351) with funds represented by fixed assets amounting to £6,419,133 and a pension deficit position of £580,000 and other designated funds of £125,527 giving an overall reserves position of £546,720 (2024 reserves deficit: £559,164).

The Trustees consider that the charity should hold positive reserves equivalent to two months operating costs (estimated at £500,000) in order to ensure the ongoing delivery of its charitable objects during an unforeseen downturn in income. The Trustees recognise the school operated at a negative cashflow from operating activities of £466,421 during the financial year (2024: Surplus £258,176). Having drawn forward on fees previously in annual payments, the sale of houses and the increase in school fees over the last couple of years has put Michael Hall School in a stronger financial position than previously. There is currently an additional need to accumulate reserves in order to provide for the future development of the charity's facilities and the Trustees have been able to free a sum in excess of £600k from assets to form part of a detailed and carefully planned business rejuvenation strategy and to provide the funding support that the schools current operating performance requires during this turnaround.

In making this statement the Trustees are particularly minded of the government policy changes implemented since the date of these Annual Accounts. In particular, the flexibility this additional source of capital may provide, without being unnecessarily dissipated, to implement any necessary changes to the organisation to respond to the financial challenges these pose and ensure the School continues to operate on a sustainable basis.

Trustees consider that the current level of reserves is below that required and that the charity should aim to generate sufficient surpluses over the next 5-10 years to build the reserves to the required level.

The school's principal funding source continues to be income generated by school fees. Expenditure continues to be on teaching and support costs for the provision of education to those pupils. Michael Hall School had investments in COIF unitised funds throughout the year.

# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2025

## REPORT OF THE TRUSTEE

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### PLANS FOR FUTURE PERIODS and GOING CONCERN

The Trustees of Michael Hall School have formally assessed the Charity as a going concern. Through information submitted by the School's Principal and Operational Heads, including Finance, HR, Admissions and Estates, Trustees have critically appraised the school's financial position and are satisfied that the school will remain financially operational for the coming 12 months.

Pupil numbers remain the largest driver of the school's finances, with numbers stabilising around 375 in recent years. Whilst previously trending well towards our target (>400 pupils), the announcement of VAT in July 2024 has had an impact and the school expects a lower number of around 340 in September 2026. The work done over the last financial year has resulted in a good Ofsted. Significant work has been undertaken to ensure spending is brought in line with the current pupil numbers including refinancing and payment of historical debts. There have been numerous strategies undertaken to ensure that the 3-year budget is balanced against income from fees (even with worst case pupil numbers). These include:

- Credit control continues to be a strong point with over 95% of fees collected. Continued to be around this level for the rest of the 2024/25 school year. A robust zero tolerance is also being taken with older non-paying parents to address legacy issues in this respect with letters being issued for non-payment and termination of the educational contract should payments not be met and appropriate recovery action taken. A review of the current credit control policy will be refined to ensure it is current and relevant.
- School fees have been uplifted by the full 20% VAT during the Spring Term 2025, the current plan is to increase fees by around 4% but freeze fees across the school in the school year 2026/27. This follows an increase of 5% for the academic year 2024/25 and whilst these increases reflect the ending of the low inflationary economic environment, they also begin to recognise the comparably low fees charged by the school relative to other local fee-paying schools and the exceptional value that the school offers. There are also plans to invest into the offering in Upper School to show true value for money.
- The staff discount was reduced in September 2023 for new staff and has been reduced from 80% to 60%.
- A contingency plan is in place, if pupil numbers continue on the downward trajectory, to reduce the size of the school to a single stream setting and balance the income and costs to a sustainable long-term level. However, at present pupil numbers are stable and could increase over the coming months. There is no need to restructure any part of the school at present, but this remains under constant review and will be acted upon should the need arise. New exit interviews for key areas are planned to understand why we lose pupils at key points in the educational journey, such as GCSEs and A-Levels, to ensure we understand the reasons for any significant drop off at these points.
- Additional income from International Students is being explored.
- The College of Teachers is considering the future of the Upper School curriculum to include possible accreditation for the Waldorf elements of our provision.
- A detailed development plan is now in place and will ensure the funds are carefully directed to development, whilst the operating budget will be drafted to balance without consideration of these additional funds.
- A programme to engage the alumni in financial support has been launched and will include endowment giving and regular donation options.
- Income from additional sources will be driven through lettings of the site and events such as Weddings and Theatre opportunities and Summer Camps.

A catering provision is now implemented in-house with huge success during 2024/25 school year which has better met the needs of the school.

Historical debt has continued to decrease without the sale of the assets, which means more money available to re-invest back into the school. A comprehensive review to build a balanced budget for 2025-26 and beyond which incorporates the schools liabilities in full. With debt falling, loans ending or refinanced, the school enters 2026/27 with a lower pupil number, but with higher fees and lower debt we are confident that with robust cost control and investment we should see a period of growth again despite the lower numbers initially.

# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2025

## REPORT OF THE TRUSTEE

---

Current forecasts for September 2026 onwards are based on prudent financial benchmarking, while regular, detailed analysis of the fees and a balanced budget for 2026/27 demonstrate a more manageable cash-flow projection. Having reviewed the current financial data, Trustees are confident that predictions for financial improvements are sound, and are committed to developing a rigorous and comprehensive business plan to focus on marketing and retention to reach the target of >400 pupils on roll in the future. It is recognised that in order to underpin a healthy and resilient business model, the focus must be on pupil numbers and marketing, as well as clearing historic debt, to free up well earned cash and not a reliance on assets. With the sale of Assets we currently hold circa £600k in reserves which will be safeguarded against future investment. Marketing and admissions remain the focus along with pupil retention and capitalising on the potential of the estate to broaden our sources of income.

The Resources Committee, followed by the Full Trustee Board, meet termly to scrutinise data submitted by school leaders which include the following data sets:

- Cash flow forecasts
- Pupil number predictions
- Principal and Head of Finance Reports
- HR report and staffing salary KPIs – Continual review of affordable staffing levels
- Budget updates
- Strategic plans
- Health and Safety audits
- Outcomes of Financial Working Group
- Post Ofsted Action Plan (current strategic priority)
- School Improvement Plan
- Site Development Plan

Given the critical analysis of all the data provided, combined with the current strategic plans for the growth of the business, Trustees are confident that the school will remain operational and financially viable for the next 12 months

### STATEMENT OF TRUSTEE'S RESPONSIBILITIES

The Trustees are responsible for preparing the Report of the Trustee and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales requires the trustee to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the trustee is required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustee is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustee is responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2025

## REPORT OF THE TRUSTEE

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### APPOINTMENT OF AUDITORS

The charity's auditors, Blue Spire Limited, have expressed their willingness to continue as auditors to the charity. A resolution proposing Blue Spire Limited be reappointed will be put forward at the AGM of the charity.

Approved by the Council on 20 May 2026 ..... and signed on its behalf.

*Natalie Michaels*

.....  
Trustee

# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2025

## INDEPENDENT AUDITOR'S REPORT

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### Independent Auditor's Report to the Trustee of Michael Hall School

#### Opinion

We have audited the financial statements of Michael Hall School (the 'charity') for the year ended 31 July 2025 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including 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 charity's affairs as at 31 July 2025, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

#### 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 responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

#### Other information

The other information comprises the information included in the trustees' annual report<sup>2</sup>, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

#### Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
  - sufficient accounting records have not been kept; or
  - the financial statements are not in agreement with the accounting records; or
-

# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2025

## INDEPENDENT AUDITOR'S REPORT

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- we have not received all the information and explanations we require for our audit.

### **Responsibilities of the trustee**

As explained more fully in the trustee's responsibilities statement, the trustee is 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 trustee determines 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 trustee is responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustee either intends to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

### **Auditor responsibilities for the audit of the financial statements**

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Based on our understanding of the Charity and the sector in which it operates, we identified the principal laws and regulations that directly affect the financial statements to be the Charities Act, Employment Act, Independent Schools Standards. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

In addition, the Charity is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. There is a limitation to areas most likely to have such an effect. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence if any.

Audit procedures performed by the engagement team included:

- Enquiry of management, those charged with governance around actual and potential litigation and claims;
- Enquiry of entity staff to identify any instances of non-compliance with laws and regulations;
- Reviewing minutes of meetings of those charged with governance;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2025

## INDEPENDENT AUDITOR'S REPORT

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A further description of our responsibilities is available on the FRC's website at: <https://www.frc.org.uk/auditors/audit-assurance/auditor-s-responsibilities-for-the-audit-of-the-fi/description-of-the-auditor%E2%80%99s-responsibilities-for>. This description forms part of our auditor's report.

### Use of our report

This report is made solely to the charity's trustee, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustee 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

*Blue Spire limited*

Blue Spire Limited, Statutory Auditor

Date 20 May 2026

Cawley Priory  
South Pallant  
Chichester  
West Sussex  
PO19 1SY

*Blue Spire Limited is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006*

# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2025

## STATEMENT OF FINANCIAL ACTIVITIES

	Note	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2025 Total Funds £	2024 Total Funds £
<b>INCOME AND ENDOWMENTS FROM:</b>						
Donations and legacies	1	1,123	-	-	1,123	8,415
Other trading activities	2	286,625	-	-	286,625	148,341
Investments	3	10,620	-	-	10,620	10,407
Charitable activities	4	5,161,407	-	-	5,161,407	4,645,066
<b>Total</b>		<u>5,459,775</u>	<u>-</u>	<u>-</u>	<u>5,459,775</u>	<u>4,812,229</u>
<b>EXPENDITURE ON:</b>						
Raising funds	5	52,790	-	-	52,790	33,190
Charitable activities	6	4,868,001	-	-	4,868,001	4,386,244
<b>Total</b>		<u>4,920,791</u>	<u>-</u>	<u>-</u>	<u>4,920,791</u>	<u>4,419,434</u>
Net gains/(losses) on investments	12	13,514	-	(2,292)	11,222	24,431
<b>Net income/(expenditure)</b>		<u>552,498</u>	<u>-</u>	<u>(2,292)</u>	<u>550,206</u>	<u>417,226</u>
<b>Transfers between funds</b>	18	22,801	(22,801)	-	-	-
		<u>575,299</u>	<u>(22,801)</u>	<u>(2,292)</u>	<u>550,206</u>	<u>417,226</u>
Actuarial gains/(losses) on defined benefit pension schemes	16	18,894	-	-	18,894	25,708
<b>Net movement in funds</b>		<u>594,193</u>	<u>(22,801)</u>	<u>(2,292)</u>	<u>569,100</u>	<u>442,934</u>
<b>RECONCILIATION OF FUNDS</b>						
<b>Total funds brought forward</b>	18	5,917,187	32,308	1,019,563	6,969,058	6,526,124
<b>Total funds carried forward</b>	18	<u>6,511,380</u>	<u>9,507</u>	<u>1,017,271</u>	<u>7,538,158</u>	<u>6,969,058</u>

None of the charity's activities were acquired or discontinued during the above two financial years.

The charity has no recognised gains or losses other than those dealt with in the statement of financial activities.

# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2025

## BALANCE SHEET AS AT 31 JULY 2025

	Note	2025		2024	
		£	£	£	£
<b>FIXED ASSETS</b>					
Tangible assets	11	7,071,133		7,839,356	
Investments	12	<u>506,480</u>		<u>495,258</u>	
<b>Total fixed assets</b>			7,577,613		8,334,614
<b>CURRENT ASSETS</b>					
Debtors	13	511,561		456,974	
Cash at hand and in bank		<u>524,873</u>		<u>446,707</u>	
<b>Total current assets</b>		<u>1,036,434</u>		<u>903,681</u>	
<b>CURRENT LIABILITIES</b>					
Creditors: amounts falling due within one year	14	<u>495,889</u>		<u>1,138,810</u>	
<b>Net current assets/(liabilities)</b>			540,545		(235,129)
<b>Total assets less current liabilities</b>			<u>8,118,158</u>		<u>8,099,485</u>
Creditors: amounts falling due after more than one year	15		-		(304,427)
Net assets/(liabilities) excluding pension asset/(liability)			<u>8,118,158</u>		<u>7,795,058</u>
Defined benefit pension scheme obligation	16		(580,000)		(826,000)
<b>Total net assets</b>			<u><u>7,538,158</u></u>		<u><u>6,969,058</u></u>
<b>THE FUNDS OF THE CHARITY</b>					
<b>Endowment funds</b>	18		1,017,271		1,019,563
<b>Restricted funds</b>	18		9,507		32,308
<b>Unrestricted funds</b>					
Designated funds	18	5,964,660		6,476,351	
General funds	18	<u>546,720</u>		<u>(559,164)</u>	
<b>Total unrestricted funds</b>			6,511,380		5,917,187
<b>Total charity funds</b>			<u><u>7,538,158</u></u>		<u><u>6,969,058</u></u>

The notes on pages 22 to 35 form part of the financial statements.

20 May 2026

The financial statements on pages 16 to 35 we approved and authorised for issue by the trustee on ..... and signed on its behalf by:

*Natalie Michaels*

.....  
Trustee

# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2025

## STATEMENT OF CASH FLOWS

		2025		2024	
	Note	£	£	£	£
<b>Net cash flow from operating activities (see below)</b>			(466,421)		258,176
<b>Cash flow from investing activities</b>					
Interest and dividends received		10,620		10,407	
Proceeds from sale of property		875,692		-	
Purchase of property, plant and equipment	11	-		-	
<b>Net cash flow from investing activities</b>			886,312		10,407
<b>Cash flow from financing activities</b>					
Receipts from issue of new loans		-		-	
Repayments of long term loans		(341,725)		(101,687)	
<b>Net cash flow from investing activities</b>			(341,725)		(101,687)
<b>Net increase/(decrease) in cash and cash equivalents</b>			78,166		166,896
<b>Cash and cash equivalents at 1 August</b>			446,707		279,811
<b>Cash and cash equivalents at 31 July</b>			<u>524,873</u>		<u>446,707</u>
<b>Cash and cash equivalents consist of:</b>					
Cash at bank and in hand	22		524,873		446,707
<b>Cash and cash equivalents at 31 July</b>			<u>524,873</u>		<u>446,707</u>

### Reconciliation of net income to net cash flow from operating activities

		2025		2024	
		£	£	£	£
Net income for the year			569,100		442,934
Adjusted for:					
Interest and dividends		(10,620)		(10,407)	
Interest paid		-		-	
(Gains)/losses on investments		(11,222)		(24,431)	
(Profit)/loss on disposal of tangible fixed assets		(111,945)		-	
Depreciation and impairment of tangible fixed assets		4,473		5,131	
Decrease/(increase) in debtors		(54,587)		21,715	
Increase/(decrease) in creditors less than one year		(605,620)		65,234	
Increase/(decrease) in provisions for liabilities		(246,000)		(242,000)	
			(1,035,521)		(184,758)
			<u>(466,421)</u>		<u>258,176</u>

# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2025

## ACCOUNTING POLICIES

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### Scope and basis of the financial statements

Michael Hall School is an unincorporated charity governed by a trust deed. The address of the principal office is given in the reference and administrative details section and the nature of the charity's operations and principal activities are given in the trustees' report.

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011 and UK Generally Accepted Accounting Practice.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are presented in sterling which is the functional currency of the charity and rounded to the nearest £ except where marked.

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

### Judgements in applying accounting policies and key sources of estimation uncertainty

Preparation of the financial statements requires management to make judgements and estimates. The key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are that of the Mercury Provident Pension Scheme obligation. More information is provided in the pension scheme policy below and in note 24.

### Incoming resources

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

For donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

For legacies, entitlement is the earlier of the charity being notified of an impending distribution or the legacy being received. At this point income is recognised. On occasion legacies will be notified to the charity however it is not possible to measure the amount expected to be distributed. On these occasions, the legacy is treated as a contingent asset and disclosed.

Income from trading activities includes income earned from fundraising events and trading activities to raise funds for the charity. Income is received in exchange for supplying goods and services in order to raise funds and is recognised when entitlement has occurred.

Income from grants are recognised at fair value when the charity has entitlement after any performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably. If entitlement is not met then these amounts are deferred.

Investment income is earned through holding assets for investment purposes such as shares and property. It includes dividends, interest and rent. Where it is not practicable to identify investment management costs incurred within a scheme with reasonable accuracy the investment income is reported net of these costs. It is included when the amount can be measured reliably. Interest income is recognised using the effective interest method and dividend and rent income is recognised as the charity's right to receive payment is established.

### Resources expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Costs of raising funds includes staff and other costs of raising the charity's profile and investment management fees; and
- Expenditure on charitable activities includes costs of delivery the charity's objects together with support and governance costs.

Grants payable to third parties are within the charitable objectives. Where unconditional grants are offered, this is accrued as soon as the recipient is notified of the grant, as this gives rise to a reasonable expectation that the recipient will receive the grants. Where grants are conditional relating to performance then the grant is only accrued when any unfulfilled conditions are outside of the control of the charity.

# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2025

## ACCOUNTING POLICIES

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### Resources expended (continued)

#### *Support costs allocation*

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs, administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity. Where support costs cannot be directly attributed to particular headings they have been allocated to cost of raising funds and expenditure on charitable activities on a basis consistent with use of the resources.

The analysis of these costs is included in notes 7 and 8.

#### *Redundancy and termination payments*

Termination payments are accounted for on an accruals basis, as above, and classified to the relevant category of expenditure.

### Employee benefits

When employees have rendered service to the Charity, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

### Pensions

The charity operates a defined benefit plan. A liability for the charity's obligations under the plan is recognised net of plan assets. The net change in the net defined benefit liability is recognised as the cost of the defined benefit plan during the period. Pension plan assets are measured at fair value and the defined benefit obligation is measured on an actuarial basis.

In addition the charity makes contributions towards a defined contribution group personal pension plan which are charged to the SOFA as they fall due.

### Leases

Rentals payable and receivable under operating leases are charged to the SoFA on a straight line basis over the period of the lease.

### Tax

The charity is considered to pass the tests set out in sections 521 to 536 Income Tax Act 2007 (ITA 2007), as such no income tax is payable on the charity's activities.

### VAT

The charity is registered for VAT and complies with the requirements of partial exemption. Irrecoverable VAT is accounted for within the expenditure category to which the underlying costs relate.

### Fixed assets

Tangible fixed assets are stated at cost or valuation less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

School site	No depreciation is charged, however the site is subject to an annual impairment review.
Machinery and office equipment	20% reducing balance
Fixtures and fittings	10% reducing balance
Motor vehicles	25% reducing balance
Classroom equipment	7½% to 20% reducing balance

### Fixed asset investments

Investments are recognised initially at fair value which is normally the transaction price excluding transaction costs. Subsequently, they are measured at fair value with changes recognised in 'net gains / (losses) on investments' in the SoFA if the shares are publicly traded or their fair value can otherwise be measured reliably.

# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2025

## ACCOUNTING POLICIES

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### **Debtors receivable and creditors payable within one year**

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

### **Doubtful debts provision**

Fees outstanding at the balance sheet date are provided in full where no payments are currently being received. Where payments are being received, amounts expected to be recovered in the next 12 months are not provided.

### **Cash and cash equivalents**

Cash and cash equivalents includes cash at bank and in hand inclusive of foreign currency accounts. Foreign currency transactions are initially recognised by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction. Monetary assets and liabilities denominated in a foreign currency at the balance sheet date are translated using the closing rate.

### **Fund accounting**

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Endowment funds represent those assets which must be held permanently by the charity, principally held as fixed asset investments. Income arising on the endowment funds can be used in accordance with the objects of the charity and is included as unrestricted income. Any capital gains or losses arising on the investments form part of the fund. Investment management charges and legal advice relating to the fund are charged against the fund.

### **Going concern**

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2025

## NOTES TO THE FINANCIAL STATEMENTS

### 1. Donations and legacies

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2025 Total Funds £
Donations	123	-	-	123
Donations to bursaries	1,000	-	-	1,000
	<u>1,123</u>	<u>-</u>	<u>-</u>	<u>1,123</u>

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2024 Total Funds £
Donations	7,415	-	-	7,415
Donations to bursaries	1,000	-	-	1,000
	<u>8,415</u>	<u>-</u>	<u>-</u>	<u>8,415</u>

### 2. Other trading activities

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2025 Total Funds £
Christmas fair	19,950	-	-	19,950
Estate and rental income	107,387	-	-	107,387
Ancillary income	47,343	-	-	47,343
Profit on disposal of fixed assets	111,945	-	-	111,945
	<u>286,625</u>	<u>-</u>	<u>-</u>	<u>286,625</u>

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2024 Total Funds £
Christmas fair	21,546	-	-	21,546
Estate and rental income	76,388	-	-	76,388
Ancillary income	50,407	-	-	50,407
	<u>148,341</u>	<u>-</u>	<u>-</u>	<u>148,341</u>

### 3. Income from investments

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2025 Total Funds £
Investment income	9,975	-	-	9,975
Bank interest	645	-	-	645
	<u>10,620</u>	<u>-</u>	<u>-</u>	<u>10,620</u>

# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2025

## NOTES TO THE FINANCIAL STATEMENTS

### 3. Income from investments (continued)

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2024 Total Funds £
Investment income	9,896	-	-	9,896
Bank interest	511	-	-	511
	<u>10,407</u>	<u>-</u>	<u>-</u>	<u>10,407</u>

### 4. Income from charitable activities

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2025 Total Funds £
Tuition fees	5,129,703	-	-	5,129,703
Reduced fee contracts	(223,477)	-	-	(223,477)
Chargeable disbursements	194,827	-	-	194,827
Lunches and catering income	60,354	-	-	60,354
	<u>5,161,407</u>	<u>-</u>	<u>-</u>	<u>5,161,407</u>

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2024 Total Funds £
Tuition fees	4,625,740	-	-	4,625,740
Reduced fee contracts	(212,307)	-	-	(212,307)
Chargeable disbursements	198,345	-	-	198,345
Lunches and catering income	33,288	-	-	33,288
	<u>4,645,066</u>	<u>-</u>	<u>-</u>	<u>4,645,066</u>

### 5. Raising funds

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2025 Total Funds £
Ancillary expenditure	14,392	-	-	14,392
Salary costs of raising funds	31,967	-	-	31,967
Christmas fair and other fundraising costs	6,431	-	-	6,431
	<u>52,790</u>	<u>-</u>	<u>-</u>	<u>52,790</u>

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2024 Total Funds £
Ancillary expenditure	5,433	-	-	5,433
Salary costs of raising funds	20,922	-	-	20,922
Christmas fair and other fundraising costs	6,835	-	-	6,835
	<u>33,190</u>	<u>-</u>	<u>-</u>	<u>33,190</u>

# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2025

## NOTES TO THE FINANCIAL STATEMENTS

### 6. Charitable activities

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2025 Total Funds £
<u>Education</u>				
Teachers salaries	2,535,186	-	-	2,535,186
Staff training and development	55,068	-	-	55,068
Supplies and equipment	151,686	-	-	151,686
Chargeable disbursements cost	220,651	-	-	220,651
Depreciation	1,651	-	-	1,651
Historical VAT recoverable	(18,748)	-	-	(18,748)
Minibus depreciation	73	-	-	73
	<u>2,945,567</u>	<u>-</u>	<u>-</u>	<u>2,945,567</u>
<u>Welfare</u>				
Catering salaries	44,399	-	-	44,399
Catering supplies and equipment	60,019	-	-	60,019
Medical salaries	40,204	-	-	40,204
Medical	(1,180)	-	-	(1,180)
	<u>143,442</u>	<u>-</u>	<u>-</u>	<u>143,442</u>
<u>Premises</u>				
Health and safety	35,945	-	-	35,945
Estate salaries	272,927	-	-	272,927
Property maintenance	171,868	-	-	171,868
Site improvements	4,859	-	-	4,859
Light and heat	114,716	-	-	114,716
Insurance	66,013	-	-	66,013
Cleaning	97,852	-	-	97,852
Rates & water	92,346	-	-	92,346
	<u>856,526</u>	<u>-</u>	<u>-</u>	<u>856,526</u>
<u>Support costs</u>				
Administration salaries	537,151	-	-	537,151
Telephone and postage	5,845	-	-	5,845
Printing and stationery	884	-	-	884
Communications and PR	16,299	-	-	16,299
Office equipment and IT	196,717	-	-	196,717
Legal and professional fees	43,199	-	-	43,199
Subscriptions	32,142	-	-	32,142
General admin expenses	8,517	-	-	8,517
Depreciation	2,749	-	-	2,749
Finance costs	56,953	-	-	56,953
Bad debts and provision for bad debts	3,360	-	-	3,360
Governance costs (see note 7)	18,650	-	-	18,650
	<u>922,466</u>	<u>-</u>	<u>-</u>	<u>922,466</u>
	<u>4,868,001</u>	<u>-</u>	<u>-</u>	<u>4,868,001</u>

# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2025

## NOTES TO THE FINANCIAL STATEMENTS

### 6. Charitable activities (continued)

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2024 Total Funds £
<u>Education</u>				
Teachers salaries	2,334,814	-	-	2,334,814
Staff training and development	46,300	-	-	46,300
Supplies and equipment	131,961	-	-	131,961
Chargeable disbursements cost	187,881	-	-	187,881
Depreciation	1,844	-	-	1,844
Historical VAT recoverable	(42,855)	-	-	(42,855)
Minibus depreciation	73	-	-	73
	<u>2,660,018</u>	<u>-</u>	<u>-</u>	<u>2,660,018</u>
<u>Welfare</u>				
Catering supplies and equipment	74,396	-	-	74,396
Medical salaries	27,818	-	-	27,818
Medical	998	-	-	998
	<u>103,212</u>	<u>-</u>	<u>-</u>	<u>103,212</u>
<u>Premises</u>				
Health and safety	34,693	-	-	34,693
Estate salaries	226,356	-	-	226,356
Property maintenance	164,871	-	-	164,871
Site improvements	36,648	-	-	36,648
Light and heat	123,834	-	-	123,834
Insurance	59,134	-	-	59,134
Cleaning	99,001	-	-	99,001
Rates & water	54,894	-	-	54,894
	<u>799,431</u>	<u>-</u>	<u>-</u>	<u>799,431</u>
<u>Support costs</u>				
Administration salaries	457,757	-	-	457,757
Telephone and postage	12,177	-	-	12,177
Printing and stationery	749	-	-	749
Communications and PR	8,464	-	-	8,464
Office equipment and IT	148,540	-	-	148,540
Legal and professional fees	47,772	-	-	47,772
Subscriptions	25,791	-	-	25,791
General admin expenses	9,030	-	-	9,030
Depreciation	3,214	-	-	3,214
Finance costs	43,473	-	-	43,473
Bad debts and provision for bad debts	46,236	-	-	46,236
Governance costs (see note 7)	20,380	-	-	20,380
	<u>823,583</u>	<u>-</u>	<u>-</u>	<u>823,583</u>
	<u>4,386,244</u>	<u>-</u>	<u>-</u>	<u>4,386,244</u>

# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2025

## NOTES TO THE FINANCIAL STATEMENTS

### 7. Governance costs

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2025 Total Funds £
Salaries	10,000	-	-	10,000
Auditors' fees - current year	8,650	-	-	8,650
	<u>18,650</u>	<u>-</u>	<u>-</u>	<u>18,650</u>

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2024 Total Funds £
Salaries	10,000	-	-	10,000
Auditors' fees - current year	10,380	-	-	10,380
	<u>20,380</u>	<u>-</u>	<u>-</u>	<u>20,380</u>

### 8. Fees payable to independent auditors

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2025 Total Funds £
Auditors' remuneration - audit	8,650	-	-	8,650

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2024 Total Funds £
Auditors' remuneration - audit	10,380	-	-	10,380

### 9. Staff costs and information

	2025 Total £	2024 Total £
Gross wages	3,069,817	2,744,806
Employer's national insurance costs	312,540	247,771
Pension costs	81,348	73,931
Termination payments*	3,166	15,010
	<u>3,466,871</u>	<u>3,081,518</u>

\*The termination payments above represent full settlement with no amounts payable or due at either period end

	2025	2024
Staff numbers:		
Average head count	<u>117</u>	<u>107</u>

During the year under review two employees received employee benefits (excluding employer pension costs) of more than £60,000; one in the range of £60,000 - £70,000 and one in the range of £80,000 - £90,000. In the comparative year 2024, two employees received employee benefits of more than £60,000; one in the range of £60,000 to £70,000 and one in the of range £70,000 to £80,000.

The pension costs charge above has been charged to the Statement of Financial Activities.

# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2025

## NOTES TO THE FINANCIAL STATEMENTS

### 10. Related party transactions

No trustee received remuneration, or other employment benefits for being a trustee in this or the comparative year.

Remuneration was paid to the following trustees in relation to their employment as teachers and support staff:

	2025			2024		
	Salary	National insurance	Pension	Salary	National insurance	Pension
	£	£	£	£	£	£
D Jones	38,898	4,438	1,166	30,914	3,115	927
	<u>38,898</u>	<u>4,438</u>	<u>1,166</u>	<u>30,914</u>	<u>3,115</u>	<u>927</u>

In the current year, no remuneration was paid to spouses and children of trustees. In the prior year, remuneration for spouses and children of trustees amounted to £1,301. In addition national insurance contributions totalling £75 and pension contributions totalling £39 were made on behalf of spouses and children of trustees.

Trustees (and spouses) who are teachers or other staff members receive remuneration in that capacity and not for acting as a trustee. This remuneration is authorised under section 4 of the Memorandum of Association of Michael Hall School Limited.

Total employee benefits, inclusive of employer national insurance contributions and employer pension contributions, received by the school's ten (2024: twelve) key management personnel amounted to £529,432 (2024: £530,115) during the year under review.

During the year one (2024: one) of the school's key management personnel received staff discounts in relation to their children's school fees of £13,800 (2024: £11,700). These discounts were received on the same terms in relation to discounts given to teachers without key management personnel status. At the balance sheet date £167 (2024: £114) was outstanding from these individuals.

No trustee (2024: no trustee) had expenses reimbursed or paid on their behalf for training or reimbursed for medical costs.

Expenses reimbursed to and paid on behalf of seven members (2024: seven) of key management personnel totalled £1,426 (2024: £2,542) for training, travel and other costs in relation to their role in the year under review.

Tuition fees are charged on normal commercial terms, except for teacher trustees who, as with all teachers, receive a 80% (2024: 80%) discount after other discounts on a pro-rata basis. No trustees who are teachers at the school had children in education in the year under review of the comparative year.

The following individuals who were trustees for all or part of the year were educating their children at the school:

J Angus  
N Michaels  
T Souleiman  
E Tilezhinski  
J Harrison

	2025	2024
	£	£
Tuition fees charged to 5 (2024: 4) Parent Trustees net of discounts amounted to	<u>140,527</u>	<u>95,373</u>

The discounts, inclusive of sibling and reduced fees, which were provided on the same basis as those to other parents amounted to £18,573 (2024: £17,077). At the balance sheet date £13,182 (2024: £6,309) was outstanding from trustees educating their children at the school.

# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2025

## NOTES TO THE FINANCIAL STATEMENTS

### 11. Tangible fixed assets

	School site £	Machinery & office equipment £	Fixtures & fittings £	Motor vehicles £	Classroom equipment £	Total £
Cost						
Brought forward	7,798,567	393,046	284,722	21,904	308,366	8,806,605
Additions	-	-	-	-	-	-
Disposals	(763,750)	-	-	-	-	(763,750)
	<u>7,034,817</u>	<u>393,046</u>	<u>284,722</u>	<u>21,904</u>	<u>308,366</u>	<u>8,042,855</u>
Depreciation						
Accumulated brought forward	-	387,320	268,690	21,681	289,558	967,249
Charge	-	1,146	1,603	73	1,651	4,473
On disposals	-	-	-	-	-	-
	<u>-</u>	<u>388,466</u>	<u>270,293</u>	<u>21,754</u>	<u>291,209</u>	<u>971,722</u>
Net book value carried forward	<u>7,034,817</u>	<u>4,580</u>	<u>14,429</u>	<u>150</u>	<u>17,157</u>	<u>7,071,133</u>
Net book value brought forward	<u>7,798,567</u>	<u>5,726</u>	<u>16,032</u>	<u>223</u>	<u>18,808</u>	<u>7,839,356</u>

On transition to FRS 102 SORP (2015) a valuation, provided by Strutt and Parker, of the school site has been included as deemed cost as at 1 August 2014. The site is considered for impairment at each balance sheet date.

### 12. Investments

	2025 £	2024 £
<b>Listed investments</b>		
Market value brought forward	495,258	470,827
Additions at cost	-	-
Disposals at carrying value	-	-
Gains/(losses) on revaluation	11,222	24,431
<b>Market value carried forward</b>	<u>506,480</u>	<u>495,258</u>
<i>The investments above are analysed as follows:</i>		
Listed investments	141,209	127,695
Unit trusts and similar investments	<u>365,271</u>	<u>367,563</u>
	<u>506,480</u>	<u>495,258</u>

### 13. Debtors

	2025 £	2024 £
Fees outstanding	709,471	572,650
Fee provision	(250,000)	(250,000)
Prepayments	52,090	91,469
VAT recoverable	-	42,855
	<u>511,561</u>	<u>456,974</u>

# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2025

## NOTES TO THE FINANCIAL STATEMENTS

### 14. Creditors: amounts falling due in less than one year

	2025 £	2024 £
Loans	68,000	105,298
Trade creditors	121,517	75,393
Deferred income (see below)	73,597	591,116
Other creditors and accruals	232,775	367,003
	<u>495,889</u>	<u>1,138,810</u>
<i>Deferred income</i>		
	£	£
Deferred income brought forward	591,116	419,906
Released in year	(591,116)	(419,906)
Deferred in year	73,597	591,116
Deferred income carried forward	<u>73,597</u>	<u>591,116</u>

### 15. Creditors: amounts falling due after one year

	2025 £	2024 £
Loans	-	304,427
	<u>-</u>	<u>304,427</u>

### 16. Defined benefit obligation

	2025 £	2024 £
Brought forward	826,000	1,068,000
Payments made	(227,106)	(216,292)
Charge to statement of financial activities	(18,894)	(25,708)
Carried forward	<u>580,000</u>	<u>826,000</u>

The above provision arises from the pension scheme's deficit funding arrangement. More information regarding the pensions scheme can be found in note 24.

### 17. Analysis of net assets between funds

	General funds £	Designated funds £	Restricted funds £	Endowment funds £	2025 Total funds £	2024 Total funds £
Tangible assets	-	6,419,133	-	652,000	7,071,133	7,839,356
Investments	15,682	125,527	-	365,271	506,480	495,258
Current assets	1,026,927	-	9,507	-	1,036,434	903,681
Creditors: <1 year	(495,889)	-	-	-	(495,889)	(1,138,810)
Creditors: >1 year	-	-	-	-	-	(304,427)
Pension scheme deficit	-	(580,000)	-	-	(580,000)	(826,000)
<b>Net assets at 31 July</b>	<u>546,720</u>	<u>5,964,660</u>	<u>9,507</u>	<u>1,017,271</u>	<u>7,538,158</u>	<u>6,969,058</u>

# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2025

## NOTES TO THE FINANCIAL STATEMENTS

### 18. Analysis of movement in funds

	Brought forward £	Incoming resources £	Outgoing resources £	All gains/ (losses) £	Transfers £	Carried forward £
<b>Permanent endowment funds</b>						
Permanent Endowment Fund	652,000	-	-	-	-	652,000
Endowment Recoupment Fund	367,563	-	-	(2,292)	-	365,271
<b>Total endowment funds</b>	<u>1,019,563</u>	<u>-</u>	<u>-</u>	<u>(2,292)</u>	<u>-</u>	<u>1,017,271</u>
<b>Restricted funds</b>						
ESCC	3,000	-	-	-	-	3,000
Clockhouse Fund	3,789	-	-	-	-	3,789
Outdoor terrace repair	22,801	-	-	-	(22,801)	-
Natural England Fund	2,718	-	-	-	-	2,718
<b>Total restricted funds</b>	<u>32,308</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(22,801)</u>	<u>9,507</u>
<b>Designated and general funds</b>						
WO Field bequest	114,995	-	-	10,532	-	125,527
Pension deficit (see note 24)	(826,000)	-	-	18,894	227,106	(580,000)
Fixed asset reserve (see note 17)	7,187,356	-	(768,223)	-	-	6,419,133
Total designated funds	6,476,351	-	(768,223)	29,426	227,106	5,964,660
General reserves	(559,164)	5,459,775	(4,152,568)	2,982	(204,305)	546,720
<b>Total unrestricted funds</b>	<u>5,917,187</u>	<u>5,459,775</u>	<u>(4,920,791)</u>	<u>32,408</u>	<u>22,801</u>	<u>6,511,380</u>
<b>Total funds</b>	<u><u>6,969,058</u></u>	<u><u>5,459,775</u></u>	<u><u>(4,920,791)</u></u>	<u><u>30,116</u></u>	<u><u>-</u></u>	<u><u>7,538,158</u></u>

### Restricted funds

ESCC Grant received from East Sussex County Council for healthy eating programme

Clockhouse Fund Grants received to support the costs of repair to the Clockhouse

Outdoor terrace repair Funds received to support the costs of repair to the outdoor terrace

Natural England Fund Grant received to conduct an environmental study on the school site

### Designated funds

WO Field bequest Funds received to support complementary health care costs for employees of the school.

### 19. Transfer between funds

From	To	Unrestricted Funds	
		General £	Designated £
<i>Transfer 1</i>			
General fund	Pension deficit	(227,106)	227,106
		<u>(227,106)</u>	<u>227,106</u>

Transfer of funds from unrestricted general funds representing payments made during the year.

# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2025

## NOTES TO THE FINANCIAL STATEMENTS

### 20. Financial instruments

The carrying amounts of the charity's financial instruments are as follows:

	<b>2025</b>	<b>2024</b>
	<b>Total</b>	<b>Total</b>
	<b>Funds</b>	<b>Funds</b>
	<b>£</b>	<b>£</b>
<i>Financial assets</i>		
Measured at fair value through net income/(expenditure):		
Fixed asset investments (note 12)	506,480	495,258
	<u>506,480</u>	<u>495,258</u>
Debt instruments measured at amortised cost:		
Trade debtors (note 13)	709,471	572,650
	<u>709,471</u>	<u>572,650</u>
<i>Financial liabilities</i>		
Measured at amortised cost:		
Trade creditors (note 14)	121,517	75,393
Bank loan (notes 14 and 15)	68,000	409,725
	<u>189,517</u>	<u>485,118</u>

The income, expense, net gains and net losses attributable to the charity's financial instruments are summarised as follows:

	<b>2025</b>	<b>2024</b>
	<b>Total</b>	<b>Total</b>
	<b>Funds</b>	<b>Funds</b>
	<b>£</b>	<b>£</b>
<i>Income and expense</i>		
Financial assets measured at fair value through net income/(expenditure)		
Investment income	7,222	7,274
	<u>7,222</u>	<u>7,274</u>
<i>Net gains and losses (including changes in fair value)</i>		
Financial assets measured at fair value through net income/(expenditure)		
Unrealised gains/(losses) on investments	11,222	24,431
	<u>11,222</u>	<u>24,431</u>

### 21. Operating leases

At the balance sheet date the school had total future minimum lease payments under non-cancellable operating leases payable as follows:

	<b>2025</b>			<b>2024</b>		
	<b>Office</b>			<b>Office</b>		
	<b>equipment</b>	<b>Vehicles</b>	<b>Total</b>	<b>equipment</b>	<b>Vehicles</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Less than one year	52,727	34,404	87,131	105,030	5,438	110,468
More than one year less than five years	52,727	34,404	87,131	63,273		63,273
More than five years	79,091	77,312	156,403	173,442	-	173,442
	<u>184,545</u>	<u>146,120</u>	<u>330,665</u>	<u>341,745</u>	<u>5,438</u>	<u>347,183</u>

The total operating lease payments recognised as an expense in the Statement of Financial Activities during the year were £125,373.

# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2025

## NOTES TO THE FINANCIAL STATEMENTS

### 22. Analysis of changes in net debt

	2023 £	Cash flows £	2024 £	Cash flows £	2025 £
Long term borrowings	511,412	(101,687)	409,725	(341,725)	68,000
Short term borrowings	-	-	-	-	-
Total liabilities	<u>511,412</u>	<u>(101,687)</u>	<u>409,725</u>	<u>(341,725)</u>	<u>68,000</u>
Cash and cash equivalents	<u>(279,811)</u>	<u>(166,896)</u>	<u>(446,707)</u>	<u>(78,166)</u>	<u>(524,873)</u>
Total net debt	<u><u>231,601</u></u>	<u><u>(268,583)</u></u>	<u><u>(36,982)</u></u>	<u><u>(419,891)</u></u>	<u><u>(456,873)</u></u>

### 23. Comparative Statement of Financial Activities and Analysis of movement in funds

	Note	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2024 Total Funds £
<b>INCOME AND ENDOWMENTS FROM:</b>					
Donations and legacies	1	8,415	-	-	8,415
Other trading activities	2	148,341	-	-	148,341
Investments	3	10,407	-	-	10,407
Charitable activities	4	4,645,066	-	-	4,645,066
<b>Total</b>		<u>4,812,229</u>	<u>-</u>	<u>-</u>	<u>4,812,229</u>
<b>EXPENDITURE ON:</b>					
Raising funds	5	33,190	-	-	33,190
Charitable activities	6	4,386,244	-	-	4,386,244
<b>Total</b>		<u>4,419,434</u>	<u>-</u>	<u>-</u>	<u>4,419,434</u>
Net gains/(losses) on investments	12	(2,053)	-	26,484	24,431
<b>Net income/(expenditure)</b>		<u>390,742</u>	<u>-</u>	<u>26,484</u>	<u>417,226</u>
<b>Transfers between funds</b>	18	-	-	-	-
		<u>390,742</u>	<u>-</u>	<u>26,484</u>	<u>417,226</u>
Actuarial gains/(losses) on defined benefit pension schemes	16	25,708	-	-	25,708
<b>Net movement in funds</b>		<u>416,450</u>	<u>-</u>	<u>26,484</u>	<u>442,934</u>
<b>RECONCILIATION OF FUNDS</b>					
<b>Total funds brought forward</b>	18	5,500,737	32,308	993,079	6,526,124
<b>Total funds carried forward</b>	18	<u><u>5,917,187</u></u>	<u><u>32,308</u></u>	<u><u>1,019,563</u></u>	<u><u>6,969,058</u></u>

# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2025

## NOTES TO THE FINANCIAL STATEMENTS

### 23. Comparative Statement of Financial Activities and Analysis of movement in funds (continued)

	Brought forward	Incoming resources	Outgoing resources	Unrealised gains/ (losses)	Transfers	Carried forward
	£	£	£	£	£	£
<b>Permanent endowment funds</b>						
Permanent Endowment Fund	652,000	-	-	-	-	652,000
Endowment Recoupment Fund	341,079	-	-	26,484	-	367,563
<b>Total endowment funds</b>	<u>993,079</u>	<u>-</u>	<u>-</u>	<u>26,484</u>	<u>-</u>	<u>1,019,563</u>
<b>Restricted funds</b>						
ESCC	3,000	-	-	-	-	3,000
Clockhouse Fund	3,789	-	-	-	-	3,789
Outdoor terrace repair	22,801	-	-	-	-	22,801
Natural England Fund	2,718	-	-	-	-	2,718
<b>Total restricted funds</b>	<u>32,308</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>32,308</u>
<b>Designated and general funds</b>						
WO Field bequest	115,518	-	-	(522)	-	114,996
Pension deficit	(1,068,000)	-	-	25,708	216,292	(826,000)
Fixed asset reserve	7,192,487	-	(5,130)	-	-	7,187,357
Total designated funds	<u>6,240,005</u>	<u>-</u>	<u>(5,130)</u>	<u>25,186</u>	<u>216,292</u>	<u>6,476,353</u>
General reserves	(739,268)	4,812,229	(4,414,302)	(1,529)	(216,292)	(559,162)
<b>Total unrestricted funds</b>	<u>5,500,737</u>	<u>4,812,229</u>	<u>(4,419,432)</u>	<u>23,657</u>	<u>-</u>	<u>5,917,191</u>
<b>Total funds</b>	<u>6,526,124</u>	<u>4,812,229</u>	<u>(4,419,432)</u>	<u>50,141</u>	<u>-</u>	<u>6,969,062</u>

### 24. Pensions

The Charity participates in the Main Section of the Mercury Provident Pension Scheme (the Scheme), a UK registered trust based pension scheme that provides defined benefits.

Pension benefits are linked to the members' final pensionable salaries and service at their retirement (or date of leaving if earlier). The Trustee of the Scheme is responsible for running the Scheme in accordance with the Scheme's Trust Deed and Rules. The Trustee is required to act in the best interests of the beneficiaries of the Scheme.

There are two categories of Scheme members:

- Deferred members: members who have left pensionable service with deferred benefits which have yet to come into payment.
- Pensioner members: members in receipt of pension.

The value of the defined benefit obligation for the 31 July 2025 is derived by approximately adjusting the results of the triennial valuation as at 29 December 2024.

In adjusting the value of the defined benefit obligation allowance has been made over the relevant periods for:

- benefits paid out to members;
- price inflation; and
- member movements; and
- impact of known inflation.

All other experience is assumed to be in line with the assumptions at the start of the period. The value of the defined benefit obligation is adjusted for changes in the assumptions.

The results of the most recent formal actuarial valuation as at 29 December 2024 has been updated to the Charity year end by a qualified independent actuary. The assumptions used were as follows:

# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2025

## NOTES TO THE FINANCIAL STATEMENTS

### 24. Pensions (continued)

	Year end 31 July 2025		Year end 31 July 2024	
<i>Significant actuarial assumptions</i>				
Discount rate	5.60% pa		5.00% pa	
RPI inflation	3.10% pa		3.20% pa	
CPI inflation	2.60% pa		2.90% pa	
<i>Mortality assumptions</i>				
Mortality	100% S4PMA_All/ 100% S4PFA_All CMI_2024_M/F [1.25%] (yob)		100% S3PMA_All/ 100% S3PFA_All CMI_2023_M/F [1.25%] (yob)	
<i>Other actuarial assumptions</i>				
Pension increases:				
Pre 88 GMP	Nil		Nil	
Post 88 GMP	2.30% pa		2.40% pa	
Pre 97 excess	Nil		Nil	
97-05 pension	2.60% pa		2.90% pa	
Post 2005 pension	2.00% pa		2.10% pa	
Revaluation of deferred pensions in excess of GMP:	2.60% pa		2.90% pa	
<i>Life expectancies (in years)</i>				
	Male	Female	Male	Female
For an individual aged 65 in 2024	21.6	23.8	21.4	24.0
At age 65 for an individual aged 45 in 2024	22.8	25.3	22.7	25.4

The fair value of the Charity's share of the assets of the Scheme was:

	Year end 31 July 2025		Year end 31 July 2024	
	£'000s		£'000s	
<i>Asset class</i>				
Equities	1,333		1,201	
Diversified Credit Funds (DCFs)	489		418	
Liability Driven Investments (LDIs)	441		432	
Diversified Growth Funds (DGFs)	679		746	
Buy and Maintain Funds	82		73	
Cash	98		22	
Total	3,122		2,892	

The return on the assets was:

	Year end 31 July 2025		Year end 31 July 2024	
	£'000s		£'000s	
<i>Return</i>				
Interest income	141		134	
Return on assets less interest income	231		216	
Total return on assets	372		350	

Reconciliation to the balance sheet:

# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2025

## NOTES TO THE FINANCIAL STATEMENTS

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### 24. Pensions (continued)

	Year end 31 July 2025 £'000s	Year end 31 July 2024 £'000s
Market value of assets	3,122	2,892
Present value of defined benefit obligation	3,702	2,718
Funded status	(580)	(826)
Irrecoverable surplus	-	-
Pension asset/(liability) recognised in the Statement of Financial Position before allowance for deferred tax	(580)	(826)

### Reconciliation of Scheme's assets and defined benefit obligation

	Assets £'000s	Defined benefit obligation £'000s	Net position £'000s
At 1 August 2024	2,892	(3,718)	(826)
Benefits paid:			
Pensions	(217)	217	-
Transfers	-	-	-
Other	-	-	-
Employer contributions	227	-	227
Member contributions	-	-	-
Current service cost	-	-	-
Administration expenses	(152)	-	(152)
Past service cost	-	-	-
Settlements	-	-	-
Business combinations/bulk transfers	-	-	-
Interest income/cost	141	(181)	(40)
Remeasurement gains/(losses):			
Actuarial gains/(losses): Change of basis	-	230	230
Actuarial gains/(losses): Experience	-	(250)	(250)
Return on assets excluding interest income	231	-	231
At 31 July 2025	3,122	(3,702)	(580)

**MICHAEL HALL SCHOOL**

England & Wales - Charity number 307006

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# Accounts

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**MICHAEL HALL SCHOOL**

**Trustees Report  
and Financial Statements  
for the year ended 31 July 2024**

**Registered Charity Number 307006**

# **MICHAEL HALL SCHOOL**

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2024

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# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2024

## REFERENCE AND ADMINISTRATIVE DETAILS

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### Trustee

The sole trustee of the charity is a company limited by guarantee, Michael Hall School Limited, company number 539034. The directors of this company are the Council of Trustees of the charity for charity law purposes and are set out below:

W Forward	(Teacher, Chair to 01/09/23)	(resigned 1 September 2023)
J Angus	(Parent)	(appointed 27 May 2022)
J Durrant	(Independent)	(appointed 11 March 2024)
J Harrison	(Parent)	(appointed 1 September 2023)
M Hindler	(Independent)	(resigned 1 September 2023)
D Jones	(Teacher)	(appointed 1 September 2023)
L Lines	(Independent)	(resigned 1 September 2023)
E Maslen	(Parent)	(resigned 31 August 2023)
T Michaels	(Parent)	(appointed 23 November 2020)
R Moore	(Independent)	(appointed 1 September 2023)
T Souleiman	(Parent)	(appointed 9 December 2019)
E Tilezhinskii	(Parent)	(appointed 1 September 2023)
G Bog	(Grandparent)	(resigned 1 December 2023)
E De Carlo Davies	(Grandparent)	(resigned 1 December 2023)
K Whitby	(Retired)	(resigned 1 December 2023)
J Hulbert	(Self Employed)	(appointed 25 March 2025)

The Association members are the guarantors of the trustee company and hold the right to appoint or remove members of the Council of Trustees. No person may be appointed as a member unless they are an Association member.

