



# HALLFIELD SCHOOL

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**HALLFIELD SCHOOL TRUST**  
**(A company limited by Guarantee)**

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**THE GOVERNORS' ANNUAL REPORT AND FINANCIAL STATEMENTS**

**31 AUGUST 2020**

**Company Number: 00631045**

**Charity Number: 528956**

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**HALLFIELD SCHOOL TRUST**  
**GOVERNORS' ANNUAL REPORT**  
**REFERENCE AND ADMINISTRATIVE INFORMATION**

The Directors and Trustees are pleased to present their report for the year ended 31 August 2020.

Charity Name	Hallfield School Trust
Charity Registration Number	528956
Company Registration Number	00631045
Registered Office	48 Church Road Edgbaston Birmingham B15 3SJ

### Governors

The Governors who served during the year and up to the date of this report are set out below:

T Venner (Chairman) <sup>4,5,8</sup>	H Coverdale <sup>2,5,12</sup>	R Heathcote <sup>2,6,11</sup>
S Stotts (Vice Chair) <sup>5,6,7</sup>	G M Faber <sup>3,6,8</sup>	P J Millward <sup>1,5,6,8,13</sup>
D Ahuja <sup>4,7</sup>	K Feist <sup>3,6,7</sup>	D R Price <sup>3</sup>
S Aulak <sup>1,4,8</sup>	Rev J Francis <sup>2,9</sup>	N Price <sup>2, 14</sup>
J B Austin <sup>1, 10</sup>	P Gough <sup>1,8</sup>	A S Sherlock <sup>2,3,5,7</sup>

H Coverdale, S Sherlock, G Faber and S Stotts retire by rotation and being eligible offer themselves for re-election.

<sup>1</sup> Finance and Facilities Committee	<sup>8</sup> Old Hallfieldian
<sup>2</sup> Education Committee	<sup>9</sup> Resigned 11 <sup>th</sup> October 2019
<sup>3</sup> Human Resources and Legal Committee	<sup>10</sup> Resigned 30 <sup>th</sup> October 2019
<sup>4</sup> Marketing Committee	<sup>11</sup> Resigned 24 <sup>th</sup> January 2020
<sup>5</sup> Nominations Committee	<sup>12</sup> Appointed 24 <sup>th</sup> January 2020
<sup>6</sup> Compliance Committee	<sup>13</sup> Resigned 28 <sup>th</sup> April 2020
<sup>7</sup> Parent of former pupil	<sup>14</sup> Resigned 31 <sup>st</sup> August 2020

The Chairman is an ex-officio member of each of the Committees.

### Executive Team from 1 September 2020

K B Morrow BA (Hons) QTS, PGCPS(Ed), NPQH, FRSA	- Head Master
T Butcher BA (Hons)	- Deputy Head (Head of Prep)
E Sanderson B Ed (Hons) QTS	- Deputy Head (Head of Pre-Prep and Nursery)
C Florida-James B Ed (Hons)	- Director of Studies
S Bowron BSc ACA	- Director of Finance and Operations

### Auditors

Crowe U.K. LLP  
Black Country House  
Rounds Green Road  
Oldbury  
B69 2DG

### Bankers

Barclays Bank Plc  
38 Hagley Road  
Edgbaston  
Birmingham  
B16 8PE

### Solicitors

Veale Wasbrough Vizards LLP  
Narrow Quay House  
Narrow Quay  
Bristol  
BS1 4QA

### **Achievements and Performance**

Despite the wholly exceptional circumstances of the Coronavirus Pandemic, the year ended 31 August 2020 was another exceptional one for Hallfield School, both inside and outside the classroom, with regard to academic results and all round achievement.

#### **Enforced closure due to the Coronavirus Pandemic**

When the enforced school closure happened on 20<sup>th</sup> March, the School responded immediately to the situation with home learning support and learning packs for all year groups covering the last two weeks of the Spring Term. In addition, the School remained open to 140 children whose parents were key workers. With our teachers volunteering to work on Good Friday and Easter Monday, the School remained open during the Easter Holidays to support these children and their parents.

The School switched to an on-line timetable at the start of the Summer Term with a combination of live and pre-recorded lessons and activities and our children took to these new ways of learning exceptionally well.

The School re-opened to all children in the Early Years, Reception, Year 1 and Year 6 in accordance with Government guidance on 1<sup>st</sup> June.

The Governors created a sub-committee that met fortnightly (or more frequently when necessary) with management to co-ordinate the School's approach during the Coronavirus Pandemic. The Governors would like to record their deep gratitude to the Senior Leadership Team and all staff for their dedication and support during these unprecedented times.

Parents have been very supportive of the School and highly complementary of the standard of education delivered during this pandemic and the relative normality it provided to our pupils during uncertain times.

#### **Academic**

The year ended 31 August 2020 was outstanding for the 11+ examination results. These were sat in the Autumn Term before the impacts of the Pandemic arose. There were 54 10-11 year olds (57 last year) entering both the select Local Authority Grammar schools and select independent schools. Our Year 6 pupils left us to go to 12 different schools in the Birmingham area, and further afield with some choosing to stay with us and continue their education in Hallfield Seniors.

During the Autumn Term, 45 pupils sat the King Edward VI Foundation Grammar and local grammar school examinations. They were offered a total of 37 places (82% success rate).

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**Academic (continued)**

This year sees outstanding results for the two highly selective independent schools – King Edward's and King Edward VI High School for Girls – 22 boys (2019: 15 boys) have been offered places (including 6 scholarships (2019: 2 scholarships)) at King Edward's School and 10 girls (2019: 9 girls) have been offered places (including 1 scholarship (2019: 1 scholarship) at King Edward VI High School for Girls. 18 places were offered at Solihull School (2019: 6 places) (including 5 scholarships (2019: 2 scholarships)) and 14 places (2019: 10 places) at Edgbaston High School for Girls (including 7 scholarships (2019: 8 scholarships)) and a total of 24 scholarships (2019: 20 scholarships) were awarded.

In the National Primary Schools Maths Challenge, 17 children earned a Gold medal, 9 gained a Silver medal and 23 a Bronze medal, with 17 pupils qualifying for the Bonus round. In the Bonus round, 2 children achieved a Gold certificate, 5 children achieved a Silver certificate and 4 achieved a Bronze certificate.

**Music**

The academic year started with the relocation of the Music Department to much improved premises, which were officially opened by Professor Julian Lloyd Webber on Wednesday 15th January, 2020. Our commitment to Music was underpinned with our launch of the Year 3 Sponsored Lessons Scheme in September 2019. This involved every child in Year 3 learning to play the violin and over a third of these pupils have chosen to continue with this instrument into Year 4. The Year 3 pupils performed in the Prep Hall in their first Year 3 Showcase. Unfortunately, the summer term showcase had to be cancelled due to Coronavirus restrictions.

