



HALLFIELD SCHOOL

HALLFIELD SCHOOL TRUST
(A company limited by Guarantee)

THE GOVERNORS' ANNUAL REPORT AND FINANCIAL STATEMENTS

31 AUGUST 2021

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 2021.

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) ^{4,5,8}	P L Clague ^{2,9}	P Gough ^{1,8}
S Stotts (Vice Chair) ^{5,6,7}	H Coverdale ^{2,6}	M R Plummer ^{4,9}
D Ahuja ^{4,7, 10}	G M Faber ^{3,6,8}	D R Price ³
S Aulak ^{1,4,8}	K Feist ^{3,6,7}	A S Sherlock ^{2,3,5,7}

S Aulak, P Clague, P Gough and M R Plummer retire by rotation and being eligible offer themselves for re-election.

¹ Finance and Facilities Committee	⁶ Compliance Committee
² Education Committee	⁷ Parent of former pupil
³ Human Resources and Legal Committee	⁸ Old Hallfieldian
⁴ Marketing Committee	⁹ Appointed 22 nd January 2021
⁵ Nominations Committee	¹⁰ Resigned 22 nd September 2021

The Chairman and Vice Chair are ex-officio members of each of the Committees.

Executive Team from 1 September 2021

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

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 continued challenges of the Coronavirus Pandemic, the year ended 31 August 2021 was another exceptional one for Hallfield School, both inside and outside the classroom, with regard to academic results and all round achievement.

Continued restrictions and enforced closure due to the Coronavirus Pandemic

The academic year began with all children being able to return to school and we greeted them with an especially warm welcome. The children were kept in year group bubbles, as per government guidance, but the school continued to operate with its usual enthusiasm.

The Governors sub-committee created in the previous year to co-ordinate the School's approach during the Coronavirus Pandemic continued to meet fortnightly (or more frequently when necessary) with management throughout the first two terms to ensure the school responded to the changing risk profile effectively and efficiently. The Governors would again like to record their deep gratitude to the Senior Leadership Team and all staff for their dedication and support during these unprecedented times.

When the second enforced school closure happened on 4th January, the School responded immediately to the situation reverting to its well tested on-line timetable at the start of the Spring Term with a combination of live and pre-recorded lessons and activities. Our children reverted to these alternative ways of learning exceptionally well.

The School re-opened to all children in accordance with government guidance on 8th March. Again, we welcomed the children back with a fun packed day to smooth them back into face to face learning.

To help support our children who were due to sit 11+ examinations and entrance exams for selective independent schools, we offered a free week of support and tuition on these studies during the Easter holidays for our year 5 pupils, to ensure there were able to perform to the best of their abilities in their upcoming examinations.

Parents have been very supportive of the School and highly complimentary of the standard of education delivered throughout the past year managing the implications of the pandemic and the relative normality it has continued to provide to our pupils during uncertain times.

Academic

The year ended 31 August 2021 was outstanding for the 11+ examination results. These were sat in the Autumn Term of 2020, with these children only having been able to return to school a few weeks previously. To help support them with these examinations, we offered two weeks of free summer school to ensure the children felt confident they were well prepared. There were 55 10-11 year olds (54 last year) entering both the select Local Authority Grammar schools and select independent schools. Our Year 6 pupils left us to go to 10 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, 49 pupils sat the King Edward VI Foundation Grammar and local grammar school examinations. They were offered a total of 45 places (92% success rate).

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 – 27 boys (2020: 22 boys) have been offered places (including 7 scholarships (2020: 6 scholarships)) at King Edward's School and 14 girls (2020: 10 girls) have been offered places (including 3 scholarships (2020: 1 scholarship)) at King Edward VI High School for Girls. 14 places were offered at Solihull School (2020: 18 places) and 16 places (2020: 14 places) at Edgbaston High School for Girls (including 16 scholarships (2020: 7 scholarships)) and a total of 38 scholarships (2020: 24 scholarships) were awarded.

In the National Primary Schools Maths Challenge, 11 children earned a Gold medal, 25 gained a Silver medal and 26 a Bronze medal, with 8 pupils qualifying for the Bonus round. In the Bonus round, 3 children achieved a Gold certificate, 1 child achieved a Silver certificate and 1 achieved a Bronze certificate.

Music

Our commitment to Music continued with our expansion of the Year 3 Sponsored Lessons Scheme in September 2020. The choice of instruments broadened greatly to include violin, cello, flute, oboe, clarinet, bassoon, cornet and horn. Despite Covid restrictions meaning that lessons migrated online when necessary, every pupil in Year 3 entered their Prep Test Exam in the summer term and passed. A real passion for music has developed and over two thirds of the year group registered to continue learning their instrument in September 2021.