### Management

The trustees delegate the day to day management of the school to committees comprised of members of staff.

### Key management personnel (throughout year to end of academic year 2022/23 unless stated otherwise)

S Stokes	Principal (to August 2024)
E Hawker	Acting Principal (to August 2022) Director of Studies (from September 2022)
J Courtenay	Assistant Principal and Lower School Assistant Principal
R Ford-Blanchard	Assistant Principal (from September 2022) and Early Years Childhood Lead
M Devaris	Upper School Assistant Principal
C Parker	Designated Safeguarding Lead
J Phillips	SENDSCO (to December 2023)
C Martin	Inclusion Coordinator (from January 2024)
C Lennon	Business Manager (to September 2023)
R Michael	Head of People and Culture (from September 2023)
C Fullbrook	Head of Finance (from October 2023)
T Sowter	Head of Operations (from May 2024)

### Principal office

Kidbrooke Park  
Priory Road  
Forest Row  
East Sussex  
RH18 5JA

### Charity registered number

307006

# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2024

## REFERENCE AND ADMINISTRATIVE DETAILS

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### **Auditor**

Blue Spire Limited  
Cawley Priory  
South Pallant  
Chichester  
West Sussex  
PO19 1SY

### **Solicitor**

Ellis Whittham Limited  
Woodhouse  
Aldford  
Chester  
Cheshire  
CH3 6JD

### **Bankers**

HSBC  
38 London Road  
East Grinstead  
West Sussex  
RH19 1AB

Barclays Bank Plc  
18 Southgate Street  
Gloucester  
GL1 2DH

Triodos Bank  
Brunel House  
11 The Promenade  
Bristol  
BS8 3NN

# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2024

## REPORT OF THE TRUSTEE

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The Board of Directors of Michael Hall School Limited, as the Trustee of Michael Hall School have pleasure in presenting the annual report for the purposes of the Charities Act 2011, together with the accounts for the year ended 31 July 2024. The Directors have adopted the provisions of the Statement of Recommended Practice "Accounting and Reporting by Charities" (FRS 102) in preparing the annual report and financial statements of the charity.

### STRUCTURE, GOVERNANCE AND MANAGEMENT

#### 1.1 Context

Michael Hall School is a registered charity constituted as an unincorporated association under a Trust deed dated 21 January 1925 and the Memorandum and Articles of Association of the Trust company dated 25 September 1954 as revised. The company was established to act as a trustee of the Michael Hall School Trust, a charitable trust that operates a school in Forest Row, East Sussex. The purpose of the Trust is to provide for, and conduct, the education of children in accordance with the principles and methods of Rudolf Steiner. The sole trustee of Michael Hall School for the purposes of charity law is Michael Hall School Limited.

Michael Hall School Limited is controlled by its Board of Directors whose members are appointed or removed by Association of Company Members. The Board of Directors are known as the "Council of Trustees". The Directors are referred to as "Trustees" and hold portfolio responsibilities that map onto the school's priorities and refer to the Ofsted Inspection Framework that came into effect in May 2019. As an independent school, the School also adheres to the Independent School Standards (ISS).

All Trustees are selected based on the contribution that they will make to the governance of the organisation and their relevant knowledge, skills and experiences. They are supported with copies of the Charity Commission's guidance to Trustees and introduced to the activities of the charity by the existing Board and School's senior staff. New Trustees are inducted through a process which incorporates training in various relevant areas including Health and Safety, Safer Recruitment, Safeguarding and Child Protection.

Trustees are provided with training as and when required and there is an annual training plan for Trustees which sits alongside the School Improvement Plan (SIP). A comprehensive schedule of monitoring visits enables Trustees to hold leaders to greater account for all strategic development and post-Ofsted priorities.

The setting of pay and remuneration is completed by the Trustees with reference to publicised pay scales and benchmarked against similar roles in comparable organisations.

#### 1.2 Risk Management

The Trustees have assessed the significant risks to which the charity is exposed.

#### 1.3 Ofsted and ISS Inspections

In October 2024, Ofsted conducted a full Section 5 inspection including an assessment of the School's performance against the Independent Schools Standards (ISS) and found the School to be rated "Good" in all areas of:

- The quality of education
- Behaviour and attitudes
- Personal development
- Leadership and management
- Early years provision
- Sixth-form provision

The ISS standards were met at this inspection. The five Key Performance indicators for this year were therefore achieved but will now require maintenance.

The Principal left due to ill health in August 2024 and an experienced Acting Principal deployed in her place (who was in post at the time of the October 2024 inspection) while a robust recruitment process was undertaken to employ a

# **MICHAEL HALL SCHOOL**

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2024

## **REPORT OF THE TRUSTEE**

---

highly skilled replacement Principal. This replacement has now been recruited and is being inducted with a thorough induction schedule put in place by Waldorf UK and the Trustees.

The School continues to work with a comprehensive School Improvement Plan (SIP) which was shared with Ofsted during the October 2024 inspection and approved by Waldorf UK and Trustees. The plan is updated regularly and used to hold leaders rigorously to account for progress against the strategic priorities.

The School continues to work closely with Waldorf UK (formerly the Steiner Waldorf Schools Fellowship), and relationships between Ofsted and Waldorf UK have seen significant improvements in the outcomes of other Steiner Waldorf organisations' recent Ofsted inspections. The School's relationship with Waldorf UK is strong, and the two organisations move together in partnership.

Waldorf UK continue to offer training to all staff, support to Senior Leaders and training to Ofsted in line with Steiner Waldorf education. This alignment is anticipated to continue having a positive effect on Ofsted inspections for all schools within the UK Movement.

### **1.4 School Leadership**

The school has restructured its leadership team (SLT) into both Educational (ELT) and Business (BLT) leadership teams. The educational team comprises of the Heads of Schools, INCO and DSL. The business team are held by the Head of Finance, Head of People and Culture and the Head of Operations. The Principal heads both teams.

Unfortunately, the Principal stepped down late in the school year with the INCO choosing to leave the school in the last academic year. We plan to recruit a new Principal (as described above) and INCO over the coming 24/25 school year, whilst being held by an Acting Principal in the short term.

### **1.5 School Reputation**

The Trustees are mindful that now the school has achieved a good Ofsted rating that the momentum of positive reputation continues. We must work hard to bring new families to the community and communicate all that a Waldorf education has to offer as well as to retain our existing families. The School enters its 100<sup>th</sup> year in 2025 and plans are in place to celebrate this milestone with both the staff, parent, pupil body of past and present. The school continues to have a positive presence on social media platforms as well as a new radio campaign. Access to the children's learning, festivals and all other aspects of school life are promoted widely and this offers us a strong basis for marketing and promoting the School in a variety of ways. We continue to monitor these sites for any negative comments or feedback from individual parents, and approach these parents directly to see if we can help to resolve their issue. whilst also ensuring that comments remain in adherence to our values and Parent Code of Conduct.

### **1.6 Promotion of the School**

Our new school website presents the School in a fresh, modern light, while still firmly grounded in Steiner principles of education and Anthroposophy. This includes a fundraising page and a donate button, making it easier for interested parties to donate to the School. Online ticketing has been introduced which has increased ticket sales for the School's events. Our newsletter on the website also includes a paid advertising section for the community.

The school is also raising its social media presence and a plan for a radio campaign to begin in Autumn 2025 to get the Michael Hall name to a wider audience and promote the school over as many channels as possible.

### **1.7 Finances**

Other risks that Trustees carefully monitor relate to the specific operational areas of the charity and its finances. The Trustees closely monitor reserve levels, ensure controls exist over critical financial systems, and examine the operational and business risks faced by the charity. A comprehensive strategic plan for the business has been agreed, which sets out a range of desirable reinvestment opportunities for growing the fabric of the school and improving its offering and commercial performance to ensure an upturn in the organisation's financial security.

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# **MICHAEL HALL SCHOOL**

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2024

## **REPORT OF THE TRUSTEE**

---

Following the general election on the 4<sup>th</sup> July 2024 the government announced plans to remove the VAT exemption from private school fees which in effect is a cost that has needed to be passed on to parents in full. The government also announced plans for schools who are charities to lose the benefit of the 80% business rate relief they have previously received from 1<sup>st</sup> April 2025.

The governments indications were the VAT exemption was to be brought into effect from September 2025, however, this has now been brought forward to January 2025 following the budget in October 2025 giving the school little time to plan and implement this change.

Debt from unpaid fees continues on the downward trajectory as payment plans come to an end and a stringent credit control policy remains in place with cash collection over 97% of fees outstanding and parents who have not paid fees being issued a warning to make a significant payment or notice issued to these parents.

The school offers an extensive fee assistance programme, based on a means-tested method, and during the course of the 2023-24 academic year, 35 families have benefitted from this. 42 families have been granted fee assistance for the 2024/25 school year. As one of the many initiatives to ensure the school's business model is redeveloped with sustainability in mind, the fee assistance programme has been thoroughly reviewed and redesigned and is now fixed at 30% maximum allowance. A further review is planned for the year 2025/26 to ensure the process remains current and sustainable.

An allocation of 5% of gross fee income remains in place has been set as a maximum fee assistance budget which distributed to families on a means tested basis on an objective basis and assessed with the support of a third-party company, under a new clear Fee Assistance Policy. The policy has also reduced the extent of individual fee assistance offered from 60% in 2021/22 to 45% in 2022/23 and was reduced further to the current level of 30% in 2023/24 to ensure the programme offers a wider range of assistance as possible but within the more sustainable parameters established.

### **OBJECTIVES AND ACTIVITIES**

The charity's principal objective is to provide for and conduct the education of children in accordance with Steiner Waldorf educational principles.

It pursues this objective by the administering of Michael Hall School at its premises in Forest Row, East Sussex. In doing so it provides education to and attends to the welfare of children in the school, whilst maintaining and improving the school's premises and grounds.

In determining how best to pursue this objective, the Trustees have had regard to the Charity Commission's guidance on public benefit.

Early Childhood has now been split into 2 areas. Our 'Saplings' provision for 2-3 year olds opened in September 2023 and our existing Kindergarten will now have a provision for 4-6 year olds. This has enabled the School to offer an education to children from 2 years through to 18. There are also plans to open a Forest Kindergarten in September 2025.

Fees continue to represent over 90% of the charity's income. Fees continue to be the main driver of income, and our Marketing and Admissions Manager is addressing the needs of the school further by boosting pupil numbers and beginning to market the school to its full potential as well as boost our connections with the alumni body.

Taking its inspiration from Rudolph Steiner, the School's curriculum is delivered with age-appropriate awareness, which takes into account the cognitive and emotional stages of child development. The aim of the school is through a holistic education, providing the students with skills and a passion for lifelong learning that promotes confidence and

# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2024

## REPORT OF THE TRUSTEE

encourages well rounded, creative and practical individuals. Alongside traditional GCSE and A level qualifications, the education is delivered through an extremely diverse Steiner Waldorf curriculum portfolio.

The objective is further secured through:

- An expectation of exceptional teaching and learning, within the Steiner Waldorf tradition, that celebrates diversity and promotes inclusivity;
- Regular opportunities for collaborative, high quality CPD to ensure consistent and best practice;
- The promotion of the highest standards of behaviour, achieved through clear expectations and positive relationships within the school community;
- The unique character of the School;
- Shared whole School values of dignity, respect, celebration and ambition for all;
- The School as a hub for its local community and families;
- Networking within the wider Steiner Waldorf community through forging strong links with Waldorf UK and other Schools within the Movement

## ACHIEVEMENTS AND PERFORMANCE

### 3.1 Context

The annual programme of cultural events, festivals, trips and residential has enriched the curriculum for children of all ages. Immersive learning experiences are evident in abundance and colleagues' creative approaches to delivering the curriculum are a source of inspiration.

### 3.2.a GCSE Results July 2024

#### Exams Results GCSEs - 2024

SUBJECT	No. of students	9	8	7	6	5	4	3	2	1	% Pass (4-9)
FINE ART	22	5	8	5		2			2		91%
ENGLISH LANGUAGE	40	1	6	4	7	11	7	4			90%
MATHEMATICS	40		6	6	6	11	6	5			88%
SCIENCE	78	12	13	16	16	13	4	4			95%
FRENCH	2	1	1								100%
GERMAN	12	1	2	1	7	1					100%
SPANISH	7	1		1		1	2	2			71%
HISTORY	25		2	3	9	7		3		1	84%
GEOGRAPHY	19		2	3	5	7	1	1			95%
FURTHER MATHS	5	3		1			1				100%
<b>TOTALS</b>	<b>250</b>	<b>24</b>	<b>40</b>	<b>40</b>	<b>50</b>	<b>53</b>	<b>21</b>	<b>19</b>	<b>2</b>	<b>1</b>	<b>91%</b>

#### STATISTICS

Grades 7-9	42%
Grades 4-9	91%

#### Other Qualifications

SUBJECT	No. of students	9	8	7	6	5	4	3	0	0	% Pass (4-9)
FURTHER MATHS L2	4		2	2							100%

# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2024

## REPORT OF THE TRUSTEE

### 3.2.b A-Level Results July 2024

#### Exams Results A - Levels - 2024

SUBJECT	No. of students	A*	A	B	C	D	E	U	% A* - C
BIOLOGY	1					1			0%
CHEMISTRY	2	1		1					100%
GEOGRAPHY	5		1	1	1		1	1	60%
MATHEMATICS	4			2	1	1			75%
PHOTOGRAPHY	12	3	1	7	1				100%
PHYSICS	4			2	1	1			75%
PSYCHOLOGY	13		1	3	2	1	3	3	46%
ENGLISH LITERATURE	5		4		1				100%
HISTORY	2			2					100%
ART & DESIGN FINE ART	5	3		1			1		80%
TOTALS	53	7	7	19	7	4	5	4	75%

#### STATISTICS

Pupils gaining A* - A	26%
Pupils gaining A* - B	62%
Pupils gaining A* - C	75%
Overall pass rate	92%

#### Other Qualifications

SUBJECT	No. of students	A*	A	B	C	D	E	U	% A* - C
EXTENDED PROJECTS	1		1						100%

Exam results in both GCSEs and A-Levels saw steady results similar to those in 2023. This demonstrates our ability to combine both the Steiner curriculum and achieve academic results.

### 3.3 Internal Progress and Attainment

Our systems for tracking and monitoring pupil progress and attainment for all internal year cohorts have improved significantly this year, since the arrival of the new School Principal. A programme of termly pupil progress meetings enable staff to feel confident that they are meeting the needs of every child in their care, with support from appropriate colleagues, such as senior school leaders and the learning support team.

Senior Leaders currently analyse the assessment data, to ensure that academic performance targets are accurate and that students remain on track. This work will continue to be delegated to core Subject Leads over the course of the next academic year as part of their continuing professional development in role.

There is a greater sense of accountability and autonomy for the progress data that is being produced and this programme will continue to be developed across the School in greater depth next year.

### 3.4 Staff Numbers

Staff numbers have remained stable through the course of the year which shows robust recruitment. The resignations that have been made have not all been replaced in a like for like role. There has been consideration regarding redeployment of existing staff and amalgamating roles, therefore reducing cost. There are no plans for a significant increase in staff numbers at present.

# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2024

## REPORT OF THE TRUSTEE

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### 3.5 Pupil Numbers

Pupil numbers continued to grow during the 23/24 school year. Projections for the following academic were initially looking to continue that growing trend, however, the late VAT announcement in the middle of summer did mean a slight drop in numbers predicted. Whilst the full extent of the impact of this change in legislation on our parent body cannot be known at this time, as news of VAT settles we currently expect a further softening of our numbers with a drop of around 10% in pupil numbers potentially indicated. The Trustees and SLT continue to consider the impact of this on the schools' finances and what mitigating action might be appropriate to best align to those changes.

Open days have been streamlined to represent each area of the school and has been a huge success. This is evident in the record number of attendees, contributing to a substantial conversion rate within the past year. Interestingly despite VAT the interest in the school is still there and hunger from other Waldorf and International schools remains.

The school has initiated weekly tours, providing prospective families with regular opportunities to visit the School and gain insight on what Michael Hall has to offer.

The School's positive reputation is increasing, with a majority of new enquiries coming from word of mouth and via online searches. Efforts to enhance visibility through platforms such as Waldorf UK, various social media channels, and national press advertisements are contributing to this. A radio campaign has also been launched to broaden the scope of the Michael Hall name.

The website has been updated to include a fundraising page, an easy-to-use application form and online ticketing, which makes the customer experience better and the website easier to use.

Regular exit interviews with outgoing families continue to be carried out, with valuable information gathered and shared with the Senior Leadership Team (SLT) and trustees. This aims to enhance efficiency, address any issues, and continually refine school processes.

### 3.6 Estate and Buildings

The Estates Manager and Interim School Business Manager continue to look into the rejuvenation of the school's buildings, and the longer-term strategic direction of the facilities and parkland grounds. A comprehensive plan of improvements and funding is being formulated in association with the Rural Payments Agency, Historic England, Natural England and the Forestry Commission, with an emphasis on two main aspects:

- Developing Educational opportunities in an increasing number of locations throughout the buildings and grounds;
- Protecting the listed buildings and parkland from inappropriate development, ensuring the longevity of the listed buildings and returning areas of the landscaped parkland to their original glory.

Relationships have been renewed with Table Hurst Farm, who are our tenant farmers, and throughout the local business and village community, which has helped to support many School events and continues to improve our standing within Forest Row. Community work-day projects hosted on-site have also increased awareness of the School to a wider market.

A comprehensive strategic business plan is in place to maximise the potential from the entire School site, which includes the following targeted elements:

- Property sales of the four ancillary residential dwellings are in the process of being sold. Whilst part of the expectation is to clear some historical debt from the sale of the assets a substantial amount of the realised sale income will directly be invested into the business, where a comprehensive development strategy will ensure maximum benefit from the sale.

# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2024

## REPORT OF THE TRUSTEE

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- Wedding licence renewed for 4 years from May 2023, the renewal includes for the first-time external wedding ceremony locations, allowing anyone to be married on our mansion terraces or under the colonnade. We already have a confirmed 2024 wedding and are increasing wedding let potentials for 2025.
- A robust 5-year plan is underway to increase letting potential across the site. Targets will include increasing the wedding let provision, Theatre use, wider ground management; as well as best utilising spaces during busy and quieter school production periods for external lets.
- Theatre development plan in place to improve facilities for school productions and increase potential lets. Plans include short term refurbishments and long-term building development; as well as comprehensive policies and processes to support increase of income.
- Lettings of all our facilities continue to increase pushed forward by the estate and lettings team. We have retained all our historical bookings of the gym and studio spaces, even with an increase in lettings fees. We have been able to increase our offering of lettings availability over the summer holidays and have incorporated external summer camps, performance companies and an international yoga retreat into our summer schedule.
- Planning process is underway for a number of relevant projects for the School's development, with two priority identified as specifically important: the refurbishment of the upper floors of the Clock House building and the building of a new stand-alone Craft block to re-home Woodwork, Handwork, Metalwork and Joinery into a modern, state of the art, purpose-built space.
- A comprehensive Site Development Plan has been implemented for building works over the next 15 years, including rebuilding, renewing and refurbishment work. These plans would not only increase and enhance the educational provision but also have major let potential.
- An asset management register is being completed to determine potential areas of income revenue in order to support the School and its development.
- Large Centenary plans are in place with a varied calendar of events for a wide target audience. Plans include public events, parent workshops, fundraisers that will ensure participation from students, staff, parents, alumni and further stakeholders, all to generate financial support towards the site development.
- Rebuilding plans for the School Kitchen to include a stronger relationship with the Market Garden onsite and local external food providers and incorporate into the education. Working closely with local businesses and schools to provide an anthroposophical provision.

To support these elements and our School community in general, fundraising opportunities are featured on our website and some of the projects to be considered are:

- Theatre auditorium rejuvenation and the creation of a new lobby and refreshment area, and toilet facilities, allowing us to host events comprehensively
- Library refurbishment
- Coffee/Refreshments catering trailer to increase income from events
- Creation of a woodland enterprise centre

A comprehensive Site Development Plan (SDP) for the next 1-3-5 years is now in place and is being used as a central planning document for all anticipated building projects, budget considerations and planning applications.

### 3.7 Public Benefit

The Trustees acknowledge the duty to have due regard to the Charity's Commission's published General and relevant sub sector guidance on public benefit. We have referred to this guide when reviewing our aims, strategy and in planning future activities. All activities undertaken by the School are for the public benefit.

### 3.8 Investments and performance

A lot of work has gone into looking into the investments the school owns via shares. Issues have remained around access to these funds given the historical nature and issues regarding permanent endowments limiting the school's ability to form an investment policy, however, as market conditions seem to be deteriorating we are aware that the

# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2024

## REPORT OF THE TRUSTEE

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value of these share has decreased over the past 12 months and we are looking at options to release the funds to invest back into the school.

### FINANCIAL REVIEW

During the year under review the school is reporting net movement on funds of £442,934 (2023: £150,578) inclusive of a gain on investments of £24,431 (2023 loss: £12,519) and a net credit on the movement of the pension deficit provision of £25,708 (2023 £75,283), giving an operating surplus of £392,795 (2023: £87,814).

As at 31 July 2024, the charity's total funds amounted to £6,969,058 (2023: £6,526,124) of which £1,019,563 (2023: £993,079) is held within endowment funds with a further £32,308 (2023: £32,308) restricted leaving unrestricted funds of £5,917,187 (2023: £5,500,737). Within unrestricted funds are designated amounts totalling £6,476,352 (2023: £6,240,005) with funds represented by fixed assets amounting to £7,187,356 and a pension deficit position of £826,000 and other designated funds of £114,995 giving an overall deficit reserves position of £559,164 (2023 reserves deficit: £739,268).

The Trustees consider that the charity should hold positive reserves equivalent to two months operating costs (estimated at £500,000) in order to ensure the ongoing delivery of its charitable objects during an unforeseen downturn in income. The Trustees recognise the school returned to operate a positive cashflow from operating activities of £258,176 (2023: £102,066) during the financial year. The significant increase in fees over the last couple of years should put the place in a stronger financial position. There is currently an additional need to accumulate reserves in order to provide for the future development of the charity's facilities and the Trustees estimate that a sum in excess of £1,400,000 will be freed from assets to form part of a detailed and carefully planned business rejuvenation strategy and to provide the funding support that the schools current operating performance requires during this turnaround. In making this statement the Trustees are particularly minded of the government policy changes implemented since the date of these Annual Accounts. In particular, the flexibility this additional source of capital may provide, without being unnecessarily dissipated, to implement any necessary changes to the organisation to respond to the financial challenges these pose and ensure the School continues to operate on a sustainable basis.

The school's principal funding source continues to be income generated by school fees. Expenditure continues to be on teaching and support costs for the provision of education to those pupils. Michael Hall School had investments in COIF unitised funds throughout the year.

### PLANS FOR FUTURE PERIODS and GOING CONCERN

The Trustees of Michael Hall School have formally assessed the Charity as a going concern. Through information submitted by the School's Principal and Operational Heads, including Finance, HR, Admissions and Estates, Trustees have critically appraised the school's financial position and are satisfied that the school will remain financially operational for the coming 12 months.

Pupil numbers remain the largest driver of the school's finances, with numbers enjoying a period of stability in recent years. Whilst previously trending well towards our target (>450 pupils), the announcement of VAT in July 2024 has had an impact; however the school still expects a figure in excess of 410 in September 2024. The work done over the last financial year has resulted in a good Ofsted., Significant work has been undertaken to ensure spending is brought in line with the current pupil numbers. There have been numerous strategies undertaken to ensure that the 3-year budget is balanced against income from fees (even with worst case pupil numbers). These include:

- Credit control continues to be a strong point with over 97% of fees collected. Continued to be around this level for the rest of the 2023/24 school year. A robust zero tolerance is also being taken with older non-paying parents to address legacy issues in this respect with letters being issued for non-payment and termination of the educational contract should payments not be met and appropriate recovery action taken. A review of the current credit control policy will be refined to ensure it is current and relevant.
- School fees have been uplifted by the full 20% VAT during the Spring Term 2025, the current plan is to increase US fees by around 5% but freeze fees across the rest of the school in 2025/26. This follows an increase of 5-8% for the academic year 2023/24 and whilst these increases reflect the ending of the low inflationary economic environment, they also begin to recognise the comparably low fees charged by the

# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2024

## REPORT OF THE TRUSTEE

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school relative to other local fee-paying schools and the exceptional value that the school offers. Parents continue to be supportive of the need for such increases, and there has been minimal detrimental impact to pupil numbers as a result. There are also plans to invest into the offering in Upper School to show true value for money.

- Staff discount was reduced in September 2023 for new staff and has been reduced from 80% to 60%.
- A contingency plan is in place, should the pupil numbers not rise as expected, to reduce the size of the school and balance the income and costs to a sustainable long-term level. However, at present pupil numbers are stable and there is no need to restructure any part of the school. New exit interviews for key areas are planned to understand why we lose pupils at key points in the educational journey, such as GCSEs and A-Levels, to ensure we understand the reasons for any significant drop off at these points.
- The College of Teachers is considering the future of the Upper School curriculum to include possible accreditation for the Waldorf elements of our provision.
- A detailed development plan is now in place and will ensure the funds are carefully directed to development, whilst the operating budget will be drafted to balance without consideration of these additional funds.
- A programme to engage the alumni in financial support has been launched and will include endowment giving and regular donation options.
- Income from additional sources will be driven through lettings of the site and events such as Weddings and Theatre opportunities.

New catering provisions were explored during the current year without success and that resulted in a decision to implement an in-house model during the school year 2024/25 which has better met the needs of the school.

Historical debt has continued to decrease without the sale of the assets, which means more money available to re-invest back into the school. A comprehensive review to build a balanced budget for 2025-26 and beyond which incorporates the schools liabilities in full. The increased revenue from pupils and lettings currently forecast will allow us to re-invest these funds back into the school recognising the investment and maintenance obligations that the wonderful historic estate of Michael Hall requires. They will be accompanied by robust cost control measures as the Business Leadership Team maintains a tight control over the budget.

Current forecasts for September 2025 onwards are based on prudent financial benchmarking, while regular, detailed analysis of the fees and a balanced budget for 2025/26 demonstrate a more manageable cash-flow projection. Having reviewed the current financial data, Trustees are confident that predictions for financial improvements are sound, and are committed to developing a rigorous and comprehensive business plan to focus on marketing and retention to reach the target of 450 pupils on roll in the future. It is recognised that in order to underpin a healthy and resilient business model, the focus must be on pupil numbers and marketing, as well as clearing historic debt, to free up well earned cash and not a reliance on assets. Current plans anticipate a final, significant asset sale (over £1.4m) that can be carefully channelled into marketing, pupil retention and capitalising on the potential of the estate to broaden our sources of income.

The Resources Committee, followed by the Full Trustee Board, meet termly to scrutinise data submitted by school leaders which include the following data sets:

- Cash flow forecasts
- Pupil number predictions
- Principal and School Business Manger Reports
- HR report and staffing salary KPIs – Continual review of affordable staffing levels
- Budget updates
- Strategic plans
- Health and Safety audits
- Outcomes of Financial Working Group

# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2024

## REPORT OF THE TRUSTEE

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- Post Ofsted Action Plan (current strategic priority)
- School Improvement Plan
- Site Development Plan

Given the critical analysis of all the data provided, combined with the current strategic plans for the growth of the business, Trustees are confident that the school will remain operational and financially viable for the next 12 months

### STATEMENT OF TRUSTEE'S RESPONSIBILITIES

The Trustees are responsible for preparing the Report of the Trustee and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales requires the trustee to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the trustee is required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustee is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustee is responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

### APPOINTMENT OF AUDITORS

The charity's auditors, Blue Spire Limited, have expressed their willingness to continue as auditors to the charity. A resolution proposing Blue Spire Limited be reappointed will be put forward at the AGM of the charity.

07 May 2025

Approved by the Council on ..... and signed on its behalf.

*Natalie Michaels*

.....  
Trustee

# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2024

## INDEPENDENT AUDITOR'S REPORT

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### Independent Auditor's Report to the Trustee of Michael Hall School

#### Opinion

We have audited the financial statements of Michael Hall School (the 'charity') for the year ended 31 July 2024 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including 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 charity's affairs as at 31 July 2024, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

#### 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 responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

#### Other information

The other information comprises the information included in the report of the trustee, other than the financial statements and our auditor's report thereon. The trustee is responsible for the other information contained within the financial statements. 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2024

## INDEPENDENT AUDITOR'S REPORT

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### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- the charity has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

### **Responsibilities of the trustee**

As explained more fully in the trustee's responsibilities statement, the trustee is 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 trustee determines 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 trustee is responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustee either intends to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

### **Auditor responsibilities for the audit of the financial statements**

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Based on our understanding of the Charity and the sector in which it operates, we identified the principal laws and regulations that directly affect the financial statements to be the Charities Act, Employment Act, Independent Schools Standards. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

In addition, the Charity is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. There is a limitation to areas most likely to have such an effect. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence if any.

Audit procedures performed by the engagement team included:

- Enquiry of management, those charged with governance around actual and potential litigation and claims;
- Enquiry of entity staff to identify any instances of non-compliance with laws and regulations;
- Reviewing minutes of meetings of those charged with governance;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2024

## INDEPENDENT AUDITOR'S REPORT

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Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the FRC's website at: <https://www.frc.org.uk/auditors/audit-assurance/auditor-s-responsibilities-for-the-audit-of-the-fi/description-of-the-auditor%E2%80%99s-responsibilities-for>. This description forms part of our auditor's report.

### Use of our report

This report is made solely to the charity's trustee, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustee 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

*Blue Spire limited*

Blue Spire Limited, Statutory Auditor

Date 07 May 2025

Cawley Priory  
South Pallant  
Chichester  
West Sussex  
PO19 1SY

*Blue Spire Limited is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.*

# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2024

## STATEMENT OF FINANCIAL ACTIVITIES

		Unrestricted Funds	Restricted Funds	Endowment Funds	2024 Total Funds	2023 Total Funds
	Note	£	£	£	£	£
<b>INCOME AND ENDOWMENTS FROM:</b>						
Donations and legacies	1	8,415	-	-	8,415	21,714
Other trading activities	2	148,341	-	-	148,341	151,504
Investments	3	10,407	-	-	10,407	10,045
Charitable activities	4	4,645,066	-	-	4,645,066	3,904,763
<b>Total</b>		<u>4,812,229</u>	<u>-</u>	<u>-</u>	<u>4,812,229</u>	<u>4,088,026</u>
<b>EXPENDITURE ON:</b>						
Raising funds	5	33,190	-	-	33,190	34,882
Charitable activities	6	4,386,244	-	-	4,386,244	3,965,330
<b>Total</b>		<u>4,419,434</u>	<u>-</u>	<u>-</u>	<u>4,419,434</u>	<u>4,000,212</u>
Net gains/(losses) on investments	12	(2,053)	-	26,484	24,431	(12,519)
<b>Net income/(expenditure)</b>		<u>390,742</u>	<u>-</u>	<u>26,484</u>	<u>417,226</u>	<u>75,295</u>
<b>Transfers between funds</b>	18	-	-	-	-	-
		<u>390,742</u>	<u>-</u>	<u>26,484</u>	<u>417,226</u>	<u>75,295</u>
Actuarial gains/(losses) on defined benefit pension schemes	16	25,708	-	-	25,708	75,283
<b>Net movement in funds</b>		<u>416,450</u>	<u>-</u>	<u>26,484</u>	<u>442,934</u>	<u>150,578</u>
<b>RECONCILIATION OF FUNDS</b>						
<b>Total funds brought forward</b>	18	5,500,737	32,308	993,079	6,526,124	6,375,546
<b>Total funds carried forward</b>	18	<u>5,917,187</u>	<u>32,308</u>	<u>1,019,563</u>	<u>6,969,058</u>	<u>6,526,124</u>

None of the charity's activities were acquired or discontinued during the above two financial years.

The charity has no recognised gains or losses other than those dealt with in the statement of financial activities.

# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2024

## BALANCE SHEET AS AT 31 JULY 2024

	Note	2024		2023	
		£	£	£	£
<b>FIXED ASSETS</b>					
Tangible assets	11	7,839,356		7,844,487	
Investments	12	<u>495,258</u>		<u>470,827</u>	
<b>Total fixed assets</b>			8,334,614		8,315,314
<b>CURRENT ASSETS</b>					
Debtors	13	456,974		478,689	
Cash at hand and in bank		<u>446,707</u>		<u>279,811</u>	
<b>Total current assets</b>		903,681		758,500	
<b>CURRENT LIABILITIES</b>					
Creditors: amounts falling due within one year	14	<u>1,138,810</u>		<u>1,061,547</u>	
<b>Net current assets/(liabilities)</b>			(235,129)		(303,047)
<b>Total assets less current liabilities</b>			<u>8,099,485</u>		<u>8,012,267</u>
Creditors: amounts falling due after more than one year	15		(304,427)		(418,143)
Net assets/(liabilities) excluding pension asset/(liability)			<u>7,795,058</u>		<u>7,594,124</u>
Defined benefit pension scheme obligation	16		(826,000)		(1,068,000)
<b>Total net assets</b>			<u><u>6,969,058</u></u>		<u><u>6,526,124</u></u>
<b>THE FUNDS OF THE CHARITY</b>					
<b>Endowment funds</b>	18		1,019,563		993,079
<b>Restricted funds</b>	18		32,308		32,308
<b>Unrestricted funds</b>					
Designated funds	18	6,476,351		6,240,005	
General funds	18	<u>(559,164)</u>		<u>(739,268)</u>	
<b>Total unrestricted funds</b>			5,917,187		5,500,737
<b>Total charity funds</b>			<u><u>6,969,058</u></u>		<u><u>6,526,124</u></u>

The notes on pages 22 to 35 form part of the financial statements.

07 May 2025

The financial statements on pages 16 to 35 we approved and authorised for issue by the trustee on ..... and signed on its behalf by:

*Natalie Michaels*

Trustee



# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2024

## ACCOUNTING POLICIES

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### Scope and basis of the financial statements

Michael Hall School is an unincorporated charity governed by a trust deed. The address of the principal office is given in the reference and administrative details section and the nature of the charity's operations and principal activities are given in the trustees' report.

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011 and UK Generally Accepted Accounting Practice.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are presented in sterling which is the functional currency of the charity and rounded to the nearest £ except where marked.

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

### Judgements in applying accounting policies and key sources of estimation uncertainty

Preparation of the financial statements requires management to make judgements and estimates. The key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are that of the Mercury Provident Pension Scheme obligation. More information is provided in the pension scheme policy below and in note 24.

### Incoming resources

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

For donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

For legacies, entitlement is the earlier of the charity being notified of an impending distribution or the legacy being received. At this point income is recognised. On occasion legacies will be notified to the charity however it is not possible to measure the amount expected to be distributed. On these occasions, the legacy is treated as a contingent asset and disclosed.

Income from trading activities includes income earned from fundraising events and trading activities to raise funds for the charity. Income is received in exchange for supplying goods and services in order to raise funds and is recognised when entitlement has occurred.

Income from grants are recognised at fair value when the charity has entitlement after any performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably. If entitlement is not met then these amounts are deferred.

Investment income is earned through holding assets for investment purposes such as shares and property. It includes dividends, interest and rent. Where it is not practicable to identify investment management costs incurred within a scheme with reasonable accuracy the investment income is reported net of these costs. It is included when the amount can be measured reliably. Interest income is recognised using the effective interest method and dividend and rent income is recognised as the charity's right to receive payment is established.

### Resources expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Costs of raising funds includes staff and other costs of raising the charity's profile and investment management fees; and
- Expenditure on charitable activities includes costs of delivery the charity's objects together with support and governance costs.

Grants payable to third parties are within the charitable objectives. Where unconditional grants are offered, this is accrued as soon as the recipient is notified of the grant, as this gives rise to a reasonable expectation that the recipient will receive the grants. Where grants are conditional relating to performance then the grant is only accrued when any unfulfilled conditions are outside of the control of the charity.

# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2024

## ACCOUNTING POLICIES

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### Resources expended (continued)

#### *Support costs allocation*

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs, administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity. Where support costs cannot be directly attributed to particular headings they have been allocated to cost of raising funds and expenditure on charitable activities on a basis consistent with use of the resources.

The analysis of these costs is included in notes 7 and 8.

#### *Redundancy and termination payments*

Termination payments are accounted for on an accruals basis, as above, and classified to the relevant category of expenditure.

### Employee benefits

When employees have rendered service to the Charity, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

### Pensions

The charity operates a defined benefit plan. A liability for the charity's obligations under the plan is recognised net of plan assets. The net change in the net defined benefit liability is recognised as the cost of the defined benefit plan during the period. Pension plan assets are measured at fair value and the defined benefit obligation is measured on an actuarial basis.

In addition the charity makes contributions towards a defined contribution group personal pension plan which are charged to the SoFA as they fall due.

### Leases

Rentals payable and receivable under operating leases are charged to the SoFA on a straight line basis over the period of the lease.

### Tax

The charity is considered to pass the tests set out in sections 521 to 536 Income Tax Act 2007 (ITA 2007), as such no income tax is payable on the charity's activities.

### VAT

The charity is not registered for VAT and cannot recover VAT incurred on costs. These are therefore stated inclusive of any VAT element.

### Fixed assets

Tangible fixed assets are stated at cost or valuation less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

School site	No depreciation is charged, however the site is subject to an annual impairment review.
Machinery and office equipment	20% reducing balance
Fixtures and fittings	10% reducing balance
Motor vehicles	25% reducing balance
Classroom equipment	7½% to 20% reducing balance

### Fixed asset investments

Investments are recognised initially at fair value which is normally the transaction price excluding transaction costs. Subsequently, they are measured at fair value with changes recognised in 'net gains / (losses) on investments' in the SoFA if the shares are publicly traded or their fair value can otherwise be measured reliably.

# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2024

## ACCOUNTING POLICIES

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### **Debtors receivable and creditors payable within one year**

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

### **Doubtful debts provision**

Fees outstanding at the balance sheet date are provided in full where no payments are currently being received. Where payments are being received, amounts expected to be recovered in the next 12 months are not provided.

### **Cash and cash equivalents**

Cash and cash equivalents includes cash at bank and in hand inclusive of foreign currency accounts. Foreign currency transactions are initially recognised by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction. Monetary assets and liabilities denominated in a foreign currency at the balance sheet date are translated using the closing rate.

### **Fund accounting**

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Endowment funds represent those assets which must be held permanently by the charity, principally held as fixed asset investments. Income arising on the endowment funds can be used in accordance with the objects of the charity and is included as unrestricted income. Any capital gains or losses arising on the investments form part of the fund. Investment management charges and legal advice relating to the fund are charged against the fund.

### **Going concern**

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2024

## NOTES TO THE FINANCIAL STATEMENTS

### 1. Donations and legacies

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2024 Total Funds £
Donations	7,415	-	-	7,415
Grants received	-	-	-	-
Donations to bursaries	1,000	-	-	1,000
	<u>8,415</u>	<u>-</u>	<u>-</u>	<u>8,415</u>

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2023 Total Funds £
Donations	3,569	-	-	3,569
Grants received	5,111	-	-	5,111
Donations to bursaries	13,034	-	-	13,034
	<u>21,714</u>	<u>-</u>	<u>-</u>	<u>21,714</u>

### 2. Other trading activities

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2024 Total Funds £
Christmas fair	21,546	-	-	21,546
Estate and rental income	76,388	-	-	76,388
Ancillary income	50,407	-	-	50,407
	<u>148,341</u>	<u>-</u>	<u>-</u>	<u>148,341</u>

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2023 Total Funds £
Christmas fair	19,508	-	-	19,508
Estate and rental income	72,085	-	-	72,085
Ancillary income	59,911	-	-	59,911
	<u>151,504</u>	<u>-</u>	<u>-</u>	<u>151,504</u>

### 3. Income from investments

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2024 Total Funds £
Investment income	9,896	-	-	9,896
Bank interest	511	-	-	511
	<u>10,407</u>	<u>-</u>	<u>-</u>	<u>10,407</u>

# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2024

## NOTES TO THE FINANCIAL STATEMENTS

### 3. Income from investments (continued)

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2023 Total Funds £
Investment income	9,738	-	-	9,738
Bank interest	307	-	-	307
	<u>10,045</u>	<u>-</u>	<u>-</u>	<u>10,045</u>

### 4. Income from charitable activities

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2024 Total Funds £
Tuition fees	4,625,740	-	-	4,625,740
Reduced fee contracts	(212,307)	-	-	(212,307)
Chargeable disbursements	198,345	-	-	198,345
Lunches and catering income	33,288	-	-	33,288
	<u>4,645,066</u>	<u>-</u>	<u>-</u>	<u>4,645,066</u>

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2023 Total Funds £
Tuition fees	3,973,460	-	-	3,973,460
Reduced fee contracts	(315,726)	-	-	(315,726)
Chargeable disbursements	149,569	-	-	149,569
Lunches and catering income	97,460	-	-	97,460
	<u>3,904,763</u>	<u>-</u>	<u>-</u>	<u>3,904,763</u>

### 5. Raising funds

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2024 Total Funds £
Ancillary expenditure	5,433	-	-	5,433
Salary costs of raising funds	20,922	-	-	20,922
Christmas fair and other fundraising costs	6,835	-	-	6,835
	<u>33,190</u>	<u>-</u>	<u>-</u>	<u>33,190</u>

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2023 Total Funds £
Ancillary expenditure	4,508	-	-	4,508
Salary costs of raising funds	23,103	-	-	23,103
Christmas fair and other fundraising costs	7,271	-	-	7,271
	<u>34,882</u>	<u>-</u>	<u>-</u>	<u>34,882</u>

# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2024

## NOTES TO THE FINANCIAL STATEMENTS

### 6. Charitable activities

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2024 Total Funds £
<u>Education</u>				
Teachers salaries	2,334,814	-	-	2,334,814
Staff training and development	46,300	-	-	46,300
Supplies and equipment	131,961	-	-	131,961
Chargeable disbursements cost	187,881	-	-	187,881
Depreciation	1,844	-	-	1,844
Historical VAT recoverable	(42,855)	-	-	(42,855)
Minibus depreciation	73	-	-	73
	<u>2,660,018</u>	<u>-</u>	<u>-</u>	<u>2,660,018</u>
<u>Welfare</u>				
Catering supplies and equipment	74,396	-	-	74,396
Medical salaries	27,818	-	-	27,818
Medical	998	-	-	998
	<u>103,212</u>	<u>-</u>	<u>-</u>	<u>103,212</u>
<u>Premises</u>				
Health and safety	34,693	-	-	34,693
Estate salaries	226,356	-	-	226,356
Property maintenance	164,871	-	-	164,871
Site improvements	36,648	-	-	36,648
Light and heat	123,834	-	-	123,834
Insurance	59,134	-	-	59,134
Cleaning	99,001	-	-	99,001
Rates & water	54,894	-	-	54,894
	<u>799,431</u>	<u>-</u>	<u>-</u>	<u>799,431</u>
<u>Support costs</u>				
Administration salaries	457,757	-	-	457,757
Telephone and postage	12,177	-	-	12,177
Printing and stationery	749	-	-	749
Communications and PR	8,464	-	-	8,464
Insurance	-	-	-	-
Office equipment and IT	148,540	-	-	148,540
Legal and professional fees	47,772	-	-	47,772
Subscriptions	25,791	-	-	25,791
General admin expenses	9,030	-	-	9,030
Depreciation	3,214	-	-	3,214
Finance costs	43,473	-	-	43,473
Bad debts and provision for bad debts	46,236	-	-	46,236
Governance costs (see note 7)	20,380	-	-	20,380
	<u>823,583</u>	<u>-</u>	<u>-</u>	<u>823,583</u>
	<u>4,386,244</u>	<u>-</u>	<u>-</u>	<u>4,386,244</u>

# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2024

## NOTES TO THE FINANCIAL STATEMENTS

### 6. Charitable activities (continued)

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2023 Total Funds £
<u>Education</u>				
Teachers salaries	2,013,869	-	-	2,013,869
Staff training and development	39,287	-	-	39,287
Supplies and equipment	113,257	-	-	113,257
Chargeable disbursements cost	146,454	-	-	146,454
Depreciation	2,067	-	-	2,067
Historical VAT recoverable	-	-	-	-
Minibus depreciation	98	-	-	98
	<u>2,315,032</u>	<u>-</u>	<u>-</u>	<u>2,315,032</u>
<u>Welfare</u>				
Catering supplies and equipment	193,473	-	-	193,473
Medical salaries	22,468	-	-	22,468
Medical	28	-	-	28
	<u>215,969</u>	<u>-</u>	<u>-</u>	<u>215,969</u>
<u>Premises</u>				
Health and safety	43,985	-	-	43,985
Estate salaries	242,067	-	-	242,067
Property maintenance	88,624	-	-	88,624
Site improvements	11,434	-	-	11,434
Light and heat	129,478	-	-	129,478
Insurance	50,451	-	-	50,451
Cleaning	50,171	-	-	50,171
Rates & water	51,798	-	-	51,798
	<u>668,008</u>	<u>-</u>	<u>-</u>	<u>668,008</u>
<u>Support costs</u>				
Administration salaries	414,170	-	-	414,170
Telephone and postage	7,239	-	-	7,239
Printing and stationery	1,604	-	-	1,604
Communications and PR	2,036	-	-	2,036
Insurance	4,667	-	-	4,667
Office equipment and IT	175,790	-	-	175,790
Legal and professional fees	50,685	-	-	50,685
Subscriptions	26,153	-	-	26,153
General admin expenses	12,216	-	-	12,216
Depreciation	3,769	-	-	3,769
Finance costs	48,092	-	-	48,092
Bad debts and provision for bad debts	-	-	-	-
Governance costs (see note 7)	19,900	-	-	19,900
	<u>766,321</u>	<u>-</u>	<u>-</u>	<u>766,321</u>
	<u>3,965,330</u>	<u>-</u>	<u>-</u>	<u>3,965,330</u>

# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2024

## NOTES TO THE FINANCIAL STATEMENTS

### 7. Governance costs

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2024 Total Funds £
Salaries	10,000	-	-	10,000
Auditors' fees - current year	10,380	-	-	10,380
	<u>20,380</u>	<u>-</u>	<u>-</u>	<u>20,380</u>

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2023 Total Funds £
Salaries	10,000	-	-	10,000
Auditors' fees - current year	9,900	-	-	9,900
	<u>19,900</u>	<u>-</u>	<u>-</u>	<u>19,900</u>

### 8. Fees payable to independent auditors

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2024 Total Funds £
Auditors' remuneration - audit	10,380	-	-	10,380

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2023 Total Funds £
Auditors' remuneration - audit	9,900	-	-	9,900

### 9. Staff costs and information

	2024 Total £	2023 Total £
Gross wages	2,744,806	2,401,878
Employer's national insurance costs	247,771	216,368
Pension costs	73,931	67,757
Termination payments*	15,010	22,420
	<u>3,081,518</u>	<u>2,708,423</u>

\*The termination payments above represent full settlement with no amounts payable or due at either period end

	2024	2023
Staff numbers:		
Average head count	<u>107</u>	<u>102</u>

During the year under review two employees (2023: two employees) received employee benefits (excluding employer pension costs) of more than £60,000; one employee (2023: two employees) in the range of £60,000 to £70,000 (2023: £60,000 to £70,000) and one employee (2023: no employee) in the of range £70,000 to £80,000 (2023: £70,000 to £80,000).

The pension costs charge above has been charged to the Statement of Financial Activities.

# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2024

## NOTES TO THE FINANCIAL STATEMENTS

### 10. Related party transactions

No trustee received remuneration, or other employment benefits for being a trustee in this or the comparative year.

Remuneration was paid to the following trustees in relation to their employment as teachers and support staff:

	2024			2023		
	Salary	National	Pension	Salary	National	Pension
	£	insurance	£	£	insurance	£
		£			£	
D Jones	30,914	3,115	927	-	-	-
	<u>30,914</u>	<u>3,115</u>	<u>927</u>	<u>-</u>	<u>-</u>	<u>-</u>

During the year under review remuneration for spouses and children of trustees amounted to £1,301 (2023: £15,563). In addition national insurance contributions totalling £75 (2023: £912) and pension contributions totalling £39 (2023: £467) were made on behalf of spouses and children of trustees.