The Tea-Time Concert Series comprised half-termly performances during the autumn and spring terms in the Music Department. An online version was also recorded and 'broadcast' for the end of the summer term. A range of pupils of different ages and abilities were invited to perform as soloists or in small ensembles in these informal concerts. The Chamber Choir and Pre-Prep Choir performed in St Georges Church during the autumn term as part of the Harvest, Remembrance and Carol Services. Pupils in Year 1 & 2 performed the musical "Rise and Shine" on Wednesday 18th March. Rehearsals for Orchestra, Chamber Choir, String Ensemble, Guitar Ensemble, Pre-Prep Choir, Band, Musical Theatre Club and Wind Ensemble took place during the week. All of these ensembles had the opportunity to perform in either a Tea-Time Concert or in an assembly during the course of the year.

**Sport**

Sport remains a very important part of life at Hallfield. There continues to be a wide range of sports clubs which were well attended before school, at lunch time or after school. New clubs such as Kick boxing and Fitness have been added to the schedule.

Working alongside an external provider, Complete Cricket, interest in the sport from both boys and girls has grown and the children really enjoyed the opportunity to attend a Masterclass, taught by the famous Warwickshire / England cricketer, Ian Bell MBE.

There were approximately 20 children who have represented at county, regional or national level in Chess, Squash, Tennis, Badminton, Cricket, Choi Kwang Do, Cross-Country and Football.

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## **Financial Review**

### **Review of Transactions and Financial Position**

The Governors are pleased to report another strong financial performance achieving a surplus for the year of £598,837. Whilst down slightly from £623,055 in 2019, given the current financial climate, this represents a strong performance. The Governors believe that a surplus in the region of £600,000 ought to be achieved annually to support future capital investment.

The Governors recognised that many parent's lives have changed during the pandemic and that this has resulted in a huge strain on personal finances. Accordingly, the decision was taken to reduce fees for the Summer Term by 25%. This enabled the School to continue to focus on our core offering of exceptional education and pastoral care whilst ensuring the financial viability of the school. The discounts offered in the Summer Term amounted to £653,286. Parents were offered a number of flexible payment options including interest free monthly options and payment deferrals based on their financial circumstances. Over 70 families opted for this support.

During the enforced closure, as we remained open to high levels of Key Worker children, we were able to claim £50,900 of sustainability funding from Birmingham City Council towards the disproportionate operating costs faced during this period.

A thorough review of costs was undertaken and all discretionary expenditure was suspended for the Summer Term. Reluctantly, we had to furlough some of our highly dedicated support staff. This enabled the School to claim £303,949 of support from the Coronavirus Job Retention Scheme towards staff costs from 1<sup>st</sup> April to 31<sup>st</sup> August, 2020.

To help secure the future financial stability of the school, the staffing structure was reviewed and a significant restructure of the staff was undertaken. This ultimately resulted in 16 staff being made redundant at a cost of £47,019. This will enable the School to face the potential economic challenges ahead with the optimum staffing structure.

Capital investment initially focused on feasibility works for the next stage of the reconfiguration of our site. This major project was stalled in mid-March as the country went into lockdown. Despite this, a significant investment of £304,185 still occurred during the year. Focus was placed on ICT equipment to enhance learning and support remote teaching should any further potential lockdowns occur. The Library Cottage was opened for children in the Pre-Prep where they are taught art and take part in enrichment activities. Over the summer, our DT room and ICT suite were refurbished and opened in September 2020.

### **Pupil Numbers**

The number of children, expressed in terms of full time equivalents (FTEs), attending the School increased during the academic year, rising to 563 in the summer of 2020. We attract pupils through the quality of the education the school delivers including sporting, cultural, social and personal development as well as academic excellence. We focus on developing the talents of each child to reach their full potential.

### **Fundraising**

The charity had no fundraising activities requiring disclosure under s.162A of the Charities Act 2011.

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### **Objectives and Aims**

The primary object of the Trust is to manage, maintain and improve Hallfield School. Its aim is to operate the most educationally successful independent co-educational junior and infant school in the Birmingham area, providing the highest standard of day care and education for children aged 3 months to 13 years old. The school aims to prepare children for competitive entry to local secondary schools in the state and independent sectors. It offers a rounded foundation for children under the age of 5 and a particularly academic, subject-based education for 7 to 13 year olds, also encouraging development of personal, sports, social, spiritual, musical and artistic skills.

The Achievements and Performance as shown above, demonstrate the School's continued meeting of its objectives and aims.

### **Specific Plans for 2020/2021**

The School re-opened for all pupils in September 2020 in accordance with Government guidance. The latest lockdown announced for November 2020 did not extend to schools, indicating that the School will be able to continue to operate throughout the lockdown period. Therefore, the School plans to continue to progress capital and maintenance spending plans in accordance with its' Hallfield Futures plan prudently in order to:

- continue to develop the strategic planning for the School and its facilities;
- create a single kitchen and dining space for all children in the heart of the school; and
- re-develop the external play areas in the Pre-Prep.

### **Charities Act 2011 and Public Benefit**

The Trustees have considered the Charities Act 2011 on public benefit and have had due regard for Charity Commission Guidance on the subject.

The school is committed to funding the education at Hallfield of members of the local community who would not normally be in a position to afford the school fees but who demonstrate at assessment that they would benefit from the educational environment that Hallfield offers. The School has limited reserves and the assisted places scheme is funded through revenues generated by the School and not through investment income.

The Assisted Places Scheme, awarding bursaries for fees to families with household incomes of less than £16,190 p.a., commenced in 2008/09. During the 2019/20 year, it funded the education at Hallfield of 12 pupils. The value of this funding was £119,324 (2019: 11 pupils costing £119,917).

### **Charity Governance Code**

The Governors are aware of the new guidance and during the year have continued their review to produce recommendations and an action plan in order to ensure that the school takes positive steps towards working in line with the Code in all ways where it is practicable to do so.

### **Investment Policy**

Due to the nature of the Trust's activities, surplus funds are not held for long periods of time and are not therefore available for long-term investment. Accordingly, its policy is to invest such funds in deposit accounts offering a market rate of interest. The investment policy also requires deposits to be spread across a range of institutions in order to reduce the risk of capital loss.

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### **Reserves Policy**

The School's reserves policy relates to unrestricted readily realisable reserves freely available to be spent on the charity's purposes which are held to ensure that the core activities of the school could continue in the event of a period of unforeseen difficulty. Accordingly, the Governors consider that free reserves should be held in cash or assets which can be easily convertible into cash should the need arise.

A sum of £500,000 remains designated for future major development of the school site, in excess of routine capital expenditure.

The assessment of the required level of reserves is an integral part of the School's planning and forecasting cycle and takes account of expected changes in the economic environment, demographic changes in the school's catchment area, expected operating results and associated risk factors.