All pupils in Years 3 to 7 had the opportunity to sing outside the classroom in a Year Group Choir. Membership to all the choirs was very high and illustrates a renewed interest in singing as an important aspect of musical life at Hallfield.

Despite the second lockdown and resultant school closure, the Music Department maintained its offer of weekly instrumental and vocal lessons by migrating lessons online. Pupils made good progress during this period and some entered and passed ABRSM and Trinity exams.

Our Tea-Time Concert series continued with the performers being filmed and a full concert being released online. We experimented further with filming and recording and filmed "A Hallfield Christmas" showcasing our Year Group Choirs. Every child from Foundation to Year 7 rehearsed and recorded four songs at the end of the academic year which were then released to parents.

Sport

Sport remains a very important part of life at Hallfield, despite the implications of the pandemic restricting the number of fixtures. Luckily, there was some normality in the summer term with pupils being able to play a number of competitive cricket matches.

With children remaining in their year group bubbles to restrict the impact of the pandemic, the overall range and number of activities had to be reduced but these were well attended before school, at lunch time or after school. Nevertheless, new clubs such as kick boxing and fitness have been added to the schedule. Working with an external provider, Complete Cricket, we were able to coach many children after school and the interest in the sport from both boys and girls has continued to grow.

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

Extra-curricular activities

Our hardworking staff were particularly dedicated to offering extra-curricular activities after school despite the restrictions of operating in year group bubbles. Our broadest offering yet comprised in excess of forty different activities for children to choose from. Once restrictions for day trips were removed in the summer term, we took each year group on an action-packed activity day to a venue to allow the children to develop their team-working skills.

Financial Review

Review of Transactions and Financial Position

The Governors are pleased to report an incredibly strong financial performance, achieving a surplus for the year of £992,837. This represents a significant increase from the surplus of £598,837 reported in 2020. The Governors felt the need to build reserves during an uncertain year but 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 parents' lives continued to be affected during the pandemic and that this resulted in a huge strain on the personal finances of some families. Accordingly, we continued to offer flexible payment options, including interest-free monthly options and payment deferrals based on individual financial circumstances. Approximately 35 families opted for support again this year. On the introduction of a second national lockdown, we responded with reduced fees for the eight-week period that school was unable to be fully open of a discount of 15% to pupils that did not attend and 5% to those that did. 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, predominately in the spring term, amounted to £140,052.

During the enforced closure, as we remained open to Key Worker children, we were able to claim £8,354 of sustainability funding from Birmingham City Council towards the disproportionate operating costs of wraparound care faced during the closure period.

Costs continued to be tightly controlled and discretionary expenditure was targeted at priority areas during the first two terms to ensure the children enjoyed the best experience possible during the most restricted periods of the Pandemic. During the enforced closure in the spring term, we remained open to much higher numbers of Key Worker children. This meant there were fewer opportunities to furlough our highly dedicated support staff this year. For the year ended 31st August, 2021 the School claimed £84,521 of support from the Coronavirus Job Retention Scheme.

Opportunities to continually improve the facilities were focused on this year and significant capital investment of £668,485 was incurred. The start of the year saw the opening of the newly created Design Technology room and newly refurbished ICT suite. During the year, a multi-gym and fitness suite was opened for the benefit of our older pupils. Outside play spaces were improved with the introduction of an all-weather play area for our youngest children in Hallfieldfirst at Easter and the creation of a new play area for Pre-Prep children over the summer holidays. The summer term saw the start of our long awaited new kitchen and bistro project, which will see the introduction of a new central dining space in the autumn term of 2021. Work also commenced on our new Food Technology room which will place food and nutrition at the heart of the curriculum too. Throughout the year, there was significant further investment in IT devices to support the combination of face to face and on-line learning which has epitomised the past eighteen months.

Review of Transactions and Financial Position (continued)

During the summer term, the School undertook a review of the catering team structure to address the revised needs of the School as it moves towards a single kitchen and dining room. This ultimately resulted in 4 staff being made redundant at a cost of £21,081.

Pupil Numbers

The number of children, expressed in terms of full time equivalents (FTEs), attending the School increased during the academic year, rising to 543 in the summer of 2021. 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.

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 2021/2022

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;
- create new foundation classrooms to create a single building catering for all children in the EYFS; and
- continue to 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 2020/21 year, it funded the education at Hallfield of 14 pupils. The value of this funding was £122,533 (2020: 12 pupils costing £119,324).

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.

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.

Last year's unprecedented impact of the Coronavirus Pandemic on our parent body prompted a review of the level of reserves required to sustain the Charity through these uncertain times. Taking account of these risks, the Governors continue to believe that reserves held should steadily be increased over a period of one to two years to equate to one term's expenditure which ranges between £1,500,000 and £1,800,000. At 31 August 2021, the charity's free reserves amounted to £1,758,727 (2020: £1,042,553).