Trustees (and spouses) who are teachers or other staff members receive remuneration in that capacity and not for acting as a trustee. This remuneration is authorised under section 4 of the Memorandum of Association of Michael Hall School Limited.

Total employee benefits, inclusive of employer national insurance contributions and employer pension contributions, received by the school's twelve (2023: eight) key management personnel amounted to £530,115 (2023: £412,904) during the year under review.

During the year one (2023: one) of the school's key management personnel received staff discounts in relation to their children's school fees of £11,700 (2023: £10,630). These discounts were received on the same terms in relation to discounts given to teachers without key management personnel status. At the balance sheet date £114 (2023: £267) was outstanding from these individuals.

No trustee (2023: no trustee) had expenses reimbursed or paid on their behalf for training or reimbursed for medical costs.

Expenses reimbursed to and paid on behalf of seven members (2023: five member) of key management personnel totalled £2,542 (2023: £1,916) for training and other costs in relation to their role in the year under review.

Tuition fees are charged on normal commercial terms, except for teacher trustees who, as with all teachers, receive a 80% (2023: 80%) discount after other discounts on a pro-rata basis. No trustees who are teachers at the school had children in education in the year under review of the comparative year.

The following individuals who were trustees for all or part of the year were educating their children at the school:

J Angus  
N Michaels  
T Souleiman  
E Tilezhinski

	2024	2023
	£	£
Tuition fees charged to 4 (2023: 3) Parent Trustees net of discounts amounted to	<u>95,373</u>	<u>58,827</u>

The discounts, inclusive of sibling and reduced fees, which were provided on the same basis as those to other parents amounted to £17,077 (2023: £3,075). At the balance sheet date £6,309 (2023: £4,433) was outstanding from trustees educating their children at the school.

# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2024

## NOTES TO THE FINANCIAL STATEMENTS

### 11. Tangible fixed assets

	School site £	Machinery & office equipment £	Fixtures & fittings £	Motor vehicles £	Classroom equipment £	Total £
Cost						
Brought forward	7,798,567	393,046	284,722	21,904	308,366	8,806,605
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
	<u>7,798,567</u>	<u>393,046</u>	<u>284,722</u>	<u>21,904</u>	<u>308,366</u>	<u>8,806,605</u>
Depreciation						
Accumulated brought forward	-	385,887	266,909	21,608	287,714	962,118
Charge	-	1,433	1,781	73	1,844	5,131
On disposals	-	-	-	-	-	-
	<u>-</u>	<u>387,320</u>	<u>268,690</u>	<u>21,681</u>	<u>289,558</u>	<u>967,249</u>
Net book value carried forward	<u>7,798,567</u>	<u>5,726</u>	<u>16,032</u>	<u>223</u>	<u>18,808</u>	<u>7,839,356</u>
Net book value brought forward	<u>7,798,567</u>	<u>7,159</u>	<u>17,813</u>	<u>296</u>	<u>20,652</u>	<u>7,844,487</u>

On transition to FRS 102 SORP (2015) a valuation, provided by Strutt and Parker, of the school site has been included as deemed cost as at 1 August 2014. The site is considered for impairment at each balance sheet date.

### 12. Investments

	2024 £	2023 £
<b>Listed investments</b>		
Market value brought forward	470,827	483,346
Additions at cost	-	-
Disposals at carrying value	-	-
Gains/(losses) on revaluation	24,431	(12,519)
<b>Market value carried forward</b>	<u>495,258</u>	<u>470,827</u>
<i>The investments above are analysed as follows:</i>		
Listed investments	127,695	132,626
Unit trusts and similar investments	<u>367,563</u>	<u>338,201</u>
	<u>495,258</u>	<u>470,827</u>

### 13. Debtors

	2024 £	2023 £
Fees outstanding	572,650	623,837
Fee provision	(250,000)	(250,000)
Prepayments	91,469	104,852
VAT recoverable	42,855	-
	<u>456,974</u>	<u>478,689</u>

# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2024

## NOTES TO THE FINANCIAL STATEMENTS

### 14. Creditors: amounts falling due in less than one year

	2024 £	2023 £
Loans	105,298	93,269
Trade creditors	75,393	158,965
Deferred income (see below)	591,116	419,906
Other creditors and accruals	367,003	389,407
	<u>1,138,810</u>	<u>1,061,547</u>

#### *Deferred income*

	£	£
Deferred income brought forward	419,906	500
Released in year	(419,906)	(500)
Deferred in year	591,116	419,906
Deferred income carried forward	<u>591,116</u>	<u>419,906</u>

### 15. Creditors: amounts falling due after one year

	2024 £	2023 £
Loans	304,427	418,143
	<u>304,427</u>	<u>418,143</u>

One bank loan, with a year end balance of £273,725 (2023: £307,413), is secured over several of the school's freehold properties and is repayable over a period of 25 years from August 2005. The remaining balance of loans is unsecured.

### 16. Defined benefit obligation

	2024 £	2023 £
Brought forward	1,068,000	1,352,000
Payments made	(216,292)	(208,717)
Charge to statement of financial activities	(25,708)	(75,283)
Carried forward	<u>826,000</u>	<u>1,068,000</u>

The above provision arises from the pension scheme's deficit funding arrangement. More information regarding the pensions scheme can be found in note 24.

### 17. Analysis of net assets between funds

	General funds £	Designated funds £	Restricted funds £	Endowment funds £	2024 Total funds £	2023 Total funds £
Tangible assets	-	7,187,356	-	652,000	7,839,356	7,844,487
Investments	12,700	114,995	-	367,563	495,258	470,827
Current assets	871,373	-	32,308	-	903,681	758,500
Creditors: <1 year	(1,138,810)	-	-	-	(1,138,810)	(1,061,547)
Creditors: >1 year	(304,427)	-	-	-	(304,427)	(418,143)
Pension scheme deficit	-	(826,000)	-	-	(826,000)	(1,068,000)
<b>Net assets at 31 July</b>	<u>(559,164)</u>	<u>6,476,351</u>	<u>32,308</u>	<u>1,019,563</u>	<u>6,969,058</u>	<u>6,526,124</u>

# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2024

## NOTES TO THE FINANCIAL STATEMENTS

### 18. Analysis of movement in funds

	Brought forward £	Incoming resources £	Outgoing resources £	All gains/ (losses) £	Transfers £	Carried forward £
<b>Permanent endowment funds</b>						
Permanent Endowment Fund	652,000	-	-	-	-	652,000
Endowment Recoupment Fund	341,079	-	-	26,484	-	367,563
<b>Total endowment funds</b>	<u>993,079</u>	<u>-</u>	<u>-</u>	<u>26,484</u>	<u>-</u>	<u>1,019,563</u>
<b>Restricted funds</b>						
ESCC	3,000	-	-	-	-	3,000
Clockhouse Fund	3,789	-	-	-	-	3,789
Outdoor terrace repair	22,801	-	-	-	-	22,801
Natural England Fund	2,718	-	-	-	-	2,718
<b>Total restricted funds</b>	<u>32,308</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>32,308</u>
<b>Designated and general funds</b>						
WO Field bequest	115,518	-	-	(523)	-	114,995
Pension deficit (see note 24)	(1,068,000)	-	-	25,708	216,292	(826,000)
Fixed asset reserve (see note 17)	7,192,487	-	(5,131)	-	-	7,187,356
Total designated funds	6,240,005	-	(5,131)	25,185	216,292	6,476,351
General reserves	(739,268)	4,812,229	(4,414,303)	(1,530)	(216,292)	(559,164)
<b>Total unrestricted funds</b>	<u>5,500,737</u>	<u>4,812,229</u>	<u>(4,419,434)</u>	<u>23,655</u>	<u>-</u>	<u>5,917,187</u>
<b>Total funds</b>	<u>6,526,124</u>	<u>4,812,229</u>	<u>(4,419,434)</u>	<u>50,139</u>	<u>-</u>	<u>6,969,058</u>

### Restricted funds

ESCC Grant received from East Sussex County Council for healthy eating programme

Clockhouse Fund Grants received to support the costs of repair to the Clockhouse

Outdoor terrace repair Funds received to support the costs of repair to the outdoor terrace

Natural England Fund Grant received to conduct an environmental study on the school site

### Designated funds

WO Field bequest Funds received to support complementary health care costs for employees of the school.

### 19. Transfer between funds

From	To	Unrestricted Funds	
		General £	Designated £
<i>Transfer 1</i>			
General fund	Pension deficit	(216,292)	216,292
		<u>(216,292)</u>	<u>216,292</u>

Transfer of funds from unrestricted general funds representing payments made during the year.

# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2024

## NOTES TO THE FINANCIAL STATEMENTS

### 20. Financial instruments

The carrying amounts of the charity's financial instruments are as follows:

	<b>2024</b>	<b>2023</b>
	<b>Total</b>	<b>Total</b>
	<b>Funds</b>	<b>Funds</b>
	<b>£</b>	<b>£</b>
<i>Financial assets</i>		
Measured at fair value through net income/(expenditure):		
Fixed asset investments (note 12)	495,258	470,827
	<u>495,258</u>	<u>470,827</u>
Debt instruments measured at amortised cost:		
Trade debtors (note 13)	572,650	623,837
	<u>572,650</u>	<u>623,837</u>
<i>Financial liabilities</i>		
Measured at amortised cost:		
Trade creditors (note 14)	75,393	158,965
Bank loan (notes 14 and 15)	409,725	511,412
	<u>485,118</u>	<u>670,377</u>

The income, expense, net gains and net losses attributable to the charity's financial instruments are summarised as follows:

	<b>2024</b>	<b>2023</b>
	<b>Total</b>	<b>Total</b>
	<b>Funds</b>	<b>Funds</b>
	<b>£</b>	<b>£</b>
<i>Income and expense</i>		
Financial assets measured at fair value through net income/(expenditure)		
Investment income	7,274	7,122
	<u>7,274</u>	<u>7,122</u>
<i>Net gains and losses (including changes in fair value)</i>		
Financial assets measured at fair value through net income/(expenditure)		
Unrealised gains/(losses) on investments	24,431	(12,519)
	<u>24,431</u>	<u>(12,519)</u>

### 21. Operating leases

At the balance sheet date the school had total future minimum lease payments under non-cancellable operating leases payable as follows:

	<b>2024</b>			<b>2023</b>		
	<b>Office</b>			<b>Office</b>		
	<b>equipment</b>	<b>Vehicles</b>	<b>Total</b>	<b>equipment</b>	<b>Vehicles</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Less than one year	105,030	5,438	110,468	53,019	14,175	67,194
More than one year less than five years	63,273	-	63,273	52,767	4,660	57,427
More than five years	173,442	-	173,442	5,812	-	5,812
	<u>341,745</u>	<u>5,438</u>	<u>347,183</u>	<u>111,598</u>	<u>18,835</u>	<u>130,433</u>

# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2024

## NOTES TO THE FINANCIAL STATEMENTS

### 22. Analysis of changes in net debt

	2022 £	Cash flows £	2023 £	Cash flows £	2024 £
Long term borrowings	1,244,826	(733,414)	511,412	(101,687)	409,725
Short term borrowings	-	-	-	-	-
Total liabilities	<u>1,244,826</u>	<u>(733,414)</u>	<u>511,412</u>	<u>(101,687)</u>	<u>409,725</u>
Cash and cash equivalents	(212,384)	(67,427)	(279,811)	(166,896)	(446,707)
Total net debt	<u><u>1,032,442</u></u>	<u><u>(800,841)</u></u>	<u><u>231,601</u></u>	<u><u>(268,583)</u></u>	<u><u>(36,982)</u></u>

### 23. Comparative Statement of Financial Activities and Analysis of movement in funds

	Note	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2023 Total Funds £
<b>INCOME AND ENDOWMENTS FROM:</b>					
Donations and legacies	1	21,714	-	-	21,714
Other trading activities	2	151,504	-	-	151,504
Investments	3	10,045	-	-	10,045
Charitable activities	4	3,904,763	-	-	3,904,763
<b>Total</b>		<u>4,088,026</u>	<u>-</u>	<u>-</u>	<u>4,088,026</u>
<b>EXPENDITURE ON:</b>					
Raising funds	5	34,882	-	-	34,882
Charitable activities	6	3,965,330	-	-	3,965,330
<b>Total</b>		<u>4,000,212</u>	<u>-</u>	<u>-</u>	<u>4,000,212</u>
Net gains/(losses) on investments	12	(9,616)	-	(2,903)	(12,519)
<b>Net income/(expenditure)</b>		<u>78,198</u>	<u>-</u>	<u>(2,903)</u>	<u>75,295</u>
<b>Transfers between funds</b>	18	-	-	-	-
		<u>78,198</u>	<u>-</u>	<u>(2,903)</u>	<u>75,295</u>
Actuarial gains/(losses) on defined benefit pension schemes	16	75,283	-	-	75,283
<b>Net movement in funds</b>		<u>153,481</u>	<u>-</u>	<u>(2,903)</u>	<u>150,578</u>
<b>RECONCILIATION OF FUNDS</b>					
<b>Total funds brought forward</b>	18	5,347,256	32,308	995,982	6,375,546
<b>Total funds carried forward</b>	18	<u><u>5,500,737</u></u>	<u><u>32,308</u></u>	<u><u>993,079</u></u>	<u><u>6,526,124</u></u>

# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2024

## NOTES TO THE FINANCIAL STATEMENTS

### 23. Comparative Statement of Financial Activities and Analysis of movement in funds (continued)

	Brought forward	Incoming resources	Outgoing resources	Unrealised gains/(losses)	Transfers	Carried forward
	£	£	£	£	£	£
<b>Permanent endowment funds</b>						
Permanent Endowment Fund	652,000	-	-	-	-	652,000
Endowment Recoupment Fund	343,982	-	-	(2,903)	-	341,079
<b>Total endowment funds</b>	<u>995,982</u>	<u>-</u>	<u>-</u>	<u>(2,903)</u>	<u>-</u>	<u>993,079</u>
<b>Restricted funds</b>						
ESCC	3,000	-	-	-	-	3,000
Clockhouse Fund	3,789	-	-	-	-	3,789
Outdoor terrace repair	22,801	-	-	-	-	22,801
Natural England Fund	2,718	-	-	-	-	2,718
<b>Total restricted funds</b>	<u>32,308</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>32,308</u>
<b>Designated and general funds</b>						
WO Field bequest	123,096	-	-	(7,578)	-	115,518
Pension deficit (see note 18)	(1,352,000)	-	-	75,283	208,717	(1,068,000)
Fixed asset reserve (see note 12)	7,198,421	-	(5,934)	-	-	7,192,487
Total designated funds	5,969,517	-	(5,934)	67,705	208,717	6,240,005
General reserves	(622,261)	4,088,026	(3,994,278)	(2,038)	(208,717)	(739,268)
<b>Total unrestricted funds</b>	<u>5,347,256</u>	<u>4,088,026</u>	<u>(4,000,212)</u>	<u>65,667</u>	<u>-</u>	<u>5,500,737</u>
<b>Total funds</b>	<u>6,375,546</u>	<u>4,088,026</u>	<u>(4,000,212)</u>	<u>62,764</u>	<u>-</u>	<u>6,526,124</u>

### 24. Pensions

The Charity participates in the Main Section of the Mercury Provident Pension Scheme (the Scheme), a UK registered trust based pension scheme that provides defined benefits.

Pension benefits are linked to the members' final pensionable salaries and service at their retirement (or date of leaving if earlier). The Trustee of the Scheme is responsible for running the Scheme in accordance with the Scheme's Trust Deed and Rules. The Trustee is required to act in the best interests of the beneficiaries of the Scheme.

There are two categories of Scheme members:

- Deferred members: members who have left pensionable service with deferred benefits which have yet to come into payment.
- Pensioner members: members in receipt of pension.

The value of the defined benefit obligation for the 31 July 2024 is derived by approximately adjusting the results of the triennial valuation as at 29 December 2021.

In adjusting the value of the defined benefit obligation allowance has been made over the relevant periods for:

- benefits paid out to members;
- price inflation; and
- member movements; and
- impact of known inflation.

All other experience is assumed to be in line with the assumptions at the start of the period. The value of the defined benefit obligation is adjusted for changes in the assumptions.

The results of the most recent formal actuarial valuation as at 29 December 2021 has been updated to the Charity year end by a qualified independent actuary. The assumptions used were as follows:

# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2024

## NOTES TO THE FINANCIAL STATEMENTS

### 24. Pensions (continued)

	Year end 31 July 2024		Year end 31 July 2023	
<i>Significant actuarial assumptions</i>				
Discount rate	5.00% pa		5.10% pa	
RPI inflation	3.20% pa		3.20% pa	
CPI inflation	2.90% pa		2.80% pa	
<i>Mortality assumptions</i>				
Mortality	100% S3PMA_All/ 100% S3PFA_All CMI_2023_M/F [1.25%] (yob)		100% S3PMA_All/ 100% S3PFA_All CMI_2022_M/F [1.25%] (yob)	
<i>Other actuarial assumptions</i>				
Pension increases:				
Pre 88 GMP	Nil		Nil	
Post 88 GMP	2.40% pa		2.40% pa	
Pre 97 excess	Nil		Nil	
97-05 pension	2.90% pa		2.80% pa	
Post 2005 pension	2.10% pa		2.10% pa	
Revaluation of deferred pensions in excess of GMP:	2.90% pa		2.80% pa	
<i>Life expectancies (in years)</i>				
	Male	Female	Male	Female
For an individual aged 65 in 2024	21.4	23.9	21.5	23.9
At age 65 for an individual aged 45 in 2024	22.6	25.3	22.7	25.3

The fair value of the Charity's share of the assets of the Scheme was:

	Year end 31 July 2024		Year end 31 July 2023	
	£'000s		£'000s	
<i>Asset class</i>				
Equities	1,201		1,581	
Diversified Credit Funds (DCFs)	418		308	
Liability Driven Investments (LDIs)	432		439	
Diversified Growth Funds (DGFs)	746		217	
Buy and Maintain Funds	73		-	
Cash	22		154	
Total	2,892		2,699	

The return on the assets was:

	Year end 31 July 2024		Year end 31 July 2023	
	£'000s		£'000s	
<i>Return</i>				
Interest income	134		103	
Return on assets less interest income	216		(390)	
Total return on assets	350		103	

Reconciliation to the balance sheet:

# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2024

## NOTES TO THE FINANCIAL STATEMENTS

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### 24. Pensions (continued)

	Year end 31 July 2024 £'000s	Year end 31 July 2023 £'000s
Market value of assets	2,892	2,699
Present value of defined benefit obligation	2,718	3,767
Funded status	(826)	(1,068)
Irrecoverable surplus	-	-
Pension asset/(liability) recognised in the Statement of Financial Position before allowance for deferred tax	(826)	(1,068)

### Reconciliation of Scheme's assets and defined benefit obligation

	Assets £'000s	Defined benefit obligation £'000s	Net position £'000s
At 1 August 2023	2,699	(3,767)	(1,068)
Benefits paid:			
Pensions	(215)	215	-
Transfers	-	-	-
Other	(36)	36	-
Employer contributions	216	-	216
Member contributions	-	-	-
Current service cost	-	-	-
Administration expenses	(122)	-	(122)
Past service cost	-	-	-
Settlements	-	-	-
Business combinations/bulk transfers	-	-	-
Interest income/cost	134	(186)	(52)
Remeasurement gains/(losses):			
Actuarial gains/(losses): Change of basis	-	(34)	(34)
Actuarial gains/(losses): Experience	-	18	18
Return on assets excluding interest income	216	-	216
At 31 July 2024	2,892	(3,718)	(826)

**MICHAEL HALL SCHOOL**

England & Wales - Charity number 307006

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# Accounts

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**MICHAEL HALL SCHOOL**

**Trustees Report  
and Financial Statements  
for the year ended 31 July 2023**

**Registered Charity Number 307006**

# **MICHAEL HALL SCHOOL**

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023

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# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023

## REFERENCE AND ADMINISTRATIVE DETAILS

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### Trustee

The sole trustee of the charity is a company limited by guarantee, Michael Hall School Limited, company number 539034. The directors of this company are the Council of Trustees of the charity for charity law purposes and are set out below:

W Forward	(Teacher, Chair to 01/09/23)	(resigned 1 September 2023)
J Angus	(Parent)	(appointed 27 May 2022)
J Durrant	(Independent)	(appointed 11 March 2024)
J Harrison	(Parent)	(appointed 1 September 2023)
M Hindler	(Independent)	(resigned 1 September 2023)
D Jones	(Teacher)	(appointed 1 September 2023)
L Lines	(Independent)	(resigned 1 September 2023)
E Maslen	(Parent)	(resigned 31 August 2023)
T Michaels	(Parent)	(appointed 23 November 2020)
R Moore	(Independent)	(appointed 1 September 2023)
T Souleiman	(Parent)	(appointed 9 December 2019)
E Tilezhinskii	(Parent)	(appointed 1 September 2023)
S Kirby	(Independent)	(resigned 31 August 2022)

The Association members are the guarantors of the trustee company and hold the right to appoint or remove members of the Council of Trustees. No person may be appointed as a member unless they are an Association member.

### Management

The trustees delegate the day-to-day management of the school to committees comprised of members of staff.

### Key management personnel (throughout year to end of academic year 2022/23 unless stated otherwise)

S Stokes	Principal (from September 2022)
E Hawker	Acting Principal (to August 2022) Director of Studies (from September 2022)
J Courtenay	Assistant Principal and Lower School Assistant Principal
R Ford-Blanchard	Assistant Principal (from September 2022) and Early Years Childhood Lead
M Devaris	Upper School Assistant Principal
L James	Business Manager (to May 2023)
C Parker	Designated Safeguarding Lead
J Phillips	SENDSCO (to December 2023)
C Martin	Inclusion Coordinator (from January 2024)

### Principal office

Kidbrooke Park  
Priory Road  
Forest Row  
East Sussex  
RH18 5JA

### Charity registered number

307006

### Auditor

Blue Spire Limited  
Cawley Priory  
South Pallant  
Chichester  
West Sussex  
PO19 1SY

# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023

## REFERENCE AND ADMINISTRATIVE DETAILS

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### Solicitor

Ellis Whittham Limited  
Woodhouse  
Aldford  
Chester  
Cheshire  
CH3 6JD

### Bankers

HSBC  
38 London Road  
East Grinstead  
West Sussex  
RH19 1AB

Barclays Bank Plc  
18 Southgate Street  
Gloucester  
GL1 2DH

Triodos Bank  
Brunel House  
11 The Promenade  
Bristol  
BS8 3NN

# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023

## REPORT OF THE TRUSTEE

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The Board of Directors of Michael Hall School Limited, as the Trustee of Michael Hall School have pleasure in presenting the annual report for the purposes of the Charities Act 2011, together with the accounts for the year ended 31 July 2023. The Directors have adopted the provisions of the Statement of Recommended Practice "Accounting and Reporting by Charities" (FRS 102) in preparing the annual report and financial statements of the charity.

### STRUCTURE, GOVERNANCE AND MANAGEMENT

#### Context

Michael Hall School is a registered charity constituted as an unincorporated association under a Trust deed dated 21 January 1925 and the Memorandum and Articles of Association of the Trust company dated 25 September 1954 as revised. The company was established to act as a trustee of the Michael Hall School Trust, a charitable trust that operates a school in Forest Row, East Sussex. The purpose of the Trust is to provide for, and conduct, the education of children in accordance with the principles and methods of Rudolf Steiner. The sole trustee of Michael Hall School for the purposes of charity law is Michael Hall School Limited.

Michael Hall School Limited is controlled by its Board of Directors whose members are appointed or removed by Association of Company Members. The Board of Directors are known as the "Council of Trustees". The Directors are referred to as "Trustees" and hold portfolio responsibilities that map onto the school's priorities and refer to the Ofsted Inspection Framework that came into effect in May 2019. As an independent school, the School also adheres to the Independent School Standards (ISS).

All Trustees are selected based on the contribution that they will make to the governance of the organisation and their relevant knowledge, skills and experiences. They are supported with copies of the Charity Commission's guidance to Trustees and introduced to the activities of the charity by the existing Board and School's senior staff. New Trustees are inducted through a process which incorporates training in various relevant areas including Health and Safety, Safer Recruitment, Safeguarding and Child Protection.

Trustees are provided with training as and when required and there is an annual training plan for Trustees which sits alongside the School Improvement Plan (SIP). A comprehensive schedule of monitoring visits enables Trustees to hold leaders to greater account for all strategic development and post-Ofsted priorities.

The setting of pay and remuneration is completed by the Trustees with reference to publicised pay scales and benchmarked against similar roles in comparable organisations.

#### Risk Management

The Trustees have assessed the significant risks to which the charity is exposed.

#### Ofsted and ISS Inspections

Following the most recent full Ofsted inspection, the greatest risk facing the school remains the current Ofsted rating and its potential impact on pupil numbers. Although many of our parent body do not subscribe to Ofsted as an important indicator of a child's success at school, there can be no doubt that it has had an impact on our pupil numbers, which are lower than optimal. Significant work to ensure that the next full inspection results in a positive grading and report has been undertaken and continues to be a primary focus of the school's leadership.

In October 2022, Ofsted conducted a full Section 5 inspection, including an assessment of the School's performance against the Independent Schools Standards (ISS). The School now holds a 'Requires Improvement' Ofsted grading which, although an improvement, still necessitates further focus on the five key areas for improvement identified.

# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023

## REPORT OF THE TRUSTEE

---

These five Key Performance Indicators are:

- KP1: Improving our provision for children with additional special needs across the school
- KP2: Ensuring our transition from the Kindergarten to Class 1 retains a challenging and inspirational curriculum experience for every child
- KP3: Ensuring greater consistency and confidence at all levels of leadership, including middle leaders and subject leads
- KP4: Extending our current Careers provision to Class 6-8
- KP5: Reviewing our current behaviour policy and practice to minimise disruption through low level behaviours across the school

The inspection noted that the following areas are now deemed to meet the threshold for 'Good':

- Behaviour and Attitudes
- Personal Development
- Early Years Provision
- Sixth-form Provision

The School failed to meet the ISS standards during this inspection. The two areas identified for this were:

- Leadership and management of SEND (Special Educational Needs and Disabilities)
- Quality of educational provision for children with additional special needs

The School continues to work with a comprehensive Post Ofsted Action Plan (POAP) and a School Improvement Plan (SIP), both of which have been approved by Waldorf UK and Trustees. In addition, the School's ISS Action Plan was approved by the Department for Education in May 2023. Both plans are updated regularly and used to hold leaders rigorously to account for progress against the strategic priorities.

The School received a monitoring visit to ensure that we were on track with our action plans in October 2023. The inspection team were satisfied that this was the case and that significant progress had been made since the previous inspection. An updated ISS Action Plan was submitted to the DfE in January 2024, which was approved in February 2024.

The School now anticipates a full inspection during the Autumn 2024, two years after our previous full inspection. The School continues to work closely with Waldorf UK (formerly the Steiner Waldorf Schools Fellowship), and relationships between Ofsted and Waldorf UK have seen significant improvements in the outcomes of other Steiner Waldorf organisations' recent Ofsted inspections. The School's relationship with Waldorf UK is strong, and the two organisations move together in partnership, with positive Ofsted relationships and outcomes being a key area of focus. Waldorf UK continue to offer training to all staff, support to Senior Leaders and training to Ofsted in line with Steiner Waldorf education. This alignment is anticipated to have a positive effect on future Ofsted inspections for all schools within the UK Movement.

### School Leadership

The School has seen significant leadership change over the past 12 months, with a new, experienced Inclusion Lead (INCo) appointed in January 2024 to drive forward the improvements needed within our Learning Support department. We have restructured two departments across the school: Learning Support and Site Maintenance, and these have led to improvements in both financial efficiencies and effectiveness of provision in each area.

We have plans to split the current Senior Leadership Team and divide into an Educational Leadership strand (ELT) and Business strand (BLT) for the 2024/25 year, and further refinements to this model are being planned. We are currently recruiting for a Head of Operations to work alongside the Head of People and Culture and the Head of Finance, as a key member of the BLT. The Principal retains membership in both leadership teams.

# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023

## REPORT OF THE TRUSTEE

---

### School Reputation

The Trustees are mindful not least, until the School's Ofsted inspection grade improves to 'Good' or 'Outstanding', that we must work hard to bring new families to the community and communicate all that a Waldorf education has to offer as well as to retain our existing families. The School has launched a new website this year and has a far greater presence on social media platforms than ever before. Access to the children's learning, festivals and all other aspects of school life are promoted widely and this offers us a strong basis for marketing and promoting the School in a variety of ways. We continue to monitor these sites for any negative comments or feedback from individual parents, and approach these parents directly to see if we can help to resolve their issue. Should such behaviours continue to bring the School's reputation into disrepute, there are sanctions outlined in our Parent Code of Conduct.

### Promotion of the School

Our new school website presents the School in a fresh, modern light, while still firmly grounded in Steiner principles of education and Anthroposophy. This includes a fundraising page and a donate button, making it easier for interested parties to donate to the School. Online ticketing has been introduced which has increased ticket sales for the School's events. Our newsletter on the website also includes a paid advertising section for the community.

### Online photo gallery

We are introducing a new online photo gallery, fulfilling a longstanding request from parents seeking to purchase event photos conveniently. Print orders are processed externally which allows the school to retain the majority of the generated revenue. This initiative is anticipated to not only meet the demands of our parent community but also contribute to the School's finances.

### Finances

Other risks that Trustees carefully monitor relate to the specific operational areas of the charity and its finances. The Trustees closely monitor reserve levels, ensure controls exist over critical financial systems, and examine the operational and business risks faced by the charity. A comprehensive strategic plan for the business has been agreed, which sets out a range of desirable reinvestment opportunities for growing the fabric of the school and improving its offering and commercial performance to ensure an upturn in the organisation's financial security.

Debt from unpaid fees continues on the downward trajectory as payment plans come to an end and a stringent credit control policy remains in place with cash collection over 97% of fees outstanding and parents who have not paid fees being issued a warning to make a significant payment or notice issued to these parents.

The school offers an extensive fee assistance programme, based on a means-tested method, and during the course of the 2022-23 academic year, 36 families have benefitted from this. 35 families have been granted fee assistance for the 2023/24 school year. As one of the many initiatives to ensure the school's business model is redeveloped with sustainability in mind, the fee assistance programme has been thoroughly reviewed and redesigned and is now fixed at 30%. A further review is planned for the year 2025/26 to ensure the process remains current and sustainable.

An allocation of 8% of gross fee income remains in place has been set as a maximum fee assistance budget which distributed to families on a means tested basis on an objective basis and assessed with the support of a third-party company, under a new clear Fee Assistance Policy. The policy has also reduced the extent of individual fee assistance offered from 60% in 2021/22 to 45% in 2022/23 and will reduce further to 30% in 2023/24 to ensure the programme offers a wider range of assistance as possible but within the more sustainable parameters established.

An additional discretionary bursary also remains available from which the Principal can support families at their discretion (again, subject to the overall budgetary restriction of 8% of fees).

# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023

## REPORT OF THE TRUSTEE

---

### OBJECTIVES AND ACTIVITIES

The charity's objectives are:

"To provide for and conduct the education of children in accordance with Steiner Waldorf educational principles."

It pursues this objective by the administering of Michael Hall School at its premises in Forest Row, East Sussex. In doing so it provides education to and attends to the welfare of children in the school, whilst maintaining and improving the school's premises and grounds.

In determining how best to pursue this objective, the Trustees have had regard to the Charity Commission's guidance on public benefit.

We are excited to be opening of our new 'Saplings' provision for 2-3.5 year olds in September 2023 which will enable the School to offer an education to children from 2 years through to 18.

Fees continue to represent over 90% of the charity's income. Fees continue to be the main driver of income, and our Marketing and Admissions Manager is addressing the needs of the school further by boosting pupil numbers and beginning to market the school to its full potential.

Taking its inspiration from Rudolph Steiner, the School's curriculum is delivered with age-appropriate awareness, which takes into account the cognitive and emotional stages of child development. The aim of the school is through a holistic education, providing the students with skills and a passion for lifelong learning that promotes confidence and encourages well rounded, creative and practical individuals. Alongside traditional GCSE and A level qualifications, the education is delivered through an extremely diverse Steiner Waldorf curriculum portfolio.

The objective is further secured through:

- An expectation of exceptional teaching and learning, within the Steiner Waldorf tradition, that celebrates diversity and promotes inclusivity;
- Regular opportunities for collaborative, high quality CPD to ensure consistent and best practice;
- The promotion of the highest standards of behaviour, achieved through clear expectations and positive relationships within the school community;
- The unique character of the School;
- Shared whole School values of dignity, respect, celebration and ambition for all;
- The School as a hub for its local community and families;
- Networking within the wider Steiner Waldorf community through forging strong links with Waldorf UK and other Schools within the Movement

### ACHIEVEMENTS AND PERFORMANCE

#### Context

The annual programme of cultural events, festivals, trips and residential has enriched the curriculum for children of all ages. Immersive learning experiences are evident in abundance and colleagues' creative approaches to delivering the curriculum are a source of inspiration.

# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023

## REPORT OF THE TRUSTEE

### GCSE Results July 2023

#### Exams Results GCSEs Summer 2023

SUBJECT	No. of students	9	8	7	6	5	4	3	2	1	U	% 4-9
ENGLISH LANGUAGE	40	1	9	5	7	10	6	1	1			95%
MATHEMATICS	40	2	6	6	7	7	10	2				95%
FURTHER MATHEMATICS	7		1		1	5						100%
COMBINED SCIENCE	80	14	14	10	15	13	12	2				98%
GEOGRAPHY	26		4	5	4	5	3	4	1			81%
HISTORY	21	2	4	3	3	5	4					100%
GERMAN	12	2	2	1	6	1						100%
SPANISH	11	2	2	2	3	1		1				91%
ART & DESIGN - FINE ART	15	7	6	1		1						100%
TOTALS	252	30	48	33	46	48	35	10	2	0	0	95%

STATISTICS	
Pupils gaining 7-9	44%
Pupils gaining 4-9	95%

#### Other Qualifications

SUBJECT	No. of students	Distinct ion*	Distinct ion	Merit	Pass	Fail	% Pass
BTEC ART & DESIGN	12	0	3	1	8	0	100%

### A-Level Results July 2023

#### Exams Results A - Levels - 2023

SUBJECT	No. of students	A*	A	B	C	D	E	U	% A* - C
BIOLOGY	6		2			1	1	2	33%
CHEMISTRY	4		1			2		1	25%
GEOGRAPHY	4		2		2				100%
MATHEMATICS REFORMED	4		1			2		1	25%
MUSIC	1			1					100%
PHOTOGRAPHY	5	2		2	1				100%
PHYSICS	1					1			0%
PSYCHOLOGY	12		1	3	1	3	4		42%
ENGLISH LITERATURE	5	2	1	1	1				100%
HISTORY	2				1	1			50%
ART & DESIGN FINE ART	7	2	2	2			1		86%
TOTALS	51	6	10	9	6	10	6	4	61%

STATISTICS	
Pupils gaining A* - A	31%
Pupils gaining A* - B	49%
Pupils gaining A* - C	61%
Overall pass rate	92%

Exam results in both GCSEs and A-Levels saw steady results similar to those in 2022. This demonstrates our ability to combine both the Steiner curriculum and achieve academic results.

# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023

## REPORT OF THE TRUSTEE

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### **Internal Progress and Attainment**

Our systems for tracking and monitoring pupil progress and attainment for all internal year cohorts have improved significantly this year, since the arrival of the new School Principal. A programme of termly pupil progress meetings enable staff to feel confident that they are meeting the needs of every child in their care, with support from appropriate colleagues, such as senior school leaders and the learning support team.

Senior Leaders currently analyse the assessment data, to ensure that academic performance targets are accurate and that students remain on track. This work will continue to be delegated to core Subject Leads over the course of the next academic year as part of their continuing professional development in role.

There is a greater sense of accountability and autonomy for the progress data that is being produced and this programme will continue to be developed across the School in greater depth next year.

### **Staff Numbers**

Staff numbers have remained stable through the course of the year which shows robust recruitment. The resignations that have been made have not all been replaced in a like for like role. There has been consideration regarding redeployment of existing staff and amalgamating roles, therefore reducing cost. There are no plans for a significant increase in staff numbers at present.

### **Pupil Numbers**

Pupil numbers continue to grow and we are looking at a year on year rise of 10% and expect to rise further throughout the 23/24 school. Projections for the following academic year indicate a further 10% increase with expectations of reaching 450 by September 24.

This academic year so far, has seen an increase of over 60% in applications to the School, compared to the same period last year (September to January), reflecting a heightened demand for places.

Open days have been streamlined this year to represent each area of the school and has been a huge success. This is evident in the record number of attendees, contributing to a substantial conversion rate within the past year. Additionally, there has been a large increase in enquiry numbers, underlining the growing interest in the school.

To cater to the increased interest, the school has initiated weekly tours, providing prospective families with regular opportunities to visit the School and gain insight on what Michael Hall has to offer.

The School's positive reputation is increasing, with a majority of new enquiries coming from word of mouth and via online searches. Efforts to enhance visibility through platforms such as Waldorf UK, various social media channels, and national press advertisements are contributing to this.

The website has been updated to include a fundraising page, an easy-to-use application form and online ticketing, which makes the customer experience better and the website easier to use.

Regular exit interviews with outgoing families continue to be carried out, with valuable information gathered and shared with the Senior Leadership Team (SLT) and trustees. This aims to enhance efficiency, address any issues, and continually refine school processes.

The School's appeal is evident in the returning families and their positive feedback. Collectively, these factors instil confidence in the future projected budget plans for 23/24 & 24/25 academic year.

# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023

## REPORT OF THE TRUSTEE

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### Estate and Buildings

The Estates Manager and Senior Leadership Team continue to look into the rejuvenation of the school's buildings, and the longer-term strategic direction of the facilities and parkland grounds. A comprehensive plan of improvements and funding is being formulated in association with the Rural Payments Agency, Historic England, Natural England and the Forestry Commission, with an emphasis on two main aspects:

- Developing Educational opportunities in an increasing number of locations throughout the buildings and grounds;
- Protecting the listed buildings and parkland from inappropriate development, ensuring the longevity of the listed buildings and returning areas of the landscaped parkland to their original glory.

Relationships have been renewed with Table Hurst Farm, who are our tenant farmers, and throughout the local business and village community, which has helped to support many School events and continues to improve our standing within Forest Row. Community work-day projects hosted on-site have also increased awareness of the School to a wider market.

A comprehensive strategic business plan is in place to maximise the potential from the entire School site, which includes the following targeted elements:

- Property sales of the four ancillary residential dwellings are in the process of being sold. Whilst part of the expectation is to clear some historical debt from the sale of the assets a substantial amount of the realised sale income will directly be invested into the business, where a comprehensive development strategy will ensure maximum benefit from the sale.
- Wedding licence renewed for 4 years from May 2023, the renewal includes for the first-time external wedding ceremony locations, allowing anyone to be married on our mansion terraces or under the colonnade. We already have a confirmed 2024 wedding and are increasing wedding let potentials for 2025.
- A robust 5-year plan is underway to increase letting potential across the site. Targets will include increasing the wedding let provision, Theatre use, wider ground management; as well as best utilising spaces during busy and quieter school production periods for external lets.
- Theatre development plan in place to improve facilities for school productions and increase potential lets. Plans include short term refurbishments and long-term building development; as well as comprehensive policies and processes to support increase of income.
- Lettings of all our facilities continue to increase pushed forward by the estate and lettings team. We have retained all our historical bookings of the gym and studio spaces, even with an increase in lettings fees. We have been able to increase our offering of lettings availability over the summer holidays and have incorporated external summer camps, performance companies and an international yoga retreat into our summer schedule.
- Planning process is underway for a number of relevant projects for the School's development, with two priority identified as specifically important: the refurbishment of the upper floors of the Clock House building and the building of a new stand-alone Craft block to re-home Woodwork, Handwork, Metalwork and Joinery into a modern, state of the art, purpose-built space.
- A comprehensive Site Development Plan has been implemented for building works over the next 15 years, including rebuilding, renewing and refurbishment work. These plans would not only increase and enhance the educational provision but also have major let potential.
- An asset management register is being completed to determine potential areas of income revenue in order to support the School and its development.
- Large Centenary plans are in place with a varied calendar of events for a wide target audience. Plans include public events, parent workshops, fundraisers that will ensure participation from students, staff, parents, alumni and further stakeholders, all to generate financial support towards the site development.

# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023

## REPORT OF THE TRUSTEE

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- Rebuilding plans for the School Kitchen to include a stronger relationship with the Market Garden onsite and local external food providers and incorporate into the education. Working closely with local businesses and schools to provide an anthroposophical provision.

To support these elements and our School community in general, fundraising opportunities are featured on our website and some of the projects to be considered are:

- Theatre auditorium rejuvenation and the creation of a new lobby and refreshment area, and toilet facilities, allowing us to host events comprehensively
- Library refurbishment
- Coffee/Refreshments catering trailer to increase income from events
- Creation of a woodland enterprise centre

A comprehensive Site Development Plan (SDP) for the next 1-3-5 years is now in place and is being used as a central planning document for all anticipated building projects, budget considerations and planning applications.

### Public Benefit

The Trustees acknowledge the duty to have due regard to the Charity's Commission's published General and relevant sub sector guidance on public benefit. We have referred to this guide when reviewing our aims, strategy and in planning future activities. All activities undertaken by the School are for the public benefit.

### Investments and performance

A lot of work has gone into looking into the investments the school owns via shares. Issues have remained around access to these funds given the historical nature and issues regarding permanent endowments limiting the school's ability to form an investment policy, however, as market conditions seem to be deteriorating we are aware that the value of these share has decreased over the past 12 months and we are looking at options to release the funds to invest back into the school.

## FINANCIAL REVIEW

During the year under review the school is reporting net movement on funds of £150,578 (2022: £143,187) inclusive of a loss on investments of £12,519 (2022 loss: £17,252) and a net credit on the movement of the pension deficit provision of £75,283 (2022 credit: £302,520), giving an operating surplus of £87,814 (2022 operating loss: £142,081).

As at 31 July 2023, the charity's total funds amounted to £6,526,124 (2022: £6,375,546) of which £993,079 (2022: £995,982) is held within endowment funds with a further £32,308 (2022: £32,308) restricted leaving unrestricted funds of £5,500,737 (2022: £5,347,256). Within unrestricted funds are designated amounts totalling £6,240,005 (2022: £5,969,517) with funds represented by fixed assets amounting to £7,192,487 and a pension deficit position of £1,068,000 and other designated funds of £115,518 giving an overall deficit reserves position of £739,268 (2022 reserves deficit: £622,261).

The Trustees consider that the charity should hold positive reserves equivalent to two months operating costs (estimated at £500,000) in order to ensure the ongoing delivery of its charitable objects during an unforeseen downturn in income. The Trustees recognise the school returned to operate a positive cashflow from operating activities of £102,066 during the financial year (2022: Deficit £297,526). The significant increase in fees over the last couple of years should put the place in a stronger financial position. There is currently an additional need to accumulate reserves in order to provide for the future development of the charity's facilities and the Trustees estimate that a sum in excess of £1,300,000 will be realised from assets to form part of a detailed and carefully planned business rejuvenation strategy and to provide the funding support that the schools current operating performance requires during this turnaround. Trustees consider that the current level of reserves is below that required and that the charity should aim to generate sufficient surpluses over the next 5-10 years to build the reserves to the required level.

# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023

## REPORT OF THE TRUSTEE

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The school's principal funding source continues to be income generated by school fees. Expenditure continues to be on teaching and support costs for the provision of education to those pupils. Michael Hall School had investments in COIF unitised funds throughout the year.

### PLANS FOR FUTURE PERIODS and GOING CONCERN

The Trustees of Michael Hall School have formally assessed the Charity as a going concern. Through information submitted by the School's Principal and Operations Managers, including Finance, HR, Admissions and Estates, Trustees have critically appraised the school's financial position and are satisfied that the school will remain financially operational for the coming 12 months.

Pupil numbers remain the largest barrier to the school's finances, with numbers now steady (target 450). There is an uplift expected from this year's pupils on roll of 393 to an expected figure in excess of 410 in September 2023. Significant work is being directed to ensure a positive Ofsted outcome at the next monitoring inspection. Significant work has been undertaken to ensure spending is brought in line with the current pupil numbers. There have been numerous strategies undertaken to ensure that the 3-year budget is balanced against income from fees (even with worst case pupil numbers). These include:

- Credit control continues to be a strong point with over 97% of fees collected. Continued to be around this level for the rest of the 2023/24 school year. A robust zero tolerance is also being taken with older non-paying parents to address legacy issues in this respect with letters being issued for non-payment and termination of the educational contract should payments not be met and appropriate recovery action taken. A review of the current credit control policy will be refined to ensure it is current and relevant.
- School fees have been uplifted by between 5 and 9% for the academic year 2024/25. This follows an increase of 10-11% for the academic year 2023/24 and whilst these increases reflect the ending of the low inflationary economic environment, they also begin to recognise the comparably low fees charged by the school relative to other local fee-paying schools and the exceptional value that the school offers. Parents continue to be supportive of the need for such increases, and there has been minimal detrimental impact to pupil numbers as a result.
- Staff discount was reduced in September 2023 for new staff and has been reduced from 80% to 60%.
- A contingency plan is in place, should the pupil numbers not rise as expected, to reduce the size of the school and balance the income and costs to a sustainable long-term level. However, at present pupil numbers are rising and there is no need to restructure any part of the school. New exit interviews for key areas are planned to understand why we lose pupils at key points in the educational journey, such as GCSEs and A-Levels, to ensure we understand the reasons for any significant drop off at these points.
- The College of Teachers is considering the future of the Upper School curriculum to include possible accreditation for the Waldorf elements of our provision.
- A detailed development plan is now in place and will ensure the funds are carefully directed to development, whilst the operating budget will be drafted to balance without consideration of these additional funds.
- A programme to engage the alumni in financial support has been launched and will include endowment giving and regular donation options.
- Income from additional sources will be driven through lettings of the site and events such as Weddings and Theatre opportunities.

In respect of matters of significant since the balance sheet date, we are aware that the performance of our external catering contract, started in September 2022, has deviated from expectations. This has caused us to run a larger than expected deficit during the first year of working with this company. This has skewed our forecast by approximately £100k in the current financial year. Our robust financial monitoring enabled us to pick this up early and we terminated the contract early in July 2023 to mitigate any impacts into the financial year 2023/24. New provisions are being explored during the current year with a hope of a cash neutral solution for the school year 2024/25

# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023

## REPORT OF THE TRUSTEE

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Whilst part of the expectation is to clear some historical debt from the sale of the assets, a comprehensive review to build a balanced budget for 2023-24 and beyond without the need to incorporate these asset sales. The increased revenue from pupils and lettings currently forecast will allow us to re-invest these funds back into the school recognising the investment and maintenance obligations that the wonderful historic estate of Michael Hall requires. They will be accompanied by robust cost control measures as the Business Leadership Team maintains a tight control over the budget. This combined with the increased fees and pupil numbers means a positive budget moving into the school year 2024/25

Current forecasts for September 2024 onwards are based on prudent financial benchmarking, while regular, detailed analysis of the fees and a balanced budget for 2024/25 demonstrate a more manageable cash-flow projection. Having reviewed the current financial data, Trustees are confident that predictions for financial improvements are sound, and are committed to developing a rigorous and comprehensive business plan to focus on marketing and retention to reach the target of 450 pupils on roll in one year's time. It is recognised that in order to underpin a healthy and resilient business model, the focus must be on pupil numbers and marketing, as well as clearing historic debt, to free up well earned cash and not a reliance on assets. Current plans anticipate a final, significant asset sale (over £1.3m) that can be carefully channelled into marketing, pupil retention and capitalising on the potential of the estate for income.

The Resources Committee, followed by the Full Trustee Board, meet termly to scrutinise data submitted by school leaders which include the following data sets:

- Cash flow forecasts
- Pupil number predictions
- Principal and School Business Manger Reports
- HR report and staffing salary KPIs – Continual review of affordable staffing levels
- Budget updates
- Strategic plans
- Health and Safety audits
- Outcomes of Financial Working Group
- Post Ofsted Action Plan (current strategic priority)
- School Improvement Plan
- Site Development Plan

Given the critical analysis of all the data provided, combined with the current strategic plans for the growth of the business, Trustees are confident that the school will remain operational and financially viable for the next 12 months

## STATEMENT OF TRUSTEE'S RESPONSIBILITIES

The Trustees are responsible for preparing the Report of the Trustee and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales requires the trustee to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the trustee is required to:

- select suitable accounting policies and then apply them consistently;
  - observe the methods and principles in the Charities SORP 2019 (FRS 102);
  - make judgements and estimates that are reasonable and prudent;
  - state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
  - prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.
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# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023

## REPORT OF THE TRUSTEE

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The trustee is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustee is responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

### APPOINTMENT OF AUDITORS

The charity's auditors, Blue Spire Limited, have expressed their willingness to continue as auditors to the charity. A resolution proposing Blue Spire Limited be reappointed will be put forward at the AGM of the charity.