Historically, the major risk considered in this respect is a shortfall of annual income, but consideration has also been given to unexpected expenditure of both a routine and an unusual nature, and situations out of our control.

This year, the unprecedented impact of the Coronavirus Pandemic on our parent body has prompted a review of the level of reserves required to sustain the Charity through these uncertain times. Taking account of these risks, the Governors believe that reserves held should steadily be increased over a period of two to three years to equate to one term's expenditure which ranges between £1,200,000 and £1,500,000. At 31 August 2020, the charity's free reserves amounted to £1,042,553 (2019: £398,062).

### **Going concern**

Given the uncertainty that the Coronavirus has created, the Governors have looked especially carefully at the financial implications for Hallfield School. The School is in the fortunate position of having cash reserves and no borrowings. Capital spending plans were temporarily put on hold, whilst Government furlough allowances have enabled the Governors to offer both a fee reduction for the 2020 summer term and selective support to parents suffering short-term financial problems. Fees for the 2020-21 academic year will be held at the prior year levels and whilst projected pupil numbers for the autumn initially dipped, new registrations suggest that pupil numbers will remain strong. After making appropriate enquiries, the Governors consider that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

### **Remuneration policy**

The remuneration of key management personnel is set by the governors, with the objective of providing appropriate incentives to encourage existing staff to stay, and to attract new staff when required.

The appropriateness of the policy is reviewed regularly by the governors, and also compared with other independent schools, to ensure that the school remains sensitive to the broader issues of pay and employment conditions elsewhere.



## **Strategic Risk Management**

There are a number of Strategic Risks that the Governors are actively monitoring due to the significant level of impact they may have:

### **Coronavirus Pandemic and Economic Uncertainty**

The impact on the economic climate, as a result of the Coronavirus pandemic, will affect the ability of parents to afford the school fees, and the affordability of fees is considered an important factor in the long term financial planning of the School. To support parents, fees have been held at prior year levels for the 2020-21 academic year.

In terms of unexpected costs, the Governors ensure that insurance is in place for known and insurable risks. In common with many organisations, the financial implications of the Coronavirus pandemic was not covered by our business interruption insurance. With a large estate, the School also monitors and plans for foreseeable future building repairs. The management team also monitor carefully the level of scholarships and bursaries to ensure that grant commitments are maintained at a sustainable level.

### **Brexit**

The deadline for reaching a trade agreement with the EU is 31 December 2020 as this represents the end of the transition period. Agreement is yet to be reached and failure to do so could have a significant impact on the Trust:

- Loss of business activities or redundancies could reduce parents' disposable incomes;
- Some parents may either struggle to pay fees or send children to the maintained sector;
- Changes to customs and tariff arrangements could adversely affect the Trust's cost base;
- Financial pressures on suppliers could interrupt the continuity of services to the school.

These risks are actively being monitored by the Board and all reasonable steps are being considered to mitigate their impact once the outcome of the trade deal negotiations is known.

### **Teacher Pensions**

September 2019 saw an increase in the Employer Contribution rate to the Teacher Pension Scheme from 16.48% to 23.68%. This 7% increase is a substantial additional burden to our cost base. Management and the Board are actively considering options if potential further increases in contribution rates follow in the coming years, make remaining in the Scheme unaffordable.

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### Operational Risk Management

Consideration has been given to the major risks to which the school is exposed and systems or procedures are established in order to manage those risks which include:

<b>Risk</b>	<b>Mitigating Factors</b>
<u>Reduction in pupil headcount</u> An unforeseen significant fall in pupil numbers could place the school under operational and financial pressure within an academic year.	Regular parent drop-ins are held by the Senior Management Team to enable parents to provide feedback. Parent surveys ensure that concerns are identified and appropriate action is taken. The School maintains reserves to provide emergency funding.
<u>Inspection Regime Failure</u> The Independent School's Inspectorate's ("ISI") inspection regime changes regularly as legislation and statutory guidance are updated.	We monitor changes to guidance and compliance. Senior members of our team are ISI inspectors and underwent an ISI inspection in February 2019, where the school was judged to be outstanding in all areas.
<u>IT System Failure</u> As with most modern businesses, the School is heavily reliant on Information Technology for its day to day operations.	Cyber security risks are monitored closely. Off-site data back-ups help to protect vital information and would ease re-configuration should a failure occur.
<u>Child Protection &amp; Safeguarding</u> Keeping children safe while they are at school or on an activity organised by the School is our highest priority.	The School adheres to legislation and guidance on recruitment, child protection and Health & Safety. A "ring of steel" prevents entry to the site except at secure points. The School operates a CCTV system to help maintain site security. A Paxton key card security system was introduced in 2016 on all external doors and gates, and provides a lockdown environment.
<u>Natural and other disasters</u> With over 500 pupils, the school is at risk from health epidemics, fire and flooding.	Advice from a variety of professional bodies is constantly reviewed to ensure adherence to the latest Coronavirus guidance.  A crisis management plan is in place; the school has regular fire protection and safety audits.

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### **Governing Document**

The Trust is a charitable company limited by guarantee. It was Incorporated on 24 June 1959 and registered as a charity on 12 November 1963. Its Memorandum of Association, which established its objects and powers provide that in the event of it being wound up, members are required to contribute an amount not exceeding £1. Membership of the Trust is reviewed at the Annual General Meeting as appropriate. It is exempt from using "Limited" under s.60 of the Companies Act 2006.

### **The Board of Governors**

Under the Articles of Association, the Board of Governors may appoint any member of Hallfield School Trust to be a Governor. New Governors are given appropriate induction about the school on appointment; Disclosure and Barring Service disclosures are sought in each case. Appointments are made to the Board primarily with a view to enhancing its skill base. None of the governors has any beneficial interest in the school and all serve without remuneration. Governors do not participate in decisions which involve a personal conflict of interest; in particular, governors who are also parents do not participate in pricing decisions in respect of future fee levels.

Governors are involved in on-going general and specific training according to their areas of responsibility. A tailored training programme was organised during the year where Governors received training on Safeguarding, Health & Safety and risk management. Governors are also encouraged to visit the school regularly, during the working day and for special events.

Under the Articles of Association one third of the Governors (or the nearest number to one third if their number is not divisible by three) must retire from office at each Annual General Meeting. At the Annual General Meeting held on 30 November 2007, provision was made to enable the number of governors to increase to a maximum of 15.

In accordance with normal commercial practice the school has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on school business. The insurance provides cover up to £1m on any one claim and the cost for the year ended 31 August 2020 was £296 (2019: £287).