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 2021 spring term and selective support to parents suffering short-term financial problems. Fees for the 2021-22 remained incredibly 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, continuing to adopt the going concern basis in preparing the financial statements is considered appropriate. 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 and Brexit, may affect the ability of parents to afford 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 were held at prior year levels for the 2020-21 academic year and only subject to a modest increase for the 2021-22 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.

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.

HALLFIELD SCHOOL TRUST
GOVERNORS' ANNUAL REPORT
STRATEGIC REPORT

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:

Risk	Mitigating Factors
<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 and the school reviews processes regularly to try to mitigate against these. Off-site data back-ups help to protect vital information and would ease re-configuration should a failure occur.
<u>Child Protection & 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 which is tested periodically; the school has regular fire protection and safety audits.

HALLFIELD SCHOOL TRUST
GOVERNORS' ANNUAL REPORT
STRUCTURE, GOVERNANCE & MANAGEMENT

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 2021 was £229 (2020: £296).

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.

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 Friends of Hallfield provide greatly valued voluntary effort and funding.

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.

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

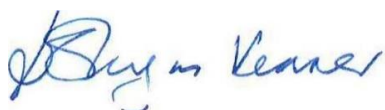
In so far as the governors are aware:

- 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 20th December, 2021 and signed on their behalf by:



T Venner
Chairman of Governors

Opinion

We have audited the financial statements of Hallfield School Trust ('the charitable company') for the year ended 31 August 2021 which comprise the Statement of Financial Activities, Balance Sheet, Cash Flow Statement 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 charitable company's affairs as at 31 August 2021 and of 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

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.

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 charitable company'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 trustees are responsible for the other information contained within the annual report. 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.

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 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.

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 and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the governors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, taxation legislation, together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company for fraud. The laws and regulations we considered in this context were The Education (Independent School Standards) Regulations 2014, General Data Protection Regulation (GDPR), Health and Safety legislation and employment legislation.

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.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, and the Finance & General Purpose Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, Independent Schools Inspectorate and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of

non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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

20 December 2021

HALLFIELD SCHOOL TRUST
STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating an Income and Expenditure Account)
Year ended 31 August 2021

		2021 Unrestricted Funds £	2021 Restricted Funds £	2021 Total Funds £	2020 Total Funds £
	Note				
Income and endowments from:					
Donations and legacies		9,843	2,304	12,147	10,549
Investment income	3	1,021	33	1,054	9,511
Charitable activities	4	6,793,698	(523)	6,793,175	6,488,952
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total income and endowments		6,804,562	1,814	6,806,376	6,509,012
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
Expenditure on:					
Charitable activities	5	5,812,232	1,307	5,813,539	5,910,175
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total expenditure		5,812,232	1,307	5,813,539	5,910,175
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
Net income / (expenditure) for the year		992,330	507	992,837	598,837
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
Reconciliation of funds:					
Funds brought forward at 1 September 2020		6,693,165	45,945	6,739,110	6,140,273
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total funds carried forward at 31 August 2021		7,685,495	46,452	7,731,947	6,739,110
		<u> </u>	<u> </u>	<u> </u>	<u> </u>

There were no recognised gains or losses for 2021 or 2020 other than those included in the statement of financial activities. All income and expenditure relates to continuing operations.

The notes on pages 21 to 35 form part of these financial statements.

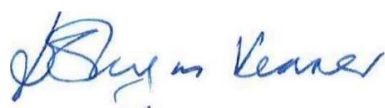
HALLFIELD SCHOOL TRUST

BALANCE SHEET

Company Number: 00631045
as at 31 August 2021

	Note	2021	2020
		£	£
Fixed assets			
Intangible Assets	7	819	117
Tangible assets	8	<u>4,880,035</u>	<u>4,600,190</u>
		4,880,854	4,600,307
Current assets			
Debtors due after more than one year	9	746,927	755,372
Debtors due within one year	9	274,847	251,133
Stock		16,592	20,090
Cash at bank and in hand		<u>3,201,679</u>	<u>2,208,970</u>
		4,240,045	3,235,565
Creditors: amounts falling due within one year	10	<u>(1,183,547)</u>	<u>(887,303)</u>
Net current assets		<u>3,056,498</u>	<u>2,348,262</u>
Total assets less current liabilities		7,937,352	6,948,569
Creditors: amounts falling due after more than one year	10	(205,405)	(209,459)
		<u>7,731,947</u>	<u>6,739,110</u>
Restricted funds	12	46,452	45,945
Unrestricted funds	13	<u>7,685,495</u>	<u>6,693,165</u>
		<u>7,731,947</u>	<u>6,739,110</u>