28 May 2024

Approved by the Council on ..... and signed on its behalf.

*Natalie Michaels*

.....  
Trustee

# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023

## INDEPENDENT AUDITOR'S REPORT

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### Independent Auditor's Report to the Trustee of Michael Hall School

#### Opinion

We have audited the financial statements of Michael Hall School (the 'charity') for the year ended 31 July 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including 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 charity's affairs as at 31 July 2023, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

#### 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 responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

#### Other information

The other information comprises the information included in the report of the trustee, other than the financial statements and our auditor's report thereon. The trustee is responsible for the other information contained within the financial statements. 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023

## INDEPENDENT AUDITOR'S REPORT

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### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- the charity has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

### **Responsibilities of the trustee**

As explained more fully in the trustee's responsibilities statement, the trustee is 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 trustee determines 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 trustee is responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustee either intends to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

### **Auditor responsibilities for the audit of the financial statements**

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Based on our understanding of the Charity and the sector in which it operates, we identified the principal laws and regulations that directly affect the financial statements to be the Charities Act, Employment Act, Independent Schools Standards. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

In addition, the Charity is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. There is a limitation to areas most likely to have such an effect. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence if any.

Audit procedures performed by the engagement team included:

- Enquiry of management, those charged with governance around actual and potential litigation and claims;
- Enquiry of entity staff to identify any instances of non-compliance with laws and regulations;
- Reviewing minutes of meetings of those charged with governance;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023

## INDEPENDENT AUDITOR'S REPORT

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Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the FRC's website at: <https://www.frc.org.uk/auditors/audit-assurance/auditor-s-responsibilities-for-the-audit-of-the-fi/description-of-the-auditor%E2%80%99s-responsibilities-for>. This description forms part of our auditor's report.

### Use of our report

This report is made solely to the charity's trustee, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustee 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Cawley Priory  
South Pallant  
Chichester  
West Sussex  
PO19 1SY

*Blue Spire limited*

Blue Spire Limited, Statutory Auditor

Date 29 May 2024

*Blue Spire Limited is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.*

# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023

## STATEMENT OF FINANCIAL ACTIVITIES

	Note	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2023 Total Funds £	2022 Total Funds £
<b>INCOME AND ENDOWMENTS FROM:</b>						
Donations and legacies	1	21,714	-	-	21,714	2,827
Other trading activities	2	151,504	-	-	151,504	171,350
Investments	3	10,045	-	-	10,045	10,210
Charitable activities	4	3,904,763	-	-	3,904,763	3,208,809
<b>Total</b>		<u>4,088,026</u>	<u>-</u>	<u>-</u>	<u>4,088,026</u>	<u>3,393,196</u>
<b>EXPENDITURE ON:</b>						
Raising funds	5	34,882	-	-	34,882	37,042
Charitable activities	6	3,965,330	-	-	3,965,330	3,498,235
<b>Total</b>		<u>4,000,212</u>	<u>-</u>	<u>-</u>	<u>4,000,212</u>	<u>3,535,277</u>
Net gains/(losses) on investments	12	(9,616)	-	(2,903)	(12,519)	(17,252)
<b>Net income/(expenditure)</b>		<u>78,198</u>	<u>-</u>	<u>(2,903)</u>	<u>75,295</u>	<u>(159,333)</u>
<b>Transfers between funds</b>	18	-	-	-	-	-
		<u>78,198</u>	<u>-</u>	<u>(2,903)</u>	<u>75,295</u>	<u>(159,333)</u>
Actuarial gains/(losses) on defined benefit pension schemes	16	75,283	-	-	75,283	302,520
<b>Net movement in funds</b>		<u>153,481</u>	<u>-</u>	<u>(2,903)</u>	<u>150,578</u>	<u>143,187</u>
<b>RECONCILIATION OF FUNDS</b>						
<b>Total funds brought forward</b>	18	5,347,256	32,308	995,982	6,375,546	6,232,359
<b>Total funds carried forward</b>	18	<u>5,500,737</u>	<u>32,308</u>	<u>993,079</u>	<u>6,526,124</u>	<u>6,375,546</u>

None of the charity's activities were acquired or discontinued during the above two financial years.

The charity has no recognised gains or losses other than those dealt with in the statement of financial activities.

# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023

## BALANCE SHEET AS AT 31 JULY 2023

	Note	2023		2022	
		£	£	£	£
<b>FIXED ASSETS</b>					
Tangible assets	11	7,844,487		7,850,421	
Investments	12	<u>470,827</u>		<u>483,346</u>	
<b>Total fixed assets</b>			8,315,314		8,333,767
<b>CURRENT ASSETS</b>					
Debtors	13	478,689		292,204	
Cash at hand and in bank		<u>279,811</u>		<u>267,825</u>	
<b>Total current assets</b>		758,500		560,029	
<b>CURRENT LIABILITIES</b>					
Creditors: amounts falling due within one year	14	<u>1,061,547</u>		<u>665,630</u>	
<b>Net current assets/(liabilities)</b>			(303,047)		(105,601)
<b>Total assets less current liabilities</b>			<u>8,012,267</u>		<u>8,228,166</u>
Creditors: amounts falling due after more than one year	15		(418,143)		(500,620)
Net assets/(liabilities) excluding pension asset/(liability)			<u>7,594,124</u>		<u>7,727,546</u>
Defined benefit pension scheme obligation	16		(1,068,000)		(1,352,000)
<b>Total net assets</b>			<u><u>6,526,124</u></u>		<u><u>6,375,546</u></u>
<b>THE FUNDS OF THE CHARITY</b>					
<b>Endowment funds</b>	18		993,079		995,982
<b>Restricted funds</b>	18		32,308		32,308
<b>Unrestricted funds</b>					
Designated funds	18	6,240,005		5,969,517	
General funds	18	<u>(739,268)</u>		<u>(622,261)</u>	
<b>Total unrestricted funds</b>			5,500,737		5,347,256
<b>Total charity funds</b>			<u><u>6,526,124</u></u>		<u><u>6,375,546</u></u>

The notes on pages 23 to 36 form part of the financial statements.

28 May 2024

The financial statements on pages 17 to 36 we approved and authorised for issue by the trustee on ..... and signed on its behalf by:

*Natalie Michaels*

Trustee

# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023

## STATEMENT OF CASH FLOWS

		2023		2022	
	Note	£	£	£	£
<b>Net cash flow from operating activities (see below)</b>			102,066		(297,526)
<b>Cash flow from investing activities</b>					
Interest and dividends received		10,045		10,210	
Proceeds from sale of property		-		-	
Purchase of property, plant and equipment	11	-		-	
<b>Net cash flow from investing activities</b>			10,045		10,210
<b>Cash flow from financing activities</b>					
Receipts from issue of new loans		-		-	
Repayments of long term loans		(100,125)		(106,537)	
<b>Net cash flow from investing activities</b>			(100,125)		(106,537)
<b>Net increase/(decrease) in cash and cash equivalents</b>			11,986		(393,853)
<b>Cash and cash equivalents at 1 August 2022</b>			267,825		661,678
<b>Cash and cash equivalents at 31 July 2023</b>			<u>279,811</u>		<u>267,825</u>
<b>Cash and cash equivalents consist of:</b>					
Cash at bank and in hand	22		279,811		267,825
<b>Cash and cash equivalents at 31 July 2023</b>			<u>279,811</u>		<u>267,825</u>

### Reconciliation of net income to net cash flow from operating activities

		2023		2022	
		£	£	£	£
Net income for the year			150,578		143,187
Adjusted for:					
Interest and dividends		(10,045)		(10,210)	
Interest paid		-		-	
(Gains)/losses on investments		12,519		17,252	
(Profit)/loss on disposal of tangible fixed assets		-		-	
Depreciation and impairment of tangible fixed assets		5,934		6,893	
Decrease/(increase) in debtors		(186,485)		153,679	
Increase/(decrease) in creditors less than one year		413,565		(104,327)	
Increase/(decrease) in provisions for liabilities		(284,000)		(504,000)	
			(48,512)		(440,713)
			<u>102,066</u>		<u>(297,526)</u>

# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023

## ACCOUNTING POLICIES

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### Scope and basis of the financial statements

Michael Hall School is an unincorporated charity governed by a trust deed. The address of the principal office is given in the reference and administrative details section and the nature of the charity's operations and principal activities are given in the trustees' report.

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011 and UK Generally Accepted Accounting Practice.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are presented in sterling which is the functional currency of the charity and rounded to the nearest £ except where marked.

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

### Judgements in applying accounting policies and key sources of estimation uncertainty

Preparation of the financial statements requires management to make judgements and estimates. The key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are that of the Mercury Provident Pension Scheme obligation. More information is provided in the pension scheme policy below and in note 24.

### Incoming resources

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

For donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

For legacies, entitlement is the earlier of the charity being notified of an impending distribution or the legacy being received. At this point income is recognised. On occasion legacies will be notified to the charity however it is not possible to measure the amount expected to be distributed. On these occasions, the legacy is treated as a contingent asset and disclosed.

Income from trading activities includes income earned from fundraising events and trading activities to raise funds for the charity. Income is received in exchange for supplying goods and services in order to raise funds and is recognised when entitlement has occurred.

Income from grants are recognised at fair value when the charity has entitlement after any performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably. If entitlement is not met then these amounts are deferred.

Investment income is earned through holding assets for investment purposes such as shares and property. It includes dividends, interest and rent. Where it is not practicable to identify investment management costs incurred within a scheme with reasonable accuracy the investment income is reported net of these costs. It is included when the amount can be measured reliably. Interest income is recognised using the effective interest method and dividend and rent income is recognised as the charity's right to receive payment is established.

### Resources expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Costs of raising funds includes staff and other costs of raising the charity's profile and investment management fees; and
- Expenditure on charitable activities includes costs of delivery the charity's objects together with support and governance costs.

Grants payable to third parties are within the charitable objectives. Where unconditional grants are offered, this is accrued as soon as the recipient is notified of the grant, as this gives rise to a reasonable expectation that the recipient will receive the grants. Where grants are conditional relating to performance then the grant is only accrued when any unfulfilled conditions are outside of the control of the charity.

# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023

## ACCOUNTING POLICIES

---

### Resources expended (continued)

#### *Support costs allocation*

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs, administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity. Where support costs cannot be directly attributed to particular headings they have been allocated to cost of raising funds and expenditure on charitable activities on a basis consistent with use of the resources.

The analysis of these costs is included in notes 7 and 8.

#### *Redundancy and termination payments*

Termination payments are accounted for on an accruals basis, as above, and classified to the relevant category of expenditure.

### Employee benefits

When employees have rendered service to the Charity, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

### Pensions

The charity operates a defined benefit plan. A liability for the charity's obligations under the plan is recognised net of plan assets. The net change in the net defined benefit liability is recognised as the cost of the defined benefit plan during the period. Pension plan assets are measured at fair value and the defined benefit obligation is measured on an actuarial basis.

In addition the charity makes contributions towards a defined contribution group personal pension plan which are charged to the SoFA as they fall due.

### Leases

Rentals payable and receivable under operating leases are charged to the SoFA on a straight line basis over the period of the lease.

### Tax

The charity is considered to pass the tests set out in sections 521 to 536 Income Tax Act 2007 (ITA 2007), as such no income tax is payable on the charity's activities.

### VAT

The charity is not registered for VAT and cannot recover VAT incurred on costs. These are therefore stated inclusive of any VAT element.

### Fixed assets

Tangible fixed assets are stated at cost or valuation less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

School site	No depreciation is charged, however the site is subject to an annual impairment review.
Machinery and office equipment	20% reducing balance
Fixtures and fittings	10% reducing balance
Motor vehicles	25% reducing balance
Classroom equipment	7½% to 20% reducing balance

### Fixed asset investments

Investments are recognised initially at fair value which is normally the transaction price excluding transaction costs. Subsequently, they are measured at fair value with changes recognised in 'net gains / (losses) on investments' in the SoFA if the shares are publicly traded or their fair value can otherwise be measured reliably.

# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023

## ACCOUNTING POLICIES

---

### **Debtors receivable and creditors payable within one year**

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

### **Doubtful debts provision**

Fees outstanding at the balance sheet date are provided in full where no payments are currently being received. Where payments are being received, amounts expected to be recovered in the next 12 months are not provided.

### **Cash and cash equivalents**

Cash and cash equivalents includes cash at bank and in hand inclusive of foreign currency accounts. Foreign currency transactions are initially recognised by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction. Monetary assets and liabilities denominated in a foreign currency at the balance sheet date are translated using the closing rate.

### **Fund accounting**

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Endowment funds represent those assets which must be held permanently by the charity, principally held as fixed asset investments. Income arising on the endowment funds can be used in accordance with the objects of the charity and is included as unrestricted income. Any capital gains or losses arising on the investments form part of the fund. Investment management charges and legal advice relating to the fund are charged against the fund.

### **Going concern**

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023

## NOTES TO THE FINANCIAL STATEMENTS

### 1. Donations and legacies

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2023 Total Funds £
Donations	3,569	-	-	3,569
Grants received	5,111	-	-	5,111
Donations to bursaries	13,034	-	-	13,034
	<u>21,714</u>	<u>-</u>	<u>-</u>	<u>21,714</u>

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2022 Total Funds £
Donations	2,827	-	-	2,827
Grants received	-	-	-	-
Donations to bursaries	-	-	-	-
	<u>2,827</u>	<u>-</u>	<u>-</u>	<u>2,827</u>

### 2. Other trading activities

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2023 Total Funds £
Christmas fair	19,508	-	-	19,508
Other fundraising	-	-	-	-
Estate and rental income	72,085	-	-	72,085
Ancillary income	59,911	-	-	59,911
	<u>151,504</u>	<u>-</u>	<u>-</u>	<u>151,504</u>

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2022 Total Funds £
Christmas fair	16,435	-	-	16,435
Other fundraising	12,049	-	-	12,049
Estate and rental income	81,968	-	-	81,968
Ancillary income	60,898	-	-	60,898
	<u>171,350</u>	<u>-</u>	<u>-</u>	<u>171,350</u>

### 3. Income from investments

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2023 Total Funds £
Investment income	9,738	-	-	9,738
Bank interest	307	-	-	307
	<u>10,045</u>	<u>-</u>	<u>-</u>	<u>10,045</u>

# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023

## NOTES TO THE FINANCIAL STATEMENTS

### 3. Income from investments (continued)

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2022 Total Funds £
Investment income	10,210	-	-	10,210
Bank interest	-	-	-	-
	<u>10,210</u>	<u>-</u>	<u>-</u>	<u>10,210</u>

### 4. Income from charitable activities

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2023 Total Funds £
Tuition fees	3,973,460	-	-	3,973,460
Reduced fee contracts	(315,726)	-	-	(315,726)
Chargeable disbursements	149,569	-	-	149,569
Lunches and catering income	97,460	-	-	97,460
	<u>3,904,763</u>	<u>-</u>	<u>-</u>	<u>3,904,763</u>

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2022 Total Funds £
Tuition fees	3,493,218	-	-	3,493,218
Reduced fee contracts	(391,522)	-	-	(391,522)
Chargeable disbursements	107,113	-	-	107,113
Lunches and catering income	-	-	-	-
	<u>3,208,809</u>	<u>-</u>	<u>-</u>	<u>3,208,809</u>

### 5. Raising funds

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2023 Total Funds £
Ancillary expenditure	4,508	-	-	4,508
Salary costs of raising funds	23,103	-	-	23,103
Christmas fair and other fundraising costs	7,271	-	-	7,271
	<u>34,882</u>	<u>-</u>	<u>-</u>	<u>34,882</u>

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2022 Total Funds £
Ancillary expenditure	4,345	-	-	4,345
Salary costs of raising funds	24,752	-	-	24,752
Christmas fair and other fundraising costs	7,945	-	-	7,945
	<u>37,042</u>	<u>-</u>	<u>-</u>	<u>37,042</u>

# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023

## NOTES TO THE FINANCIAL STATEMENTS

### 6. Charitable activities

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2023 Total Funds £
<u>Education</u>				
Teachers salaries	2,013,869	-	-	2,013,869
Staff training and development	39,287	-	-	39,287
Supplies and equipment	113,257	-	-	113,257
Chargeable disbursements cost	146,454	-	-	146,454
Depreciation	2,067	-	-	2,067
Minibus costs	-	-	-	-
Minibus depreciation	98	-	-	98
	<u>2,315,032</u>	<u>-</u>	<u>-</u>	<u>2,315,032</u>
<u>Welfare</u>				
Catering salaries	-	-	-	-
Catering supplies and equipment	193,473	-	-	193,473
Medical salaries	22,468	-	-	22,468
Medical	28	-	-	28
	<u>215,969</u>	<u>-</u>	<u>-</u>	<u>215,969</u>
<u>Premises</u>				
Health and safety	43,985	-	-	43,985
Estate salaries	242,067	-	-	242,067
Property maintenance	88,624	-	-	88,624
Site improvements	11,434	-	-	11,434
Light and heat	129,478	-	-	129,478
Insurance	50,451	-	-	50,451
Cleaning	50,171	-	-	50,171
Rates & water	51,798	-	-	51,798
	<u>668,008</u>	<u>-</u>	<u>-</u>	<u>668,008</u>
<u>Support costs</u>				
Administration salaries	414,170	-	-	414,170
Telephone and postage	7,239	-	-	7,239
Printing and stationery	1,604	-	-	1,604
Communications and PR	2,036	-	-	2,036
Insurance	4,667	-	-	4,667
Office equipment and IT	175,790	-	-	175,790
Legal and professional fees	50,685	-	-	50,685
Subscriptions	26,153	-	-	26,153
General admin expenses	12,216	-	-	12,216
Depreciation	3,769	-	-	3,769
Finance costs	48,092	-	-	48,092
Bad debts and provision for bad debts	-	-	-	-
Governance costs (see note 7)	19,900	-	-	19,900
	<u>766,321</u>	<u>-</u>	<u>-</u>	<u>766,321</u>
	<u>3,965,330</u>	<u>-</u>	<u>-</u>	<u>3,965,330</u>

# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023

## NOTES TO THE FINANCIAL STATEMENTS

### 7. Charitable activities (continued)

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2022 Total Funds £
<u>Education</u>				
Teachers salaries	1,928,163	-	-	1,928,163
Staff training and development	48,996	-	-	48,996
Supplies and equipment	88,295	-	-	88,295
Chargeable disbursements cost	163,245	-	-	163,245
Depreciation	2,326	-	-	2,326
Minibus costs	680	-	-	680
Minibus depreciation	130	-	-	130
	<u>2,231,835</u>	<u>-</u>	<u>-</u>	<u>2,231,835</u>
<u>Welfare</u>				
Catering salaries	-	-	-	-
Catering supplies and equipment	3,952	-	-	3,952
Medical salaries	22,605	-	-	22,605
Medical	166	-	-	166
	<u>26,723</u>	<u>-</u>	<u>-</u>	<u>26,723</u>
<u>Premises</u>				
Health and safety	27,266	-	-	27,266
Estate salaries	239,750	-	-	239,750
Property maintenance	85,257	-	-	85,257
Site improvements	25,000	-	-	25,000
Light and heat	113,974	-	-	113,974
Insurance	52,695	-	-	52,695
Cleaning	15,485	-	-	15,485
Rates & water	43,083	-	-	43,083
	<u>602,510</u>	<u>-</u>	<u>-</u>	<u>602,510</u>
<u>Support costs</u>				
Administration salaries	323,784	-	-	323,784
Telephone and postage	7,770	-	-	7,770
Printing and stationery	1,595	-	-	1,595
Communications and PR	1,517	-	-	1,517
Insurance	4,470	-	-	4,470
Office equipment and IT	106,155	-	-	106,155
Legal and professional fees	35,542	-	-	35,542
Subscriptions	21,955	-	-	21,955
General admin expenses	9,785	-	-	9,785
Depreciation	4,437	-	-	4,437
Finance costs	64,284	-	-	64,284
Bad debts and provision for bad debts	35,973	-	-	35,973
Governance costs (see note 7)	19,900	-	-	19,900
	<u>637,167</u>	<u>-</u>	<u>-</u>	<u>637,167</u>
	<u>3,498,235</u>	<u>-</u>	<u>-</u>	<u>3,498,235</u>

# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023

## NOTES TO THE FINANCIAL STATEMENTS

### 7. Governance costs

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2023 Total Funds £
Salaries	10,000	-	-	10,000
Auditors' fees - current year	9,900	-	-	9,900
Council expenses	-	-	-	-
	<u>19,900</u>	<u>-</u>	<u>-</u>	<u>19,900</u>

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2022 Total Funds £
Salaries	10,000	-	-	10,000
Auditors' fees - current year	9,900	-	-	9,900
Council expenses	-	-	-	-
	<u>19,900</u>	<u>-</u>	<u>-</u>	<u>19,900</u>

### 8. Fees payable to independent auditors

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2023 Total Funds £
Auditors' remuneration - audit	<u>9,900</u>	<u>-</u>	<u>-</u>	<u>9,900</u>

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2022 Total Funds £
Auditors' remuneration - audit	<u>9,900</u>	<u>-</u>	<u>-</u>	<u>9,900</u>

### 9. Staff costs and information

	2023 Total £	2022 Total £
Gross wages	2,401,878	2,280,969
Employer's national insurance costs	216,368	197,736
Pension costs	67,757	63,405
Termination payments*	<u>22,420</u>	<u>-</u>
	<u>2,708,423</u>	<u>2,542,110</u>

\* Termination benefits in the comparative year were in full settlement.

	2023	2022
Staff numbers:		
Average head count	<u>102</u>	<u>107</u>

During the year under review two employees (2022: one employees) received employee benefits (excluding employer pension costs) of more than £60,000 in the range £60,000 to £70,000 (2022: £60,000 to £70,000).

The pension costs charge above has been charged to the Statement of Financial Activities.

# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023

## NOTES TO THE FINANCIAL STATEMENTS

### 10. Related party transactions

No trustee received remuneration, or other employment benefits for being a trustee in this or the comparative year.

Remuneration was paid to the following trustees in relation to their employment as teachers and support staff:

	2023			2022		
	Salary	National	Pension	Salary	National	Pension
	£	insurance	£	£	insurance	£
		£			£	
V King	-	-	-	3,753	375	113
M MacDonald	-	-	-	1,751	140	88
	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,504</u>	<u>515</u>	<u>201</u>

In addition to the above W Forward was remunerated on a self employed basis for services provided amounting to £3,388 in the comparative year.

During the year under review remuneration for spouses and children of trustees amounted to £15,563 (2022: £16,238). In addition national insurance contributions totalling £912 (2022: £879) and pension contributions totalling £467 (2022: £487) were made on behalf of spouses and children of trustees.

Trustees (and spouses) who are teachers or other staff members receive remuneration in that capacity and not for acting as a trustee. This remuneration is authorised under section 4 of the Memorandum of Association of Michael Hall School Limited.

Total employee benefits, inclusive of employer national insurance contributions and employer pension contributions, received by the school's eight (2022: seven) key management personnel amounted to £412,904 (2022: £308,000) during the year under review.

During the year one (2022: two) of the school's key management personnel received staff discounts in relation to their children's school fees of £10,630 (2022: £20,585). These discounts were received on the same terms in relation to discounts given to teachers without key management personnel status. At the balance sheet date £267 (2022: £35) was outstanding from these individuals.

No trustee (2022: one trustee) had expenses reimbursed or paid on their behalf for training (2022: £135) or reimbursed for medical costs (2022: £385).

Expenses reimbursed to and paid on behalf of five members (2022: three member) of key management personnel totalled £1,916 (2022: £886) for training and other costs in relation to their role in the year under review.

	2023	2022
	£	£
Tuition fees charged to 3 (2022: 3) Parent Trustees net of discounts amounted to	<u>58,827</u>	<u>50,902</u>

The following individuals who were trustees for all or part of the year were educating their children at the school:

J Angus  
N Michaels  
T Souleiman

Tuition fees are charged on normal commercial terms, except for teacher trustees who, as with all teachers, receive a 80% (2022: 80%) discount after other discounts on a pro-rata basis. No trustees who are teachers at the school had children in education in the year under review of the comparative year. Other discounts, inclusive of sibling and reduced fees, were provided on the same basis as those to other parents amounted to £3,075 (2022: £1,459).

Outstanding fees and extras charges from trustees at the year end was £4,433 (2022: £839).

# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023

## NOTES TO THE FINANCIAL STATEMENTS

### 11. Tangible fixed assets

	School site £	Machinery & office equipment £	Fixtures & fittings £	Motor vehicles £	Classroom equipment £	Total £
Cost						
Brought forward	7,798,567	393,046	284,722	21,904	308,366	8,806,605
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
	<u>7,798,567</u>	<u>393,046</u>	<u>284,722</u>	<u>21,904</u>	<u>308,366</u>	<u>8,806,605</u>
Depreciation						
Accumulated brought forward	-	384,097	264,930	21,510	285,647	956,184
Charge	-	1,790	1,979	98	2,067	5,934
On disposals	-	-	-	-	-	-
	<u>-</u>	<u>385,887</u>	<u>266,909</u>	<u>21,608</u>	<u>287,714</u>	<u>962,118</u>
Net book value carried forward	<u>7,798,567</u>	<u>7,159</u>	<u>17,813</u>	<u>296</u>	<u>20,652</u>	<u>7,844,487</u>
Net book value brought forward	<u>7,798,567</u>	<u>8,949</u>	<u>19,792</u>	<u>394</u>	<u>22,719</u>	<u>7,850,421</u>

On transition to FRS 102 SORP (2015) a valuation, provided by Strutt and Parker, of the school site has been included as deemed cost as at 1 August 2014. The site is considered for impairment at each balance sheet date.

### 12. Investments

	2023 £	2022 £
<b>Listed investments</b>		
Market value brought forward	483,346	500,598
Additions at cost	-	-
Disposals at carrying value	-	-
Gains/(losses) on revaluation	(12,519)	(17,252)
<b>Market value carried forward</b>	<u>470,827</u>	<u>483,346</u>

The investments above are analysed as follows:

Listed investments	129,747	139,364
Unit trusts and similar investments	<u>338,200</u>	<u>341,467</u>
	<u>467,947</u>	<u>480,831</u>

### 13. Debtors

	2023 £	2022 £
Fees outstanding	623,837	497,395
Fee provision	(250,000)	(250,000)
Prepayments	104,852	41,823
Other debtors	-	2,986
	<u>478,689</u>	<u>292,204</u>

# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023

## NOTES TO THE FINANCIAL STATEMENTS

### 14. Creditors: amounts falling due in less than one year

	2023 £	2022 £
Loans	93,269	110,918
Trade creditors	158,965	37,963
Deferred income (see below)	419,906	43,246
Other creditors and accruals	389,407	473,503
	<u>1,061,547</u>	<u>665,630</u>
<i>Deferred income</i>		
	£	£
Deferred income brought forward	43,246	500
Released in year	(43,246)	(500)
Deferred in year	419,906	43,246
Deferred income carried forward	<u>419,906</u>	<u>43,246</u>

### 15. Creditors: amounts falling due after one year

	2023 £	2022 £
Loans	418,143	500,620
	<u>418,143</u>	<u>500,620</u>

One bank loan, with a year end balance of £307,413 (2022: £339,538), is secured over several of the school's freehold properties and is repayable over a period of 25 years from August 2005. The remaining balance of loans is unsecured.

### 16. Defined benefit obligation

	2023 £	2022 £
Brought forward	1,352,000	1,856,000
Payments made	(208,717)	(201,480)
Charge to statement of financial activities	(75,283)	(302,520)
Carried forward	<u>1,068,000</u>	<u>1,352,000</u>

The above provision arises from the pension scheme's deficit funding arrangement. More information regarding the pensions scheme can be found in note 24.

### 17. Analysis of net assets between funds

	General funds £	Designated funds £	Restricted funds £	Endowment funds £	2023 Total funds £	2022 Total funds £
Tangible assets	-	7,192,487	-	652,000	7,844,487	7,850,421
Investments	17,109	115,518	-	338,200	470,827	483,346
Current assets	723,313	-	32,308	2,879	758,500	560,029
Creditors: <1 year	(1,061,547)	-	-	-	(1,061,547)	(665,630)
Creditors: >1 year	(418,143)	-	-	-	(418,143)	(500,620)
Pension scheme deficit	-	(1,068,000)	-	-	(1,068,000)	(1,352,000)
<b>Net assets at 31 July</b>	<u>(739,268)</u>	<u>6,240,005</u>	<u>32,308</u>	<u>993,079</u>	<u>6,526,124</u>	<u>6,375,546</u>

# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023

## NOTES TO THE FINANCIAL STATEMENTS

### 18. Analysis of movement in funds

	Brought forward £	Incoming resources £	Outgoing resources £	All gains/ (losses) £	Transfers £	Carried forward £
<b>Permanent endowment funds</b>						
Permanent Endowment Fund	652,000	-	-	-	-	652,000
Endowment Recoupment Fund	343,982	-	-	(2,903)	-	341,079
<b>Total endowment funds</b>	<u>995,982</u>	<u>-</u>	<u>-</u>	<u>(2,903)</u>	<u>-</u>	<u>993,079</u>
<b>Restricted funds</b>						
ESCC	3,000	-	-	-	-	3,000
Clockhouse Fund	3,789	-	-	-	-	3,789
Outdoor terrace repair	22,801	-	-	-	-	22,801
Natural England Fund	2,718	-	-	-	-	2,718
<b>Total restricted funds</b>	<u>32,308</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>32,308</u>
<b>Designated and general funds</b>						
WO Field bequest	123,096	-	-	(7,578)	-	115,518
Pension deficit (see note 18)	(1,352,000)	-	-	75,283	208,717	(1,068,000)
Fixed asset reserve (see note 12)	7,198,421	-	(5,934)	-	-	7,192,487
Total designated funds	<u>5,969,517</u>	<u>-</u>	<u>(5,934)</u>	<u>67,705</u>	<u>208,717</u>	<u>6,240,005</u>
General reserves	(622,261)	4,088,026	(3,994,278)	(2,038)	(208,717)	(739,268)
<b>Total unrestricted funds</b>	<u>5,347,256</u>	<u>4,088,026</u>	<u>(4,000,212)</u>	<u>65,667</u>	<u>-</u>	<u>5,500,737</u>
<b>Total funds</b>	<u>6,375,546</u>	<u>4,088,026</u>	<u>(4,000,212)</u>	<u>62,764</u>	<u>-</u>	<u>6,526,124</u>

### Restricted funds

ESCC Grant received from East Sussex County Council for healthy eating programme

Clockhouse Fund Grants received to support the costs of repair to the Clockhouse

Outdoor terrace repair Funds received to support the costs of repair to the outdoor terrace

Natural England Fund Grant received to conduct an environmental study on the school site

### Designated funds

WO Field bequest Funds received to support complementary health care costs for employees of the school.

### 19. Transfer between funds

From	To	Unrestricted Funds	
		General £	Designated £
<i>Transfer 1</i>			
General fund	Pension deficit	(208,717)	208,717
		<u>(208,717)</u>	<u>208,717</u>

Transfer of funds from unrestricted general funds representing payments made during the year.

# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023

## NOTES TO THE FINANCIAL STATEMENTS

### 20. Financial instruments

The carrying amounts of the charity's financial instruments are as follows:

	<b>2022</b>	<b>2021</b>
	<b>Total</b>	<b>Total</b>
	<b>Funds</b>	<b>Funds</b>
	<b>£</b>	<b>£</b>
<i>Financial assets</i>		
Measured at fair value through net income/(expenditure):		
Fixed asset investments (note 11)	470,827	483,346
	<u>470,827</u>	<u>483,346</u>
Debt instruments measured at amortised cost:		
Trade debtors (note 13)	623,837	497,395
	<u>623,837</u>	<u>497,395</u>
<i>Financial liabilities</i>		
Measured at amortised cost:		
Trade creditors (note 14)	158,965	37,963
Bank loan (notes 14 and 15)	511,412	611,538
	<u>670,377</u>	<u>649,501</u>

The income, expense, net gains and net losses attributable to the charity's financial instruments are summarised as follows:

	<b>2022</b>	<b>2021</b>
	<b>Total</b>	<b>Total</b>
	<b>Funds</b>	<b>Funds</b>
	<b>£</b>	<b>£</b>
<i>Income and expense</i>		
Financial assets measured at fair value through net income/(expenditure)		
Investment income	7,122	10,210
	<u>7,122</u>	<u>10,210</u>
<i>Net gains and losses (including changes in fair value)</i>		
Financial assets measured at fair value through net income/(expenditure)		
Unrealised gains/(losses) on investments	(12,519)	(17,252)
	<u>(12,519)</u>	<u>(17,252)</u>

### 21. Operating leases

At the balance sheet date the school had total future minimum lease payments under non-cancellable operating leases payable as follows:

	<b>2023</b>			<b>2022</b>		
	<b>Office</b>			<b>Office</b>		
	<b>equipment</b>	<b>Vehicles</b>	<b>Total</b>	<b>equipment</b>	<b>Vehicles</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Less than one year	53,019	14,175	67,194	53,019	16,315	69,334
More than one year less than five years	52,767	4,660	57,427	53,019	5,438	58,457
More than five years	5,812	-	5,812	58,578	-	58,578
	<u>111,598</u>	<u>18,835</u>	<u>130,433</u>	<u>164,616</u>	<u>21,753</u>	<u>186,369</u>

# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023

## NOTES TO THE FINANCIAL STATEMENTS

### 22. Analysis of changes in net debt

	2021 £	Cash flows £	2022 £	Cash flows £	2023 £
Long term borrowings	1,244,826	(633,288)	611,538	(100,126)	511,412
Short term borrowings	-	-	-	-	-
Total liabilities	<u>1,244,826</u>	<u>(633,288)</u>	<u>611,538</u>	<u>(100,126)</u>	<u>511,412</u>
Cash and cash equivalents	(212,384)	(55,441)	(267,825)	(11,986)	(279,811)
Total net debt	<u>1,032,442</u>	<u>(688,729)</u>	<u>343,713</u>	<u>(112,112)</u>	<u>231,601</u>

### 23. Comparative Statement of Financial Activities and Analysis of movement in funds

	Note	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2022 Total Funds £
<b>INCOME AND ENDOWMENTS FROM:</b>					
Donations and legacies	1	2,827	-	-	2,827
Other trading activities	2	171,350	-	-	171,350
Investments	3	10,210	-	-	10,210
Charitable activities	4	3,208,809	-	-	3,208,809
<b>Total</b>		<u>3,393,196</u>	<u>-</u>	<u>-</u>	<u>3,393,196</u>
<b>EXPENDITURE ON:</b>					
Raising funds	5	37,042	-	-	37,042
Charitable activities	6	3,498,235	-	-	3,498,235
<b>Total</b>		<u>3,535,277</u>	<u>-</u>	<u>-</u>	<u>3,535,277</u>
Net gains/(losses) on investments	12	(19,088)	-	1,836	(17,252)
<b>Net income/(expenditure)</b>		<u>(161,169)</u>	<u>-</u>	<u>1,836</u>	<u>(159,333)</u>
<b>Transfers between funds</b>	18	-	-	-	-
		<u>(161,169)</u>	<u>-</u>	<u>1,836</u>	<u>- 159,333</u>
Actuarial gains/(losses) on defined benefit pension schemes	16	302,520	-	-	302,520
<b>Net movement in funds</b>		<u>141,351</u>	<u>-</u>	<u>1,836</u>	<u>143,187</u>
<b>RECONCILIATION OF FUNDS</b>					
<b>Total funds brought forward</b>	18	5,205,905	32,308	994,146	6,232,359
<b>Total funds carried forward</b>	18	<u>5,347,256</u>	<u>32,308</u>	<u>995,982</u>	<u>6,375,546</u>

# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023

## NOTES TO THE FINANCIAL STATEMENTS

### 23. Comparative Statement of Financial Activities and Analysis of movement in funds (continued)

	Brought forward	Incoming resources	Outgoing resources	Unrealised gains/ (losses)	Transfers	Carried forward
	£	£	£	£	£	£
<b>Permanent endowment funds</b>						
Permanent Endowment Fund	652,000	-	-	-	-	652,000
Endowment Recoupment Fund	342,146	-	-	1,836	-	343,982
<b>Total endowment funds</b>	<u>994,146</u>	<u>-</u>	<u>-</u>	<u>1,836</u>	<u>-</u>	<u>995,982</u>
<b>Restricted funds</b>						
ESCC	3,000	-	-	-	-	3,000
Clockhouse Fund	3,789	-	-	-	-	3,789
Outdoor terrace repair	22,801	-	-	-	-	22,801
Natural England Fund	2,718	-	-	-	-	2,718
<b>Total restricted funds</b>	<u>32,308</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>32,308</u>
<b>Designated and general funds</b>						
WO Field bequest	137,100	-	-	(14,004)	-	123,096
Pension deficit (see note 18)	(1,856,000)	-	-	302,520	201,480	(1,352,000)
Fixed asset reserve (see note 12)	7,205,314	-	(6,893)	-	-	7,198,421
Total designated funds	5,486,414	-	(6,893)	288,516	201,480	5,969,517
General reserves	(280,509)	3,393,196	(3,528,384)	(5,084)	(201,480)	(622,261)
<b>Total unrestricted funds</b>	<u>5,205,905</u>	<u>3,393,196</u>	<u>(3,535,277)</u>	<u>283,432</u>	<u>-</u>	<u>5,347,256</u>
<b>Total funds</b>	<u>6,232,359</u>	<u>3,393,196</u>	<u>(3,535,277)</u>	<u>285,268</u>	<u>-</u>	<u>6,375,546</u>

### 24. Pensions

The Charity participates in the Main Section of the Mercury Provident Pension Scheme (the Scheme), a UK registered trust based pension scheme that provides defined benefits.

Pension benefits are linked to the members' final pensionable salaries and service at their retirement (or date of leaving if earlier). The Trustee of the Scheme is responsible for running the Scheme in accordance with the Scheme's Trust Deed and Rules. The Trustee is required to act in the best interests of the beneficiaries of the Scheme.

There are two categories of Scheme members:

- Deferred members: members who have left pensionable service with deferred benefits which have yet to come into payment.
- Pensioner members: members in receipt of pension.

The value of the defined benefit obligation for the 31 July 2023 is derived by approximately adjusting the results of the triennial valuation as at 29 December 2021.

In adjusting the value of the defined benefit obligation allowance has been made over the relevant periods for:

- benefits paid out to members;
- price inflation; and
- member movements; and
- impact of known inflation.

All other experience is assumed to be in line with the assumptions at the start of the period. The value of the defined benefit obligation is adjusted for changes in the assumptions.

The results of the most recent formal actuarial valuation as at 29 December 2021 has been updated to the Charity year end by a qualified independent actuary. The assumptions used were as follows:

# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023

## NOTES TO THE FINANCIAL STATEMENTS

### 24. Pensions (continued)

	Year end 31 July 2023		Year end 31 July 2022	
<i>Significant actuarial assumptions</i>				
Discount rate	5.10% pa		3.40% pa	
RPI inflation	3.20% pa		3.40% pa	
CPI inflation	2.80% pa		2.90% pa	
<i>Mortality assumptions</i>				
Mortality	100% S3PMA_All/ 100% S3PFA_All CMI_2022_M/F [1.25%] (yob)		100% S3PMA_All/ 100% S3PFA_All CMI_2021_M/F [1.25%] (yob)	
<i>Other actuarial assumptions</i>				
Pension increases:				
Pre 88 GMP	Nil		Nil	
Post 88 GMP	2.40% pa		2.40% pa	
Pre 97 excess	Nil		Nil	
97-05 pension	2.80% pa		2.90% pa	
Post 2005 pension	2.10% pa		2.20% pa	
Revaluation of deferred pensions in excess of GMP:	2.80% pa		2.90% pa	
<i>Life expectancies (in years)</i>				
	Male	Female	Male	Female
For an individual aged 65 in 2023	21.4	23.9	22	24.4
At age 65 for an individual aged 45 in 2023	22.6	25.3	23.3	25.8

The fair value of the Charity's share of the assets of the Scheme was:

	Year end 31 July 2023		Year end 31 July 2022	
	£'000s		£'000s	
<i>Asset class</i>				
Equities	1,581		1,474	
Diversified Credit Funds (DCFs)	308		500	
Liability Driven Investments (LDIs)	439		420	
Diversified Growth Funds (DGFs)	217		491	
Cash	154		194	
Total	2,699		3,079	

The return on the assets was:

	Year end 31 July 2023		Year end 31 July 2022	
	£'000s		£'000s	
<i>Return</i>				
Interest income	103		52	
Return on assets less interest income	(390)		(417)	
Total return on assets	(287)		(365)	

Reconciliation to the balance sheet:

	Year end 31 July 2023		Year end 31 July 2022	
	£'000s		£'000s	
Market value of assets	2,699		3,079	
Present value of defined benefit obligation	3,767		4,431	
Funded status	(1,068)		(1,352)	
Irrecoverable surplus	-		-	
Pension asset/(liability) recognised in the Statement of Financial Position before allowance for deferred tax	(1,068)		(1,352)	

# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023

## NOTES TO THE FINANCIAL STATEMENTS

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### 24. Pensions (continued)

Reconciliation of Scheme's assets and defined benefit obligation

	<b>Assets</b>	<b>Defined benefit obligation</b>	<b>Net position</b>
	<b>£'000s</b>	<b>£'000s</b>	<b>£'000s</b>
At 1 August 2022	3,079	(4,431)	(1,352)
Benefits paid:			
Pensions	(212)	212	-
Transfers	-	-	-
Other	(4)	4	-
Employer contributions	209	-	209
Member contributions	-	-	-
Current service cost	-	-	-
Administration expenses	(86)	-	(86)
Past service cost	-	-	-
Settlements	-	-	-
Business combinations/bulk transfers	-	-	-
Interest income/cost	103	(147)	(44)
Remeasurement gains/(losses):			
Actuarial gains/(losses): Change of basis	-	736	736
Actuarial gains/(losses): Experience	-	(141)	(141)
Return on assets excluding interest income	(390)	-	(390)
At 31 July 2023	2,699	(3,767)	(1,068)

**MICHAEL HALL SCHOOL**

England & Wales - Charity number 307006

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# Accounts

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**MICHAEL HALL SCHOOL**

**Trustees Report**

**and Financial Statements**

**for the year ended 31 July 2022**

**Registered Charity Number 307006**

# **MICHAEL HALL SCHOOL**

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2022

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# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2022

## REFERENCE AND ADMINISTRATIVE DETAILS

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### Trustee

The sole trustee of the charity is a company limited by guarantee, Michael Hall School Limited, company number 539034. The directors of this company are the Council of Trustees of the charity for charity law purposes and are set out below:

W Forward	(Teacher, Chair from 21/02/21)	(appointed 20 March 2017)
J Angus	(Parent)	(appointed 27 May 2022)
M Hindler	(Independent)	(appointed 10 January 2020)
L Lines	(Independent)	(appointed 3 February 2021)
E Maslen	(Parent)	(appointed 13 November 2019)
T Michaels	(Parent)	(appointed 23 November 2020)
T Souleiman	(Parent)	(appointed 9 December 2019)
J Sharpe	(Independent, Chair from 16/10/20 to 21/02/21)	(resigned 21 February 2021)
S Rafferty	(Independent, Chair to 16/10/20)	(resigned 16 October 2020)
H Hebrank	(Parent)	(resigned 11 September 2021)
V King	(Teacher)	(resigned 11 September 2021)
S Kirby	(Independent)	(resigned 31 August 2022)
M Macdonald	(Teacher)	(resigned 11 September 2021)
B Ozgen	(Parent)	(resigned 16 November 2020)

The Association members are the guarantors of the trustee company and hold the right to appoint or remove members of the Council of Trustees. No person may be appointed as a member unless they are an Association member.

### Management

The trustees delegate the day to day management of the school to committees comprised of members of staff.

### Key management personnel (throughout year to end of academic year 2021/22 unless stated otherwise)

P Farr	Principal (to March 2021)
E Hawker	Acting Principal (from March 2021)
M Fielding	Early Years Faculty Chair (to July 2021)
R Ford-Blanchard	Early Years Assistant Principal (from 1 January 2022)
M Devaris	Upper School Assistant Principal
R Siddons	Upper School Assistant Principal (to March 2021)
J Courtenay	Lower School Assistant Principal
L James	Business Manager
J Phillips	SENDCO
C Parker	Designated Safeguarding Lead (from 4 November 2021)

### Principal office

Kidbrooke Park  
Priory Road  
Forest Row  
East Sussex  
RH18 5JA

### Charity registered number

307006

### Auditors

Blue Spire Limited  
Cawley Priory  
South Pallant  
Chichester  
West Sussex  
PO19 1SY

# **MICHAEL HALL SCHOOL**

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2022

## **REFERENCE AND ADMINISTRATIVE DETAILS**

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### **Solicitors**

Ellis Whittham Limited  
Woodhouse  
Aldford  
Chester  
Cheshire  
CH3 6JD

### **Bankers**

HSBC  
38 London Road  
East Grinstead  
West Sussex  
RH19 1AB

Barclays Bank Plc  
18 Southgate Street  
Gloucester  
GL1 2DH

Triodos Bank  
Brunel House  
11 The Promenade  
Bristol  
BS8 3NN

# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2022

## REPORT OF THE TRUSTEE

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The Board of Directors of Michael Hall School Limited, as the Trustee of Michael Hall School have pleasure in presenting the annual report for the purposes of the Charities Act 2011, together with the accounts for the year ended 31 July 2022. The Directors have adopted the provisions of the Statement of Recommended Practice "Accounting and Reporting by Charities" (FRS 102) in preparing the annual report and financial statements of the charity.

### STRUCTURE, GOVERNANCE AND MANAGEMENT

#### 1.1 Context

Michael Hall School is a registered charity constituted as an unincorporated association under a Trust deed dated 21 January 1925 and the Memorandum and Articles of Association of the Trust company dated 25 September 1954 as revised. The company was established to act as a trustee of the Michael Hall School trust, a charitable trust that operates a school in Forest Row, East Sussex. The purpose of the Trust is to provide for, and conduct, the education of children in accordance with the principles and methods of Rudolf Steiner. The sole trustee of Michael Hall School for the purposes of charity law is Michael Hall School Limited.

Michael Hall School Limited is controlled by its Board of Directors whose members are appointed or removed by Association of Company Members. The Board of Directors are known as the "Council of Trustees". The Directors are referred to as "Trustees" and hold portfolio responsibilities that map onto the school's priorities and refer to the Ofsted Inspection Framework that came into effect in May 2019.

All Trustees are selected based on the contribution that they will make to the governance of the organisation and their relevant knowledge, skills and experiences. They are supported with copies of the Charity Commission's guidance to Trustees and introduced the activities of the charity by the existing Board and School's senior staff. New Trustees are inducted through a process which incorporates training in various relevant areas including Health and Safety, Safer Recruitment, Safeguarding and Child Protection.

Trustees are provided with training as and when required and there is an annual training plan for Trustees which sits alongside the School's development plan. A comprehensive schedule of monitoring visits has been introduced this academic year, to enable Trustees to hold leaders to greater account for all strategic development and post-Ofsted priorities.

The setting of pay and remuneration is completed by the Trustees with reference to publicised pay scales and benchmarked against similar roles in comparable organisations. In the Summer Term 2022 the decision was made to create two leadership roles at the school.

#### 1.2 Risk Management

The Trustees have assessed the significant risks to which the charity is exposed.

#### 1.3 Ofsted and ISS Inspections

Following the most recent full Ofsted inspection, the greatest risk facing the school remains the current Ofsted rating and its potential impact on pupil numbers. Although many of our parent body do not subscribe to Ofsted as an important indicator of a child's success at school, there can be no doubt that it has had an impact on our pupil numbers, which are lower than optimal. Significant work to ensure that the next full inspection results in a positive grading and report has been undertaken and continues to be a primary focus of the school's leadership.

In October 2022, Ofsted conducted their most recent inspection, including an assessment of the School's performance against the Independent Schools Standards (ISS). The School now holds a 'Requires Improvement' Ofsted grading which, although an improvement, still necessitates further focus on the five key areas for improvement identified.

These five Key Performance Indicators are:

- KP1: Improving our provision for children with additional special needs across the school
- KP2: Ensuring our transition from the Kindergarten to Class 1 retains a challenging and inspirational curriculum experience for every child
- KP3: Ensuring greater consistency and confidence at all levels of leadership, including middle leaders and subject leads

# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2022

## REPORT OF THE TRUSTEE

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- KP4: Extending our current Careers provision to Class 6-8
- KP5: Reviewing our current behaviour policy and practice to minimise disruption through low level behaviours across the school

The inspection noted that the following areas are now deemed to meet the threshold for 'Good':

- Behaviour and Attitudes
- Personal Development
- Early Years Provision
- Sixth-form Provision

The School failed to meet the ISS standards during this inspection. The two areas identified for this were:

- Leadership and management of SEND (Special Educational Needs and Disabilities)
- Quality of educational provision for children with additional special needs

The School has a comprehensive Post Ofsted Action Plan (POAP), which has been approved by the SWSF and Trustees. In addition, the School's ISS Action Plan was approved by the Department for Education in May 2023. Both plans are updated regularly and used to hold leaders to account for progress against the strategic priorities.