### **Committee Structure**

Matters of policy and governance are determined by the Board normally at least once per term. In addition, the following committees consider policy issues in more detail and report to the Board accordingly:

- The Finance and Facilities Committee monitors capital expenditure, estates, catering and risk management together with management accounting and public reporting;
- The Education Committee is responsible for academic curriculum matters;
- The Marketing Committee is responsible for the admissions policy and marketing the school;
- The Human Resources and Legal Committee is responsible for human resource policy and various legal matters;
- The Compliance Committee is responsible for ensuring compliance with educational, health and safety, child protection and financial statutes, regulations and recommended practice;
- The Nominations Committee meets on an ad hoc basis to review the composition of the Board of Governors and to recommend changes according to the requirements for appropriate skills and experience.

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### **Executive Team**

The Governors are responsible for the overall management of the school but delegate its day-to-day running to the Head Master, the Director of Finance and Operations (both of whom normally attend the above meetings) and other members of the Executive Team.

### **Compliance with laws and regulations**

The school is subject to inspection by the Independent Schools Inspectorate and is regulated by Ofsted for children under the age of three. The school pro-actively manages its legal compliance in respect of education, nursery provision, child protection, health and safety, and various financial, administrative and regulatory matters. As a charitable company, the school is regulated by the Charity Commission and by the Registrar of Companies. The school maintains a Register of Interests in respect of members of the Board of Governors.

### **Related Parties**

Hallfield School is affiliated to the Independent Association of Preparatory Schools. Professional support is also specifically available from the Independent Schools' Bursars Association, the Independent Schools Council and the Association of Governing Bodies of Independent Schools.

The members of the Old Hallfieldian Society and the Hallfield School Parent's Association provide greatly valued voluntary effort and funding. These have been merged under the umbrella organisation of the Friends of Hallfield during the 2019-2020 academic year.

### **Statement of Governors' Responsibilities**

The governors (who are also the directors and the Trustees of Hallfield School Trust for the purposes of company law and charity law respectively) are responsible for preparing the Governors' Report, including the strategic report, and the financial statements in accordance with applicable law, and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Charities SORP.

Company law requires the governors to prepare financial statements for each financial year. Under that law, the governors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards) and applicable law. Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the governors are required to:

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

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**Statement of Governors' Responsibilities (continued)**

The governors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time, the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The governors are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.

**Provision of information to auditors**

In so far as the governors are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the governors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

**Auditors**

Crowe U.K. LLP continue to act as auditors.

Approved by the governors on 17<sup>th</sup> December, 2020 and signed on their behalf by:



T Venner

Chairman of Governors

### **Opinion**

We have audited the financial statements of Hallfield School Trust for the year ended 31 August 2020 which comprise Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2020 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the governors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the governors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### **Other information**

The governors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the governors' report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the governors' report has been prepared in accordance with applicable legal requirements.

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

In light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the governors' report.

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

- adequate accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

### **Responsibilities of governors**

As explained more fully in the governors' responsibilities statement set out on page 12, the governors (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the governors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the governors are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the governors either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the financial statements**

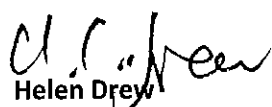
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's 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 charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

  
Helen Drew

**Senior Statutory Auditor**

For and on behalf of

**Crowe U.K. LLP**

**Statutory Auditor**

Black Country House

Rounds Green Road

Oldbury

B69 2DG

17<sup>th</sup> December, 2020



**HALLFIELD SCHOOL TRUST**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
(Incorporating an Income and Expenditure Account)  
Year ended 31 August 2020

		2020 Unrestricted Funds £	2020 Restricted Funds £	2020 Total Funds £	2019 Total Funds £
Note					
<b>Income and endowments from:</b>					
	Donations and legacies	10,000	549	10,549	1,254
3	Investment income	9,411	100	9,511	9,839
4	Charitable activities	6,488,952	-	6,488,952	6,605,173
	<b>Total income and endowments</b>	<b>6,508,363</b>	<b>649</b>	<b>6,509,012</b>	<b>6,616,266</b>
<b>Expenditure on:</b>					
5	Charitable activities	5,908,868	1,307	5,910,175	5,993,211
	<b>Total expenditure</b>	<b>5,908,868</b>	<b>1,307</b>	<b>5,910,175</b>	<b>5,993,211</b>
	Net income / (expenditure) for the year	599,495	(658)	598,837	623,055
Reconciliation of funds:					
	Funds brought forward at 1 September 2019	6,093,670	46,603	6,140,273	5,517,218
	<b>Total funds carried forward at 31 August 2020</b>	<b>6,693,165</b>	<b>45,945</b>	<b>6,739,110</b>	<b>6,140,273</b>

There were no recognised gains or losses for 2020 or 2019 other than those included in the statement of financial activities. All income and expenditure relates to continuing operations.

The notes on pages 20 to 35 form part of these financial statements.

**HALLFIELD SCHOOL TRUST**  
**BALANCE SHEET**  
**Company Number: 00631045**  
**as at 31 August 2020**

	Note	2020		2019	
		£	£	£	£
<b>Fixed assets</b>					
Intangible Assets	7		117		245
Tangible assets	8		4,600,190		4,640,667
			<u>4,600,307</u>		<u>4,640,912</u>
<b>Current assets</b>					
Debtors due after more than one year	9	755,372		763,732	
Debtors due within one year	9	251,133		149,434	
Stock		20,090		16,251	
Cash at bank and in hand		<u>2,208,970</u>		<u>1,875,771</u>	
		3,235,565		2,805,188	
<b>Creditors: amounts falling due within one year</b>	10	<u>(887,303)</u>		<u>(1,092,313)</u>	
<b>Net current assets</b>			<u>2,348,262</u>		<u>1,712,875</u>
<b>Total assets less current liabilities</b>			6,948,569		6,353,787
<b>Creditors: amounts falling due after more than one year</b>	10		(209,459)		(213,514)
			<u>6,739,110</u>		<u>6,140,273</u>
<b>Restricted funds</b>	12		45,945		46,603
<b>Unrestricted funds</b>	13		<u>6,693,165</u>		<u>6,093,670</u>
			<u>6,739,110</u>		<u>6,140,273</u>

The financial statements were approved by the Governors on 17<sup>th</sup> December, 2020 and signed on their behalf by