The School anticipates a monitoring visit to ensure that we are on track with our action plans during the Summer term of 2023, followed by full inspection during the Autumn 2024, two years after our previous inspection.

The School continues to work closely with the Steiner Waldorf Schools Fellowship (SWSF), and relationships between Ofsted and the SWSF have seen significant improvements in the outcomes of other Steiner Waldorf organisations' recent Ofsted inspections. The School's relationship with the SWSF is strong, and the two organisations move together in partnership, with positive Ofsted relationships and outcomes being a key area of focus.

The SWSF continue to offer training to all staff, support to Senior Leaders and training to Ofsted in line with Steiner Waldorf education. This alignment is anticipated to have a positive effect on future Ofsted inspections for all schools within the UK Movement.

### 1.4 School Reputation

The Trustees are mindful not least, until the School's Ofsted inspection grade improves to 'Good' or 'Outstanding', that we must work hard to bring new families to the community and communicate all that a Waldorf education has to offer as well as to retain our existing families. The School is launching a new website (see below) and has a far greater presence on social media platforms than ever before. Access to the children's learning, festivals and all other aspects of school life are promoted widely and this offers us a strong basis for marketing and promoting the School in a variety of ways. We continue to monitor these sites for any negative comments or feedback from individual parents, and approach these parents directly to see if we can help to resolve their issue. Should such behaviours continue to bring the School's reputation into disrepute, there are sanctions outlined in our newly created Parent Code of Conduct.

#### 1.4.a Website

We are confident that the introduction of the new school website will present the School in a fresh, modern light, while still firmly grounded in Steiner principles of education and Anthroposophy. This will include a fundraising page and a donate button, making it easier for interested parties to donate to the School. Online ticketing will also be introduced which will increase ticket sales for the School's events. Our newsletter on the website also includes a paid advertising section for the community.

### 1.5 Finances

Other risks that Trustees carefully monitor relate to the specific operational areas of the charity and its finances. The Trustees closely monitor reserve levels, ensure controls exist over critical financial systems, and examine the operational and business risks faced by the charity. A comprehensive strategic plan for the business has been agreed, which sets out a range of desirable reinvestment opportunities for growing the fabric of the school and improving its offering and commercial performance to ensure an upturn in the organisation's financial security.

# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2022

## REPORT OF THE TRUSTEE

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Debt from unpaid fees continues on the downward trajectory as payment plans come to an end and a stringent credit control policy remains in place with cash collection over 97% of fees outstanding.

The school offers an extensive fee assistance programme, based on a means-tested method, and during the course of the 2022-23 academic year, 40 families have benefitted from this. As one of the many initiatives to ensure the school's business model is redeveloped with sustainability in mind, the fee assistance programme has been thoroughly reviewed and redesigned. The school is now entering the 3<sup>rd</sup> year of a 3-year journey in reforming the fee assistance programme thus ensuring the breadth and sustainability of this programme by so doing.

An allocation of 10% of gross fee income has been set as a maximum fee assistance budget (previously 20%). This is distributed to families on a means tested basis on an objective basis and assessed with the support of a third party company, under a new clear Fee Assistance Policy. The policy has also reduced the extent of individual fee assistance offered from 60% in 2021/22 to 45% in 2022/23 and will reduced further to 30% in 2023/24 to ensure the programme offers a wider range of assistance as possible but within the more sustainable parameters established. An additional discretionary bursary is available from which the Principal can support families at their discretion (again, subject to the overall budgetary restriction of 10% of fees).

### OBJECTIVES AND ACTIVITIES

The charity's objectives are:

"To provide for and conduct the education of children in accordance with Steiner Waldorf educational principles."

It pursues this objective by the administering of Michael Hall School at its premises in Forest Row, East Sussex. In doing so it provides education to and attends to the welfare of children in the school, whilst maintaining and improving the school's premises and grounds.

In determining how best to pursue this objective, the Trustees have had regard to the Charity Commission's guidance on public benefit.

The charity offers an education to children from 3 years through to 18 and fees from this represent over 90% of the charity's income. Fees continue to be the main driver of income, but this year's appointment of a Marketing and Admissions Manager is already addressing the needs of the school by boosting pupil numbers and beginning to market the school to its full potential.

Taking its inspiration from Rudolph Steiner, the School's curriculum is delivered with age-appropriate awareness, which takes into account the cognitive and emotional stages of child development. The aim of the school is through a holistic education, providing the students with skills and a passion for lifelong learning that promotes confidence and encourages well rounded, creative and practical individuals. Alongside traditional GCSE and A level qualifications, the education is delivered through an extremely diverse Steiner Waldorf curriculum portfolio.

The objective is further secured through:

- An expectation of exceptional teaching and learning, within the Steiner Waldorf tradition, that celebrates diversity and promotes inclusivity;
- Regular opportunities for collaborative, high quality CPD to ensure consistent and best practice;
- The promotion of the highest standards of behaviour, achieved through clear expectations and positive relationships within the school community;
- The unique character of the School;
- Shared whole School values of dignity, respect, celebration and ambition for all;
- The School as a hub for its local community and families;

Networking within the wider Steiner Waldorf community through forging strong links with the Fellowship and other Schools within the Movement

# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2022

## REPORT OF THE TRUSTEE

### ACHIEVEMENTS AND PERFORMANCE

#### 3.1 Context

The 2022/23 academic year has seen some significant changes in the School's leadership team, with the appointment of both an experienced new School Principal and a new School Business Manager, and the creation of a new senior leadership role: the Director of Studies. While this team continues to be embedded, the School's drive towards even better outcomes has also continued.

The annual programme of cultural events, festivals, trips and residential has enriched the curriculum for children of all ages. Immersive learning experiences are evident in abundance and colleagues' creative approaches to delivering the curriculum are a source of inspiration.

At the time of writing, our Upper School students are halfway through their end of year exams. The Head of Centre and Exams Officer have been commended by the JCQ for their preparation as part of the external moderation process.

#### 3.2 Exam Results

##### 3.2.a GCSE Results July 2022

Exams graded 9 - 1												
SUBJECT	No. of students	9	8	7	6	5	4	3	2	1	U	% grade 4 or above
Art	13	3	3	3	2	1	1					100%
Drama	17		1	1	3	5	2	4	1			71%
English Language	29	1	1	4	6	6	5	6				79%
French	5	1	3		1							100%
Geography	3						2		1			67%
German	5	2	1	1			1					100%
History	9	1			3	3			2			78%
Maths	30		4		6	4	8	5	3			73%
Science Double Award	28	3	5	4	2	3	4	4			3	75%
Science Double Award	28	1	6	3	2	4	4	4	1		3	71%
Psychology	12	1	2		3	1	1	3		1		67%
Spanish	5	1			2		1				1	80%
<b>TOTALS</b>	<b>184</b>	<b>14</b>	<b>26</b>	<b>16</b>	<b>30</b>	<b>27</b>	<b>29</b>	<b>26</b>	<b>8</b>	<b>1</b>		

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## REPORT OF THE TRUSTEE

### 3.2.b A-Level Results July 2022

SUBJECT	No. of students	A*	A	B	C	D	E	U	% A - C
Biology	3				2	1			67%
Economics	1		1						100%
Drama & Theatre	5		2		1	1		1	60%
English Literature	3	1	1	1					100%
Fine Art	4	1		3					100%
Geography	4	1	1		2				100%
French	1	1							100%
Maths	3			1	1		1		67%
Photography	8	2		3	1	1	1		75%
History	3			1	1		1		67%
Psychology	5		1		3	1			80%
Spanish	2		1	1					100%
Product Design	3					1	1	1	0%
Extended Project	4	1	1	1				1	75%
<b>TOTALS</b>	<b>49</b>	<b>7</b>	<b>8</b>	<b>11</b>	<b>11</b>	<b>5</b>	<b>4</b>	<b>3</b>	

#### STATISTICS

Pupils gaining A\* - A 31%

Pupils gaining A\* - B 53%

Pupils gaining A\* - C 76%

Overall pass rate 94%

Exam results in both GCSEs and A-Levels saw steady results similar to those in 2021. This demonstrates our ability to combine both the Steiner curriculum and achieve academic results.

### 3.3 Internal Progress and Attainment

Our systems for tracking and monitoring pupil progress and attainment for all internal year cohorts have improved significantly this year, since the arrival of the new School Principal. A programme of termly pupil progress meetings enable staff to feel confident that they are meeting the needs of every child in their care, with support from appropriate colleagues, such as senior school leaders and the learning support team.

Senior Leaders currently analyse the assessment data, to ensure that academic performance targets are accurate and that students remain on track. This work will continue to be delegated to core Subject Leads over the course of the next academic year as part of their continuing professional development in role.

There is a greater sense of accountability and autonomy for the progress data that is being produced and this programme will continue to be developed across the School in greater depth next year.

### 3.4 Staff Numbers

Staff numbers have remained stable through the course of the year which shows robust recruitment. The resignations that have been made have not all been replaced in a like for like role. There has been consideration regarding re deployment of existing staff and amalgamating roles and therefore reducing cost. There are no plans for a significant increase in staff numbers at present. There has been a restructure of the Site Team resulting in predicted increased efficiency in the coming months.

### 3.5 Pupil Numbers

Pupil numbers have started to rise slowly this year with our number of pupils on roll currently standing at 393. New regular open days have been introduced this year and, based on the feedback and comments from attendees and school colleagues at these events, as well as a comprehensive evaluation of the applications received as a result,

# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2022

## REPORT OF THE TRUSTEE

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an even more targeted programme of similar open day sessions is planned for next year. Consistently high interest has demonstrated an appetite for places at the School every term since September 2022.

A significant branding and marketing campaign in 2023-24, as well as our new school website, will increase the online visibility of the School and we are confident that this will drive pupil numbers on our roll to remaining consistently above 400.

Exit interviews for outgoing pupils have been reinstated, with decisions to leave Michael Hall being logged and monitored for trends. This allows for positive action to be taken when any pattern emerges.

Our upward trajectory in recent Ofsted inspections, along with our open communication and transparency in our plans to address all identified priority areas, are also driving up pupil numbers, as more parents are feeling positive about the School's sustainable future as an education setting. In some cases, families have demonstrated their improved confidence by returning to the School.

Fees are being reviewed to bring them in line with other schools. This, in turn, with the reduction in fee assistance, will boost revenue significantly.

Each of these aspects contributes to our confidence in our projected budget plan for 2023/24.

### 3.6 Estate and Buildings

The Estates Manager continues to look into the rejuvenation of the school's buildings, and the longer-term strategic direction of the facilities and parkland grounds. A comprehensive plan of improvements and funding is being formulated in association with the Rural Payments Agency, Historic England, Natural England and the Forestry Commission, with an emphasis on two main aspects:

- Developing Educational opportunities in an increasing number of locations throughout the buildings and grounds;
- Protecting the listed buildings and parkland from inappropriate development, ensuring the longevity of the listed buildings and returning areas of the landscaped parkland to their original glory.

Relationships have been renewed with Table Hurst Farm, who are our tenant farmers, and throughout the local business and village community, which has helped to support many School events and continues to improve our standing within Forest Row. Community work-day projects hosted on-site have also increased awareness of the School to a wider market.

A comprehensive strategic business plan is in place to maximise the potential from the entire School site, which includes the following targeted elements:

- Wedding licence renewed for 4 years from May 2023, the renewal includes for the first-time external wedding ceremony locations, allowing anyone to be married on our mansion terraces or under the colonnade. We already have a confirmed 2024 wedding and will be running a wedding fair in the Summer/Autumn 2023.
- Property sales of the four ancillary residential dwellings are progressing well with three of the four now sold (STC). Whilst part of the expectation is to clear some historical debt from the sale of the assets a substantial amount of the realised sale income will directly be invested into the business, where a comprehensive development strategy will ensure maximum benefit from the sale.
- Lettings of all our facilities continue to increase pushed forward by the estate and lettings team. Bookings for external hire of the Theatre is up 30% on last year and we have retained all our historical bookings of the gym and studio spaces, even with an increase in lettings fees. We have been able to increase our offering of lettings availability over the summer holidays for the first time since 2020 and have incorporated external summer camps, performance companies and an international yoga retreat into our summer schedule.
- Planning applications are underway for a number of relevant projects for the School's development, with three identified as specifically important: the refurbishment of a former kindergarten room, the refurbishment of the upper floors of the Clock House building and the building of a new stand-alone Craft block to re-home Woodwork, Handwork, Metalwork and Joinery into a modern state of the art space.

# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2022

## REPORT OF THE TRUSTEE

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To support these elements and our School community in general, fundraising opportunities will feature on our new website and some of the projects to be considered are:

- Theatre auditorium rejuvenation and the creation of a new lobby and refreshment area, and toilet facilities, allowing us to host events comprehensively
- Library refurbishment
- Coffee/Refreshments catering trailer to increase income from events
- Creation of a woodland enterprise centre

### 3.7 Public Benefit

The Trustees acknowledge the duty to have due regard to the Charity's Commission's published General and relevant sub sector guidance on public benefit. We have referred to this guide when reviewing our aims, strategy and in planning future activities. All activities undertaken by the School are for the public benefit.

### 3.8 Investments and performance

A lot of work has gone into looking into the investments the school owns via shares. Issues have remained around access to these funds given the historical nature and issues regarding permanent endowments limiting the school's ability to form an investment policy, however, as market conditions seem to be deteriorating we are aware that the value of these share has decreased over the past 12 months and we are looking at options to release the funds to invest back into the school.

## FINANCIAL REVIEW

During the year under review the school is reporting net income of £143,187 (2021 net income: £1,922,866) inclusive of a loss on investments of £17,252 (2021 gain: £75,803) and a net credit on the movement of the pension deficit provision of £302,520 (2021 credit: £1,961,404), giving an operating surplus of £430,477 (2021 operating loss: £114,341).

As at 31 July 2022, the charity's total reserves amounted to £6,375,546 (2021: 6,232,359) of which £995,982 (2021: £994,146) is held within endowment funds with a further £32,308 (2021: £32,3087) restricted leaving unrestricted funds of £5,347,256 (2021: £5,205,905). Within unrestricted funds are designated amounts totalling £5,969,518 (2021: £5,486,414) with funds represented by fixed assets amounting to £7,850,421 and a pension deficit position of £1,352,000 giving an overall deficit reserves position of -£622,262 (2021 reserves deficit: £280,509).

The Trustees consider that the charity should hold positive reserves equivalent to two months operating costs (estimated at £500,000) in order to ensure the ongoing delivery of its charitable objects during an unforeseen downturn in income. The Trustees recognise that school did not operate on a positive net cashflow basis with a cash outflow of £297,526 during the financial year (2021: £2,253). This is in part reflective of the Net Income deficit of £159,333 in the financial year before the benefit of gains in respect of the defined benefit pension schemes (2022: £302,520). There is currently an additional need to accumulate reserves in order to provide for the future development of the charity's facilities and the Trustees estimate that a sum in excess of £1,300,000 will be freed from assets to form part of a detailed and carefully planned business rejuvenation strategy and to provide the funding support that the schools current operating performance requires during this turnaround. Trustees consider that the current level of reserves is below that required and that the charity should aim to generate sufficient surpluses over the next 5-10 years to build the reserves to the required level.

The school's principal funding source continues to be income generated by school fees. Expenditure continues to be on teaching and support costs for the provision of education to those pupils. Michael Hall School had investments in COIF unitised funds throughout the year.

## PLANS FOR FUTURE PERIODS and GOING CONCERN

The Trustees of Michael Hall School have formally assessed the Charity as a going concern. Through information submitted by the School's Principal and Operations Managers, including Finance, HR, Admissions and Estates,

# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2022

## REPORT OF THE TRUSTEE

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Trustees have critically appraised the school's financial position and are satisfied that the school will remain financially operational for the coming 12 months.

Pupil numbers remain the largest barrier to the school's finances, with numbers now steady (target 450). There is an uplift expected from this year's pupils on roll of 393 to an expected figure in excess of 400 in September 2023. Significant work is being directed to ensure a positive Ofsted outcome at the next monitoring inspection. Now the "inadequate" rating is removed from the school, the launch of a significant branding and marketing campaign, including the new website, to boost the image of the school and enhance pupil numbers further. In the meantime, significant work has been undertaken to ensure spending is brought in line with the current pupil numbers. There have been numerous strategies undertaken to ensure that the 3-year budget is balanced against income from fees (even with worst case pupil numbers). These include:

- Credit control continues to be a strong point with 98% of fees collected. Continued to be around this level for the rest of the 2022/23 school year. A robust zero tolerance is also being taken with older non-paying parents to address legacy issues in this respect with letters being issued for non-payment and termination of the educational contract should payments not be met and appropriate recovery action taken.
- A further review of the staffing structure is in place for the Summer of 2023 with key areas being looked at including the efficiencies of the site team and the wider SEN department (especially following the Ofsted report needing focus in this area)
- School fees have been uplifted by between 9 and 11% for the academic year 2023/24. This follows an increase of 7% for the academic year 2022/23 and whilst these increases reflect the ending of the low inflationary economic environment, they also begin to recognise the comparably low fees charged by the school relative to other local fee paying schools and the exceptional value that the school offers. Parents continue to be supportive of the need for such increases, and there has been minimal detrimental impact to pupil numbers as a result.
- The fee assistance policy continues to reduce parental reliance on reduced fees. By outsourcing the financial analysis to a 3<sup>rd</sup> party and reducing the maximum fee assistance level, the school can keep fee assistance budget within 10% of income from fees.
- From September 2022, staff discount for new staff has been reduced from 80% to 60%.
- A contingency plan is in place, should the pupil numbers not rise as expected, to reduce the size of the school and balance the income and costs to a sustainable long-term level. However, at present pupil numbers are rising and there is no need to restructure any part of the school. New exit interviews for key areas are planned to understand why we lose pupils at key points in the educational journey, such as GCSEs and A-Levels, to ensure we understand the reasons for any significant drop off at these points.
- The College of Teachers is considering the future of the Upper School curriculum to include possible accreditation for the Waldorf elements of our provision.
- Three of the four property sales of the four ancillary residential dwellings are now sold (STC).
- A detailed development plan will ensure the funds are carefully directed to development, whilst the operating budget will be drafted to balance without consideration of these additional funds.
- A programme to engage the alumni in financial support has been launched and will include endowment giving and regular donation options.
- Income from additional sources will be driven through lettings of the site and events such as Weddings and Theatre opportunities.
- The School is currently waiting on the outcome from the Department for Education regarding our application to bridge the gap between our 'Parent and Child Group' and Kindergarten classes. This would enable us to maximise the numbers of applications for Kindergarten and has proved to be highly successful in attracting and maintaining fee-paying families in other Steiner schools.

In respect of matters of significant since the balance sheet date, we are aware that the performance of our external catering contract, started in September 2022, has deviated from expectations. This has caused us to run a larger than expected deficit during the first year of working with this company. This has skewed our forecast by approximately £100k in the current financial year. Our robust financial monitoring has enabled us to pick this up early and we are currently exploring a range of options for the next school year to address this issue and ensure that it does not continue into the new financial year (23/24).

Whilst part of the expectation is to clear some historical debt from the sale of the assets, a comprehensive review to build a balanced budget for 2023-24 and beyond without the need to incorporate these asset sales. The increased

# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2022

## REPORT OF THE TRUSTEE

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revenue from pupils and lettings currently forecast will allow us to re-invest these funds back into the school recognising the investment and maintenance obligations that the wonderful historic estate of Michael Hall requires. They will be accompanied by robust cost control measures under the new senior management team members and operational performance changes to ensure we do not go into another deficit through the 2023/24 financial year.

Current forecasts for September 2023 onwards are based on prudent financial benchmarking, while regular, detailed analysis of the fees and a balanced budget for 2023/24 demonstrate a more manageable cash-flow projection.

Having reviewed the current financial data, Trustees are confident that predictions for financial improvements are sound, and are committed to developing a rigorous and comprehensive business plan to focus on marketing and retention to reach the target of 450 pupils on roll in 2 years' time. It is recognised that in order to underpin a healthy and resilient business model, the focus must be on pupil numbers and marketing, as well as clearing historic debt, to free up well earned cash and not a reliance on assets. Current plans anticipate a final, significant asset sale (over £1.3m) that can be carefully channelled into marketing, pupil retention and capitalising on the potential of the estate for income.

The Resources Committee, followed by the Full Trustee Board, meet termly to scrutinise data submitted by school leaders which include the following data sets:

- Cash flow forecasts
- Pupil number predictions
- Principal and School Business Manger Reports
- HR report and staffing salary KPIs - Continual review of affordable staffing levels
- Budget updates
- Strategic plans
- Health and Safety audits
- Outcomes of Financial Working Group
- Post Ofsted Action Plan (current strategic priority)
- School Improvement Plan (due to be created for 2023/24)

Given the critical analysis of all the data provided, combined with the current strategic plans for the growth of the business, Trustees are confident that the school will remain operational and financially viable for the next 12 months.

### STATEMENT OF TRUSTEE'S RESPONSIBILITIES

The Trustees are responsible for preparing the Report of the Trustee and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales requires the trustee to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the trustee is required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustee is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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## REPORT OF THE TRUSTEE

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The trustee is responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

### APPOINTMENT OF AUDITORS

The charity's auditors, Blue Spire Limited, have expressed their willingness to continue as auditors to the charity. A resolution proposing Blue Spire Limited be reappointed will be put forward at the AGM of the charity.

Approved by the Council on 07 August 2023  
..... and signed on its behalf.

*William Forward*

.....  
Trustee

# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2022

## INDEPENDENT AUDITOR'S REPORT

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### Independent Auditor's Report to the Trustee of Michael Hall School

#### Opinion

We have audited the financial statements of Michael Hall School (the 'charity') for the year ended 31 July 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including 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 charity's affairs as at 31 July 2022, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

#### 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 responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Material uncertainty related to going concern

We draw attention to note 26 in the financial statements, which indicates cash flow projections suggest significant doubt exists on the entity's ability to continue as a going concern without the successful sale of some of the school's property assets and implantation of other measures. As stated in note 26, these conditions, along with the other matters as set forth in note 26, indicate that a material uncertainty exists that may cast significant doubt on the school's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

In auditing the financial statements, we have concluded that the trustee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our responsibilities and the responsibilities of the trustee with respect to going concern are described in the relevant sections of this report.

#### Other information

The other information comprises the information included in the report of the trustee, other than the financial statements and our auditor's report thereon. The trustee is responsible for the other information contained within the financial statements. 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

#### Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- the charity has not kept adequate accounting records; or

# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2022

## INDEPENDENT AUDITOR'S REPORT

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- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

### Responsibilities of the trustee

As explained more fully in the trustee's responsibilities statement, the trustee is 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 trustee determines 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 trustee is responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustee either intends to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

### Auditor responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Based on our understanding of the Charity and the sector in which it operates, we identified the principal laws and regulations that directly affect the financial statements to be the Charities Act, Employment Act, Independent Schools Standards. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

In addition, the Charity is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. There is a limitation to areas most likely to have such an effect. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence if any.

Audit procedures performed by the engagement team included:

- Enquiry of management, those charged with governance around actual and potential litigation and claims;
- Enquiry of entity staff to identify any instances of non-compliance with laws and regulations;
- Reviewing minutes of meetings of those charged with governance;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2022

## INDEPENDENT AUDITOR'S REPORT

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A further description of our responsibilities is available on the FRC's website at: <https://www.frc.org.uk/auditors/audit-assurance/auditor-s-responsibilities-for-the-audit-of-the-fi/description-of-the-auditor%E2%80%99s-responsibilities-for>. This description forms part of our auditor's report.

### Use of our report

This report is made solely to the charity's trustee, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustee 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Cawley Priory  
South Pallant  
Chichester  
West Sussex  
PO19 1SY

*Blue Spire limited*

Blue Spire Limited, Statutory Auditor

Date 07 August 2023

*Blue Spire Limited is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.*

# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2022

## STATEMENT OF FINANCIAL ACTIVITIES

	Note	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2022 Total Funds £	2021 Total Funds £
<b>INCOME AND ENDOWMENTS FROM:</b>						
Donations and legacies	1	2,827	-	-	2,827	31,259
Other trading activities	2	171,350	-	-	171,350	137,129
Investments	3	10,210	-	-	10,210	8,624
Charitable activities	4	3,208,809	-	-	3,208,809	3,069,639
Other	5	-	-	-	-	540,900
<b>Total</b>		<u>3,393,196</u>	<u>-</u>	<u>-</u>	<u>3,393,196</u>	<u>3,787,551</u>
<b>EXPENDITURE ON:</b>						
Raising funds	6	37,042	-	-	37,042	26,943
Charitable activities	7	3,498,235	-	-	3,498,235	3,874,949
<b>Total</b>		<u>3,535,277</u>	<u>-</u>	<u>-</u>	<u>3,535,277</u>	<u>3,901,892</u>
Net gains/(losses) on investments	13	(19,088)	-	1,836	(17,252)	75,803
<b>Net income/(expenditure)</b>		<u>(161,169)</u>	<u>-</u>	<u>1,836</u>	<u>(159,333)</u>	<u>(38,538)</u>
<b>Transfers between funds</b>	20	-	-	-	-	-
		<u>(161,169)</u>	<u>-</u>	<u>1,836</u>	<u>(159,333)</u>	<u>(38,538)</u>
Actuarial gains/(losses) on defined benefit pension schemes	18	302,520	-	-	302,520	1,961,404
<b>Net movement in funds</b>		<u>141,351</u>	<u>-</u>	<u>1,836</u>	<u>143,187</u>	<u>1,922,866</u>
<b>RECONCILIATION OF FUNDS</b>						
<b>Total funds brought forward</b>	20	5,205,905	32,308	994,146	6,232,359	4,309,493
<b>Total funds carried forward</b>	20	<u>5,347,256</u>	<u>32,308</u>	<u>995,982</u>	<u>6,375,546</u>	<u>6,232,359</u>

None of the charity's activities were acquired or discontinued during the above two financial years.

The charity has no recognised gains or losses other than those dealt with in the statement of financial activities.

# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2022

## BALANCE SHEET AS AT 31 JULY 2022

	Note	2022		2021	
		£	£	£	£
<b>FIXED ASSETS</b>					
Tangible assets	12	7,850,421		7,857,314	
Investments	13	<u>483,346</u>		<u>500,598</u>	
<b>Total fixed assets</b>			8,333,767		8,357,912
<b>CURRENT ASSETS</b>					
Assets held for sale	14	-		-	
Debtors	15	292,205		445,884	
Cash at hand and in bank		<u>267,825</u>		<u>661,678</u>	
<b>Total current assets</b>		560,030		1,107,562	
<b>CURRENT LIABILITIES</b>					
Creditors: amounts falling due within one year	16	<u>665,631</u>		<u>763,775</u>	
<b>Net current assets/(liabilities)</b>			(105,601)		343,787
<b>Total assets less current liabilities</b>			<u>8,228,166</u>		<u>8,701,699</u>
Creditors: amounts falling due after more than one year	17		(500,620)		(613,340)
Net assets/(liabilities) excluding pension asset/(liability)			<u>7,727,546</u>		<u>8,088,359</u>
Defined benefit pension scheme obligation	18		(1,352,000)		(1,856,000)
<b>Total net assets</b>			<u><u>6,375,546</u></u>		<u><u>6,232,359</u></u>
<b>THE FUNDS OF THE CHARITY</b>					
Endowment funds	20		995,982		994,146
Restricted funds	20		32,308		32,308
Unrestricted funds					
Designated funds	20	5,969,517		5,486,414	
General funds	20	<u>(622,261)</u>		<u>(280,509)</u>	
<b>Total unrestricted funds</b>			5,347,256		5,205,905
<b>Total charity funds</b>			<u><u>6,375,546</u></u>		<u><u>6,232,359</u></u>

The notes on pages 22 to 37 form part of the financial statements.

07 August 2023

The financial statements on pages 16 to 37 we approved and authorised for issue by the trustee on ..... and signed on its behalf by:

*William Forward*

.....  
Trustee

# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2022

## STATEMENT OF CASH FLOWS

	Note	2022		2021	
		£	£	£	£
<b>Net cash flow from operating activities (see below)</b>			(297,526)		2,253
<b>Cash flow from investing activities</b>					
Interest and dividends received		10,210		8,624	
Proceeds from sale of property		-		970,284	
Purchase of property, plant and equipment	12	-		-	
<b>Net cash flow from investing activities</b>			10,210		978,908
<b>Cash flow from financing activities</b>					
Receipts from issue of new loans		-		-	
Repayments of long term loans		(106,537)		(531,867)	
<b>Net cash flow from investing activities</b>			(106,537)		(531,867)
<b>Net increase/(decrease) in cash and cash equivalents</b>			(393,853)		449,294
<b>Cash and cash equivalents at 1 August 2021</b>			661,678		212,384
<b>Cash and cash equivalents at 31 July 2022</b>			<u>267,825</u>		<u>661,678</u>
<b>Cash and cash equivalents consist of:</b>					
Cash at bank and in hand	24		<u>267,825</u>		<u>661,678</u>
<b>Cash and cash equivalents at 31 July 2022</b>			<u>267,825</u>		<u>661,678</u>

### Reconciliation of net income to net cash flow from operating activities

		2022		2021	
		£	£	£	£
Net income for the year			143,187		1,922,866
Adjusted for:					
Interest and dividends		(10,210)		(8,624)	
Interest paid		-		5,239	
(Gains)/losses on investments		17,252		(75,803)	
(Profit)/loss on disposal of tangible fixed assets		-		-	
(Profit)/loss on sale of property		-		(260,408)	
Depreciation and impairment of tangible fixed assets		6,893		8,044	
Decrease/(increase) in debtors		153,679		450,951	
Increase/(decrease) in creditors less than one year		(104,327)		112,500	
Increase/(decrease) in provisions for liabilities		(504,000)		(2,152,512)	
			(440,713)		(1,920,613)
			<u>(297,526)</u>		<u>2,253</u>

# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2022

## ACCOUNTING POLICIES

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### Scope and basis of the financial statements

Michael Hall school is an unincorporated charity governed by a trust deed. The address of the principal office is given in the reference and administrative details section and the nature of the charity's operations and principal activities are given in the trustees' report.

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011 and UK Generally Accepted Accounting Practice.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are presented in sterling which is the functional currency of the charity and rounded to the nearest £ except where marked.

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

### Judgements in applying accounting policies and key sources of estimation uncertainty

Preparation of the financial statements requires management to make judgements and estimates. The key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are that of the Mercury Provident Pension Scheme obligation. More information is provided in the pension scheme policy below and in note 27.

### Incoming resources

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

For donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

For legacies, entitlement is the earlier of the charity being notified of an impending distribution or the legacy being received. At this point income is recognised. On occasion legacies will be notified to the charity however it is not possible to measure the amount expected to be distributed. On these occasions, the legacy is treated as a contingent asset and disclosed.

Income from trading activities includes income earned from fundraising events and trading activities to raise funds for the charity. Income is received in exchange for supplying goods and services in order to raise funds and is recognised when entitlement has occurred.

Income from grants are recognised at fair value when the charity has entitlement after any performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably. If entitlement is not met then these amounts are deferred.

Investment income is earned through holding assets for investment purposes such as shares and property. It includes dividends, interest and rent. Where it is not practicable to identify investment management costs incurred within a scheme with reasonable accuracy the investment income is reported net of these costs. It is included when the amount can be measured reliably. Interest income is recognised using the effective interest method and dividend and rent income is recognised as the charity's right to receive payment is established.

### Resources expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Costs of raising funds includes staff and other costs of raising the charity's profile and investment management fees; and
- Expenditure on charitable activities includes costs of delivery the charity's objects together with support and governance costs.

Grants payable to third parties are within the charitable objectives. Where unconditional grants are offered, this is accrued as soon as the recipient is notified of the grant, as this gives rise to a reasonable expectation that the recipient will receive the grants. Where grants are conditional relating to performance then the grant is only accrued when any unfulfilled conditions are outside of the control of the charity.

# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2022

## ACCOUNTING POLICIES

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### Resources expended (continued)

#### *Support costs allocation*

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs, administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity. Where support costs cannot be directly attributed to particular headings they have been allocated to cost of raising funds and expenditure on charitable activities on a basis consistent with use of the resources.

The analysis of these costs is included in notes 7 and 8.

#### *Redundancy and termination payments*

Termination payments are accounted for on an accruals basis, as above, and classified to the relevant category of expenditure.

### Employee benefits

When employees have rendered service to the Charity, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

### Pensions

The charity operates a defined benefit plan. A liability for the charity's obligations under the plan is recognised net of plan assets. The net change in the net defined benefit liability is recognised as the cost of the defined benefit plan during the period. Pension plan assets are measured at fair value and the defined benefit obligation is measured on an actuarial basis.

Following an amendment to FRS 102 in respect of Multi - employer benefit plans, applicable for the first time in the comparative year, where a change in estimation technique resulted in material change to the value of the liability shown in the accounts.

This is not a change in accounting policy merely a change in estimation derived from using an actuarial basis instead of a discounted cashflow projection of future contributions.

In addition the charity makes contributions towards a defined contribution group personal pension plan which are charged to the SOFA as they fall due.

### Leases

Rentals payable and receivable under operating leases are charged to the SoFA on a straight line basis over the period of the lease.

### Tax

The charity is considered to pass the tests set out in sections 521 to 536 Income Tax Act 2007 (ITA 2007), as such no income tax is payable on the charity's activities.

### VAT

The charity is not registered for VAT and cannot recover VAT incurred on costs. These are therefore stated inclusive of any VAT element.

### Fixed assets

Tangible fixed assets are stated at cost or valuation less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

School site	No depreciation is charged, however the site is subject to an annual impairment review.
Machinery and office equipment	20% reducing balance
Fixtures and fittings	10% reducing balance
Motor vehicles	25% reducing balance
Classroom equipment	7½% to 20% reducing balance

# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2022

## ACCOUNTING POLICIES

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### **Fixed asset investments**

Investments are recognised initially at fair value which is normally the transaction price excluding transaction costs. Subsequently, they are measured at fair value with changes recognised in 'net gains / (losses) on investments' in the SoFA if the shares are publicly traded or their fair value can otherwise be measured reliably.

### **Debtors receivable and creditors payable within one year**

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

### **Doubtful debts provision**

Fees outstanding at the balance sheet date are provided in full where no payments are currently being received. Where payments are being received, amounts expected to be recovered in the next 12 months are not provided.

### **Cash and cash equivalents**

Cash and cash equivalents includes cash at bank and in hand inclusive of foreign currency accounts. Foreign currency transactions are initially recognised by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction. Monetary assets and liabilities denominated in a foreign currency at the balance sheet date are translated using the closing rate.

### **Fund accounting**

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Endowment funds represent those assets which must be held permanently by the charity, principally held as fixed asset investments. Income arising on the endowment funds can be used in accordance with the objects of the charity and is included as unrestricted income. Any capital gains or losses arising on the investments form part of the fund. Investment management charges and legal advice relating to the fund are charged against the fund.

### **Going concern**

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

More information regarding the assessments and considerations taken by trustees in respect of going concern is provided in note 26 of these financial statements. This includes consideration of the school's operating performance and the impact of post balance sheet events.

# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2022

## NOTES TO THE FINANCIAL STATEMENTS

### 1. Donations and legacies

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2022 Total Funds £
Donations	2,827	-	-	2,827
Grants received	-	-	-	-
	<u>2,827</u>	<u>-</u>	<u>-</u>	<u>2,827</u>

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2021 Total Funds £
Donations	31,259	-	-	31,259
Grants received	-	-	-	-
	<u>31,259</u>	<u>-</u>	<u>-</u>	<u>31,259</u>

### 2. Other trading activities

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2022 Total Funds £
Christmas fair	16,435	-	-	16,435
Other fundraising	12,049	-	-	12,049
Estate and rental income	81,968	-	-	81,968
Ancillary income	60,898	-	-	60,898
	<u>171,350</u>	<u>-</u>	<u>-</u>	<u>171,350</u>

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2021 Total Funds £
Christmas fair	65	-	-	65
Other fundraising	-	-	-	-
Estate and rental income	70,676	-	-	70,676
Ancillary income	66,388	-	-	66,388
	<u>137,129</u>	<u>-</u>	<u>-</u>	<u>137,129</u>

### 3. Income from investments

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2022 Total Funds £
Investment income	10,210	-	-	10,210
Bank interest	-	-	-	-
	<u>10,210</u>	<u>-</u>	<u>-</u>	<u>10,210</u>

# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2022

## NOTES TO THE FINANCIAL STATEMENTS

### 3. Income from investments (continued)

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2021 Total Funds £
Investment income	8,622	-	-	8,622
Bank interest	2	-	-	2
	<u>8,624</u>	<u>-</u>	<u>-</u>	<u>8,624</u>

### 4. Income from charitable activities

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2022 Total Funds £
Tuition fees	3,493,218	-	-	3,493,218
Reduced fee contracts	(391,522)	-	-	(391,522)
Chargeable disbursements	107,113	-	-	107,113
Lunches and catering income	-	-	-	-
	<u>3,208,809</u>	<u>-</u>	<u>-</u>	<u>3,208,809</u>

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2021 Total Funds £
Tuition fees	3,596,705	-	-	3,596,705
Reduced fee contracts	(583,976)	-	-	(583,976)
Chargeable disbursements	56,934	-	-	56,934
Lunches and catering income	(24)	-	-	(24)
	<u>3,069,639</u>	<u>-</u>	<u>-</u>	<u>3,069,639</u>

### 5. Other income

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2022 Total Funds £
Gains on disposal of property held for sale	-	-	-	-
Coronavirus UK Government support	-	-	-	-
Interest receivable on unpaid school fees	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2021 Total Funds £
Gains on disposal of property held for sale	260,408	-	-	260,408
Coronavirus UK Government support	276,991	-	-	276,991
Interest receivable on unpaid school fees	3,501	-	-	3,501
	<u>540,900</u>	<u>-</u>	<u>-</u>	<u>540,900</u>

# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2022

## NOTES TO THE FINANCIAL STATEMENTS

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### 6. Raising funds

	<b>Unrestricted Funds £</b>	<b>Restricted Funds £</b>	<b>Endowment Funds £</b>	<b>2022 Total Funds £</b>
Ancillary expenditure	4,345	-	-	4,345
Salary costs of raising funds	24,752	-	-	24,752
Christmas fair and other fundraising costs	7,945	-	-	7,945
	<u>37,042</u>	<u>-</u>	<u>-</u>	<u>37,042</u>

	<b>Unrestricted Funds £</b>	<b>Restricted Funds £</b>	<b>Endowment Funds £</b>	<b>2021 Total Funds £</b>
Ancillary expenditure	4,247	-	-	4,247
Salary costs of raising funds	22,729	-	-	22,729
Christmas fair and other fundraising costs	(33)	-	-	(33)
	<u>26,943</u>	<u>-</u>	<u>-</u>	<u>26,943</u>

# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2022

## NOTES TO THE FINANCIAL STATEMENTS

### 7. Charitable activities

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2022 Total Funds £
<u>Education</u>				
Teachers salaries	1,928,163	-	-	1,928,163
Staff training and development	48,996	-	-	48,996
Supplies and equipment	88,295	-	-	88,295
Chargeable disbursements cost	163,245	-	-	163,245
Depreciation	2,326	-	-	2,326
Minibus costs	680	-	-	680
Minibus depreciation	130	-	-	130
	<u>2,231,835</u>	<u>-</u>	<u>-</u>	<u>2,231,835</u>
<u>Welfare</u>				
Catering salaries	-	-	-	-
Catering supplies and equipment	3,952	-	-	3,952
Medical salaries	22,605	-	-	22,605
Medical	166	-	-	166
	<u>26,723</u>	<u>-</u>	<u>-</u>	<u>26,723</u>
<u>Premises</u>				
Health and safety	27,266	-	-	27,266
Estate salaries	239,750	-	-	239,750
Property maintenance	85,257	-	-	85,257
Site improvements	25,000	-	-	25,000
Light and heat	113,974	-	-	113,974
Insurance	52,695	-	-	52,695
Cleaning	15,485	-	-	15,485
Rates & water	43,083	-	-	43,083
	<u>602,510</u>	<u>-</u>	<u>-</u>	<u>602,510</u>
<u>Support costs</u>				
Administration salaries	323,784	-	-	323,784
Telephone and postage	7,770	-	-	7,770
Printing and stationery	1,595	-	-	1,595
Communications and PR	1,517	-	-	1,517
Insurance	4,470	-	-	4,470
Office equipment and IT	106,155	-	-	106,155
Legal and professional fees	35,542	-	-	35,542
Subscriptions	21,955	-	-	21,955
General admin expenses	9,785	-	-	9,785
Depreciation	4,437	-	-	4,437
Finance costs	64,284	-	-	64,284
Bad debts and provision for bad debts	35,973	-	-	35,973
Governance costs (see note 8)	19,900	-	-	19,900
	<u>637,167</u>	<u>-</u>	<u>-</u>	<u>637,167</u>
	<u>3,498,235</u>	<u>-</u>	<u>-</u>	<u>3,498,235</u>

# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2022

## NOTES TO THE FINANCIAL STATEMENTS

### 7. Charitable activities (continued)

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2021 Total Funds £
<u>Education</u>				
Teachers salaries	2,144,728	-	-	2,144,728
Staff training and development	51,813	-	-	51,813
Supplies and equipment	64,807	-	-	64,807
Chargeable disbursements cost	45,171	-	-	45,171
Depreciation	2,630	-	-	2,630
Minibus costs	15,791	-	-	15,791
Minibus depreciation	173	-	-	173
	<u>2,325,113</u>	<u>-</u>	<u>-</u>	<u>2,325,113</u>
<u>Welfare</u>				
Catering salaries	19,155	-	-	19,155
Catering supplies and equipment	1,895	-	-	1,895
Medical salaries	27,032	-	-	27,032
Medical	2,692	-	-	2,692
	<u>50,774</u>	<u>-</u>	<u>-</u>	<u>50,774</u>
<u>Premises</u>				
Health and safety	18,222	-	-	18,222
Estate salaries	212,134	-	-	212,134
Property maintenance	77,286	-	-	77,286
Site improvements	-	-	-	-
Light and heat	94,038	-	-	94,038
Insurance	35,028	-	-	35,028
Cleaning	13,057	-	-	13,057
Rates & water	38,082	-	-	38,082
	<u>487,847</u>	<u>-</u>	<u>-</u>	<u>487,847</u>
<u>Support costs</u>				
Administration salaries	616,639	-	-	616,639
Telephone and postage	7,349	-	-	7,349
Printing and stationery	3,670	-	-	3,670
Communications and PR	2,190	-	-	2,190
Insurance	5,019	-	-	5,019
Office equipment and IT	71,209	-	-	71,209
Legal and professional fees	84,357	-	-	84,357
Subscriptions	30,619	-	-	30,619
General admin expenses	13,326	-	-	13,326
Depreciation	5,241	-	-	5,241
Finance costs	85,045	-	-	85,045
Bad debts and provision for bad debts	66,651	-	-	66,651
Governance costs (see note 8)	19,900	-	-	19,900
	<u>1,011,215</u>	<u>-</u>	<u>-</u>	<u>1,011,215</u>
	<u>3,874,949</u>	<u>-</u>	<u>-</u>	<u>3,874,949</u>

# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2022

## NOTES TO THE FINANCIAL STATEMENTS

### 8. Governance costs

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2022 Total Funds £
Salaries	10,000	-	-	10,000
Auditors' fees - current year	9,900	-	-	9,900
Council expenses	-	-	-	-
	<u>19,900</u>	<u>-</u>	<u>-</u>	<u>19,900</u>

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2021 Total Funds £
Salaries	10,000	-	-	10,000
Auditors' fees - current year	9,900	-	-	9,900
Council expenses	-	-	-	-
	<u>19,900</u>	<u>-</u>	<u>-</u>	<u>19,900</u>

### 9. Fees payable to independent auditors

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2022 Total Funds £
Auditors' remuneration - audit	<u>9,900</u>	<u>-</u>	<u>-</u>	<u>9,900</u>

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2021 Total Funds £
Auditors' remuneration - audit	<u>9,900</u>	<u>-</u>	<u>-</u>	<u>9,900</u>

### 10. Staff costs and information

	2022 Total £	2021 Total £
Gross wages	2,280,969	2,519,145
Employer's national insurance costs	197,736	208,974
Pension costs	63,405	71,720
Termination payments*	-	274,456
	<u>2,542,110</u>	<u>3,074,295</u>

\* Termination benefits in the comparative year were in full settlement.

	2022	2021
Staff numbers:		
Average head count	<u>107</u>	<u>119</u>

During the year under review one employee (2021: one employees) received employee benefits (excluding employer pension costs) of more than £60,000 in the range £60,000 to £70,000 (2021: £210,000 to £220,000 inclusive of termination benefits).

The pension costs charge above has been charged to the Statement of Financial Activities.

# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2022

## NOTES TO THE FINANCIAL STATEMENTS

### 11. Related party transactions

No trustee received remuneration, or other employment benefits for being a trustee in this or the comparative year.

Remuneration was paid to the following trustees in relation to their employment as teachers and support staff:

	2022			2021		
	Salary	National insurance	Pension	Salary	National insurance	Pension
	£	£	£	£	£	£
V King	3,753	375	113	30,440	2,598	913
M MacDonald	1,751	140	88	21,017	1,685	1,051
	<u>5,504</u>	<u>515</u>	<u>201</u>	<u>51,457</u>	<u>4,283</u>	<u>1,964</u>

In addition to the above W Forward was remunerated on a self employed basis for services provided amounting to £3,388 in the year under review and £5,853 in the comparative year.

During the year under review remuneration for spouses and children of trustees amounted to £16,238 (2021: £28,886). In addition national insurance contributions totalling £879 (2021: £1,152) and pension contributions totalling £487 (2021: £809) were made on behalf of spouses and children of trustees.

Trustees (and spouses) who are teachers or other staff members receive remuneration in that capacity and not for acting as a trustee. This remuneration is authorised under section 4 of the Memorandum of Association of Michael Hall School Limited.

Total employee benefits, inclusive of employer national insurance contributions and employer pension contributions, received by the school's seven (2021: twelve) key management personnel amounted to £308,000 (2021: £656,549 inclusive termination benefits of £124,372) during the year under review. In the comparative year family members of two of the school's key management personnel received employee benefits totalling £17,162.

During the year two (2021: three) of the school's key management personnel received staff discounts in relation to their children's school fees of £20,585 (2021: £32,670) and sibling discounts of £nil (2021: £2,172). These discounts were received on the same terms in relation to discounts given to teachers and siblings without key management personnel status. At the balance sheet date £35 (2021: £1,790) was outstanding from these individuals.

One trustee (2021: no trustees) had expenses reimbursed or paid on their behalf for training amounting to £135 with an additional £385 reimbursed for medical costs.

Expenses reimbursed to and paid on behalf of three members (2021: one member) of key management personnel for training totalled £886 (2021 training: £1,200) in the year under review.

	2022	2021
	£	£
Tuition fees charged to 2 (2021: 5) Parent Trustees net of discounts amounted to	<u>50,902</u>	<u>67,913</u>

The following individuals who were trustees for all or part of the year were educating their children at the school:

H Hebrank (2020/21 only)  
V King (2020/21 only)  
S Kirby (2020/21 only)  
N Michaels  
T Souleiman  
J Angus

Tuition fees are charged on normal commercial terms, except for teacher trustees who, as with all teachers, receive a 80% (2021: 80%) discount after other discounts on a pro-rata basis. Total staff discount for trustees in the comparative year was £10,648. Other discounts, inclusive of sibling and reduced fees, were provided on the same basis as those to other parents amounted to £1,459 (2021: £9,302).

Outstanding fees and extras charges from trustees at the year end was £839 (2021: £1,301).

# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2022

## NOTES TO THE FINANCIAL STATEMENTS

### 12. Tangible fixed assets

	School site £	Machinery & office equipment £	Fixtures & fittings £	Motor vehicles £	Classroom equipment £	Total £
Cost						
Brought forward	7,798,567	393,046	284,722	21,904	308,366	8,806,605
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
	<u>7,798,567</u>	<u>393,046</u>	<u>284,722</u>	<u>21,904</u>	<u>308,366</u>	<u>8,806,605</u>
Depreciation						
Accumulated brought forward	-	381,859	262,731	21,380	283,321	949,291
Charge	-	2,238	2,199	130	2,326	6,893
On disposals	-	-	-	-	-	-
	<u>-</u>	<u>384,097</u>	<u>264,930</u>	<u>21,510</u>	<u>285,647</u>	<u>956,184</u>
Net book value carried forward	<u>7,798,567</u>	<u>8,949</u>	<u>19,792</u>	<u>394</u>	<u>22,719</u>	<u>7,850,421</u>
Net book value brought forward	<u>7,798,567</u>	<u>11,187</u>	<u>21,991</u>	<u>524</u>	<u>25,045</u>	<u>7,857,314</u>

On transition to FRS 102 SORP (2015) a valuation, provided by Strutt and Parker, of the school site has been included as deemed cost as at 1 August 2014. The site is considered for impairment at each balance sheet date.

### 13. Investments

	2022 £	2021 £
<b>Listed investments</b>		
Market value brought forward	500,598	424,795
Additions at cost	-	-
Disposals at carrying value	-	-
Gains/(losses) on revaluation	(17,252)	75,803
<b>Market value carried forward</b>	<u>483,346</u>	<u>500,598</u>
<i>The investments above are analysed as follows:</i>		
Listed investments	139,364	158,452
Unit trusts and similar investments	341,467	342,146
	<u>480,831</u>	<u>500,598</u>

### 14. Assets held for sale

	2022 £	2021 £
Property for sale	-	-
	<u>-</u>	<u>-</u>

# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2022

## NOTES TO THE FINANCIAL STATEMENTS

### 15. Debtors

	2022	2021
	£	£
Fees outstanding	497,395	666,884
Fee provision	(250,000)	(250,000)
Prepayments	41,823	25,305
Other debtors	2,987	3,695
	<u>292,205</u>	<u>445,884</u>

### 16. Creditors: amounts falling due in less than one year

	2022	2021
	£	£
Loans	110,918	104,736
Trade creditors	37,963	30,762
Fees in advance	-	9,200
Deposits from parents	43,246	500
Other creditors and accruals	473,504	618,577
	<u>665,631</u>	<u>763,775</u>

### 17. Creditors: amounts falling due after one year

	2022	2021
	£	£
Loans	500,620	613,340
	<u>500,620</u>	<u>613,340</u>

One bank loan, with a year end balance of £339,538 (2021: £378,075), is secured over several of the school's freehold properties and is repayable over a period of 25 years from August 2005. The remaining balance of loans is unsecured.

### 18. Defined benefit obligation

	2022	2021
	£	£
Brought forward	1,856,000	4,008,512
Payments made	(201,480)	(191,108)
Charge to statement of financial activities	(302,520)	(1,961,404)
Carried forward	<u>1,352,000</u>	<u>1,856,000</u>

The above provision arises from the pension scheme's deficit funding arrangement. More information regarding the pensions scheme can be found in note 27.

# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2022

## NOTES TO THE FINANCIAL STATEMENTS

### 19. Analysis of net assets between funds

	General funds £	Designated funds £	Restricted funds £	Endowment funds £	2022 Total funds £	2021 Total funds £
Tangible assets	-	7,198,421	-	652,000	7,850,421	7,857,314
Investments	18,783	123,096	-	341,467	483,346	500,598
Current assets	525,207	-	32,308	2,515	560,030	1,107,562
Creditors: <1 year	(665,631)	-	-	-	(665,631)	(763,775)
Creditors: >1 year	(500,620)	-	-	-	(500,620)	(613,340)
Pension scheme deficit	-	(1,352,000)	-	-	(1,352,000)	(1,856,000)
<b>Net assets at 31 July</b>	<b>(622,261)</b>	<b>5,969,517</b>	<b>32,308</b>	<b>995,982</b>	<b>6,375,546</b>	<b>6,232,359</b>

### 20. Analysis of movement in funds

	Brought forward £	Incoming resources £	Outgoing resources £	All gains/ (losses) £	Transfers £	Carried forward £
<b>Permanent endowment funds</b>						
Permanent Endowment Fund	652,000	-	-	-	-	652,000
Endowment Recoupment Fund	342,146	-	-	1,836	-	343,982
<b>Total endowment funds</b>	<b>994,146</b>	<b>-</b>	<b>-</b>	<b>1,836</b>	<b>-</b>	<b>995,982</b>
<b>Restricted funds</b>						
ESCC	3,000	-	-	-	-	3,000
Clockhouse Fund	3,789	-	-	-	-	3,789
Outdoor terrace repair	22,801	-	-	-	-	22,801
Natural England Fund	2,718	-	-	-	-	2,718
<b>Total restricted funds</b>	<b>32,308</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>32,308</b>
<b>Designated and general funds</b>						
WO Field bequest	137,100	-	-	(14,004)	-	123,096
Pension deficit (see note 18)	(1,856,000)	-	-	302,520	201,480	(1,352,000)
Fixed asset reserve (see note 12)	7,205,314	-	(6,893)	-	-	7,198,421
Total designated funds	5,486,414	-	(6,893)	288,516	201,480	5,969,517
General reserves	(280,509)	3,393,196	(3,528,384)	(5,084)	(201,480)	(622,261)
<b>Total unrestricted funds</b>	<b>5,205,905</b>	<b>3,393,196</b>	<b>(3,535,277)</b>	<b>283,432</b>	<b>-</b>	<b>5,347,256</b>
<b>Total funds</b>	<b>6,232,359</b>	<b>3,393,196</b>	<b>(3,535,277)</b>	<b>285,268</b>	<b>-</b>	<b>6,375,546</b>

### Restricted funds

ESCC Grant received from East Sussex County Council for healthy eating programme

Clockhouse Fund Grants received to support the costs of repair to the Clockhouse

Outdoor terrace repair Funds received to support the costs of repair to the outdoor terrace

Natural England Fund Grant received to conduct an environmental study on the school site

### Designated funds

WO Field bequest Funds received to support complementary health care costs for employees of the school.

# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2022

## NOTES TO THE FINANCIAL STATEMENTS

### 21. Transfer between funds

From	To	Unrestricted Funds	
		General £	Designated £
<i>Transfer 1</i>			
General fund	Pension deficit	(201,480)	201,480
		<u>(201,480)</u>	<u>201,480</u>

Transfer of funds from unrestricted general funds representing payments made during the year.

### 22. Financial instruments

The carrying amounts of the charity's financial instruments are as follows:

	2022 Total Funds £	2021 Total Funds £
<i>Financial assets</i>		
Measured at fair value through net income/(expenditure):		
Fixed asset investments (note 13)	483,346	500,598
	<u>483,346</u>	<u>500,598</u>
Debt instruments measured at amortised cost:		
Trade debtors (note 15)	497,395	666,884
	<u>497,395</u>	<u>666,884</u>
<i>Financial liabilities</i>		
Measured at amortised cost:		
Trade creditors (note 16)	37,963	30,762
Bank loan (notes 16 and 17)	611,538	718,076
	<u>649,501</u>	<u>748,838</u>

The income, expense, net gains and net losses attributable to the charity's financial instruments are summarised as follows:

	2022 Total Funds £	2021 Total Funds £
<i>Income and expense</i>		
Financial assets measured at fair value through net income/(expenditure)		
Investment income	10,210	8,622
	<u>10,210</u>	<u>8,622</u>
<i>Net gains and losses (including changes in fair value)</i>		
Financial assets measured at fair value through net income/(expenditure)		
Unrealised gains/(losses) on investments	(17,252)	75,803
	<u>(17,252)</u>	<u>75,803</u>

# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2022

## NOTES TO THE FINANCIAL STATEMENTS

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### 23. Operating leases

At the balance sheet date the school had total future minimum lease payments under non-cancellable operating leases payable as follows:

	Office equipment £	Vehicles £	2022 Total £	Office equipment £	Vehicles £	2021 Total £
In less than one year	-	16,315	16,315	-	16,315	16,315
In more than one year less than five years:	-	16,315	16,315	-	16,315	16,315
More than five years	-	6,798	6,798	-	23,113	23,113
	<u>-</u>	<u>39,428</u>	<u>39,428</u>	<u>-</u>	<u>55,743</u>	<u>55,743</u>

### 24. Analysis of changes in net debt

	2020 £	Cash flows £	2021 £	Cash flows £	2022 £
Long term borrowings	1,244,826	(526,750)	718,076	(106,538)	611,538
Short term borrowings	-	-	-	-	-
Total liabilities	<u>1,244,826</u>	<u>(526,750)</u>	<u>718,076</u>	<u>(106,538)</u>	<u>611,538</u>
Cash and cash equivalents	<u>(212,384)</u>	<u>(449,294)</u>	<u>(661,678)</u>	<u>393,853</u>	<u>(267,825)</u>
Total net debt	<u>1,032,442</u>	<u>(976,044)</u>	<u>56,398</u>	<u>287,315</u>	<u>343,713</u>

# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2022

## NOTES TO THE FINANCIAL STATEMENTS

### 25. Comparative Statement of Financial Activities and Analysis of movement in funds

	Note	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2021 Total Funds £
<b>INCOME AND ENDOWMENTS FROM:</b>					
Donations and legacies	1	31,259	-	-	31,259
Other trading activities	2	137,129	-	-	137,129
Investments	3	8,624	-	-	8,624
Charitable activities	4	3,069,639	-	-	3,069,639
Other	5	540,900	-	-	540,900
<b>Total</b>		<b>3,787,551</b>	<b>-</b>	<b>-</b>	<b>3,787,551</b>
<b>EXPENDITURE ON:</b>					
Raising funds	6	26,943	-	-	26,943
Charitable activities	7	3,874,949	-	-	3,874,949
<b>Total</b>		<b>3,901,892</b>	<b>-</b>	<b>-</b>	<b>3,901,892</b>
Net gains/(losses) on investments	13	24,583	-	51,220	75,803
<b>Net income/(expenditure)</b>		<b>(89,758)</b>	<b>-</b>	<b>51,220</b>	<b>(38,538)</b>
<b>Transfers between funds</b>	20	-	-	-	-
		<b>(89,758)</b>	<b>-</b>	<b>51,220</b>	<b>- 38,538</b>
Actuarial gains/(losses) on defined benefit pension schemes	18	1,961,404	-	-	1,961,404
<b>Net movement in funds</b>		<b>1,871,646</b>	<b>-</b>	<b>51,220</b>	<b>1,922,866</b>
<b>RECONCILIATION OF FUNDS</b>					
<b>Total funds brought forward</b>	20	3,357,060	9,507	942,926	4,309,493
<b>Total funds carried forward</b>	20	<b>5,228,706</b>	<b>9,507</b>	<b>994,146</b>	<b>6,232,359</b>

# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2022

## NOTES TO THE FINANCIAL STATEMENTS

### 25. Comparative Statement of Financial Activities and Analysis of movement in funds (continued)

	Brought forward	Incoming resources	Outgoing resources	Unrealised gains/ (losses)	Transfers	Carried forward
	£	£	£	£	£	£
<b>Permanent endowment funds</b>						
Permanent Endowment Fund	652,000	-	-	-	-	652,000
Endowment Recoupment Fund	290,926	-	-	51,220	-	342,146
<b>Total endowment funds</b>	<u>942,926</u>	<u>-</u>	<u>-</u>	<u>51,220</u>	<u>-</u>	<u>994,146</u>
<b>Restricted funds</b>						
ESCC	3,000	-	-	-	-	3,000
Clockhouse Fund	3,789	-	-	-	-	3,789
Outdoor terrace repair	-	30,001	(7,200)	-	-	22,801
Natural England Fund	2,718	-	-	-	-	2,718
<b>Total restricted funds</b>	<u>9,507</u>	<u>30,001</u>	<u>(7,200)</u>	<u>-</u>	<u>-</u>	<u>32,308</u>
<b>Designated and general funds</b>						
WO Field bequest	116,811	-	-	20,289	-	137,100
Pension deficit (see note 18)	(4,008,512)	-	-	1,961,404	191,108	(1,856,000)
Fixed asset reserve (see note 12)	7,213,358	-	(8,044)	-	-	7,205,314
Total designated funds	<u>3,321,657</u>	<u>-</u>	<u>(8,044)</u>	<u>1,981,693</u>	<u>191,108</u>	<u>5,486,414</u>
General reserves	35,403	3,757,550	(3,886,648)	4,294	(191,108)	(280,509)
<b>Total unrestricted funds</b>	<u>3,357,060</u>	<u>3,757,550</u>	<u>(3,894,692)</u>	<u>1,985,987</u>	<u>-</u>	<u>5,205,905</u>
<b>Total funds</b>	<u>4,309,493</u>	<u>3,787,551</u>	<u>(3,901,892)</u>	<u>2,037,207</u>	<u>-</u>	<u>6,232,359</u>

### 26. Post balance sheet events and going concern

During the year under review the school has seen a depletion in its cash reserves as a result in part of the continued payment of debt finance and pension deficit contributions on the historic defined benefit pension scheme with these cash outflows continuing beyond the year end.

Costs have continued to be monitored and restricted where possible with the exception of wages and energy price increases with non essential expenditure curtailed throughout the year and in the period since the year end. For the financial year 2022-23 charges for school places have been increased by 7% and just under 11% for 2023-24. In addition pupil numbers are due to increase for the financial year 2023-24.

The effect of the measures outlined above is expected to significantly improve the ongoing cash flow of the school over subsequent accounting periods with further price increases planned to be implemented annually.

The trustees have considered the use of land and properties on the extremes of the site and identified four properties for disposal without damaging or interfering with the school's operations. At the point of approval of these financial statements the sales are at differing stages of completion and expected to be completed in the second half of 2023.

The trustees have concluded the timely sale of the properties is essential to provide the school with a cash injection to remove some of the debt finance and undertake work to improve the site over the coming years. It is envisaged the improved facilities will encourage more families to opt to educate their children at the school, which coupled with the increasing fee levels will provide the basis for improving the charity's cash and overall reserves position.

# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2022

## NOTES TO THE FINANCIAL STATEMENTS

### 27. Pensions

The Company participates in the Main Section of the Mercury Provident Pension Scheme (the Scheme), a UK registered trust based pension scheme that provides defined benefits.

Pension benefits are linked to the members' final pensionable salaries and service at their retirement (or date of leaving if earlier). The Trustee of the Scheme is responsible for running the Scheme in accordance with the Scheme's Trust Deed and Rules. The Trustee is required to act in the best interests of the beneficiaries of the Scheme.

There are two categories of Scheme members:

- Deferred members: members who have left pensionable service with deferred benefits which have yet to come into payment.
- Pensioner members: members in receipt of pension.

The value of the defined benefit obligation for the 31 July 2022 is derived by approximately adjusting the results of the triennial valuation as at 29 December 2018.

In adjusting the value of the defined benefit obligation allowance has been made over the relevant periods for:

- benefits paid out to members;
- price inflation; and
- member movements.

All other experience is assumed to be in line with the assumptions at the start of the period. The value of the defined benefit obligation is adjusted for changes in the assumptions.

The results of the most recent formal actuarial valuation as at 29 December 2018 have been updated to the Company year ends by a qualified independent actuary. The assumptions used were as follows:

	Year end 31 July 2022		Year end 31 July 2021	
<i>Significant actuarial assumptions</i>				
Discount rate	3.40% pa		1.5% pa	
RPI inflation	3.40% pa		3.15% pa	
CPI inflation	2.90% pa		2.55% pa	
<i>Mortality assumptions</i>				
Mortality	100% S3PMA_All/ 100% S3PFA_All CMI_2021_M/F [1.25%] (yob)		100% S3PMA_All/ 100% S3PFA_All CMI_2020_M/F [1.25%] (yob)	
<i>Other actuarial assumptions</i>				
Pension increases:				
Pre 88 GMP	Nil		Nil	
Post 88 GMP	2.40% pa		2.25% pa	
Pre 97 excess	Nil		Nil	
97-05 pension	2.90% pa		2.55% pa	
Post 2005 pension	2.20% pa		2.00% pa	
Revaluation of deferred pensions in excess of GMP:	2.90% pa		2.55% pa	
<i>Life expectancies (in years)</i>				
	Male	Female	Male	Female
For an individual aged 65 in 2021	22	24.4	21.9	24.3
At age 65 for an individual aged 45 in 2021	23.3	25.8	23.2	25.7

# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2022

## NOTES TO THE FINANCIAL STATEMENTS

### 27. Pensions (continued)

The fair value of the Company's share of the assets of the Scheme was:

	Year end 31 July 2022 £'000s	Year end 31 July 2021 £'000s
<i>Asset class</i>		
Equities	1,474	1,442
Diversified Credit Funds (DCFs)	500	556
Liability Driven Investments (LDIs)	420	666
Diversified Growth Funds (DGFs)	491	597
Cash	194	270
Total	3,079	3,531

The return on the assets was:

	Year end 31 July 2022 £'000s	Year end 31 July 2021 £'000s
<i>Return</i>		
Interest income	52	40
Return on assets less interest income	(417)	371
Total return on assets	(365)	411

Reconciliation to the balance sheet:

	Year end 31 July 2022 £'000s	Year end 31 July 2021 £'000s
Market value of assets	3,079	3,531
Present value of defined benefit obligation	4,431	5,387
Funded status	(1,352)	(1,856)
Irrecoverable surplus	-	-
Pension asset/(liability) recognised in the Statement of Financial Position before allowance for deferred tax	(1,352)	(1,856)

Reconciliation of Scheme's assets and defined benefit obligation

	Assets £'000s	Defined benefit obligation £'000s	Net position £'000s
At 1 August 2021	3,531	(5,387)	(1,856)
Benefits paid:			
Pensions	(210)	210	-
Transfers	-	-	-
Other	(13)	13	-
Employer contributions	201	-	201
Member contributions	-	-	-
Current service cost	-	-	-
Administration expenses	(65)	-	(65)
Past service cost	-	-	-
Settlements	-	-	-
Business combinations/bulk transfers	-	-	-
Interest income/cost	52	(79)	(27)
Remeasurement gains/(losses):			
Actuarial gains/(losses): Change of basis	-	892	892
Actuarial gains/(losses): Experience	-	(80)	(80)
Return on assets excluding interest income	(417)	-	(417)
At 31 July 2022	3,079	(4,431)	(1,352)

**MICHAEL HALL SCHOOL**

England & Wales - Charity number 307006

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# Accounts

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**MICHAEL HALL SCHOOL**

**Trustees Report**

**and Financial Statements**

**for the year ended 31 July 2021**

**Registered Charity Number 307006**

# **MICHAEL HALL SCHOOL**

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2021

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# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2021

## REFERENCE AND ADMINISTRATIVE DETAILS

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### Trustee

The sole trustee of the charity is a company limited by guarantee, Michael Hall School Limited, company number 539034. The directors of this company are the Council of Trustees of the charity for charity law purposes and are set out below:

W Forward	(Teacher, Chair from 21/02/21)	(appointed 20 March 2017)
J Sharpe	(Independent, Chair from 16/10/20 to 21/02/21)	(resigned 21 February 2021)
S Rafferty	(Independent, Chair to 16/10/20)	(resigned 16 October 2020)
H Hebrank	(Parent)	(resigned 11 September 2021)
M Hindler	(Independent)	(appointed 10 January 2020)
V King	(Teacher)	(resigned 11 September 2021)
S Kirby	(Independent)	(appointed 16 March 2019)
L Lines	(Independent)	(appointed 3 February 2021)
M Macdonald	(Teacher)	(resigned 11 September 2021)
E Maslen	(Parent)	(appointed 13 November 2019)
T Michaels	(Parent)	(appointed 23 November 2020)
B Ozgen	(Parent)	(resigned 16 November 2020)
T Souleiman	(Parent)	(appointed 9 December 2019)

The Association members are the guarantors of the trustee company and hold the right to appoint or remove members of the Council of Trustees. No person may be appointed as a member unless they are an Association member.

### Management

The trustees delegate the day to day management of the school to committees comprised of members of staff.

### Key management personnel (throughout year to end of academic year 2021/22 unless stated otherwise)

P Farr	Principal (to March 2021)
E Hawker	Acting Principal (from March 2021)
M Fielding	Early Years Faculty Chair (to July 2021)
R Ford-Blanchard	Early Years Assistant Principal (from 1 January 2022)
M Devaris	Upper School Assistant Principal
R Siddons	Upper School Assistant Principal (to March 2021)
J Courtenay	Lower School Assistant Principal
L James	Business Manager
J Phillips	SENDCO
C Parker	Designated Safeguarding Lead (from 4 November 2021)

### Principal office

Kidbrooke Park  
Priory Road  
Forest Row  
East Sussex  
RH18 5JA

### Charity registered number

307006

### Auditors

Blue Spire Limited  
Cawley Priory  
South Pallant  
Chichester  
West Sussex  
PO19 1SY

# **MICHAEL HALL SCHOOL**

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2020

## **REFERENCE AND ADMINISTRATIVE DETAILS**

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### **Solicitors**

Ellis Whittham Limited  
Woodhouse  
Aldford  
Chester  
Cheshire  
CH3 6JD

### **Bankers**

HSBC  
38 London Road  
East Grinstead  
West Sussex  
RH19 1AB

Barclays Bank Plc  
18 Southgate Street  
Gloucester  
GL1 2DH

Triodos Bank  
Brunel House  
11 The Promenade  
Bristol  
BS8 3NN

# **MICHAEL HALL SCHOOL**

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2021

## **REPORT OF THE TRUSTEE**

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The Trustees have pleasure in presenting the annual report for the purposes of the Charities Act 2011, together with the accounts for the year ended 31 July 2021. The trustees have adopted the provisions of the Statement of Recommended Practice "Accounting and Reporting by Charities" (FRS 102) in preparing the annual report and financial statements of the charity.

### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

Michael Hall School is a registered charity constituted as an unincorporated association under a trust deed dated 21 January 1925 and the Memorandum and Articles of Association of the trustee company dated 25 September 1954 as revised.

It is controlled by the Council of Trustees whose members are appointed or removed by Association of Trust Members and are trustees for the purposes of charity law.

Trustees hold portfolio responsibilities that map onto the school's priorities and make reference to the Ofsted Inspection Framework that came into effect in May 2019.

All trustees are selected based on the contribution that they will make to the governance of the organisation and their relevant knowledge, skills and experiences. They are supported with copies of the Charity Commission's guidance to trustees and given an introduction to the activities of the charity by the existing Board and School's senior staff. Trustees are provided with training as and when required and there is an annual training plan for trustees which sits alongside the school's workforce development plans. New Trustees are inducted through a process which incorporates training in various relevant areas including Health and Safety, Safer Recruitment, Safeguarding and Child Protection.

The setting of pay and remuneration is completed by the trustees with reference to publicised pay scales and benchmarked against similar roles in comparable organisations.

In June 2019, and in response to an inspection of the school made by Ofsted, Trustees began a process of reviewing and renewing the School's leadership. This led to the appointment of the School's first Principal in November 2019 with a new interim leadership team appointed in January 2020. These new arrangements replaced the previous leadership structures by putting professional teaching staff in charge of the day to day running of the school and its educational development. In May 2020 a new leadership team was put in place resulting in four assistant principals, a School Business Manager and a SENCO all reporting directly to the Principal.

Following an Ofsted inspection in March 2021, it was announced via the subsequent Ofsted report that the school's Principal had been suspended. An existing Assistant Principal stepped into the role of Acting Principal as of March 2021 and continues to hold this position.

The School is a member school of the Steiner Waldorf Schools Fellowship (SWSF), which has a code of conduct and has recommendations for policies and procedures. Under the leadership of the Acting Principal, the school now enjoys a close and effective partnership with the SWSF.

### **Risk Management**

The trustees have assessed the significant risks to which the charity is exposed. Following the most recent full Ofsted inspection, the greatest risk facing the school remains the current Ofsted rating (and the subsequent impact on pupil numbers). Although many of our parent body do not subscribe to Ofsted as an important indicator of a child's success at school, there can be no doubt that it has had an impact on our pupil numbers, which are lower than optimal. Significant work to ensure that the next full inspection results in a positive grading and report has been undertaken and continues to be a primary focus of the school's leadership. In November 2021, Ofsted conducted a "Performance Monitoring Inspection" to check on progress of improvement until such time as a full Ofsted Inspection was announced. The results of this interim inspection found the school to be "Good", having met all standards expected at the time of inspection. The Acting Principal commissioned a full external Safeguarding audit, an audit of the teaching and learning provision and has appointed a School Improvement Partner (SIP) to scrutinise work and offer advice on how to ensure improvement. All have determined the school's provision to be

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# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2021

## REPORT OF THE TRUSTEE

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of a good standard, and the school looks forward to being able to welcome Ofsted back to conduct a full inspection to demonstrate the improvements that have been made across the board. The school has a comprehensive School Improvement Plan, which has been approved by the SWSF, the SIP and Trustees, and has confidence that the pending 3 day Ofsted inspection will find Michael Hall to be good with elements of outstanding.

The School continues to work closely with the SWSF, and relationships between Ofsted and the SWSF have seen significant improvements in the outcomes of other Steiner Waldorf organisations' recent Ofsted inspections. Relationships with the SWSF continue to improve under the Acting Principal, and the two organisations move together in complete partnership, with positive Ofsted relationships and outcomes being a key area of focus.

Other risks that Trustees carefully monitor relate to the specific operational areas of the charity and its finances. The Trustees closely monitor reserve levels, ensure controls exist over critical financial systems, and examine the operational and business risks faced by the charity. A comprehensive strategic plan for the business has been agreed, which details methods to ensure an upturn in the organisation's financial security.

The COVID-19 pandemic has posed a significant risk to the school. With isolation rules requiring staff to stay away from school, staff absence and payment for sick leave has been extremely high. As well as adding additional operational burden, the school has had to develop systems of distance learning.

Historically, debt from unpaid fees has been a significant problem. However, the school has now appointed a credit controller, and most of the historic owed debt has been addressed, and fees are now paid at an accepted level (approx. 97% of fees are paid on time). All families with outstanding debt have agreed a longer-term repayment plan to clear any outstanding fees.

Reliance on fee assistance continues to be reduced, with 10% of the expected gross income from fees being apportioned to support less well-off families at a maximum rate of 45% (previously, this reached up to 20% of income, and was capped at 80%).

## OBJECTIVES AND ACTIVITIES

The charity's objectives are:

"To provide for and conduct the education of children in accordance with Steiner Waldorf educational principles." It pursues these objects by the administering of Michael Hall School at its premises in Forest Row, East Sussex. In doing so it provides education to and attends to the welfare of children in the school whilst maintaining and improving the school's premises and grounds.

In determining how best to pursue these objects the trustees have had regard to the Charity Commission's guidance on public benefit.

The charity offers educational schooling from children from 3 years through to 18 and fees from this would usually represent almost 80% of the charities income. Due to the pandemic, income from additional sources (lettings, events and fundraising) have been limited with fees being the main source of income since March 2020.

Taking its inspiration from Rudolph Steiner, the School's curriculum is delivered with age appropriate awareness that takes into account the cognitive and emotional stages of child development. The aim of the school is through a holistic education, providing the students with skills and a passion for lifelong learning that promotes confidence and encourages well rounded, creative and practical individuals. Alongside traditional GCSE and A level qualifications, the education is delivered through an extremely diverse curriculum portfolio.

The school offers an extensive fee assistance programme based on a means tested method and during the course of the 2020-21 academic year 56 families have benefitted from this. As one of the many initiatives to ensure the school's business model is redeveloped with sustainability in mind, the fee assistance programme has been thoroughly reviewed and redesigned. An allocation of 10% of gross fee income has been set as a maximum fee assistance budget. This is distributed to families on a means tested basis through a third party company, under a new clear Fee Assistance Policy.

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# **MICHAEL HALL SCHOOL**

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2021

## **REPORT OF THE TRUSTEE**

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The Acting Principal has completely redeveloped the strategies for achieving aims and objectives in conjunction with the SWFS and SIP. Using well-recognised models of best-practice, the leadership team has implemented a comprehensive package of education assessment across the school, alongside Continual Professional Development programme that align with the school's Development priorities. The acting Principal has also created a rigorous School Improvement Plan that identifies all areas of Ofsted scrutiny to address previous shortcomings (which in turn are considered to have contributed to poor pupil numbers). The SWSF and SIP at a recent Independent audit undertaken in May 2021 both found that the school was Good with elements of Outstanding. They were particularly impressed with the progress made to improve literacy and maths across the school.

### **ACHIEVEMENTS AND PERFORMANCE**

There is exciting work going on in collaboration with the SWFS. They continue to offer training to all staff, support to Senior Leaders and training to Ofsted in-line with Steiner Waldorf education. This alignment is anticipated to have a positive effect on future Ofsted inspections as well as outcomes for pupils.

Sub-committees have been established to cover Educational Performance & Standards and Finance & Operations with trustees being allocated to a committee depending on the portfolio that they held.

The number of formal complaints received from parents in the year 2020 -21 is 3. These have been resolved under the comprehensive and structured Complaints Procedure with no further action to be taken.

### **Exam Results**

The exam series for the Summer of 2021 was the second year of a very different approach to examination caused by the COVID-19 pandemic. Instead of sitting exams, pupils were awarded grades as determined by work submitted throughout the year to their teachers.

2021 saw a 25% improvement on GCSE grades 9-5, a 13% rise of grades between 9-7 and a 17% rise of grades between 9-8.

In summary, our overall pass rate saw a 15% improvement from 95% in 2020 to 110% in 2021.

The Advanced Levels results were also an improvement from 2020. In 2021 we had a total of 63 A-Levels taken. That is 10 less A-Levels achieved by Michael Hall pupils. However, the pupils gaining A\* - A was raised by 4% of those in 2020. Pupils gaining A\* - B was 79% in 2021 compared to 70% in 2020. Pupils gaining A\* - C did drop by 2% from those in 2020. The overall pass rate remains at 100% in 2021 as did 2020.

To have made such great progress in such a challenging year shows the commitment from both teachers and pupils and demonstrates our ability to combine both the Steiner curriculum and achieve academic results.

### **Staff Numbers**

In January 2021, the school commenced a full staffing restructure which has reduced staffing numbers to a more sustainable level, ensuring that the timetable is devised efficiently and with minimal 'slack'.

### **Pupil Numbers**

Pupil numbers have become stable, with the focus now being on growth. The volume of complaints received under previous leadership has significantly subsided, and there is positive feedback from the parents body that the school's community is happier and more settled. The recent success of our first Open Day since the start of the pandemic has demonstrated an appetite for places. We have had 44 applications for September 2022 since the Open day in February 2022. We are due to launch a significant branding and marketing campaign in 2022-23 to drive pupil number growth.

# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2021

## REPORT OF THE TRUSTEE

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Exit-interviews of leaving pupils have been reinstated, with decisions to leave Michael Hall being logged and monitored for trends to allow for action to be taken when any pattern emerges.

It is considered likely that once the school is able to demonstrate that is at least 'Good' by Ofsted that we will see an increase in pupil numbers.

The new policies on fee assistance and credit control has positively impacted the average income per pupil to ensure that income does not reduce in line with the number of pupils on roll.

### Estate and Buildings

The school has appointed an Estates Manager as part of the recent Staffing Restructure. This is considered a pivotal role in the rejuvenation of the school's buildings, and longer term strategic direction of the facilities. A comprehensive business plan is now being rolled out to maximise revenue from the school's grounds, utilising opportunities from weddings, events and lettings to generate income that can be used to reinvest into the buildings.

4 of the school's residential properties have been identified for sale to facilitate investment into the business, with a comprehensive development strategy agreed to ensure maximum benefit from the sale of these assets. Whereas previous asset sales have been utilised to shore up cash flow deficits, the expectation now is to build a balanced budget for 2022-23 and beyond without the need to incorporate these asset sales. Instead, the capital released will be targeted to enhance the site to maximise revenue potential, and actively promote the school to enhance pupil numbers.

### Public Benefit

Michael Hall aims to make the school accessible to families on a wide range of incomes, and achieves this primarily through its fee assistance programme. The programme is means-tested, and the sole criterion for assistance is the ability to pay.

In 2020-21, 56 families were benefiting from means-tested fee assistance. As well as its annual fee assistance programme, the school also operates a formal emergency fee assistance programme for families who experience a sudden change in financial circumstances during the course of the school year.

### FINANCIAL REVIEW

During the year under review the school is reporting net income of £1,922,866 (2020 net expenditure: £712,265) inclusive of a gain on investments of £75,803 (2020 loss: £21,166) and a net credit on the movement of the pension deficit provision of £1,961,404 (2020 debit: £850,348), giving an operating deficit of £114,341 (2020 operating surplus: £159,249)

As at 31 July 2021, the charity's total reserves amounted to £6,232,359 (2020: 4,309,493) of which £994,146 (2020: £942,926) is held within endowment funds with a further £32,308(2020: £9507) restricted leaving unrestricted funds of £5,205,905 (2020: £3,357,060). Within unrestricted funds are designated amounts totalling £5,486,414 (2020: £3,321,657) with funds represented by fixed assets amounting to £7,857,314 and a pension deficit position of £1,856,000 giving an overall deficit reserves position of -£280,509 (2020 reserves: £35,403). The trustees consider that the charity should hold positive reserves equivalent to two months operating costs (estimated at £500,000) in order to ensure the ongoing delivery of its charitable objects during an unforeseen downturn in income. There is currently an additional need to accumulate reserves in order to provide for the future development of the charity's facilities and the trustees estimate that a sum of £1,000,000 will be freed from assets to form part of a detailed and carefully planned business rejuvenation strategy. Trustees consider that the current level of reserves is below that required and that the charity should aim to generate sufficient surpluses over the next 5-10 years to build the reserves to the required level.

# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2021

## REPORT OF THE TRUSTEE

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The school's principal funding source continues to be income generated by school fees. Expenditure continues to be on teaching and support costs for the provision of education to those pupils. Michael Hall School had investments in COIF unitised funds throughout the year.

### PLANS FOR FUTURE PERIODS and GOING CONCERN

The Trustees of Michael Hall School have formally assessed the Charity as a going concern. Through information submitted by the School's Acting Principal and School Business Manager, Trustees have critically appraised the school's financial position and are satisfied that the school will remain financially operational for the coming 24 months, as a minimum.

Pupil numbers remain the largest barrier to the school's finances, with numbers now steady but low (target 450). There is an uplift expected from this year's PoR of 385 to an expected figure of 392 in September 2022.

Significant work is being directed to ensure a positive Ofsted outcome at next inspection (with a recent Ofsted Performance Monitoring Inspection finding that the school met all standards of the PMI). Once the "inadequate" rating is removed from the school, the plan is to launch a significant branding and marketing campaign to boost the image of the school and enhance pupil numbers. In the meantime, significant work has been undertaken to ensure spending is brought in line with the current pupil numbers. There have been numerous strategies undertaken to ensure that the 3-year budget is balanced against income from fees (even with worst case pupil numbers). These include:

- The publication of a robust credit control policy and the employment of a credit controller has reduced the outstanding owed fees to the school, with an in-year collection rate of 98% (previously, at the very best assumed estimated the school expected not to collect at least 15% of fees).
- The staffing restructure of 2021, which reduced salary costs, is under review in Summer 2022. This will identify areas that need further work (as operationally, the structure has not been a success), and to identify further areas of inefficiency within the staffing body.
- School fees have been uplifted by 7% to reflect the rising costs of living and the lack of any significant uplift for a number of years. Parents have been told, and there has not been a resulting drop off in pupil numbers.
- The fee assistance policy continues to reduce parental reliance on reduced fees. Previously, 80% of fees were waived, with no clear process for analysing financial ability to pay. By outsourcing the financial analysis and reducing the maximum fee assistance level, the school can keep fee assistance budget within 10% of income from fees. An additional discretionary bursary is available for the Principal to support families at their discretion (again, within the 10% income from fees).
- From September 2022, staff discount for new staff will be reduced from 80% to 60%.
- Detailed analysis of key performance indicators has been undertaken to allow a full understating of the cost of curriculum delivery across different areas of the school. This enables the timetabling process for 2022 onwards to be done with clarity of the financial implications and an understanding of how to maximise efficiency.
- A contingency plan is in place should the pupil numbers not raise as expected, to reduce the size of the school and balance the income and costs to a sustainable long-term level. However, it is felt this is not required should the pending Ofsted inspection have the outcome anticipated and we once again become a "good" school.
- The College of Teachers is considering the shape of the school day and curriculum map to ensure the correct balance between affordability and pupil outcomes.
- In the past, the school has used asset sale capital to make up a short fall in cash. There are plans to sell 4 residential properties to provide reinvestment potential. These funds will be carefully targeted at renovation of the infrastructure, development of the curriculum and boosting the school's popularity and pupil numbers. A detailed development plan has been approved to ensure the funds are carefully directed to development, whilst the operating budget will be drafted to balance without consideration of these additional funds.
- A programme to engage the alumni in financial support has been launched and will include endowment giving and regular donation options.
- Now the pandemic restrictions have been lifted, income from additional sources will be driven through lettings of the site and events (which have been hugely reduced since pre-pandemic levels).

A careful 3 year budget development action plan has been developed for Senior Leaders to adhere to, which will culminate in Trustee confirmation of a detailed, balanced 3 year projection in June 2022. Current forecasts for

# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2021

## REPORT OF THE TRUSTEE

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September 2022 onwards are based on prudent forecasts, and worst-case estimates of income demonstrate a tight but manageable cash-flow position. Having reviewed the current financial data, Trustees are confident that predictions for financial improvements are sound, and are committed to developing a rigorous and comprehensive business plan to focus on marketing and retention to reach the goal of 450 pupils on roll in 2 years' time. It is recognised that in order to underpin a healthy and resilient business model, the focus must be on pupil numbers and marketing, and not a reliance on assets. The school is asset rich, which allows for reinvestment during this turbulent post-pandemic era, but reliance on such sales is no longer considered a viable option for the long term success of the business. Current plans anticipate a final significant asset sale (over £1m) that can be carefully channelled into marketing, pupil retention and capitalising on the potential of the estate for income.

The Resources Committee, followed by the Full Trustee Body, meet termly to scrutinise data submitted by school leaders which include the following data sets:

- Cash flow forecasts
- Pupil number predictions
- Principal and School Business Manger Reports
- HR report and staffing salary KPIs - Continual review of affordable staffing levels
- Budget updates
- Strategic plans
- Health and Safety audits
- Outcomes of Financial Working Group
- Ofsted readiness
- School Improvement Plan

Given the critical analysis of all the data provided, combined with the current strategic plans for the growth of the business, Trustees are confident that the school will remain operational and financially viable for a minimum of two years hence.

## STATEMENT OF TRUSTEE'S RESPONSIBILITIES

The Trustees are responsible for preparing the Report of the Trustee and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales requires the trustee to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the trustee is required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustee is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustee is responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2021

## REPORT OF THE TRUSTEE

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### APPOINTMENT OF AUDITORS

The charity's auditors, Blue Spire Limited, have expressed their willingness to continue as auditors to the charity. A resolution proposing Blue Spire Limited be reappointed will be put forward at the AGM of the charity.

27 May 2022

Approved by the Council on ..... and signed on its behalf.



.....  
Trustee

# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2021

## INDEPENDENT AUDITOR'S REPORT

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### Independent Auditor's Report to the Trustee of Michael Hall School

#### Opinion

We have audited the financial statements of Michael Hall School (the 'charity') for the year ended 31 July 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, 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 charity's affairs as at 31 July 2021, and of its incoming resources and application of resources, 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 Charities Act 2011.

#### Basis for opinion

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

#### Material uncertainty relating to going concern

We draw attention to note 26 in the financial statements, which indicates that the ongoing cash flows and the impact of COVID-19 may cast significant doubt on the entity's ability to continue as a going concern. As stated in note 26, these events and conditions indicate that a material uncertainty exists that may cast significant doubt on the school's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

In auditing the financial statements, we have concluded that the trustee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the trustee's assessment of the entity's ability to continue to adopt the going concern basis of accounting included a review of the most recent management information available to the point of sign off together with an assessment of future plans and projections.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report

#### Other information

The other information comprises the information included in the report of the trustee, other than the financial statements and our auditor's report thereon. The trustee is responsible for the other information contained within the report. 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2021

## INDEPENDENT AUDITOR'S REPORT

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### Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the report of the trustee; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

### Responsibilities of the trustee

As explained more fully in the statement of trustee's responsibilities, the trustee is responsible for the preparation of financial statements which give a true and fair view, and for such internal control as the trustee determines 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 trustee is responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustee either intends to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Enquiry of management, those charged with governance around actual and potential litigation and claims;
- Enquiry of entity staff to identify any instances of non-compliance with laws and regulations;
- Reviewing minutes of meetings of those charged with governance;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the FRC's website at:

<https://www.frc.org.uk/auditors/audit-assurance/auditor-s-responsibilities-for-the-audit-of-the-fi/description-of-the-auditor%E2%80%99s-responsibilities-for>. This description forms part of our auditor's report.

# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2021

## INDEPENDENT AUDITOR'S REPORT

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### Use of our report

This report is made solely to the charity's trustee, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustee 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 charity and the charity's trustee as a body, for our audit work, for this report, or for the opinions we have formed.

*Blue Spire limited*

Blue Spire Limited, Statutory Auditor

Date 27 May 2022

Cawley Priory  
South Pallant  
Chichester  
West Sussex  
PO19 1SY

*Blue Spire Limited is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.*

# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2021

## STATEMENT OF FINANCIAL ACTIVITIES

	Note	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2021 Total Funds £	2020 Total Funds £
<b>INCOME AND ENDOWMENTS FROM:</b>						
Donations and legacies	1	1,258	30,001	-	31,259	4,202
Other trading activities	2	137,129	-	-	137,129	136,586
Investments	3	8,624	-	-	8,624	14,953
Charitable activities	4	3,069,639	-	-	3,069,639	3,420,362
Other	5	540,900	-	-	540,900	471,641
<b>Total</b>		<u>3,757,550</u>	<u>30,001</u>	<u>-</u>	<u>3,787,551</u>	<u>4,047,744</u>
<b>EXPENDITURE ON:</b>						
Raising funds	6	178,639	-	-	178,639	111,851
Charitable activities	7	3,716,053	7,200	-	3,723,253	3,776,644
<b>Total</b>		<u>3,894,692</u>	<u>7,200</u>	<u>-</u>	<u>3,901,892</u>	<u>3,888,495</u>
Net gains/(losses) on investments	13	24,583	-	51,220	75,803	(21,166)
<b>Net income/(expenditure)</b>		<u>(112,559)</u>	<u>22,801</u>	<u>51,220</u>	<u>(38,538)</u>	<u>138,083</u>
<b>Transfers between funds</b>	20	-	-	-	-	-
		<u>(112,559)</u>	<u>22,801</u>	<u>51,220</u>	<u>(38,538)</u>	<u>138,083</u>
Actuarial gains/(losses) on defined benefit pension schemes	18	1,961,404	-	-	1,961,404	(850,348)
<b>Net movement in funds</b>		<u>1,848,845</u>	<u>22,801</u>	<u>51,220</u>	<u>1,922,866</u>	<u>(712,265)</u>
<b>RECONCILIATION OF FUNDS</b>						
<b>Total funds brought forward</b>	20	3,357,060	9,507	942,926	4,309,493	5,021,758
<b>Total funds carried forward</b>	20	<u>5,205,905</u>	<u>32,308</u>	<u>994,146</u>	<u>6,232,359</u>	<u>4,309,493</u>

None of the charity's activities were acquired or discontinued during the above two financial years.

The charity has no recognised gains or losses other than those dealt with in the statement of financial activities.

# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2021

## BALANCE SHEET AS AT 31 JULY 2021

	Note	2021		2020	
		£	£	£	£
<b>FIXED ASSETS</b>					
Tangible assets	12	7,857,314		7,865,358	
Investments	13	<u>500,598</u>		<u>424,795</u>	
<b>Total fixed assets</b>			8,357,912		8,290,153
<b>CURRENT ASSETS</b>					
Assets held for sale	14	-		710,000	
Debtors	15	445,884		896,835	
Cash at hand and in bank		<u>661,678</u>		<u>212,384</u>	
<b>Total current assets</b>		<u>1,107,562</u>		<u>1,819,219</u>	
<b>CURRENT LIABILITIES</b>					
Creditors: amounts falling due within one year	16	<u>763,775</u>		<u>618,304</u>	
<b>Net current assets/(liabilities)</b>			343,787		1,200,915
<b>Total assets less current liabilities</b>			<u>8,701,699</u>		<u>9,491,068</u>
Creditors: amounts falling due after more than one year	17		(613,340)		(1,173,063)
Net assets/(liabilities) excluding pension asset/(liability)			<u>8,088,359</u>		<u>8,318,005</u>
Defined benefit pension scheme obligation	18		(1,856,000)		(4,008,512)
<b>Total net assets</b>			<u><u>6,232,359</u></u>		<u><u>4,309,493</u></u>
<b>THE FUNDS OF THE CHARITY</b>					
<b>Endowment funds</b>	20		994,146		942,926
<b>Restricted funds</b>	20		32,308		9,507
<b>Unrestricted funds</b>					
Designated funds	20	5,486,414		3,321,657	
General funds	20	<u>(280,509)</u>		<u>35,403</u>	
<b>Total unrestricted funds</b>			5,205,905		3,357,060
<b>Total charity funds</b>			<u><u>6,232,359</u></u>		<u><u>4,309,493</u></u>

The notes on pages 19 to 34 form part of the financial statements.

27 May 2022

The financial statements on pages 13 to 34 we approved and authorised for issue by the trustee on ..... and signed on its behalf by:



.....  
Trustee

# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2021

## STATEMENT OF CASH FLOWS

	Note	2021		2020	
		£	£	£	£
<b>Net cash flow from operating activities (see below)</b>			2,253		(640,778)
<b>Cash flow from investing activities</b>					
Interest and dividends received		8,624		14,953	
Proceeds from sale of property		970,284		-	
Purchase of property, plant and equipment	12	<u>-</u>		<u>(10,257)</u>	
<b>Net cash flow from investing activities</b>			978,908		4,696
<b>Cash flow from financing activities</b>					
Receipts from issue of new loans		-		840,000	
Repayments of long term loans		<u>(531,867)</u>		<u>(71,022)</u>	
<b>Net cash flow from investing activities</b>			(531,867)		768,978
<b>Net increase/(decrease) in cash and cash equivalents</b>			<u>449,294</u>		<u>132,896</u>
<b>Cash and cash equivalents at 1 August 2020</b>			212,384		79,488
<b>Cash and cash equivalents at 31 July 2021</b>			<u><u>661,678</u></u>		<u><u>212,384</u></u>
<b>Cash and cash equivalents consist of:</b>					
Cash at bank and in hand	24		<u>661,678</u>		<u>212,384</u>
<b>Cash and cash equivalents at 31 July 2021</b>			<u><u>661,678</u></u>		<u><u>212,384</u></u>

### Reconciliation of net income to net cash flow from operating activities

		2021		2020	
		£	£	£	£
Net income for the year			1,922,866		(712,265)
Adjusted for:					
Interest and dividends		(8,624)		(14,953)	
Interest paid		5,239		20,774	
(Gains)/losses on investments		(75,803)		21,166	
(Profit)/loss on disposal of tangible fixed assets		-		192	
(Profit)/loss on sale of property		(260,408)		-	
Depreciation and impairment of tangible fixed assets		8,044		10,224	
Decrease/(increase) in debtors		450,951		(533,286)	
Increase/(decrease) in creditors less than one year		112,500		(97,278)	
Increase/(decrease) in provisions for liabilities		<u>(2,152,512)</u>		<u>664,648</u>	
			(1,920,613)		71,487
			<u><u>2,253</u></u>		<u><u>(640,778)</u></u>

# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2021

## ACCOUNTING POLICIES

---

### Scope and basis of the financial statements

Michael Hall school is an unincorporated charity governed by a trust deed. The address of the principal office is given in the reference and administrative details section and the nature of the charity's operations and principal activities are given in the trustees' report.

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011 and UK Generally Accepted Accounting Practice.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are presented in sterling which is the functional currency of the charity and rounded to the nearest £ except where marked.

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

### Judgements in applying accounting policies and key sources of estimation uncertainty

Preparation of the financial statements requires management to make judgements and estimates. The key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are that of the Mercury Provident Pension Scheme obligation. More information is provided in the pension scheme policy below and in note 27.

### Incoming resources

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

For donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

For legacies, entitlement is the earlier of the charity being notified of an impending distribution or the legacy being received. At this point income is recognised. On occasion legacies will be notified to the charity however it is not possible to measure the amount expected to be distributed. On these occasions, the legacy is treated as a contingent asset and disclosed.

Income from trading activities includes income earned from fundraising events and trading activities to raise funds for the charity. Income is received in exchange for supplying goods and services in order to raise funds and is recognised when entitlement has occurred.

Income from grants are recognised at fair value when the charity has entitlement after any performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably. If entitlement is not met then these amounts are deferred.

Investment income is earned through holding assets for investment purposes such as shares and property. It includes dividends, interest and rent. Where it is not practicable to identify investment management costs incurred within a scheme with reasonable accuracy the investment income is reported net of these costs. It is included when the amount can be measured reliably. Interest income is recognised using the effective interest method and dividend and rent income is recognised as the charity's right to receive payment is established.

### Resources expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Costs of raising funds includes staff and other costs of raising the charity's profile and investment management fees; and
- Expenditure on charitable activities includes costs of delivery the charity's objects together with support and governance costs.

Grants payable to third parties are within the charitable objectives. Where unconditional grants are offered, this is accrued as soon as the recipient is notified of the grant, as this gives rise to a reasonable expectation that the recipient will receive the grants. Where grants are conditional relating to performance then the grant is only accrued when any unfulfilled conditions are outside of the control of the charity.

# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2021

## ACCOUNTING POLICIES

---

### Resources expended (continued)

#### *Support costs allocation*

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs, administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity. Where support costs cannot be directly attributed to particular headings they have been allocated to cost of raising funds and expenditure on charitable activities on a basis consistent with use of the resources.

The analysis of these costs is included in notes 7 and 8.

#### *Redundancy and termination payments*

Termination payments are accounted for on an accruals basis, as above, and classified to the relevant category of expenditure.