**T Venner**

**Chairman of Governors**

**HALLFIELD SCHOOL TRUST**

**CASH FLOW STATEMENT**

**Year ended 31 August 2020**

<b>Reconciliation of net income to net cash flow from operating activities</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Net income for the year	598,837	623,055
Interest receivable	(9,511)	(9,839)
Depreciation and amortisation of fixed assets	344,790	259,900
Loss on disposal of fixed assets	-	1,200
(Increase) in stock	(3,839)	(119)
(Increase) / decrease in debtors	(93,339)	110,095
(Decrease) / increase in creditors	(209,065)	130,428
<b>Net cash flow from operating activities</b>	<b>627,873</b>	<b>1,114,720</b>
<b>Cash flow from investing activities</b>		
Payments to acquire fixed assets	(304,185)	(933,083)
Interest received	9,511	9,839
<b>Net cash flow from investing activities</b>	<b>(294,674)</b>	<b>(923,244)</b>
<b>Net increase in cash and cash equivalents</b>	<b>333,199</b>	<b>191,476</b>
<b>Cash and cash equivalents at 1 September 2019</b>	<b>1,875,771</b>	<b>1,684,295</b>
<b>Cash and cash equivalents at 31 August 2020</b>	<b>2,208,970</b>	<b>1,875,771</b>
<b>Cash and cash equivalents consists of:</b>		
Cash at bank and in hand	2,208,970	1,875,771

**Analysis of changes in net debt**

	<b>Balance at 1 September 2019 £</b>	<b>Cash flow £</b>	<b>Balances at 31 August 2020 £</b>
Cash	1,875,771	333,199	2,208,970
<b>Total</b>	<b>1,875,771</b>	<b>333,199</b>	<b>2,208,970</b>

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**HALLFIELD SCHOOL TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 31 August 2020**

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**1. Accounting policies**

**1.1 General information and basis of preparation**

Hallfield School Trust is a charitable company limited by guarantee (registered number 00631045) which is incorporated and registered in England and Wales. Its charity registration number is 528956. In the event of the charitable company being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The address of the registered office is given in the charity information on page 3 of these financial statements. The nature of the charity's operation and principal activity is the provision of a co-educational day school for pupils between the ages of 3 months and 13 years.

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 (FRS102) (effective 1 January 2015) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and Companies Act 2006.

Hallfield School Trust meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The financial statements are prepared on a going concern basis under the historical cost convention. The financial statements are prepared in sterling which is the functional currency of the charity.

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.

**1.2 Going concern**

The Governors assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the school to continue as a going concern. The Governors make this assessment in respect of at least one year from the date of authorisation for issue of the financial statements.

During the year, the Coronavirus pandemic has caused significant strains on businesses and charities of all types. Hallfield School has responded to the crisis adjusting teaching methods and staffing levels. There have been temporary reductions in salaries and national guidelines to safeguard pupils, parents and staff are being embraced. Fees were reduced for the 2020 summer term and capital spending has been put on hold. With uncertainty over pupil numbers, forecasts and budgets have been stress-tested to assess how the School could cope under different scenarios. The Governors have concluded that the Company is well placed to cope with the continuing uncertainties and has adequate resources to continue providing first class education to its pupils for the foreseeable future.

After making appropriate enquiries, the Governors consider that the company has adequate resources to continue in operational existence for the foreseeable future and it is therefore appropriate to continue to adopt the going concern basis in preparing the financial statements.

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**HALLFIELD SCHOOL TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 31 August 2020**

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**1. Accounting policies (continued)**

**1.3 Fund accounting**

*Restricted funds*

Restricted funds represent grants and donations which are subject to restrictions on their expenditure imposed by the donor or through the terms of an appeal.

*Unrestricted funds and designated funds*

Unrestricted funds represent funds that are expendable at the discretion of the governors in the furtherance of the objects of the charitable company. Such funds may be held in order to finance both working capital and capital investment. Designated funds are those funds which are unrestricted in nature but which have been designated by the governors to be used in a particular manner.

**1.4 Income recognition**

All incoming resources are included in the Statement of Financial Activities when the charitable company 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. The following specific policies are applied to particular categories of income:

- Fees and charges for services are accounted for in the period in which tuition and services are provided at the expected level of income. Fees which have been physically received in advance are treated as deferred income.
- Other income is recognised as it is receivable.
- Government grants are credited to the statement of financial activities as the related expenditure is incurred.

**1.5 Expenditure**

Expenditure is recognised on an accruals basis as a liability is incurred. The following specific policies are applied to particular categories of expenditure:

- Rentals applicable to operating leases are charged to the Statement of Financial Activities over the period in which the cost is incurred.
- Charitable expenditure comprises those costs incurred by the charitable company in the delivery of its activities and services for its beneficiaries.
- All costs are allocated between the expenditure categories of the Statement of Financial Activities on a basis designed to reflect the use of the resource. Costs relating to a particular activity comprise both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.
- Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charitable company and include audit fees and costs linked to the strategic management of the charitable company.

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**HALLFIELD SCHOOL TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 31 August 2020**

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**1. Accounting policies (continued)**

**1.6 Leases**

All leases are operating leases and the annual rentals are expensed on a straight line basis over the lease term with any deferred charges included within creditors. Lease premiums, including associated professional fees, are treated as prepayments and amortised on a straight line basis over the life of the lease with the unamortised balance disclosed within debtors due after more than one year.

**1.7 Pensions**

Retirement benefits to employees of the Hallfield School Trust who are qualified Teachers are provided by the Teachers' Pension Scheme ('TPS'). The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the school in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in Note 11, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The charity also contributes towards a defined contribution Group Personal Pension Plan for its non-teaching staff. Contributions payable for the year are charged in the Statement of Financial Activities.

**1.8 Intangible fixed assets and amortisation**

Intangible fixed assets comprise the licence cost of the School's trademark. The asset is amortised over ten years on a straight line basis, this being the period covered by the licence.

**1.9 Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost less accumulated depreciation. Additions over £500 are capitalised. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Computer equipment	- over four years
Fixtures and equipment	- over seven years
Leasehold property	- over the life of the lease or 50 years, whichever is the shorter
Leasehold improvements	- over 10 years
Freehold buildings	- over 50 years

Freehold land is not depreciated.

**1.10 VAT**

Value added tax is not recoverable by the charitable company, and as such is included in the relevant costs in the statement of financial activities and tangible fixed assets.

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**HALLFIELD SCHOOL TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 31 August 2020**

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**1. Accounting policies (continued)**

**1.11 Debtors and creditors receivable / 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.

**1.12 Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible into known amounts of cash with insignificant risk of change in value.

**1.13 Financial Instruments**

The company enters into only basic financial instrument transactions that result in the recognition of financial assets and liabilities. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

**2. Judgements in applying accounting policies and key sources of estimation uncertainty**

The charitable company makes estimates and assumptions concerning the future. Management are also required to exercise judgement in the process of applying the charitable company's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

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

**Leases**

All leases are deemed to be either operating or finance leases, depending on whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis based on an evaluation of the terms and conditions of the arrangements.

In particular, in relation to the school buildings leased from Calthorpe Estates a number of judgements have been made that result in the conclusion that the agreement constitutes an operating lease: the lease does not transfer ownership of the building to Hallfield School at the end of the lease, nor offers the option to purchase the buildings; the lease term (to 2110) has been assessed not to constitute the majority of the useful life of the buildings; the buildings are deemed not to be of such a specialist nature that they could not be used by an alternative lessor in the future.