### Employee benefits

When employees have rendered service to the Charity, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

### Pensions

The charity operates a defined benefit plan. A liability for the charity's obligations under the plan is recognised net of plan assets. The net change in the net defined benefit liability is recognised as the cost of the defined benefit plan during the period. Pension plan assets are measured at fair value and the defined benefit obligation is measured on an actuarial basis.

Following an amendment to FRS 102 in respect of Multi - employer benefit plans, applicable for the first time, a change in estimation techniques has resulted in material change to the value of the liability shown in the accounts.

This is not a change in accounting policy merely a change in estimation derived from using an actuarial basis instead of a discounted cashflow projection of future contributions.

The change for the year on an actuarial basis is a profit on revaluation of £525,000, the balance of the profit on revaluation shown in the accounts includes the change arising from using a different basis for the brought forward provision.

In addition the charity makes contributions towards a defined contribution group personal pension plan which are charged to the SOFA as they fall due.

### Leases

Rentals payable and receivable under operating leases are charged to the SoFA on a straight line basis over the period of the lease.

### Tax

The charity is considered to pass the tests set out in sections 521 to 536 Income Tax Act 2007 (ITA 2007), as such no income tax is payable on the charity's activities.

### VAT

The charity is not registered for VAT and cannot recover VAT incurred on costs. These are therefore stated inclusive of any VAT element.

### Fixed assets

Tangible fixed assets are stated at cost or valuation less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

School site	No depreciation is charged, however the site is subject to an annual impairment review.
Machinery and office equipment	20% reducing balance
Fixtures and fittings	10% reducing balance
Motor vehicles	25% reducing balance
Classroom equipment	7½% to 20% reducing balance

# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2021

## ACCOUNTING POLICIES

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### Fixed asset investments

Investments are recognised initially at fair value which is normally the transaction price excluding transaction costs. Subsequently, they are measured at fair value with changes recognised in 'net gains / (losses) on investments' in the SoFA if the shares are publicly traded or their fair value can otherwise be measured reliably.

### Debtors receivable and creditors payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

### Doubtful debts provision

Fees outstanding at the balance sheet date are provided in full where no payments are currently being received. Where payments are being received, amounts expected to be recovered in the next 12 months are not provided.

### Cash and cash equivalents

Cash and cash equivalents includes cash at bank and in hand inclusive of foreign currency accounts. Foreign currency transactions are initially recognised by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction. Monetary assets and liabilities denominated in a foreign currency at the balance sheet date are translated using the closing rate.

### Fund accounting

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Endowment funds represent those assets which must be held permanently by the charity, principally held as fixed asset investments. Income arising on the endowment funds can be used in accordance with the objects of the charity and is included as unrestricted income. Any capital gains or losses arising on the investments form part of the fund. Investment management charges and legal advice relating to the fund are charged against the fund.

### Going concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

More information regarding the assessments and considerations taken by trustees in respect of going concern is provided in note 27 of these financial statements. This includes consideration of the school's operating performance and the impact of post balance sheet events.

# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2021

## NOTES TO THE FINANCIAL STATEMENTS

### 1. Donations and legacies

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2021 Total Funds £
Donations	1,258	30,001	-	31,259
Grants received	-	-	-	-
	<u>1,258</u>	<u>30,001</u>	<u>-</u>	<u>31,259</u>

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2020 Total Funds £
Donations	4,202	-	-	4,202
Grants received	-	-	-	-
	<u>4,202</u>	<u>-</u>	<u>-</u>	<u>4,202</u>

### 2. Other trading activities

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2021 Total Funds £
Christmas fair	65	-	-	65
Other fundraising	-	-	-	-
Estate and rental income	70,676	-	-	70,676
Ancillary income	66,388	-	-	66,388
	<u>137,129</u>	<u>-</u>	<u>-</u>	<u>137,129</u>

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2020 Total Funds £
Christmas fair	25,405	-	-	25,405
Other fundraising	(57)	-	-	(57)
Estate and rental income	74,748	-	-	74,748
Ancillary income	36,490	-	-	36,490
	<u>136,586</u>	<u>-</u>	<u>-</u>	<u>136,586</u>

### 3. Income from investments

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2021 Total Funds £
Investment income	8,622	-	-	8,622
Bank interest	2	-	-	2
	<u>8,624</u>	<u>-</u>	<u>-</u>	<u>8,624</u>

# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2021

## NOTES TO THE FINANCIAL STATEMENTS

### 3. Income from investments (continued)

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2020 Total Funds £
Investment income	14,896	-	-	14,896
Bank interest	57	-	-	57
	<u>14,953</u>	<u>-</u>	<u>-</u>	<u>14,953</u>

### 4. Income from charitable activities

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2021 Total Funds £
Tuition fees	3,616,372	-	-	3,616,372
Reduced fee contracts	(583,976)	-	-	(583,976)
Chargeable disbursements	37,267	-	-	37,267
Lunches and catering income	(24)	-	-	(24)
	<u>3,069,639</u>	<u>-</u>	<u>-</u>	<u>3,069,639</u>

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2020 Total Funds £
Tuition fees	4,031,149	-	-	4,031,149
Reduced fee contracts	(686,303)	-	-	(686,303)
Chargeable disbursements	12,277	-	-	12,277
Lunches and catering income	63,239	-	-	63,239
	<u>3,420,362</u>	<u>-</u>	<u>-</u>	<u>3,420,362</u>

### 5. Other income

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2021 Total Funds £
Gains on disposal of property held for sale	260,408	-	-	260,408
Coronavirus UK Government support	276,991	-	-	276,991
Interest receivable on unpaid school fees	3,501	-	-	3,501
	<u>540,900</u>	<u>-</u>	<u>-</u>	<u>540,900</u>

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2020 Total Funds £
Gains on disposal of property held for sale	-	-	-	-
Coronavirus UK Government support	471,641	-	-	471,641
Interest receivable on unpaid school fees	-	-	-	-
	<u>471,641</u>	<u>-</u>	<u>-</u>	<u>471,641</u>

# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2021

## NOTES TO THE FINANCIAL STATEMENTS

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### 6. Raising funds

	<b>Unrestricted Funds £</b>	<b>Restricted Funds £</b>	<b>Endowment Funds £</b>	<b>2021 Total Funds £</b>
Ancillary expenditure	4,247	-	-	4,247
Salary costs of raising funds	22,729	-	-	22,729
Christmas fair and other fundraising costs	(33)	-	-	(33)
Finance costs	85,045	-	-	85,045
Bad debts and provision for bad debts	66,651	-	-	66,651
	<u>178,639</u>	<u>-</u>	<u>-</u>	<u>178,639</u>

	<b>Unrestricted Funds £</b>	<b>Restricted Funds £</b>	<b>Endowment Funds £</b>	<b>2020 Total Funds £</b>
Ancillary expenditure	6,148	-	-	6,148
Salary costs of raising funds	22,746	-	-	22,746
Christmas fair and other fundraising costs	9,875	-	-	9,875
Finance costs	72,305	-	-	72,305
Bad debts and provision for bad debts	777	-	-	777
	<u>111,851</u>	<u>-</u>	<u>-</u>	<u>111,851</u>

# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2021

## NOTES TO THE FINANCIAL STATEMENTS

### 7. Charitable activities

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2021 Total Funds £
<u>Education</u>				
Teachers salaries	2,144,728	-	-	2,144,728
Pension scheme deficit funding agreement	-	-	-	-
Staff training and development	51,813	-	-	51,813
Supplies and equipment	64,807	-	-	64,807
Chargeable disbursements cost	45,171	-	-	45,171
Depreciation	2,630	-	-	2,630
Minibus costs	15,791	-	-	15,791
Minibus depreciation	173	-	-	173
	<u>2,325,113</u>	<u>-</u>	<u>-</u>	<u>2,325,113</u>
<u>Welfare</u>				
Catering salaries	19,155	-	-	19,155
Catering supplies and equipment	1,895	-	-	1,895
Medical salaries	27,032	-	-	27,032
Medical	2,692	-	-	2,692
	<u>50,774</u>	<u>-</u>	<u>-</u>	<u>50,774</u>
<u>Premises</u>				
Health and safety	18,222	-	-	18,222
Estate salaries	212,134	-	-	212,134
Property maintenance	70,086	7,200	-	77,286
Light and heat	94,038	-	-	94,038
Insurance	35,028	-	-	35,028
Cleaning	13,057	-	-	13,057
Rates & water	38,082	-	-	38,082
	<u>480,647</u>	<u>7,200</u>	<u>-</u>	<u>487,847</u>
<u>Support costs</u>				
Administration salaries	616,639	-	-	616,639
Telephone and postage	7,349	-	-	7,349
Printing and stationery	3,670	-	-	3,670
Communications and PR	2,190	-	-	2,190
Insurance	5,019	-	-	5,019
Office equipment and IT	71,209	-	-	71,209
Legal and professional fees	84,357	-	-	84,357
Subscriptions	30,619	-	-	30,619
General admin expenses	13,326	-	-	13,326
Depreciation	5,241	-	-	5,241
Governance costs (see note 8)	19,900	-	-	19,900
	<u>859,519</u>	<u>-</u>	<u>-</u>	<u>859,519</u>
	<u>3,716,053</u>	<u>7,200</u>	<u>-</u>	<u>3,723,253</u>

# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2021

## NOTES TO THE FINANCIAL STATEMENTS

### 7. Charitable activities (continued)

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2020 Total Funds £
<u>Education</u>				
Teachers salaries	2,162,411	-	-	2,162,411
Pension scheme deficit funding agreement	-	-	-	-
Staff training and development	164,758	-	-	164,758
Supplies and equipment	93,605	-	-	93,605
Chargeable disbursements cost	72,881	-	-	72,881
Depreciation	3,782	-	-	3,782
Minibus costs	23,714	-	-	23,714
Minibus depreciation	231	-	-	231
	<u>2,521,382</u>	<u>-</u>	<u>-</u>	<u>2,521,382</u>
<u>Welfare</u>				
Catering salaries	51,456	-	-	51,456
Catering supplies and equipment	32,187	-	-	32,187
Medical salaries	25,425	-	-	25,425
Medical	2,929	-	-	2,929
	<u>111,997</u>	<u>-</u>	<u>-</u>	<u>111,997</u>
<u>Premises</u>				
Health and safety	12,966	-	-	12,966
Estate salaries	202,876	-	-	202,876
Property maintenance	92,247	-	-	92,247
Light and heat	88,833	-	-	88,833
Insurance	56,531	-	-	56,531
Cleaning	11,671	-	-	11,671
Rates & water	49,931	-	-	49,931
	<u>515,055</u>	<u>-</u>	<u>-</u>	<u>515,055</u>
<u>Support costs</u>				
Administration salaries	399,851	-	-	399,851
Telephone and postage	7,083	-	-	7,083
Printing and stationery	7,747	-	-	7,747
Communications and PR	(121)	-	-	(121)
Insurance	6,260	-	-	6,260
Office equipment and IT	46,213	-	-	46,213
Legal and professional fees	92,931	-	-	92,931
Subscriptions	19,290	-	-	19,290
General admin expenses	12,336	-	-	12,336
Depreciation	6,211	-	-	6,211
Governance costs (see note 8)	30,409	-	-	30,409
	<u>628,210</u>	<u>-</u>	<u>-</u>	<u>628,210</u>
	<u>3,776,644</u>	<u>-</u>	<u>-</u>	<u>3,776,644</u>

# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2021

## NOTES TO THE FINANCIAL STATEMENTS

### 8. Governance costs

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2021 Total Funds £
Salaries	10,000	-	-	10,000
Auditors' fees - current year	9,900	-	-	9,900
Council expenses	-	-	-	-
	<u>19,900</u>	<u>-</u>	<u>-</u>	<u>19,900</u>

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2020 Total Funds £
Salaries	10,000	-	-	10,000
Auditors' fees - current year	9,900	-	-	9,900
Council expenses	10,509	-	-	10,509
	<u>30,409</u>	<u>-</u>	<u>-</u>	<u>30,409</u>

### 9. Fees payable to independent auditors

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2021 Total Funds £
Auditors' remuneration - audit	<u>9,900</u>	<u>-</u>	<u>-</u>	<u>9,900</u>

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2020 Total Funds £
Auditors' remuneration - audit	<u>9,900</u>	<u>-</u>	<u>-</u>	<u>9,900</u>

### 10. Staff costs and information

	2021 Total £	2020 Total £
Gross wages	2,519,145	2,569,023
Employer's national insurance costs	208,974	199,578
Pension costs	71,720	72,393
Termination payments*	<u>274,456</u>	<u>30,000</u>
	<u>3,074,295</u>	<u>2,870,994</u>

\* Termination above payments are in full settlement and include £217,885 of year end liabilities paid in August and September 2021. No additional costs are expected to arise.

	2021	2020
Staff numbers:		
Average head count	<u>119</u>	<u>130</u>

During the year under review one employee (2020: one employees) received employee benefits (excluding employer pension costs) of more than £60,000 in the range £210,000 to £220,000 (2020: £70,000 to £80,000).

The pension costs charge above has been charged to the Statement of Financial Activities. Pension contributions outstanding at the balance sheet date totalled £13,160 (2020: £45,280).

# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2021

## NOTES TO THE FINANCIAL STATEMENTS

### 11. Related party transactions

No trustee received remuneration, or other employment benefits for being a trustee in this or the comparative year.

Remuneration was paid to the following trustees in relation to their employment as teachers and support staff:

	2021			2020		
	Salary	National	Pension	Salary	National	Pension
	£	insurance	£	£	insurance	£
		£			£	
W Forward	-	-	-	500	-	15
V King	30,440	2,598	913	34,585	3,134	1,103
	<u>30,440</u>	<u>2,598</u>	<u>913</u>	<u>35,085</u>	<u>3,134</u>	<u>1,118</u>

During the year under review remuneration for spouses and children of trustees amounted to £30,884 (2020: £33,395). In addition national insurance contributions totalling £1,422 (2020: £1,015) and pension contributions totalling £846 (2020: £718) were made on behalf of spouses and children of trustees.

Trustees (and spouses) who are teachers or other staff members receive remuneration in that capacity and not for acting as a trustee. This remuneration is authorised under section 4 of the Memorandum of Association of Michael Hall School Limited.

Total employee benefits, inclusive of employer national insurance contributions and employer pension contributions, received by the school's thirteen (2020: fourteen) key management personnel amounted to £548,691 (2020: £519,859) during the year under review. In addition to these employee benefits two members (2020: one member) of key management personnel received termination benefits of £126,376 (2020: £30,000).

During the year three (2020: three) of the school's key management personnel received staff discounts in relation to their children's school fees of £37,589 (2020: £30,683) and sibling discounts of £2,664 (2020: £1,235). These discounts were received on the same terms in relation to discounts given to teachers and siblings without key management personnel status. At the balance sheet date £10 (2020: £2,332) was outstanding from these individuals.

No trustees (2020: no trustees) had expenses reimbursed or paid on their behalf for travel and training. In the same period £nil (2020: £nil) was received from the trustees for rent together with £nil (2020: £nil) in donations. Income receivable from trustees for rent is on normal commercial terms in an arms length transaction.

Expenses reimbursed to and paid on behalf of one member (2020: two members) of key management personnel for training totalled £1,200 (2020 travel and training: £355) in the year under review.

	2021	2020
	£	£
Tuition fees charged to 6 (2020: 6) Parent Trustees inclusive of discounts amounted to	<u>55,457</u>	<u>52,624</u>

The following individuals who were trustees for all or part of the year were educating their children at the school:

H Hebrank  
V King  
A Scott  
T Souleiman

Tuition fees are charged on normal commercial terms, except for teacher trustees who, as with all teachers, receive a 80% (2020: 80%) discount after other discounts on a pro-rata basis. Total staff discount for trustees in the year was £10,648 (2020: £10,440). Other discounts, inclusive of sibling and reduced fees, were provided on the same basis as those to other parents amounted to £9,302 (2020: £7,690). Extras are charged in full and amounted to £618 (2020: £2,809).

Outstanding fees and extras charges from trustees at the year end was £4,993 (2020: £6,850).

# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2021

## NOTES TO THE FINANCIAL STATEMENTS

### 12. Tangible fixed assets

	School site £	Machinery & office equipment £	Fixtures & fittings £	Motor vehicles £	Classroom equipment £	Total £
Cost						
Brought forward	7,798,567	393,046	284,722	21,904	308,366	8,806,605
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
	<u>7,798,567</u>	<u>393,046</u>	<u>284,722</u>	<u>21,904</u>	<u>308,366</u>	<u>8,806,605</u>
Depreciation						
Accumulated brought forward	-	379,062	260,288	21,207	280,690	941,247
Charge	-	2,797	2,443	173	2,631	8,044
On disposals	-	-	-	-	-	-
	<u>-</u>	<u>381,859</u>	<u>262,731</u>	<u>21,380</u>	<u>283,321</u>	<u>949,291</u>
Net book value carried forward	<u>7,798,567</u>	<u>11,187</u>	<u>21,991</u>	<u>524</u>	<u>25,045</u>	<u>7,857,314</u>
Net book value brought forward	<u>7,798,567</u>	<u>13,984</u>	<u>24,434</u>	<u>697</u>	<u>27,676</u>	<u>7,865,358</u>

On transition to FRS 102 SORP (2015) a valuation, provided by Strutt and Parker, of the school site has been included as deemed cost as at 1 August 2014. The site is considered for impairment at each balance sheet date.

### 13. Investments

	2021 £	2020 £
<b>Listed investments</b>		
Market value brought forward	424,795	445,961
Additions at cost	-	-
Disposals at carrying value	-	-
Gains/(losses) on revaluation	75,803	(21,166)
<b>Market value carried forward</b>	<u>500,598</u>	<u>424,795</u>
<i>The investments above are analysed as follows:</i>		
Listed investments	158,452	133,870
Unit trusts and similar investments	342,146	290,926
	<u>500,598</u>	<u>424,796</u>

### 14. Assets held for sale

	2021 £	2020 £
Property for sale	-	710,000
	<u>-</u>	<u>710,000</u>

# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2021

## NOTES TO THE FINANCIAL STATEMENTS

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### 15. Debtors

	2021	2020
	£	£
Fees outstanding	666,884	976,662
Fee provision	(250,000)	(318,000)
Prepayments	25,305	76,026
Other debtors	3,695	162,147
	<u>445,884</u>	<u>896,835</u>

### 16. Creditors: amounts falling due in less than one year

	2021	2020
	£	£
Loans	104,736	71,763
Trade creditors	30,762	69,213
Fees in advance	9,200	-
Deposits from parents	500	40,982
Other creditors and accruals	618,577	436,346
	<u>763,775</u>	<u>618,304</u>

### 17. Creditors: amounts falling due after one year

	2021	2020
	£	£
Loans	613,340	1,173,063
	<u>613,340</u>	<u>1,173,063</u>

One bank loan, with a year end balance of £378,075 (2020: £420,994), is secured over several of the school's freehold properties and is repayable over a period of 25 years from August 2005. In the comparative year a new loan was taken with an outstanding balance of £483,832 at 31 July 2020 was secured against the building held for sale shown in note 14 and settled following sale in the current year. The remaining balance of loans is unsecured.

### 18. Defined benefit obligation

	2021	2020
	£	£
Brought forward	4,008,512	3,343,864
Payments made	(191,108)	(185,700)
Charge to statement of financial activities	(1,961,404)	850,348
Carried forward	<u>1,856,000</u>	<u>4,008,512</u>

The above provision arises from the pension scheme's deficit funding arrangement and included in these accounts at the discounted present value of the defined benefit obligation. More information regarding the pensions scheme can be found in note 27.

# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2021

## NOTES TO THE FINANCIAL STATEMENTS

### 19. Analysis of net assets between funds

	General funds £	Designated funds £	Restricted funds £	Endowment funds £	2021 Total funds £	2020 Total funds £
Tangible assets	-	7,205,314	-	652,000	7,857,314	7,865,358
Investments	21,352	137,100	-	342,146	500,598	424,795
Current assets	1,075,254	-	32,308	-	1,107,562	1,819,219
Creditors: <1 year	(763,775)	-	-	-	(763,775)	(618,304)
Creditors: >1 year	(613,340)	-	-	-	(613,340)	(1,173,063)
Pension scheme deficit	-	(1,856,000)	-	-	(1,856,000)	(4,008,512)
<b>Net assets at 31 July</b>	<b>(280,509)</b>	<b>5,486,414</b>	<b>32,308</b>	<b>994,146</b>	<b>6,232,359</b>	<b>4,309,493</b>

### 20. Analysis of movement in funds

	Brought forward £	Incoming resources £	Outgoing resources £	All gains/(losses) £	Transfers £	Carried forward £
<b>Permanent endowment funds</b>						
Permanent Endowment Fund	652,000	-	-	-	-	652,000
Endowment Recoupment Fund	290,926	-	-	51,220	-	342,146
<b>Total endowment funds</b>	<b>942,926</b>	<b>-</b>	<b>-</b>	<b>51,220</b>	<b>-</b>	<b>994,146</b>
<b>Restricted funds</b>						
ESCC	3,000	-	-	-	-	3,000
Clockhouse Fund	3,789	-	-	-	-	3,789
Outdoor terrace repair	-	30,001	(7,200)	-	-	22,801
Natural England Fund	2,718	-	-	-	-	2,718
<b>Total restricted funds</b>	<b>9,507</b>	<b>30,001</b>	<b>(7,200)</b>	<b>-</b>	<b>-</b>	<b>32,308</b>
<b>Designated and general funds</b>						
WO Field bequest	116,811	-	-	20,289	-	137,100
Pension deficit (see note 18)	(4,008,512)	-	-	1,961,404	191,108	(1,856,000)
Fixed asset reserve (see note 12)	7,213,358	-	(8,044)	-	-	7,205,314
Total designated funds	3,321,657	-	(8,044)	1,981,693	191,108	5,486,414
General reserves	35,403	3,757,550	(3,886,648)	4,294	(191,108)	(280,509)
<b>Total unrestricted funds</b>	<b>3,357,060</b>	<b>3,757,550</b>	<b>(3,894,692)</b>	<b>1,985,987</b>	<b>-</b>	<b>5,205,905</b>
<b>Total funds</b>	<b>4,309,493</b>	<b>3,787,551</b>	<b>(3,901,892)</b>	<b>2,037,207</b>	<b>-</b>	<b>6,232,359</b>

### Restricted funds

ESCC Grant received from East Sussex County Council for healthy eating programme

Clockhouse Fund Grants received to support the costs of repair to the Clockhouse

Outdoor terrace repair Funds received to support the costs of repair to the outdoor terrace

Natural England Fund Grant received to conduct an environmental study on the school site

### Designated funds

WO Field bequest Funds received to support complementary health care costs for employees of the school.

# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2021

## NOTES TO THE FINANCIAL STATEMENTS

### 21. Transfer between funds

From	To	Unrestricted Funds	
		General £	Designated £
<i>Transfer 1</i>			
General fund	Pension deficit	(191,108)	191,108
		<u>(191,108)</u>	<u>191,108</u>
Transfer of funds from unrestricted general funds representing payments made during the year.			
<i>Transfer 2</i>			
Fixed asset reserve (see note 18)	General fund	-	-
		<u>-</u>	<u>-</u>
Transfer of funds to unrestricted general funds to match costs previously borne by general funds.			

### 22. Financial instruments

The carrying amounts of the charity's financial instruments are as follows:

	2021 Total Funds £	2020 Total Funds £
<i>Financial assets</i>		
Measured at fair value through net income/(expenditure):		
Fixed asset investments (note 13)	500,598	424,795
	<u>500,598</u>	<u>424,795</u>
Debt instruments measured at amortised cost:		
Trade debtors (note 15)	666,884	976,662
	<u>666,884</u>	<u>976,662</u>
<i>Financial liabilities</i>		
Measured at amortised cost:		
Trade creditors (note 16)	30,762	69,213
Bank loan (notes 16 and 17)	718,076	1,244,826
	<u>748,838</u>	<u>1,314,039</u>

The income, expense, net gains and net losses attributable to the charity's financial instruments are summarised as follows:

	2021 Total Funds £	2020 Total Funds £
<i>Income and expense</i>		
Financial assets measured at fair value through net income/(expenditure)		
Investment income	8,622	14,896
	<u>8,622</u>	<u>14,896</u>
<i>Net gains and losses (including changes in fair value)</i>		
Financial assets measured at fair value through net income/(expenditure)		
Unrealised gains/(losses) on investments	75,803	(21,166)
	<u>75,803</u>	<u>(21,166)</u>

# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2021

## NOTES TO THE FINANCIAL STATEMENTS

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### 23. Operating leases

At the balance sheet date the school had total future minimum lease payments under non-cancellable operating leases payable as follows:

	Office equipment £	Vehicles £	2021 Total £	Office equipment £	Vehicles £	2020 Total £
In less than one year	-	16,315	16,315	-	16,315	16,315
In more than one year less than five year	-	16,315	16,315	-	16,315	16,315
More than five years	-	6,798	6,798	-	23,113	23,113
	<u>-</u>	<u>39,428</u>	<u>39,428</u>	<u>-</u>	<u>55,743</u>	<u>55,743</u>

### 24. Analysis of changes in net debt

	2019 £	Cash flows £	2020 £	Cash flows £	2021 £
Long term borrowings	455,074	789,752	1,244,826	(526,750)	718,076
Short term borrowings	108,504	(108,504)	-	-	-
Total liabilities	<u>563,578</u>	<u>681,248</u>	<u>1,244,826</u>	<u>(526,750)</u>	<u>718,076</u>
Cash and cash equivalents	<u>(79,488)</u>	<u>(132,896)</u>	<u>(212,384)</u>	<u>(449,294)</u>	<u>(661,678)</u>
Total net debt	<u>484,090</u>	<u>548,352</u>	<u>1,032,442</u>	<u>(976,044)</u>	<u>56,398</u>

# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2021

## NOTES TO THE FINANCIAL STATEMENTS

### 25. Comparative Statement of Financial Activities and Analysis of movement in funds

	Note	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2020 Total Funds £
<b>INCOME AND ENDOWMENTS FROM:</b>					
Donations and legacies	1	4,202	-	-	4,202
Other trading activities	2	136,586	-	-	136,586
Investments	3	14,953	-	-	14,953
Charitable activities	4	3,420,362	-	-	3,420,362
Other	5	471,641	-	-	471,641
<b>Total</b>		<b>4,047,744</b>	<b>-</b>	<b>-</b>	<b>4,047,744</b>
<b>EXPENDITURE ON:</b>					
Raising funds	6	111,851	-	-	111,851
Charitable activities	7	3,776,644	-	-	3,776,644
<b>Total</b>		<b>3,888,495</b>	<b>-</b>	<b>-</b>	<b>3,888,495</b>
Net gains/(losses) on investments	13	(24,701)	-	3,535	(21,166)
<b>Net income/(expenditure)</b>		<b>134,548</b>	<b>-</b>	<b>3,535</b>	<b>138,083</b>
<b>Transfers between funds</b>	20	-	-	-	-
		134,548	-	3,535	138,083
Actuarial gains/(losses) on defined benefit pension schemes	18	(850,348)	-	-	(850,348)
<b>Net movement in funds</b>		<b>(715,800)</b>	<b>-</b>	<b>3,535</b>	<b>(712,265)</b>
<b>RECONCILIATION OF FUNDS</b>					
<b>Total funds brought forward</b>	20	4,072,860	9,507	939,391	5,021,758
<b>Total funds carried forward</b>	20	<b>3,357,060</b>	<b>9,507</b>	<b>942,926</b>	<b>4,309,493</b>

# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2021

## NOTES TO THE FINANCIAL STATEMENTS

### 25. Comparative Statement of Financial Activities and Analysis of movement in funds (continued)

	Brought forward	Incoming resources	Outgoing resources	Unrealised gains/(losses)	Transfers	Carried forward
	£	£	£	£	£	£
<b>Permanent endowment funds</b>						
Permanent Endowment Fund	652,000	-	-	-	-	652,000
Endowment Recoupment Fund	287,391	-	-	3,535	-	290,926
<b>Total endowment funds</b>	<u>939,391</u>	<u>-</u>	<u>-</u>	<u>3,535</u>	<u>-</u>	<u>942,926</u>
<b>Restricted funds</b>						
ESCC	3,000	-	-	-	-	3,000
Clockhouse Fund	3,789	-	-	-	-	3,789
Natural England Fund	2,718	-	-	-	-	2,718
<b>Total restricted funds</b>	<u>9,507</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,507</u>
<b>Designated and general funds</b>						
WO Field bequest	136,440	-	-	(19,629)	-	116,811
Pension deficit (see note 18)	(3,343,864)	-	-	(850,348)	185,700	(4,008,512)
Fixed asset reserve (see note 12)	7,213,516	-	(10,226)	-	10,068	7,213,358
Total designated funds	4,006,092	-	(10,226)	(869,977)	195,768	3,321,657
General reserves	66,768	4,047,744	(3,878,269)	(5,072)	(195,768)	35,403
<b>Total unrestricted funds</b>	<u>4,072,860</u>	<u>4,047,744</u>	<u>(3,888,495)</u>	<u>(875,049)</u>	<u>-</u>	<u>3,357,060</u>
<b>Total funds</b>	<u>5,021,758</u>	<u>4,047,744</u>	<u>(3,888,495)</u>	<u>(871,514)</u>	<u>-</u>	<u>4,309,493</u>

### 26. Post balance sheet events and going concern

At the balance sheet date the school's net debt position was £56,398, down from £1,032,442 at the comparative year end following to the sale of a property.

At the balance sheet date the school had been operating under UK Government guidelines in response to the COVID-19 pandemic which continues a significant detrimental impact on the social and financial economies of the world though these restrictions had been somewhat relaxed. The restrictions imposed by the UK Government significantly impacted the operations of the school for which the school established alternative distance learning facilities for its pupils in order to continue the provision of education.

In the period since the year end, due to falling infection rates, restrictions were all but removed in March 2022 and it is hoped there will not be a return of such restrictions in the near future.

Throughout this period the school's management has implemented steps to improve the cash flow of the school to safeguard the ability to continue as a going concern with significant funds required to be invested into the estate's buildings to allow for their continued use and scheduled payments under the pension scheme deficit arrangement continues to be a drain on the school's cash resources.

Throughout the year under review school made use of the Coronavirus Job Retention Scheme (CJRS), reduced fixed staffing costs, and successfully applied for a loan under the Coronavirus Business Interruption Loan Scheme (CBILS) of £340,000 and opened a new mortgage to aide cash flow which was repaid in September 2020 following the completed sale of a property.

The staff cost savings noted above have been taken into the subsequent financial year and the staffing requirement continues to be under review in line with pupil numbers. During the year ended 31 July 2022 there has been a drive to recover fees payable and reduce the number of pupils in receipt of fee assistance or not meeting their payment obligations.

In addition the trustees have been considering the use of land and properties on the extremes of the site and undertaken a review of these to identify where possible disposals and opportunities could be realised without damaging or interfering with the school's operations. The trustees have obtained consent for the disposal of a property at the northern edge of the site which will provide much finance for improvements to buildings in use to enhance their earning potential. It is anticipated this sale could take place during June of 2022.

# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2021

## NOTES TO THE FINANCIAL STATEMENTS

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### 27. Pensions

The Company participates in the Main Section of the Mercury Provident Pension Scheme (the Scheme), a UK registered trust based pension scheme that provides defined benefits.

Pension benefits are linked to the members' final pensionable salaries and service at their retirement (or date of leaving if earlier). The Trustee of the Scheme is responsible for running the Scheme in accordance with the Scheme's Trust Deed and Rules. The Trustee is required to act in the best interests of the beneficiaries of the Scheme.

There are two categories of Scheme members:

- Deferred members: members who have left pensionable service with deferred benefits which have yet to come into payment.
- Pensioner members: members in receipt of pension.

The value of the defined benefit obligation for the 31 July 2021 is derived by approximately adjusting the results of the triennial valuation as at 29 December 2018.

In adjusting the value of the defined benefit obligation allowance has been made over the relevant periods for:

- benefits paid out to members;
- price inflation; and
- member movements.

All other experience is assumed to be in line with the assumptions at the start of the period. The value of the defined benefit obligation is adjusted for changes in the assumptions.

The results of the most recent formal actuarial valuation as at 29 December 2018 have been updated to the Company year ends by a qualified independent actuary. The assumptions used were as follows:

	Year end 31 July 2021		Year end 31 July 2020	
<i>Significant actuarial assumptions</i>				
Discount rate	1.5% pa		1.25% pa	
RPI inflation	3.15% pa		2.75% pa	
CPI inflation	2.55% pa		2.15% pa	
<i>Mortality assumptions</i>				
Mortality	100% S3PMA_All/ 100% S3PFA_All CMI_2020_M/F [1.25%] (yob)		100% S3PMA_All/ 100% S3PFA_All CMI_2019_M/F [1.25%] (yob)	
<i>Other actuarial assumptions</i>				
Pension increases:				
Pre 88 GMP	Nil		Nil	
Post 88 GMP	2.25% pa		2.00% pa	
Pre 97 excess	Nil		Nil	
97-05 pension	2.55% pa		2.20% pa	
Post 2005 pension	2.00% pa		1.80% pa	
Revaluation of deferred pensions in excess of GMP:	2.55% pa		2.15% pa	
<i>Life expectancies (in years)</i>				
	Male	Female	Male	Female
For an individual aged 65 in 2021	21.9	24.3	21.9	24.3
At age 65 for an individual aged 45 in 2021	23.2	25.7	23.3	25.7

# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2021

## NOTES TO THE FINANCIAL STATEMENTS

### 27. Pensions (continued)

The fair value of the Company's share of the assets of the Scheme was:

	Year end 31 July 2021 £'000s	Year end 31 July 2020 £'000s
<i>Asset class</i>		
Equities	1,442	1,114
Diversified Credit Funds (DCFs)	556	553
Liability Driven Investments (LDIs)	666	682
Diversified Growth Funds (DGFs)	597	561
Cash	270	297
Total	3,531	3,207

The return on the assets was:

	Year end 31 July 2021 £'000s	Year end 31 July 2020 £'000s
<i>Return</i>		
Interest income	40	63
Return on assets less interest income	371	(113)
Total return on assets	411	(50)

Reconciliation to the balance sheet:

	Year end 31 July 2021 £'000s	Year end 31 July 2020 £'000s
Market value of assets	3,531	3,207
Present value of defined benefit obligation	5,387	5,588
Funded status	(1,856)	(2,381)
Irrecoverable surplus	-	-
Pension asset/(liability) recognised in the Statement of Financial Position before allowance for deferred tax	(1,856)	(2,381)

Reconciliation of Scheme's assets and defined benefit obligation

	Assets £'000s	Defined benefit obligation £'000s	Net position £'000s
At 1 August 2020	3,207	(5,588)	(2,381)
Benefits paid:			
Pensions	(216)	216	-
Transfers	-	-	-
Other	(6)	6	-
Employer contributions	192	-	192
Member contributions	-	-	-
Current service cost	-	-	-
Administration expenses	(57)	-	(57)
Past service cost	-	-	-
Settlements	-	-	-
Business combinations/bulk transfers	-	-	-
Interest income/cost	40	(68)	(28)
Remeasurement gains/(losses):			
Actuarial gains/(losses): Change of basis	-	42	42
Actuarial gains/(losses): Experience	-	5	5
Return on assets excluding interest income	371	-	371
At 31 July 2021	3,531	(5,387)	(1,856)

**MICHAEL HALL SCHOOL**

England & Wales - Charity number 307006

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# Accounts

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**MICHAEL HALL SCHOOL**

**Trustees Report**

**and Financial Statements**

**for the year ended 31 July 2020**

**Registered Charity Number 307006**

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# **MICHAEL HALL SCHOOL**

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2020

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# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2020

## REFERENCE AND ADMINISTRATIVE DETAILS

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### Trustee

The sole trustee of the charity is a company limited by guarantee, Michael Hall School Limited, company number 539034. The directors of this company are the Council of Trustees of the charity for charity law purposes and are set out below:

W Forward	(Teacher, Chair from 21/02/21)	(appointed 20 March 2017)
J Sharpe	(Independent, Chair 17/10/20 to 20/02/21)	(appointed 13 November 2019, resigned 21 February 2021)
S Rafferty	(Independent, Chair to 16/10/20)	(resigned 16 October 2020)
J Cohen	(Parent)	(resigned 23 June 2020)
H Hebrank	(Parent)	
K Hagenbach	(independent)	(resigned 1 April 2020)
M Hindler	(Independent)	(appointed 10 January 2020)
V King	(Teacher)	
S Kirby	(Independent)	
L Lines	(Independent)	(appointed 3 February 2021)
M Macdonald	(Teacher)	(appointed 16 September 2020)
E Maslen	(Parent)	(appointed 13 November 2019)
T Michaels	(Parent)	(appointed 23 November 2020)
B Ozgen	(Parent)	(resigned 16 November 2020)
T Souleiman	(Parent)	(appointed 9 December 2019)

The Association members are the guarantors of the trustee company and hold the right to appoint or remove members of the Council of Trustees. No person may be appointed as a member unless they are an Association member.

### Management

The trustees delegate the day to day management of the school to committees comprised of members of staff.

### Key management personnel (to May 2020 unless stated)

<i>Vacant</i>	Chair of Management
M Fielding	Early Years Faculty Chair
J Brunoir	Upper School Faculty Chair (to August 2019)
S Grimshaw	Upper School Faculty Chair (from September 2019)
J Rolton	Upper School Faculty Chair (from September 2019)
M Devaris	Upper School Faculty Chair (from September 2019)
H Howlett	College of Teachers Co-Chair
<i>Vacant</i>	Education Co-ordinator
D Skinner	Director of Operations (to March 2020)
V King	Lower School Faculty Chair
K Whiley	Financial Controller/School Bursar (to March 2020)

### Key management personnel (to July 2021 unless stated otherwise)

P Farr	Principal (from November 2019 to March 2021)
E Hawker	Acting Principal (from March 2021 and ongoing), previously Lower School Assistant Principal (from March 2020 to March 2021)
M Fielding	Early Years Faculty Chair
M Devaris	Upper School Assistant Principal
R Siddons	Upper School Assistant Principal (from March 2020 to March 2021)
J Courtenay	Lower School Assistant Principal
L James	Business Manager (from April 2020)
J Phillips	SENCO (from September 2018)

# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2020

## REFERENCE AND ADMINISTRATIVE DETAILS

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### Principal office

Kidbrooke Park  
Priory Road  
Forest Row  
East Sussex  
RH18 5JA

### Charity registered number

307006

### Auditors

Blue Spire Limited  
Cawley Priory  
South Pallant  
Chichester  
West Sussex  
PO19 1SY

### Solicitors

Ellis Whittham Limited  
Woodhouse  
Aldford  
Chester  
Cheshire  
CH3 6JD

Reeves Perrin  
Marksden  
29 Blackness Road  
Crowborough  
TN6 2LT

### Bankers

HSBC  
38 London Road  
East Grinstead  
West Sussex  
RH19 1AB

Barclays Bank Plc  
18 Southgate Street  
Gloucester  
GL1 2DH

Triodos Bank  
Brunel House  
11 The Promenade  
Bristol  
BS8 3NN

# **MICHAEL HALL SCHOOL**

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2020

## **REPORT OF THE TRUSTEE**

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The Trustees have pleasure in presenting the annual report for the purposes of the Charities Act 2011, together with the accounts for the year ended 31 July 2020. The trustees have adopted the provisions of the Statement of Recommended Practice "Accounting and Reporting by Charities" (FRS 102) in preparing the annual report and financial statements of the charity.

### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

Michael Hall School is a registered charity constituted as an unincorporated association under a trust deed dated 21 January 1925 and the Memorandum and Articles of Association of the trustee company dated 25 September 1954 as revised.

It is controlled by the Council of Trustees whose members are appointed or removed by Association of Trust Members and are trustees for the purposes of charity law.

Trustees hold portfolio responsibilities that map onto the school's priorities and make reference to the Ofsted Inspection Framework that came into effect in May 2019.

All trustees are selected based on the contribution that they will make to the governance of the organisation and their relevant knowledge, skills and experiences. They are supported with copies of the Charity Commission's guidance to trustees and given an introduction to the activities of the charity by the existing Board and School's senior staff. Trustees are provided with training as and when required and there is an annual training plan for trustees which sits alongside the school's workforce development plans. New Trustees are inducted through a process which incorporates training in various relevant areas including Health and Safety, Safer Recruitment, Safeguarding and Child Protection.

The setting of pay and remuneration is completed by the trustees with reference to publicised pay scales and benchmarked against similar roles in comparable organisations.

In June 2019, and in response to an inspection of the school made by Ofsted, Trustees began a process of reviewing and renewing the School's leadership. This led to the appointment of the School's first Principal in November 2019 with a new interim leadership team appointed in January 2020. These new arrangements replaced the previous leadership structures by putting professionally qualified teaching staff in charge of the day to day running of the school and its educational development. In May 2020 a new leadership team was put in place resulting in four assistant principals, a School Business Manager and a SENCO all reporting directly to the Principal.

Following an Ofsted inspection in March 2021, it was announced via the subsequent Ofsted report that the school's Principal had been suspended. An existing Assistant Principal stepped into the role of Acting Principal as of March 2021 and continues to hold this position.

The School is a member school of the Steiner Waldorf Schools Fellowship (SWSF), which has a code of conduct and has recommendations for policies and procedures. Under the leadership of the Acting Principal, the school now enjoys a close and effective partnership with the SWSF. The school is also a member of the Independent Schools Bursars Association (ISBA) which has an extensive policy and compliance library.

### **Risk Management**

The trustees have assessed the significant risks to which the charity is exposed. Following the most recent Ofsted inspections, the greatest risk facing the school is considered to be the current Ofsted rating. Significant work to ensure that the next full inspection results in a positive grading and report has been undertaken and continues to be a primary focus of the school's leadership. The Acting Principal commissioned a full external Safeguarding audit, an audit of the teaching and learning provision and has appointed a School Improvement Partner to scrutinise work and offer advice on how to ensure improvement. Both have determined the school's provision to be of a good standard, and the school looks forward to being able to welcome Ofsted back to demonstrate the improvements that have been made across the board since the last inspections. The school has a comprehensive School Improvement Plan, which has been approved by the SWSF, the School Improvement Plan (SIP) and Trustees, and

# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2020

## REPORT OF THE TRUSTEE

---

has confidence that the pending 3 day Ofsted inspection will find Michael Hall to be good with elements of outstanding.

Communicating the disappointing outcome of the inspection to existing parents was key to managing risk, in particular of parents withdrawing from the school. The Acting Principal and School Business Manager held a series of Town Hall meetings, inviting all parents to attend, and comprehensively explained the circumstances surrounding the grading (as far as permissible) and the resulting results of a comprehensive external safeguarding audit. They also held open and frank Q&A sessions. Trustees offered a similar meeting for all parents to dispel any rumours and to demonstrate that steps had been immediately taken to confirm that children at Michael Hall School are safe, and that the Ofsted Inspection - having focused on a singular event and the wrong staff contacting an external agency - was not indicative of poor safeguarding practice across the school. Parents were reassured that clear steps had been taken to ensure no such incident could reoccur, and as a result there was very little pupil number movement following the report publication.

The School is working closely with the SWSF, who are greatly improving relationships with Ofsted having noticed that the Ofsted inspection framework failed to recognise some of the differences that are integral to Steiner Waldorf education. These differences will now be written into the inspection framework so that our differences will be recognised and taken into consideration in future inspection outcomes (e.g. not learning to read until aged 7). Relationships with the SWSF have improved enormously under the Acting Principal, and the two organisations move together in complete partnership, with positive Ofsted relationships and outcomes being a key area of focus.

Other risks that Trustees carefully monitor relate to the specific operational areas of the charity and its finances. A register is under review to monitor and manage those risks effectively. The Trustees closely monitor reserve levels, ensure controls exist over critical financial systems, and examine the operational and business risks faced by the charity. The Business Manager has developed a series of action points for the coming year to ensure the delivery of the strategic objectives that have been set by Trustees to mitigate these risks and grow the school's finances.

The COVID-19 pandemic has posed a significant risk to the school. As well as adding additional operational burden, the school has had to develop systems of distance learning. Families have faced financial hardship which in turn has limited some family's ability to pay fees. The Finance Manager has developed systems of credit control, and ensured that all families with outstanding debt have now agreed a longer-term repayment plan to clear any outstanding fees. The school has engaged an external debt collection agency to support the collection of more historic debts.

## OBJECTIVES AND ACTIVITIES

The charity's objectives are:

"To provide for and conduct the education of children in accordance with Steiner Waldorf educational principles." It pursues these objects by the administering of Michael Hall School at its premises in Forest Row, East Sussex. In doing so it provides education to and attends to the welfare of children in the school whilst maintaining and improving the school's premises and grounds.

In determining how best to pursue these objects the trustees have had regard to the Charity Commission's guidance on public benefit.

The charity offers educational schooling from children from 3 years through to 18 and fees from this would usually represent almost 80% of the charities income. Due to the pandemic, income from additional sources (lettings, events and fundraising) have been limited with fees being the main source of income since March 2020.

Taking its inspiration from Rudolph Steiner, the School's curriculum is delivered with age appropriate awareness that takes into account the cognitive and emotional stages of child development. The aim of the school is through a holistic education, providing the students with skills and a passion for lifelong learning that promotes confidence and encourages well rounded, creative and practical individuals. Alongside traditional GCSE and A level qualifications, the education is delivered through an extremely diverse curriculum portfolio.

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# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2020

## REPORT OF THE TRUSTEE

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The school offers an extensive fee assistance programme based on a means tested method and during the course of the 2019-20 academic year 116 pupils (67 families) have benefitted from this. As one of the many initiatives to ensure the school's business model is redeveloped with sustainability in mind, the fee assistance programme has been thoroughly reviewed and redesigned. An allocation of 12.5% of gross fee income (after staff discount) has been set as a maximum fee assistance budget. This is distributed to families on a means tested basis through a third party company, under a new clear Fee Assistance Policy.

The Acting Principal has completely redeveloped the strategies for achieving aims and objectives in conjunction with the SWFS and SIP. Using well-recognised models of best-practice, the leadership team has implemented a comprehensive package of education assessment across the school, alongside Continual Professional Development programme that align with the school's Development priorities. The acting Principal has also created a rigorous School Improvement Plan that identifies all areas of Ofsted scrutiny to address previous shortcomings (which in-turn are considered to have contributed to poor pupil numbers). The SWSF and SIP at a recent Independent audit undertaken in May 2021 both found that the school was Good with elements of Outstanding. They were particularly impressed with the progress made to improve literacy and maths across the school.

The School Business Manager has developed systems for monitoring key lines of expenditure (i.e. staffing costs) and monitors these closely against income /pupil numbers. Trustees monitor these key performance indicators alongside the budget at the Resources and Full Trustee meetings. Work is currently underway to develop clear formats of bi-monthly management accounting to allow for clear and consistent reporting of cash flow, budget monitoring and KPIs. A finance working group, led by the School Business Manager, comprises of several external finance experts who have committed to supporting the improvement of the school's financial reporting, and developing comprehensive strategies for a robust and thriving financial future. Work is in the early stages, but already this work has had significant impacts and negated any requirement to borrow funds or sell an asset to ensure cash flow through the current difficult year of the pandemic.

### ACHIEVEMENTS AND PERFORMANCE

There is exciting work going on in collaboration with the SWFS. They are due to offer training to all staff, whilst also training Ofsted in-line with Steiner Waldorf education. This alignment is anticipated to have a positive effect on future Ofsted inspections as well as outcomes for pupils.

Sub-committees have been established to cover Educational Performance & Standards and Finance & Operations with trustees being allocated to a committee depending on the portfolio that they held.

Due to incomplete record keeping at the time, the number of formal complaints received in the year 2019 -20 is unknown. The current leadership is aware of 9 complaints during that period, some of which were resolved once the Acting Principal was made aware of them. However, there is now a comprehensive and structured Complaints Procedure in place, with number of formal complaints having been received under the new Acting Principal being 3, of which all have now been resolved.

### Exam Results

The pupils and teachers are continuing to demonstrate their resilience working hard towards adjusting to the ever-changing exam requirements, due to the COVID - 19 pandemic, demonstrating their learning and conscientiousness. The exam series for the Summer of 2020 was a dramatic, national shift from the norm, therefore, instead of sitting exams, pupils were awarded grades as determined by work submitted throughout the year to their teachers.

2020 saw a 2% improvement on GCSE grades 9 -5, a 4% rise of grades between 9 -7 from 2019. However, we did see a 3% drop of grades between 9 -8.

In summary, our overall pass rate saw a 3% improvement from 92% in 2019 to 95% in 2020.

This was a difficult time therefore making any comparisons is complex.

# **MICHAEL HALL SCHOOL**

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2020

## **REPORT OF THE TRUSTEE**

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The Advanced Levels results were also an improvement from 2019. In 2020 we had a total of 73 A-levels taken. That is 24 more A-levels achieved by Michael Hall pupils. The pupils gaining A\* - A was raised by 32% of those in 2019. Pupils gaining A\* - B was 70% in 2020 compared to 45% of those in 2019. Pupils gaining A\* - C raised by 41% in 2020 from those in 2019. The Overall pass rate is now at 100% which is a 4% improvement from 2019.

To have made such great progress in such a challenging year shows the commitment from both teachers and pupils and demonstrates our ability to combine both the Steiner curriculum and achieve academic results.