**HALLFIELD SCHOOL TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS**  
Year ended 31 August 2020

**3. Investment Income**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Bank Interest – Unrestricted Funds	100	9,677
Bank Interest – Restricted Funds	9,411	162
	<u>9,511</u>	<u>9,839</u>

**4. Income**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Net incoming resources are stated after charging:		
Depreciation – (note 8)	344,662	259,772
Amortisation – Intangible Asset (note 7)	128	128
Loss on disposal of fixed assets	-	1,200
Amortisation – Lease Premium (note 9)	8,446	8,532
Auditors' remuneration – audit services (exclusive of VAT)	11,000	10,600
Auditors' remuneration – non-audit services (exclusive of VAT)	875	1,195
Operating lease rental – plant, machinery & vehicles	<u>38,368</u>	<u>46,115</u>
	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
<b>Income from Charitable Activities - Unrestricted</b>		
School fees	6,007,444	6,264,734
Less: Assisted Places	<u>(119,324)</u>	<u>(119,917)</u>
Net Fee Income	5,888,120	6,144,817
Other educational income	197,973	405,351
Other ancillary income	48,010	55,005
Government grants	<u>354,849</u>	<u>-</u>
	<u>6,488,952</u>	<u>6,605,173</u>

Included in school fees is a grant awarded by Birmingham City Council to parents of 3 and 4 year old children which is collected by The School. This amounted to £278,946 (2019: £258,598) to provide up to 15 hours per week of free education to each pupil aged 3 or 4.

Included in government grants is £50,900 (2019: £nil) which relates to a sustainability claim to cover exceptional costs incurred whilst remaining open to Key Worker children in throughout March to May 2020. There is also a further grant of £303,949 (2019: £nil) in relation to the Coronavirus Job Retention Scheme for the period from April to August, 2020.



**HALLFIELD SCHOOL TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 31 August 2020**

**5. Analysis of resources expended**

**5.1 Total expenditure**

<b>Year ended 31 August 2020</b>	<b>Staff costs</b>	<b>Other costs</b>	<b>Depreciation</b>	<b>Total 2020</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Charitable activities</b>	(note 6)			
Teaching	3,173,739	211,578	112,574	3,497,891
Welfare	-	344,280	11,368	355,648
Premises repair and maintenance	249,894	494,437	229,166	973,497
Support costs and governance	771,327	306,079	128	1,077,534
Grants and prizes	-	5,605	-	5,605
<b>Total charitable expenditure</b>	<b>4,194,960</b>	<b>1,361,979</b>	<b>353,236</b>	<b>5,910,175</b>

<b>Year ended 31 August 2019</b>	<b>Staff costs</b>	<b>Other costs</b>	<b>Depreciation</b>	<b>Total 2019</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Charitable activities</b>	(note 6)			
Teaching	3,264,440	254,298	93,645	3,612,383
Welfare	-	449,487	6,964	456,451
Premises repair and maintenance	246,700	600,027	167,609	1,014,336
Support costs and governance	594,113	308,757	128	902,998
Grants and prizes	-	7,043	-	7,043
<b>Total charitable expenditure</b>	<b>4,105,253</b>	<b>1,619,612</b>	<b>268,346</b>	<b>5,993,211</b>

**5.2 Grants, awards and prizes**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
<b>From restricted funds</b>		
Maths prize	25	-
<b>From unrestricted funds</b>		
Flowers, prizes and leaving presents	5,605	7,043
	<b>5,630</b>	<b>7,043</b>

**HALLFIELD SCHOOL TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 31 August 2020**

**5. Analysis of resources expended (continued)**

**5.3 Governance included in support costs**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Remuneration paid to auditor for audit services	13,200	12,720
Reimbursement of personal expenses to governors – travel costs	436	616
Other governance costs	3,252	3,551
	<u>16,888</u>	<u>16,887</u>

**6. Staff costs and numbers**

	<b>2020</b>	<b>2019</b>
	<b>Total</b>	<b>Total</b>
	<b>£</b>	<b>£</b>
Salaries and wages	3,392,084	3,405,690
Social security	266,712	296,082
Pension costs	472,858	346,153
	<u>4,131,654</u>	<u>4,047,925</u>
Agency staff costs	63,306	57,328
	<u>4,194,960</u>	<u>4,105,253</u>

Included within salaries and wages is £709 (2019: £879) of childcare voucher administration charges associated with a salary sacrifice scheme for employees and staff termination costs of £114,674 (2019: £177,469). Termination costs of £14,177 (2019: £nil) remain outstanding at the year-end. Also included within salaries and wages is £7,717 (2019: £8,361) of premiums for staff death in service benefit cover and £5,505 (2019: £3,674) of premiums for private healthcare cover for senior managers.

The total amount of employee benefits received by key management personnel, including employer pension contributions, is £566,045 (2019: £482,688). The Governors consider that the key management personnel comprise the Executive team.

The average number of employees during the year was:

	<b>2020</b>	<b>2019</b>
	<b>No.</b>	<b>No.</b>
Teaching staff	43	40
Teaching assistants and nursery nurses	45	55
Domestic staff	14	16
Office and management staff	17	15
	<u>119</u>	<u>126</u>

**HALLFIELD SCHOOL TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 31 August 2020**

**6. Staff costs and numbers (continued)**

The table below shows details of employees who on an annualised basis received remuneration, including benefits, in excess of £60,000:

	<b>2020</b>	<b>2019</b>
	<b>No.</b>	<b>No.</b>
£60,000 - £70,000	1	-
£70,000 - £80,000	-	2
£80,000 - £90,000	1	-
£90,000 - £100,000	1	1
£110,000 - £120,000	-	1
£140,000 - £150,000	1	-

The employee in the £60,000 - £70,000 bracket (2019: Nil), the employee in the £90,000 - £100,000 bracket (2019: One), the employee in the £110,000 - £120,000 bracket in 2019 and the employee in the £140,000 - £150,000 bracket (2019: Nil) are members of the Governments' Teachers' Pension Defined Benefits Scheme and the School pays standard contributions as detailed in note 11.

No governor received any remuneration. No governor received reimbursement for travel expenses (2019: £616 to one governor). No governor received reimbursement for subsistence costs for Governors' meetings in 2020 (2019: £233 to one governor). Two governors received reimbursement for travel costs associated with training courses of £420 (2019: £252). No governors received reimbursement for entertaining expenses in either 2020 or 2019.

**7. Intangible fixed assets**

	<b>Trademark Licence</b>
<b>Cost</b>	<b>£</b>
As at 1 September 2019	1,280
Additions	-
At 31 August 2020	<u>1,280</u>
<b>Depreciation</b>	<b>£</b>
As at 1 September 2019	1,035
Charge	128
At 31 August 2020	<u>1,163</u>
<b>Net Book Value</b>	<b>£</b>
At 31 August 2020	<u>117</u>
At 1 September 2019	<u>245</u>

The licence to use the trademark of Hallfield School will expire in one year.

**HALLFIELD SCHOOL TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 31 August 2020**

**8. Tangible fixed assets**

	Freehold Land & Buildings £	Long Term Leasehold Property £	Fixtures Fittings & Equipment £	Total £
<b>Cost</b>				
At 1 September 2019	551,837	6,301,357	1,995,762	8,848,956
Additions	-	161,232	142,953	304,185
Transfers	(5,064)	(816)	5,880	-
Disposals	(192)	(4,253)	(1,332,065)	(1,336,510)
At 31 August 2020	<u>546,581</u>	<u>6,457,520</u>	<u>812,530</u>	<u>7,816,631</u>
<b>Depreciation</b>				
At 1 September 2019	63,187	2,464,658	1,680,444	4,208,289
Charge	10,410	220,720	113,532	344,662
Transfers	(675)	(103)	778	-
Disposals	(192)	(4,253)	(1,332,065)	(1,336,510)
At 31 August 2020	<u>72,730</u>	<u>2,681,022</u>	<u>462,689</u>	<u>3,216,441</u>
<b>Net Book Value</b>				
At 31 August 2020	<u>473,851</u>	<u>3,776,498</u>	<u>349,841</u>	<u>4,600,190</u>
At 31 August 2019	<u>488,650</u>	<u>3,836,699</u>	<u>315,318</u>	<u>4,640,667</u>

Included in freehold land and buildings is an amount of £39,947 (2019: £39,947) relating to freehold land which is not depreciated.

**9. Debtors: amounts due within one year**

	<b>2020</b>	<b>2019</b>
	£	£
Trade debtors	92,656	25,226
Other debtors	8,446	8,532
Prepayments and accrued income	150,031	115,676
	<u>251,133</u>	<u>149,434</u>

**Debtors: amounts due after more than one year**

	<b>2020</b>	<b>2019</b>
	£	£
Lease Premium	<u>755,372</u>	<u>763,732</u>

The lease premium represents amounts paid to the Trust's Landlord on completion of the lease arrangements together with professional costs incurred in reaching the agreement. The premium is amortised over the life of the lease which expires on 24 March 2110.

**HALLFIELD SCHOOL TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 31 August 2020**

**10. Creditors: amounts falling due within one year**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Fees in advance	181,796	313,821
Trade creditors	217,528	350,545
Other creditors	337,673	308,615
Accruals and deferred income	62,983	37,931
Deferred rental charge	4,054	4,054
Other tax and social security	83,269	77,347
	<u>887,303</u>	<u>1,092,313</u>

Included within other creditors are amounts relating to outstanding pension contributions of £54,849 (2019: £45,953) and an amount of £193,650 (2019: £169,100) relating to deposits received from parents for pupils attending the School; deposits are repayable when the pupil leaves the School in Year 6.

The Governors have reviewed the contract terms under which the Pupil fee deposits are held by the school. Although under normal circumstances these will be repaid over future years when the pupils complete their education at the school, pupils can leave at earlier dates. The school does not therefore have an unconditional right to retain the individual deposits for at least 12 months after the balance sheet date and, in line with the requirements in FRS 102, the balance of the deposits held at 31 August 2020 have been included within current liabilities.

**Creditors: amounts falling due after more than one year**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Deferred Rental Charges	<u>209,459</u>	<u>213,514</u>

These charges arise as the rent payable under the new lease arrangements steps up over the period to 24 March 2029. Our policy is to recognise the rent equally over this period and the amount is expected to reverse by 31 August 2029.

## **11. Pensions**

### ***Teachers' Pension Defined Benefits Scheme***

The School participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £406,245 (2019: £272,197) and at the year-end £45,264 (2019: £36,230) was accrued in respect of contributions to this scheme.

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

The employer contribution rate is set by the Secretary of State following scheme valuations undertaken by the Government Actuary's Department. The most recent actuarial valuation of the TPS was prepared as at 31 March 2016 and the Valuation Report, which was published in March 2019, confirmed that the employer contribution rate for the TPS would increase from 16.4% to 23.6% from 1 September 2019. Employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 23.68%.

The 31 March 2016 Valuation Report was prepared in accordance with the benefits set out in the scheme regulations and under the approach specified in the Directions, as they applied at 5 March 2019. However, the assumptions were considered and set by the Department for Education prior to the ruling in the 'McCloud/Sargeant case'. This case has required the courts to consider cases regarding the implementation of the 2015 reforms to Public Service Pensions including the Teachers' Pensions.

On 27 June 2019 the Supreme Court denied the government permission to appeal the Court of Appeal's judgment that transitional provisions introduced to the reformed pension schemes in 2015 gave rise to unlawful age discrimination. The government is respecting the Court's decision and has said it will engage fully with the Employment Tribunal as well as employer and member representatives to agree how the discriminations will be remedied. A consultation was launched by the government on 16 July 2020, and closed to responses on 11 October 2020.

The TPS is subject to a cost cap mechanism which was put in place to protect taxpayers against unforeseen changes in scheme costs. The Chief Secretary to the Treasury, having in 2018 announced that there would be a review of this cost cap mechanism, in January 2019 announced a pause to the cost cap mechanism following the Court of Appeal's ruling in the McCloud/Sargeant case and until there is certainty about the value of pensions to employees from April 2015 onwards. The pause was lifted in July 2020 and the government is preparing to complete the cost control element of the 2016 valuations, which is expected to be completed in 2021.

In view of the above rulings and decisions the assumptions used in the 31 March 2016 Actuarial Valuation may become inappropriate. In this scenario, a valuation prepared in accordance with revised benefits and suitably revised assumptions would yield different results than those contained in the Actuarial Valuation.

**11. Pensions (continued)**

Until the consultation and the cost cap mechanism review are completed it is not possible to conclude on any financial impact or future changes to the contribution rates of the TPS. Accordingly, no provision for any additional past benefit pension costs is included in these financial statements.

***Other arrangements***

The school also contributes to a defined contribution pension scheme in respect of its non-teaching staff. All eligible employees were enrolled in the defined contribution auto-enrolment scheme as of its staging date on 1 May 2014.

The pension status of all employees is reviewed monthly to ensure that all employees who are eligible are enrolled in the scheme and that all non-eligible or entitled workers are aware of their right to opt to join the scheme.

The pension charge in the Statement of Financial Activities and reported in note 6 to the financial statements represents contributions payable to all of the pension schemes of £472,858 (2019: £346,153).