### **Staff Numbers**

Analysis of staff costs against income from fees undertaken in Autumn 2020 demonstrated an unsustainable staffing structure, with a pupil: staff ratio that was not sustainable. In January 2021, the school commenced a full staffing restructure which has reduced staffing numbers to an affordable and sustainable level. The budgeted staffing numbers from September 2021 onwards represents over £500,000 saving per annum on previous years' staffing costs.

### **Pupil Numbers**

Exit-interviews of leaving pupils have been reinstated, with decisions to leave Michael Hall being logged and monitored for trends to allow for action to be taken when any pattern emerges.

The COVID-19 pandemic has resulted in some drop-off in pupil numbers as some families have found themselves in sudden financially challenging circumstances.

It is considered likely that once the school is able to demonstrate that is at least 'Good' by Ofsted that we will see a rejuvenation in pupil numbers. A tactical marketing strategy has been developed for deployment in September 2021 to focus on enhancing pupil numbers. The opening of a 5<sup>th</sup> Kindergarten is being considered over the coming year, as well as a Parent and Child Group and other initiatives to boost incoming families.

Work to ensure the retention of existing pupils also forms a key element of this marketing strategy. It is expected that by September 2022, targeted marketing and PR strategies will have brought pupil numbers back above 400.

It is also important to note that although pupil numbers have decreased, the new policies on fee assistance and credit control has positively impacted the average income per pupil to ensure that income does not reduce in line with the number of pupils on roll.

### **Estate and Buildings**

The school has appointed an Estates Manager as part of the recent Staffing Restructure. This is considered a pivotal role in the rejuvenation of the school's buildings, and longer term strategic direction of the facilities. A comprehensive business plan is being developed to maximise revenue from the school's grounds, utilising opportunities from weddings, events and lettings to generate income that can be used to reinvest into the buildings.

A trial initiative is being piloted over the summer to develop the grounds for extra-curricular activities for our pupils and the community beyond. In the long term, this initiative will be developed to bring in revenue, but also show-case the school to potential new families thus boosting pupil numbers.

### **Public Benefit**

Michael Hall aims to make the school accessible to families on a wide range of incomes, and achieves this primarily through its fee assistance programme. The programme is means-tested, and the sole criterion for assistance is the ability to pay.

In 2019-20, 116 pupils (67 families) were benefiting from means-tested fee assistance. As well as its annual fee assistance programme, the school also operates a formal emergency fee assistance programme for families who experience a sudden change in financial circumstances during the course of the school year.

# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2020

## REPORT OF THE TRUSTEE

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### FINANCIAL REVIEW

During the year under review the school is reporting net expenditure of £712,265 (2019 net expenditure: £325,244) inclusive of a loss on investments of £21,166 (2019 gain: £26,222) and a debit on the movement of the pension deficit provision of £850,348 (2019 debit: £257,242), giving an operating surplus of £159,249 (2019 operating deficit: £89,168).

As at 31 July 2020, the charity's total funds amounted to £4,309,493 (2019: £5,021,758) of which £942,926 (2019: £939,391) is held within endowment funds with a further £9,507 (2019: £9,507) restricted leaving unrestricted funds of £3,357,060 (2019: £4,072,860). Within unrestricted funds are designated amounts totalling £3,321,657 (2019: £4,006,092) with funds represented by fixed assets amounting to £7,213,358 and a pension deficit position of £4,008,512 giving an overall reserves position of £35,403 (2019: £66,768). The trustees consider that the charity should hold positive reserves equivalent to two months operating costs (estimated at £500,000) in order to ensure the ongoing delivery of its charitable objects during an unforeseen downturn in income. There is currently an additional need to accumulate reserves in order to provide for the future development of the charity's facilities and the trustees estimate that a sum of £2,000,000 will be freed from assets to form part of a detailed and carefully planned business rejuvenation strategy. Trustees consider that the current level of reserves is below that required and that the charity should aim to generate sufficient surpluses over the next 5-10 years to build the reserves to the required level.

The school's principal funding source continues to be income generated by school fees. Expenditure continues to be on teaching and support costs for the provision of education to those pupils. Michael Hall School had investments in COIF unitised funds throughout the year.

The school does not participate in any significant fundraising activities in pursuit of donations though income is generated through markets, third party hires and the garden shop.

### PLANS FOR FUTURE PERIODS and GOING CONCERN

The Acting Principal has redeveloped a rigorous School Development Plan to confirm and embed good practice in the delivery of our education. The Business Manager has developed a short to medium term action plan from which to build a long term business plan and ensure the financial security of the school long into the future. The year 2020-2021 is being considered a "Transition and Recovery" year. This is to acknowledge the difficult times the school has been through in recent times, due to a pandemic, restructure and other challenges. The 'transition and recovery' year will spring board Michael Hall into a new, carefully planned and robust future with appropriate staffing structure and levels, a focus on providing excellent education, and ensuring any gaps in provision as a result of the Pandemic are carefully filled.

Since early 2021, the Leadership Team has been focused on identifying historic gaps, problems and unresolved issues. A comprehensive log of complaints has been compiled and clear and consistent responses to concerns and complaints established. Key documents that have been underdeveloped are now robust and fit-for purpose (including the Self Evaluation and School Development Plans), and teachers have clearly defined expectations placed upon them to deliver consistently good levels of education. Any member of staff considering to be underperforming is now dealt with efficiently and effectively through Performance Improvement Plans, and a process of appraisal for all staff has been developed for September 2021.

Pupil numbers are lower than previous years, although the pandemic has led to a delay in finalisation of the signing up of new pupils. Therefore, it is anticipated that the eventual number of pupils on roll will be higher than budgeted. Although the single stream entry of the lower classes brings with it reduced income, the recent staffing restructure has ensured that we are no longer over-staffed and can afford the staff levels into the future.

The Council of Trustees have developed an improvement plan to enhance Governance, including the improvement of the quality of board papers, a longer-term focus and ensuring the security of the future of the school.

Trustees have set the Leadership Team a series of strategic objectives. These can be considered under two main sub categories: 1) Teaching and Learning and 2) Operations/Business.

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# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2020

## REPORT OF THE TRUSTEE

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As part of the plans for development, strategies to ensure the financial viability include the following:

- A review of the staffing structure has ensured that staffing costs now fall within a sustainable level in comparison to income from fees. Ongoing monitoring and review of the staffing structure will be conducted, with contingency plans firmly in place to manage any further reduction in pupil numbers.
- A full-time Credit Control role is being recruited to join the Finance Team. This is designed to ensure a) the repayment of historic debt from outstanding fees and b) change the culture of late payment through a new, comprehensive credit control policy and implementation of late penalties for late fees.
- A review of how fees are invoiced. Moving to a termly or monthly direct debit option will allow for far closer review of payments, and the clearer reporting of where fee payments are delayed.
- A Marketing strategy is being launched in September 2021 to drive PR initiatives and enhance pupil numbers. In addition to this, development/fundraising/lettings will be built into the action plans for the Business manager (and team) and Estate Manager. This will maximise effectiveness of potential income streams, such as managing an effective alumni giving programme and sourcing available grants etc.
- An asset sale is being considered to enable a large-scale reinvestment programme into the business as a whole. In the past, where assets have been utilised to shore up the school's cash flow, future plans consider the need to carefully plan for the spending of released capital in a carefully managed business plan.
- The fee assistance budget has now been realigned to 10% of income. In order to 'wean' families off the previous figure of 80% fee assistance, an annual reduction in maximum fee assistance availability is being rolled out to gradually reduce the maximum available to 35%.
- Management figures to be produced on a bi-monthly basis to monitor cash flow and ensure adherence to ledger code budgets.

### STATEMENT OF TRUSTEE'S RESPONSIBILITIES

The Trustees are responsible for preparing the Report of the Trustee and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales requires the trustee to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the trustee is required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustee is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustee is responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2020

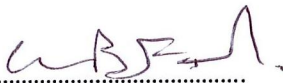
## REPORT OF THE TRUSTEE

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### APPOINTMENT OF AUDITORS

The charity's auditors, Blue Spire Limited, have expressed their willingness to continue as auditors to the charity. A resolution proposing Blue Spire Limited be reappointed will be put forward at the AGM of the charity.

Approved by the Council on 10/09/20 and signed on its behalf.



Trustee

# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2020

## INDEPENDENT AUDITOR'S REPORT

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### Independent Auditor's Report to the Trustee of Michael Hall School

#### Opinion

We have audited the financial statements of Michael Hall School (the 'charity') for the year ended 31 July 2020 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, 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 charity's affairs as at 31 July 2020, and of its incoming resources and application of resources, 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 Charities Act 2011.

#### Basis for opinion

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

#### Material uncertainty relating to going concern

We draw attention to note 27 in the financial statements, which indicates that the ongoing cash flows and the impact of COVID-19 may cast significant doubt on the entity's ability to continue as a going concern. As stated in note 27, these events and conditions indicate that a material uncertainty exists that may cast significant doubt on the school's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

In auditing the financial statements, we have concluded that the trustee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the trustee's assessment of the entity's ability to continue to adopt the going concern basis of accounting included a review of the most recent management information available to the point of sign off together with an assessment of future plans and projections.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report

#### Other information

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

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

We have nothing to report in this regard.

# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2020

## INDEPENDENT AUDITOR'S REPORT

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### Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the report of the trustee; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

### Responsibilities of the trustee

As explained more fully in the statement of trustee's responsibilities, the trustee is responsible for the preparation of financial statements which give a true and fair view, and for such internal control as the trustee determines 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 trustee is responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustee either intends to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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

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

### Use of our report

This report is made solely to the charity's trustee, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustee 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 charity and the charity's trustee as a body, for our audit work, for this report, or for the opinions we have formed.

Blue Spire Limited, Statutory Auditor

Cawley Priory  
South Pallant  
Chichester  
West Sussex  
PO19 1SY

Date

*Blue Spire Limited is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.*

# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2020

## STATEMENT OF FINANCIAL ACTIVITIES

		Unrestricted Funds	Restricted Funds	Endowment Funds	2020 Total Funds	2019 Total Funds
	Note	£	£	£	£	£
<b>INCOME AND ENDOWMENTS FROM:</b>						
Donations and legacies	1	4,202	-	-	4,202	21,743
Other trading activities	2	136,586	-	-	136,586	179,257
Investments	3	14,953	-	-	14,953	15,225
Charitable activities	4	3,420,362	-	-	3,420,362	3,703,047
Other	5	471,641	-	-	471,641	-
<b>Total</b>		<u>4,047,744</u>	<u>-</u>	<u>-</u>	<u>4,047,744</u>	<u>3,919,272</u>
<b>EXPENDITURE ON:</b>						
Raising funds	6	111,851	-	-	111,851	67,223
Charitable activities	7	4,626,992	-	-	4,626,992	4,203,515
<b>Total</b>		<u>4,738,843</u>	<u>-</u>	<u>-</u>	<u>4,738,843</u>	<u>4,270,738</u>
Net gains/(losses) on investments	13	(24,701)	-	3,535	(21,166)	26,222
<b>Net income/(expenditure)</b>		<u>(715,800)</u>	<u>-</u>	<u>3,535</u>	<u>(712,265)</u>	<u>(325,244)</u>
<b>Transfers between funds</b>	20	-	-	-	-	-
<b>Net movement in funds</b>		<u>(715,800)</u>	<u>-</u>	<u>3,535</u>	<u>(712,265)</u>	<u>(325,244)</u>
<b>RECONCILIATION OF FUNDS</b>						
<b>Total funds brought forward</b>	20	4,072,860	9,507	939,391	5,021,758	5,347,002
<b>Total funds carried forward</b>	20	<u>3,357,060</u>	<u>9,507</u>	<u>942,926</u>	<u>4,309,493</u>	<u>5,021,758</u>

None of the charity's activities were acquired or discontinued during the above two financial years.

The charity has no recognised gains or losses other than those dealt with in the statement of financial activities.

# MICHAEL HALL SCHOOL

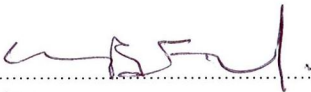
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2020

## BALANCE SHEET AS AT 31 JULY 2020

	Note	2020		2019	
		£	£	£	£
<b>FIXED ASSETS</b>					
Tangible assets	12	7,865,358		7,865,516	
Investments	13	<u>424,795</u>		<u>445,961</u>	
<b>Total fixed assets</b>			8,290,153		8,311,477
<b>CURRENT ASSETS</b>					
Assets held for sale	14	710,000		710,000	
Debtors	15	896,835		363,549	
Cash at hand and in bank		<u>212,384</u>		<u>79,488</u>	
<b>Total current assets</b>		<u>1,819,219</u>		<u>1,153,037</u>	
<b>CURRENT LIABILITIES</b>					
Creditors: amounts falling due within one year	16	<u>618,304</u>		<u>676,579</u>	
<b>Net current assets/(liabilities)</b>			1,200,915		476,458
<b>Total assets less current liabilities</b>			<u>9,491,068</u>		<u>8,787,935</u>
Creditors: amounts falling due after more than one year	17		(1,173,063)		(422,313)
<b>Net assets/(liabilities) excluding pension asset/(liability)</b>			<u>8,318,005</u>		<u>8,365,622</u>
Defined benefit pension scheme asset/(liability)	18		(4,008,512)		(3,343,864)
<b>Total net assets</b>			<u><u>4,309,493</u></u>		<u><u>5,021,758</u></u>
<b>THE FUNDS OF THE CHARITY</b>					
<b>Endowment funds</b>	20		942,926		939,391
<b>Restricted funds</b>	20		9,507		9,507
<b>Unrestricted funds</b>					
Designated funds	20	3,321,657		4,006,092	
General funds	20	<u>35,403</u>		<u>66,768</u>	
<b>Total unrestricted funds</b>			3,357,060		4,072,860
<b>Total charity funds</b>			<u><u>4,309,493</u></u>		<u><u>5,021,758</u></u>

The notes on pages 18 to 31 form part of the financial statements.

The financial statements on pages 12 to 31 were approved and authorised for issue by the trustee on ..... 10/09/21 ..... and signed on its behalf by:

  
Trustee

# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2020

## STATEMENT OF CASH FLOWS

	Note	2020		2019	
		£	£	£	£
<b>Net cash flow from operating activities (see below)</b>			(640,778)		(82,624)
<b>Cash flow from investing activities</b>					
Interest and dividends received		14,953		15,225	
Purchase of property, plant and equipment	12	<u>(10,257)</u>		<u>(255,694)</u>	
<b>Net cash flow from investing activities</b>			4,696		(240,469)
<b>Cash flow from financing activities</b>					
Receipts from issue of new loans		840,000		-	
Repayments of long term loans		<u>(71,022)</u>		<u>(44,983)</u>	
<b>Net cash flow from investing activities</b>			768,978		(44,983)
<b>Net increase/(decrease) in cash and cash equivalents</b>			<u>132,896</u>		<u>(368,076)</u>
<b>Cash and cash equivalents at 1 August 2019</b>			79,488		447,564
<b>Cash and cash equivalents at 31 July 2020</b>			<u><u>212,384</u></u>		<u><u>79,488</u></u>
<b>Cash and cash equivalents consist of:</b>					
Cash at bank and in hand	25		<u>212,384</u>		<u>79,488</u>
<b>Cash and cash equivalents at 31 July 2020</b>			<u><u>212,384</u></u>		<u><u>79,488</u></u>

### Reconciliation of net income to net cash flow from operating activities

		2020		2019	
		£	£	£	£
Net income for the year			(712,265)		(325,244)
Adjusted for:					
Interest and dividends		(14,953)		(15,225)	
Interest paid		20,774		11,289	
(Gains)/losses on investments		21,166		(26,222)	
(Profit)/loss on disposal of tangible fixed assets		192		-	
Depreciation and impairment of tangible fixed assets		10,224		11,599	
Decrease/(increase) in debtors		(533,286)		(29,880)	
Increase/(decrease) in creditors less than one year		(97,278)		212,978	
Increase/(decrease) in provisions for liabilities		<u>664,648</u>		<u>78,081</u>	
			71,487		242,620
			<u><u>(640,778)</u></u>		<u><u>(82,624)</u></u>

# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2020

## ACCOUNTING POLICIES

---

### Scope and basis of the financial statements

Michael Hall school is an unincorporated charity governed by a trust deed. The address of the principal office is given in the reference and administrative details section and the nature of the charity's operations and principal activities are given in the trustees' report.

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011 and UK Generally Accepted Accounting Practice.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are presented in sterling which is the functional currency of the charity and rounded to the nearest £.

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

### Judgements in applying accounting policies and key sources of estimation uncertainty

Preparation of the financial statements requires management to make judgements and estimates. The key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are that of the Mercury Provident Pension Scheme deficit. A discount rate of 0.78% has been used in line with the requirements of FRS 102.

### Incoming resources

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

For donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

For legacies, entitlement is the earlier of the charity being notified of an impending distribution or the legacy being received. At this point income is recognised. On occasion legacies will be notified to the charity however it is not possible to measure the amount expected to be distributed. On these occasions, the legacy is treated as a contingent asset and disclosed.

Income from trading activities includes income earned from fundraising events and trading activities to raise funds for the charity. Income is received in exchange for supplying goods and services in order to raise funds and is recognised when entitlement has occurred.

Income from grants are recognised at fair value when the charity has entitlement after any performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably. If entitlement is not met then these amounts are deferred.

Investment income is earned through holding assets for investment purposes such as shares and property. It includes dividends, interest and rent. Where it is not practicable to identify investment management costs incurred within a scheme with reasonable accuracy the investment income is reported net of these costs. It is included when the amount can be measured reliably. Interest income is recognised using the effective interest method and dividend and rent income is recognised as the charity's right to receive payment is established.

### Resources expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Costs of raising funds includes staff and other costs of raising the charity's profile and investment management fees; and
- Expenditure on charitable activities includes costs of delivery the charity's objects together with support and governance costs.

Grants payable to third parties are within the charitable objectives. Where unconditional grants are offered, this is accrued as soon as the recipient is notified of the grant, as this gives rise to a reasonable expectation that the recipient will receive the grants. Where grants are conditional relating to performance then the grant is only accrued when any unfulfilled conditions are outside of the control of the charity.

# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2020

## ACCOUNTING POLICIES

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### Resources expended (continued)

#### Support costs allocation

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs, administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity. Where support costs cannot be directly attributed to particular headings they have been allocated to cost of raising funds and expenditure on charitable activities on a basis consistent with use of the resources.

The analysis of these costs is included in notes 7 and 8.

#### Redundancy and termination payments

Termination payments are accounted for on an accruals basis, as above, and classified to the relevant category of expenditure.

### Employee benefits

When employees have rendered service to the Charity, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

### Pensions

The charity operates a defined benefit pension scheme. Contributions are paid to a multi-employer group scheme established by the Steiner Schools Fellowship with Mercury Provident. The Scheme operates as a pooled arrangement, with contributions paid at a centrally agreed rate. As a consequence, no share of the underlying assets and liabilities can be directly attributed to Michael Hall School. Under the terms of FRS 102, the discounted present value of future cash flows under a deficit funding arrangement is included as a liability in these accounts and the change in that valuation from year to year is taken to the statement of financial activities. The discount rate used is based on the expected rate of return on high quality corporate bonds for a similar period.

In addition the charity makes contributions towards a defined contribution group personal pension plan which are charged to the SoFA as they fall due.

### Leases

Rentals payable and receivable under operating leases are charged to the SoFA on a straight line basis over the period of the lease.

### Tax

The charity is considered to pass the tests set out in sections 521 to 536 Income Tax Act 2007 (ITA 2007), as such no income tax is payable on the charity's activities.

### VAT

The charity is not registered for VAT and cannot recover VAT incurred on costs. These are therefore stated inclusive of any VAT element.

### Fixed assets

Tangible fixed assets are stated at cost or valuation less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

School site	No depreciation is charged, however the site is subject to an annual impairment review.
Machinery and office equipment	20% reducing balance
Fixtures and fittings	10% reducing balance
Motor vehicles	25% reducing balance
Classroom equipment	7½% to 20% reducing balance

### Fixed asset investments

Investments are recognised initially at fair value which is normally the transaction price excluding transaction costs. Subsequently, they are measured at fair value with changes recognised in 'net gains / (losses) on investments' in the SoFA if the shares are publicly traded or their fair value can otherwise be measured reliably.

# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2020

## ACCOUNTING POLICIES

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### **Debtors receivable and creditors payable within one year**

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

### **Doubtful debts provision**

Fees outstanding at the balance sheet date are provided in full where no payments are currently being received. Where payments are being received, amounts expected to be recovered in the next 12 months are not provided.

### **Cash and cash equivalents**

Cash and cash equivalents includes cash at bank and in hand inclusive of foreign currency accounts. Foreign currency transactions are initially recognised by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction. Monetary assets and liabilities denominated in a foreign currency at the balance sheet date are translated using the closing rate.

### **Fund accounting**

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Endowment funds represent those assets which must be held permanently by the charity, principally held as fixed asset investments. Income arising on the endowment funds can be used in accordance with the objects of the charity and is included as unrestricted income. Any capital gains or losses arising on the investments form part of the fund. Investment management charges and legal advice relating to the fund are charged against the fund.

### **Going concern**

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

More information regarding the assessments and considerations taken by trustees in respect of going concern is provided in note 27 of these financial statements. This includes consideration of the school's operating performance and the impact of post balance sheet events.

# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2020

## NOTES TO THE FINANCIAL STATEMENTS

### 1. Donations and legacies

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2020 Total Funds £
Donations	4,202	-	-	4,202
Grants received	-	-	-	-
	<u>4,202</u>	<u>-</u>	<u>-</u>	<u>4,202</u>

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2019 Total Funds £
Donations	21,743	-	-	21,743
Grants received	-	-	-	-
	<u>21,743</u>	<u>-</u>	<u>-</u>	<u>21,743</u>

### 2. Other trading activities

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2020 Total Funds £
Christmas fair	25,405	-	-	25,405
Other fundraising	(57)	-	-	(57)
Estate and rental income	74,748	-	-	74,748
Ancillary income	36,490	-	-	36,490
	<u>136,586</u>	<u>-</u>	<u>-</u>	<u>136,586</u>

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2019 Total Funds £
Christmas fair	27,404	-	-	27,404
Other fundraising	33	-	-	33
Estate and rental income	84,558	-	-	84,558
Ancillary income	67,262	-	-	67,262
	<u>179,257</u>	<u>-</u>	<u>-</u>	<u>179,257</u>

### 3. Income from investments

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2020 Total Funds £
Investment income	14,896	-	-	14,896
Bank interest	57	-	-	57
	<u>14,953</u>	<u>-</u>	<u>-</u>	<u>14,953</u>

# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2020

## NOTES TO THE FINANCIAL STATEMENTS

### 3. Income from investments (continued)

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2019 Total Funds £
Investment income	14,311	-	-	14,311
Bank interest	914	-	-	914
	<u>15,225</u>	<u>-</u>	<u>-</u>	<u>15,225</u>

### 4. Income from charitable activities

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2020 Total Funds £
Tuition fees	4,031,149	-	-	4,031,149
Reduced fee contracts	(686,303)	-	-	(686,303)
Chargeable disbursements	12,277	-	-	12,277
Lunches and catering income	63,239	-	-	63,239
	<u>3,420,362</u>	<u>-</u>	<u>-</u>	<u>3,420,362</u>

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2019 Total Funds £
Tuition fees	4,179,091	-	-	4,179,091
Reduced fee contracts	(659,912)	-	-	(659,912)
Chargeable disbursements	75,736	-	-	75,736
Lunches and catering income	108,132	-	-	108,132
	<u>3,703,047</u>	<u>-</u>	<u>-</u>	<u>3,703,047</u>

### 5. Other income

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2020 Total Funds £
Coronavirus UK Government support	471,641	-	-	471,641
	<u>471,641</u>	<u>-</u>	<u>-</u>	<u>471,641</u>

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2019 Total Funds £
Coronavirus UK Government support	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2020

## NOTES TO THE FINANCIAL STATEMENTS

### 6. Raising funds

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2020 Total Funds £
Ancillary expenditure	6,148	-	-	6,148
Salary costs of raising funds	22,746	-	-	22,746
Christmas fair and other fundraising costs	9,875	-	-	9,875
Finance costs	72,305	-	-	72,305
Bad debts and provision for bad debts	777	-	-	777
	<u>111,851</u>	<u>-</u>	<u>-</u>	<u>111,851</u>

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2019 Total Funds £
Ancillary expenditure	19,224	-	-	19,224
Salary costs of raising funds	22,590	-	-	22,590
Christmas fair and other fundraising costs	6,515	-	-	6,515
Finance costs	21,171	-	-	21,171
Bad debts and provision for bad debts	(2,277)	-	-	(2,277)
	<u>67,223</u>	<u>-</u>	<u>-</u>	<u>67,223</u>

# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2020

## NOTES TO THE FINANCIAL STATEMENTS

### 7. Charitable activities

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2020 Total Funds £
<u>Education</u>				
Teachers salaries	2,162,411	-	-	2,162,411
Pension scheme deficit funding agreement	850,348	-	-	850,348
Staff training and development	164,758	-	-	164,758
Supplies and equipment	93,605	-	-	93,605
Chargeable disbursements cost	72,881	-	-	72,881
Boarding and EFL costs	-	-	-	-
Conference costs	-	-	-	-
Depreciation	3,782	-	-	3,782
Minibus costs	23,714	-	-	23,714
Minibus depreciation	231	-	-	231
	<u>3,371,730</u>	<u>-</u>	<u>-</u>	<u>3,371,730</u>
<u>Welfare</u>				
Catering salaries	51,456	-	-	51,456
Catering supplies and equipment	32,187	-	-	32,187
Medical salaries	25,425	-	-	25,425
Medical	2,929	-	-	2,929
	<u>111,997</u>	<u>-</u>	<u>-</u>	<u>111,997</u>
<u>Premises</u>				
Health and safety	12,966	-	-	12,966
Estate salaries	202,876	-	-	202,876
Property maintenance	92,247	-	-	92,247
Light and heat	88,833	-	-	88,833
Insurance	56,531	-	-	56,531
Cleaning	11,671	-	-	11,671
Rates & water	49,931	-	-	49,931
Buildings depreciation	-	-	-	-
	<u>515,055</u>	<u>-</u>	<u>-</u>	<u>515,055</u>
<u>Support costs</u>				
Administration salaries	399,851	-	-	399,851
Telephone and postage	7,083	-	-	7,083
Printing and stationery	7,747	-	-	7,747
Communications and PR	(121)	-	-	(121)
Insurance	6,260	-	-	6,260
Office equipment and IT	46,213	-	-	46,213
Legal and professional fees	92,931	-	-	92,931
Subscriptions	19,290	-	-	19,290
General admin expenses	12,336	-	-	12,336
Depreciation	6,211	-	-	6,211
Governance costs (see note 8)	30,409	-	-	30,409
	<u>628,210</u>	<u>-</u>	<u>-</u>	<u>628,210</u>
	<u>4,626,992</u>	<u>-</u>	<u>-</u>	<u>4,626,992</u>

# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2020

## NOTES TO THE FINANCIAL STATEMENTS

### 7. Charitable activities (continued)

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2019 Total Funds £
<u>Education</u>				
Teachers salaries	2,156,126	-	-	2,156,126
Pension scheme deficit funding agreement	257,242	-	-	257,242
Staff training and development	115,141	-	-	115,141
Supplies and equipment	117,864	-	-	117,864
Chargeable disbursements cost	131,516	-	-	131,516
Boarding and EFL costs	43,716	-	-	43,716
Conference costs	3,726	-	-	3,726
Depreciation	3,952	-	-	3,952
Minibus costs	41,160	-	-	41,160
Minibus depreciation	372	-	-	372
	<u>2,870,815</u>	<u>-</u>	<u>-</u>	<u>2,870,815</u>
<u>Welfare</u>				
Catering salaries	61,437	-	-	61,437
Catering supplies and equipment	65,575	-	-	65,575
Medical salaries	29,268	-	-	29,268
Medical	3,097	-	-	3,097
	<u>159,377</u>	<u>-</u>	<u>-</u>	<u>159,377</u>
<u>Premises</u>				
Health and safety	6,522	-	-	6,522
Estate salaries	181,459	-	-	181,459
Property maintenance	96,934	-	-	96,934
Light and heat	85,942	-	-	85,942
Insurance	45,633	-	-	45,633
Cleaning	24,230	-	-	24,230
Rates & water	39,325	-	-	39,325
Buildings depreciation	-	-	-	-
	<u>480,045</u>	<u>-</u>	<u>-</u>	<u>480,045</u>
<u>Support costs</u>				
Administration salaries	403,457	-	-	403,457
Telephone and postage	8,757	-	-	8,757
Printing and stationery	12,326	-	-	12,326
Communications and PR	19,670	-	-	19,670
Insurance	4,458	-	-	4,458
Office equipment and IT	60,303	-	-	60,303
Legal and professional fees	138,526	-	-	138,526
Subscriptions	5,691	-	-	5,691
General admin expenses	12,757	-	-	12,757
Depreciation	7,275	-	-	7,275
Governance costs (see note 8)	20,058	-	-	20,058
	<u>693,278</u>	<u>-</u>	<u>-</u>	<u>693,278</u>
	<u>4,203,515</u>	<u>-</u>	<u>-</u>	<u>4,203,515</u>

# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2020

## NOTES TO THE FINANCIAL STATEMENTS

### 8. Governance costs

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2020 Total Funds £
Salaries	10,000	-	-	10,000
Auditors' fees - current year	9,900	-	-	9,900
Council expenses	10,509	-	-	10,509
	<u>30,409</u>	<u>-</u>	<u>-</u>	<u>30,409</u>

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2019 Total Funds £
Salaries	10,000	-	-	10,000
Auditors' fees - current year	9,000	-	-	9,000
Council expenses	1,058	-	-	1,058
	<u>20,058</u>	<u>-</u>	<u>-</u>	<u>20,058</u>

### 9. Fees payable to independent auditors

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2020 Total Funds £
Auditors' remuneration - current year	<u>9,900</u>	<u>-</u>	<u>-</u>	<u>9,900</u>

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2019 Total Funds £
Auditors' remuneration - current year	<u>9,000</u>	<u>-</u>	<u>-</u>	<u>9,000</u>

### 10. Staff costs and information

	2020 Total £	2019 Total £
Gross wages	2,569,023	2,606,374
Employer's national insurance costs	199,578	199,123
Pension costs	72,393	60,973
Termination payments*	30,000	4,748
	<u>2,870,994</u>	<u>2,871,218</u>

\* Termination payments have been made in full settlement. No additional costs are expected to arise.

	2020	2019
Staff numbers:		
Average head count	<u>130</u>	<u>153</u>

During the year under review one employee (2019: two employees) received employee benefits (excluding employer pension costs) of more than £60,000 in the range £80,000 to £90,000 (2019: £60,000 to £70,000).

The pension costs charge above has been charged to the Statement of Financial Activities. Pension contributions outstanding at the balance sheet date totalled £45,280 (2019: £9,641).

# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2020

## NOTES TO THE FINANCIAL STATEMENTS

### 11. Related party transactions

No trustee received remuneration, or other employment benefits for being a trustee in this or the comparative year.

Remuneration was paid to the following trustees in relation to their employment as teachers and support staff:

	2020			2019		
	Salary £	National insurance £	Pension £	Salary £	National insurance £	Pension £
W Forward	500	-	-	11,192	435	197
V King	34,585	3,134	1,103	30,024	2,623	636
	<u>35,085</u>	<u>3,134</u>	<u>1,103</u>	<u>41,217</u>	<u>3,058</u>	<u>833</u>

During the year under review remuneration for spouses and children of trustees amounted to £33,395 (2019: £30,749). In addition national insurance contributions totalling £1,015 (2019: £1,020) and pension contributions totalling £718 (2019: £327) were made on behalf of spouses and children of trustees.

Trustees (and spouses) who are teachers or other staff members receive remuneration in that capacity and not for acting as a trustee. This remuneration is authorised under section 4 of the Memorandum of Association of Michael Hall School Limited.

Total employee benefits, inclusive of employer national insurance contributions and employer pension contributions, received by the school's ten (2019: eight) key management personnel amounted to £376,050 (2019: £327,022) during the year under review. In addition to these employee benefits one member of key management personnel received termination benefits of £30,000.

During the year three (2019: two) of the school's key management personnel received staff discounts in relation to their children's school fees of £30,683 (2019: £30,241) and sibling discounts of £1,235 (2019: £2,304). These discounts were received on the same terms in relation to discounts given to teachers and siblings without key management personnel status. At the balance sheet date £2,332 was outstanding.

No trustees (2019: two trustees) had expenses reimbursed or paid on their behalf for travel and training (2019: £795) in the year under review. In the same period £nil (2019: £nil) was received from the trustees for rent together with £nil (2019: £nil) in donations. Income receivable from trustees for rent is on normal commercial terms in an arms length transaction.

Expenses reimbursed to and paid on behalf of two (2019: six) members of key management personnel for travel and training totalled £355 (2019: £2,387) in the year under review.

	2020 £	2019 £
Tuition fees charged to 6 (2019: 4) Parent Trustees inclusive of discounts amounted to	<u>52,624</u>	<u>31,869</u>

The following individuals who were trustees for all or part of the year were educating their children at the school:

J Cohen  
H Hebrank  
E Maslen  
V King  
B Ozgen  
T Souleiman

Tuition fees are charged on normal commercial terms, except for teacher trustees who, as with all teachers, receive a 80% (2019: 80%) discount after other discounts on a pro-rata basis. Total staff discount for trustees in the year was £10,440 (2019: £10,136). Other discounts, inclusive of sibling and reduced fees, were provided on the same basis as those to other parents amounted to £7,690 (2019: £nil). Extras are charged in full and amounted to £2,809.

Outstanding fees and extras charges from trustees at the year end was £6,850 (2019: £211).

# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2020

## NOTES TO THE FINANCIAL STATEMENTS

### 12. Tangible fixed assets

	School site £	Machinery & office equipment £	Fixtures & fittings £	Motor vehicles £	Classroom equipment £	Total £
Cost						
Brought forward	7,789,318	393,046	283,714	40,968	308,366	8,815,412
Additions	9,249	-	1,008	-	-	10,257
Disposals	-	-	-	(19,064)	-	(19,064)
	<u>7,798,567</u>	<u>393,046</u>	<u>284,722</u>	<u>21,904</u>	<u>308,366</u>	<u>8,806,605</u>
Depreciation						
Accumulated brought forward	-	375,565	257,573	39,849	276,909	949,896
Charge	-	3,497	2,715	231	3,781	10,224
On disposals	-	-	-	(18,873)	-	(18,873)
	<u>-</u>	<u>379,062</u>	<u>260,288</u>	<u>21,207</u>	<u>280,690</u>	<u>941,247</u>
Net book value carried forward	<u>7,798,567</u>	<u>13,984</u>	<u>24,434</u>	<u>697</u>	<u>27,676</u>	<u>7,865,358</u>
Net book value brought forward	<u>7,789,318</u>	<u>17,481</u>	<u>26,141</u>	<u>1,119</u>	<u>31,457</u>	<u>7,865,516</u>

On transition to FRS 102 SORP (2015) a valuation, provided by Strutt and Parker, of the school site has been included as deemed cost as at 1 August 2014. The site is considered for impairment at each balance sheet date.

### 13. Investments

	2020 £	2019 £
<b>Listed investments</b>		
Market value brought forward	445,961	419,739
Additions at cost	-	-
Disposals at carrying value	-	-
Gains/(losses) on revaluation	(21,166)	26,222
<b>Market value carried forward</b>	<u>424,795</u>	<u>445,961</u>
<i>The investments above are analysed as follows:</i>		
Listed investments	133,870	158,571
Unit trusts and similar investments	290,926	287,391
	<u>424,796</u>	<u>445,962</u>

### 14. Assets held for sale

	2020 £	2019 £
Property for sale	710,000	710,000
	<u>710,000</u>	<u>710,000</u>

# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2020

## NOTES TO THE FINANCIAL STATEMENTS

### 15. Debtors

	2020 £	2019 £
Fees outstanding	976,662	580,275
Fee provision	(318,000)	(318,000)
Prepayments	76,026	95,303
Other debtors	162,147	5,971
	<u>896,835</u>	<u>363,549</u>

### 16. Creditors: amounts falling due in less than one year

	2020 £	2019 £
Bank overdraft	-	108,504
Loans	71,763	32,761
Trade creditors	69,213	187,848
Fees in advance	-	39,464
Deposits from parents	40,982	40,982
Other creditors and accruals	436,346	267,020
	<u>618,304</u>	<u>676,579</u>

### 17. Creditors: amounts falling due after one year

	2020 £	2019 £
Loans	1,173,063	422,313
	<u>1,173,063</u>	<u>422,313</u>

One bank loan, with a year end balance of £420,994, is secured over several of the school's freehold properties and is repayable over a period of 25 years from August 2005. A new loan in the year with an outstanding balance of £483,832 is secured against the building held for sale shown in note 14. The remaining balance of loans is unsecured.

### 18. Defined benefit pension scheme liability

	2020 £	2019 £
Brought forward	3,343,864	3,265,783
Payments made	(185,700)	(179,161)
Charge to statement of financial activities	850,348	257,242
Carried forward	<u>4,008,512</u>	<u>3,343,864</u>

The above provision arises from the pension scheme's deficit funding arrangement and included in these accounts at the discounted present value of future cash outflows. More information regarding the pensions scheme can be found in note 22.

# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2020

## NOTES TO THE FINANCIAL STATEMENTS

### 19. Analysis of net assets between funds

	General funds £	Designated funds £	Restricted funds £	Endowment funds £	2020 Total funds £	2019 Total funds £
Tangible assets	-	7,213,358	-	652,000	7,865,358	7,865,516
Investments	17,058	116,811	-	290,926	424,795	445,961
Current assets	1,809,712	-	9,507	-	1,819,219	1,153,037
Creditors: <1 year	(618,304)	-	-	-	(618,304)	(676,579)
Creditors: >1 year	(1,173,063)	-	-	-	(1,173,063)	(422,313)
Pension scheme deficit	-	(4,008,512)	-	-	(4,008,512)	(3,343,864)
<b>Net assets at 31 July 2020</b>	<b>35,403</b>	<b>3,321,657</b>	<b>9,507</b>	<b>942,926</b>	<b>4,309,493</b>	<b>5,021,758</b>

### 20. Analysis of movement in funds

	Brought forward £	Incoming resources £	Outgoing resources £	Unrealised gains/(losses) £	Transfers £	Carried forward £
<b>Permanent endowment funds</b>						
Permanent Endowment Fund	652,000	-	-	-	-	652,000
Endowment Recoupment Fund	287,391	-	-	3,535	-	290,926
<b>Total endowment funds</b>	<b>939,391</b>	<b>-</b>	<b>-</b>	<b>3,535</b>	<b>-</b>	<b>942,926</b>
<b>Restricted funds</b>						
ESCC	3,000	-	-	-	-	3,000
Clockhouse Fund	3,789	-	-	-	-	3,789
Natural England Fund	2,718	-	-	-	-	2,718
<b>Total restricted funds</b>	<b>9,507</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9,507</b>
<b>Designated and general funds</b>						
WO Field bequest	136,440	-	-	(19,629)	-	116,811
Pension deficit (see note 18)	(3,343,864)	-	(850,348)	-	185,700	(4,008,512)
Fixed asset reserve (see note 12)	7,213,516	-	(10,226)	-	10,068	7,213,358
Total designated funds	4,006,092	-	(860,574)	(19,629)	195,768	3,321,657
General reserves	66,768	4,047,744	(3,878,269)	(5,072)	(195,768)	35,403
<b>Total unrestricted funds</b>	<b>4,072,860</b>	<b>4,047,744</b>	<b>(4,738,843)</b>	<b>(24,701)</b>	<b>-</b>	<b>3,357,060</b>
<b>Total funds</b>	<b>5,021,758</b>	<b>4,047,744</b>	<b>(4,738,843)</b>	<b>(21,166)</b>	<b>-</b>	<b>4,309,493</b>

#### Restricted funds

ESCC Grant received from East Sussex County Council for healthy eating programme

Clockhouse Fund Grants received to support the costs of repair to the Clockhouse

Natural England Fund Grant received to conduct an environmental study on the school site

#### Designated funds

WO Field bequest Funds received to support complementary health care costs for employees of the school.

# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2020

## NOTES TO THE FINANCIAL STATEMENTS

### 21. Transfer between funds

From	To	Unrestricted Funds	
		General £	Designated £
<i>Transfer 1</i>			
General fund	Pension deficit	(185,700)	185,700
		<u>(185,700)</u>	<u>185,700</u>
Transfer of funds from unrestricted general funds representing payments made during the year.			
<i>Transfer 2</i>			
Fixed asset reserve (see note 18)	General fund	(10,068)	10,068
		<u>(10,068)</u>	<u>10,068</u>
Transfer of funds to unrestricted general funds to match costs previously borne by general funds.			

### 22. Pensions

Michael Hall School participates in the Mercury Provident Pensions Scheme, which is a defined benefit pension scheme whose membership consists of 14 Steiner schools. The most recent actuarial valuation took place at 31 March 2016 and showed a funding shortfall of £19.44m.

On 31 December 2008 the scheme closed to future accrual of benefits and since then only deficit reducing and expenses contributions have been made. A recovery plan dated 19 December 2016 has been agreed with the employers with the expectation that the deficit will be eliminated by July 2035.

Payments made to the scheme, under the funding agreement between the scheme employers, totalled £185,700 (2019: £179,161). These payments are allocated to the provision shown in note 18 to these accounts with a charge to the Statement of Financial Activities of £850,348 (2019 charge: £257,242) made of the unwinding of the discounted present value, changes to the discount rate and extended period.

### 23. Financial instruments

The carrying amounts of the charity's financial instruments are as follows:

	2020 Total Funds £	2019 Total Funds £
<i>Financial assets</i>		
Measured at fair value through net income/(expenditure):		
Fixed asset investments (note 13)	<u>424,795</u>	<u>445,961</u>
	<u>424,795</u>	<u>445,961</u>
Debt instruments measured at amortised cost:		
Trade debtors (note 15)	<u>976,662</u>	<u>580,275</u>
	<u>976,662</u>	<u>580,275</u>
<i>Financial liabilities</i>		
Measured at amortised cost:		
Trade creditors (note 16)	69,213	187,848
Bank loan (notes 16 and 17)	<u>1,244,826</u>	<u>455,074</u>
	<u>1,314,039</u>	<u>642,922</u>

# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2020

## NOTES TO THE FINANCIAL STATEMENTS

### 23. Financial instruments (continued)

The income, expense, net gains and net losses attributable to the charity's financial instruments are summarised as follows:

	2020 Total Funds £	2019 Total Funds £
<i>Income and expense</i>		
Financial assets measured at fair value through net income/(expenditure)		
Investment income	14,896	14,311
	<u>14,896</u>	<u>14,311</u>
<i>Net gains and losses (including changes in fair value)</i>		
Financial assets measured at fair value through net income/(expenditure)		
Unrealised gains/(losses) on investments	(21,166)	26,222
	<u>(21,166)</u>	<u>26,222</u>

### 24. Operating leases

At the balance sheet date the school had total future minimum lease payments under non-cancellable operating leases payable as follows:

	Office equipment £	Vehicles £	2020 Total £	Office equipment £	Vehicles £	2019 Total £
In less than one year	-	16,315	16,315	1,629	16,315	17,944
In more than one year less than five year	-	16,315	16,315	-	16,315	16,315
More than five years	-	23,113	23,113	-	39,428	39,428
	<u>-</u>	<u>55,743</u>	<u>55,743</u>	<u>1,629</u>	<u>72,058</u>	<u>73,687</u>

### 25. Analysis of changes in net debt

	2018 £	Cash flows £	2019 £	Cash flows £	2020 £
Long term borrowings	488,769	(33,695)	455,074	789,752	1,244,826
Short term borrowings	-	108,504	108,504	(108,504)	-
Total liabilities	488,769	74,809	563,578	681,248	1,244,826
Cash and cash equivalents	(447,564)	368,076	(79,488)	(132,896)	(212,384)
Total net debt	<u>41,205</u>	<u>442,885</u>	<u>484,090</u>	<u>548,352</u>	<u>1,032,442</u>

# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2020

## NOTES TO THE FINANCIAL STATEMENTS

### 26. Comparative Statement of Financial Activities and Analysis of movement in funds

	Note	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2019 Total Funds £		
<b>INCOME AND ENDOWMENTS FROM:</b>							
Donations and legacies	1	21,743	-	-	21,743		
Other trading activities	2	179,257	-	-	179,257		
Investments	3	15,225	-	-	15,225		
Charitable activities	4	3,703,047	-	-	3,703,047		
Other	5	-	-	-	-		
<b>Total</b>		<b>3,919,272</b>	<b>-</b>	<b>-</b>	<b>3,919,272</b>		
<b>EXPENDITURE ON:</b>							
Raising funds	6	67,223	-	-	67,223		
Charitable activities	7	4,203,515	-	-	4,203,515		
<b>Total</b>		<b>4,270,738</b>	<b>-</b>	<b>-</b>	<b>4,270,738</b>		
Net gains/(losses) on investments	13	(1,001)	-	27,223	26,222		
<b>Net income/(expenditure)</b>		<b>(352,467)</b>	<b>-</b>	<b>27,223</b>	<b>(325,244)</b>		
<b>Transfers between funds</b>	<b>20</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		
<b>Net movement in funds</b>		<b>(352,467)</b>	<b>-</b>	<b>27,223</b>	<b>(325,244)</b>		
<b>RECONCILIATION OF FUNDS</b>							
<b>Total funds brought forward</b>	<b>20</b>	<b>4,425,327</b>	<b>9,507</b>	<b>912,168</b>	<b>5,347,002</b>		
<b>Total funds carried forward</b>	<b>20</b>	<b>4,072,860</b>	<b>9,507</b>	<b>939,391</b>	<b>5,021,758</b>		
		<b>Brought forward £</b>	<b>Incoming resources £</b>	<b>Outgoing resources £</b>	<b>Unrealised gains/ (losses) £</b>	<b>Transfers £</b>	<b>Carried forward £</b>
<b>Permanent endowment funds</b>							
Permanent Endowment Fund		652,000	-	-	-	-	652,000
Endowment Recoupment Fund		260,168	-	-	27,223	-	287,391
<b>Total endowment funds</b>		<b>912,168</b>	<b>-</b>	<b>-</b>	<b>27,223</b>	<b>-</b>	<b>939,391</b>
<b>Restricted funds</b>							
ESCC		3,000	-	-	-	-	3,000
Clockhouse Fund		3,789	-	-	-	-	3,789
Natural England Fund		2,718	-	-	-	-	2,718
<b>Total restricted funds</b>		<b>9,507</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9,507</b>
<b>Designated and general funds</b>							
WO Field bequest		137,870	-	-	(27)	(1,403)	136,440
Pension deficit (see note 18)		(3,265,783)	-	(257,242)	-	179,161	(3,343,864)
Fixed asset reserve (see note 12)		6,969,421	-	(11,599)	-	255,694	7,213,516
<b>Total designated funds</b>		<b>3,841,508</b>	<b>-</b>	<b>(268,841)</b>	<b>(27)</b>	<b>433,452</b>	<b>4,006,092</b>
General reserves		583,819	3,919,272	(4,001,897)	(974)	(433,452)	66,768
<b>Total unrestricted funds</b>		<b>4,425,327</b>	<b>3,919,272</b>	<b>(4,270,738)</b>	<b>(1,001)</b>	<b>-</b>	<b>4,072,860</b>
<b>Total funds</b>		<b>5,347,002</b>	<b>3,919,272</b>	<b>(4,270,738)</b>	<b>26,222</b>	<b>-</b>	<b>5,021,758</b>

# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2020

## NOTES TO THE FINANCIAL STATEMENTS

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### 27. Post balance sheet events and going concern

At the balance sheet date the school's net debt position was £1,032,442, up from £484,090 at the comparative year end.

At the balance sheet date the school had been operating under UK Government guidelines in response to the COVID-19 pandemic which continues a significant detrimental impact on the social and financial economies of the world. The restrictions imposed by the UK Government significantly impacted the operations of the school for which the school established alternative distance learning facilities for its pupils in order to continue the provision of education.

In the period since the year end, due to falling infection rates, an easing restrictions has with the school anticipated to be returning to a semblance of normality for the autumn term in September 2021.

Throughout this period the school's management has implemented steps to improve the cash flow of the school to safeguard the ability to continue as a going concern with significant funds required to be invested into the estate's buildings to allow for their continued use and reintroduction into use and the scheduled payments under the pension scheme deficit arrangement continues to be a drain on the school's cash resources.

The school made use of the Coronavirus Job Retention Scheme (CJRS), reducing fixed staffing costs, and successfully applied for a loan under the Coronavirus Business Interruption Loan Scheme (CBILS) of £340,000 and opened a new mortgage to aide cash flow leading to the increased net debt position. In September 2020 the sale of a property was completed with the proceeds on sale satisfying one of the mortgages and provided working capital.

The trustees believe the steps taken in reducing costs, the sale of the property and prudent business plan provides assurances over the schools status as a going concern and no material uncertainty exists.