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**12. Restricted funds**

The funds of the charitable company include restricted funds comprising unexpended balances of donations and grants, held on trust, to be applied for specific purposes, as follows:

<b>At 31 August 2020</b>	<b>Balances at 1 September 2019 £</b>	<b>Incoming Resources £</b>	<b>Outgoing Resources £</b>	<b>Balances at 31 August 2020 £</b>
Pavilion Appeal Fund	12,696	-	(1,282)	11,414
Rigby Bursary	14,157	42	-	14,199
Hardship Fund	15,687	531	-	16,218
Gifted and Talented Fund	3,344	10	-	3,354
Stanley Owen Allday Memorial	50	-	-	50
Ranjeen Neelima Memorial	229	1	(25)	205
Award				
Make a Difference Fund	440	65	-	505
	<u>46,603</u>	<u>649</u>	<u>(1,307)</u>	<u>45,945</u>

<b>At 31 August 2019</b>	<b>Balances at 1 September 2018 £</b>	<b>Incoming Resources £</b>	<b>Outgoing Resources £</b>	<b>Balances at 31 August 2019 £</b>
Pavilion Appeal Fund	13,978	-	(1,282)	12,696
Rigby Bursary	14,087	70	-	14,157
Hardship Fund	14,799	888	-	15,687
Gifted and Talented Fund	3,327	17	-	3,344
Stanley Owen Allday Memorial	50	-	-	50
Ranjeen Neelima Memorial				
Award	228	1	-	229
Make a Difference Fund	-	440	-	440
	<u>46,469</u>	<u>1,416</u>	<u>(1,282)</u>	<u>46,603</u>

**Capital funds**

The Pavilion Appeal Fund was created in the 125th Anniversary year, 2003, to supplement the school's provision of funds for the new sports pavilion, benefiting from the generosity of various friends as well as the Old Hallfieldian Society. The cash raised was fully utilised on the purchase of the pavilion which is included in fixed assets; depreciation is charged on a straight line basis over the estimated remaining useful life of 10 years. The fund balance at the end of the year is represented by the attributable proportion of the net book amount of the asset to the extent that it was funded by the donation.



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**12. Restricted funds (continued)**

**Other funds**

The Rigby Bursary Fund is the result of a legacy from a former headmaster, Mr. R. Vaughan Rigby, to improve access for children from families with limited resources for independent schooling, especially the children of Old Hallfieldians.

There are two Hardship Funds operated by the School. The original Hardship Fund was created by the Parents' Association to assist current pupils whose families run into financial difficulty, being under the control jointly of the Head Master and the chair of the Parents' Association. During 2017-18, a second Hardship Fund called "The Bryan Family Unforeseen Hardship Fund" was created with a donation of £10,000. This money is to be used to support families that have had an unforeseen change of circumstances within an academic year and this fund should facilitate the pupil remaining at Hallfield School until the end of an academic year.

The Gifted and Talented Fund began in 2009 due to an enlightened donation by the retiring deputy head, Mrs. Rosemary Mountford.

The Stanley Owen Allday Memorial Fund is a prize fund awarded in respect of excellence at sport in memory of a pupil who was killed in active service during the First World War in 1915.

The Ranjan Neelima Memorial Award is the result of a donation received in respect of a former pupil for an award for excellence in mathematics. During the year the fund donated £25 (2019: £Nil) for the School's prize in mathematics.

**13. Unrestricted funds**

<b>At 31 August 2020</b>	<b>Balances at 1 September 2019</b>	<b>Incoming Resources</b>	<b>Outgoing Resources</b>	<b>Balances at 31 August 2020</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
General Fund	5,593,670	6,508,363	(5,908,868)	6,193,165
Designated fund	500,000	-	-	500,000
<b>Total</b>	<b>6,093,670</b>	<b>6,508,363</b>	<b>(5,908,868)</b>	<b>6,693,165</b>
<b>At 31 August 2019</b>	<b>Balances at 1 September 2018</b>	<b>Incoming Resources</b>	<b>Outgoing Resources</b>	<b>Balances at 31 August 2019</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
General Fund	4,970,749	6,614,850	(5,991,929)	5,593,670
Designated fund	500,000	-	-	500,000
<b>Total</b>	<b>5,470,749</b>	<b>6,614,850</b>	<b>(5,991,929)</b>	<b>6,093,670</b>

The Designated fund was established for future development of the school site.

**HALLFIELD SCHOOL TRUST**  
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**14. Analysis of net assets between funds**

<b>At 31 August 2020</b>	<b>General funds £</b>	<b>Restricted funds £</b>	<b>Total £</b>
Fixed assets	4,588,893	11,414	4,600,307
Net current assets	1,558,359	34,531	1,592,890
Long term debtors	755,372	-	755,372
Long term liabilities	(209,459)	-	(209,459)
	<u>6,693,165</u>	<u>45,945</u>	<u>6,739,110</u>

<b>At 31 August 2019</b>	<b>General funds £</b>	<b>Restricted funds £</b>	<b>Total £</b>
Fixed assets	4,628,216	12,696	4,640,912
Net current assets	915,236	33,907	949,143
Long term debtors	763,732	-	763,732
Long term liabilities	(213,514)	-	(213,514)
	<u>6,093,670</u>	<u>46,603</u>	<u>6,140,273</u>

**15. Commitments under leases**

***Operating Leases***

The charitable company has total future minimum lease payments under non-cancellable operating leases are as set out below:

	<b>2020</b>		<b>2019</b>	
	<b>Land and buildings £</b>	<b>Other £</b>	<b>Land and buildings £</b>	<b>Other £</b>
Leases expiring:				
Within one year	100,000	24,810	100,000	32,850
Within 2 – 5 years	437,500	29,073	412,500	2,654
Over five years	27,891,677	-	28,016,677	-
	<u>28,429,177</u>	<u>53,883</u>	<u>28,529,177</u>	<u>35,504</u>

The land and buildings commitment relates to a rental lease on the school premises which expires on 24 March 2110.

**16. Capital commitments**

At 31 August 2020, the charitable company had £73,341 of capital commitments (2019: £62,228).

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**17. Members**

The charity is incorporated as a company limited by guarantee having no share capital and, in accordance with the memorandum of association, every member is liable to contribute a sum of £1 in the event of the company being wound up. At 31 August 2020 there were 29 members (2019: 28).

**18. Related party transactions**

At the year-end there was a £5 creditor (2019: £21 debtor) representing amounts due to / from the Hallfield School Parents' Association ("the Association") in respect of the combination of payments due from the School to the Association for annual subscriptions and payments made by the School on behalf of the Association. The Association is a registered charity, and various senior members of staff of the charitable company are Trustees of the Association.

At the year end, there was a creditor of £8,953 (2019: £5,843) due to the Old Hallfieldian Society, an unincorporated society, represented by subscriptions invoiced by the school and other associated transactions. The Head Master is the President of the society and the Director of Finance and Operations is the Treasurer.