The financial statements were approved by the Governors on 20th December, 2021 and signed on their behalf by



T Venner
Chairman of Governors

HALLFIELD SCHOOL TRUST

CASH FLOW STATEMENT
Year ended 31 August 2021

Reconciliation of net income to net cash flow from operating activities	2021	2020
	£	£
Net income for the year	992,837	598,837
Interest receivable	(1,054)	(9,511)
Depreciation and amortisation of fixed assets	387,244	344,790
Profit on disposal of fixed assets	(2,138)	-
Decrease / (Increase) in stock	3,499	(3,839)
(Increase) in debtors	(15,269)	(93,339)
Increase / (Decrease) in creditors	292,190	(209,065)
Net cash flow from operating activities	1,657,308	627,873
Cash flow from investing activities		
Proceed from the sale of fixed assets	2,832	-
Payments to acquire fixed assets	(668,485)	(304,185)
Interest received	1,054	9,511
Net cash flow from investing activities	(664,599)	(294,674)
Net increase in cash and cash equivalents	992,709	333,199
Cash and cash equivalents at 1 September	2,208,970	1,875,771
Cash and cash equivalents at 31 August	3,201,679	2,208,970
Cash and cash equivalents consists of:		
Cash at bank and in hand	3,201,679	2,208,970

Analysis of changes in net debt

	Balance at 1 September 2020	Cash flow	Balances at 31 August 2021
	£	£	£
Cash	2,208,970	992,709	3,201,679
Total	2,208,970	992,709	3,201,679

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 2021 spring term and significant capital spending was paused until spring 2021. 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.

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.

HALLFIELD SCHOOL TRUST
NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 August 2021

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.

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 2021

3. Investment Income

	2021	2020
	£	£
Bank Interest – Unrestricted Funds	1,021	9,411
Bank Interest – Restricted Funds	33	100
	<u>1,054</u>	<u>9,511</u>

4. Income

	2021	2020
	£	£
Net incoming resources are stated after charging:		
Depreciation – (note 8)	387,106	344,662
Amortisation – Intangible Asset (note 7)	138	128
Amortisation – Lease Premium (note 9)	8,446	8,446
Auditors’ remuneration – audit services (exclusive of VAT)	11,250	11,000
Auditors’ remuneration – non-audit services (exclusive of VAT)	575	875
Operating lease rental – plant, machinery & vehicles	<u>27,355</u>	<u>38,368</u>

	2021	2020
	£	£
Income from Charitable Activities - Unrestricted		
School fees	6,596,468	6,007,444
Less: Assisted Places	<u>(122,533)</u>	<u>(119,324)</u>
Net Fee Income	6,473,935	5,888,120
Other educational income	172,985	197,973
Other ancillary income	53,903	48,010
Government grants	<u>92,875</u>	<u>354,849</u>
	<u>6,793,698</u>	<u>6,488,952</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 £276,040 (2020: £278,946) to provide up to 15 hours per week of free education to each pupil aged 3 or 4.

Included in government grants is £8,354 (2020: £50,900) which relates to a sustainability claim to cover exceptional costs incurred whilst remaining open to Key Worker children throughout January to March 2021 (2020: March to May 2020). There is also a further grant of £84,521 (2020: £303,949) in relation to the Coronavirus Job Retention Scheme for the period from September 2020 to August 2021 (2020: April to August, 2020).

HALLFIELD SCHOOL TRUST
NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 August 2021

5. Analysis of resources expended

5.1 Total expenditure

Year ended 31 August 2021	Staff costs £	Other costs £	Depreciation £	Total 2021 £
Charitable activities (note 6)				
Teaching	2,902,248	296,922	131,057	3,330,227
Welfare	-	407,120	14,286	421,406
Premises repair and maintenance	285,475	554,115	250,208	1,089,798
Support costs and governance	724,662	238,293	138	963,093
Grants and prizes	-	9,015	-	9,015
Total charitable expenditure	3,912,385	1,505,465	395,689	5,813,539

Year ended 31 August 2020	Staff costs £	Other costs £	Depreciation £	Total 2020 £
Charitable activities (note 6)				
Teaching	3,190,607	323,253	112,574	3,626,434
Welfare	-	342,654	11,368	354,022
Premises repair and maintenance	251,660	505,852	229,166	986,678
Support costs and governance	752,693	184,615	128	937,436
Grants and prizes	-	5,605	-	5,605
Total charitable expenditure	4,194,960	1,361,979	353,236	5,910,175

5.2 Grants, awards and prizes

	2021 £	2020 £
From restricted funds		
Maths prize	25	25
From unrestricted funds		
Flowers, prizes and leaving presents	8,990	5,605
	9,015	5,630

HALLFIELD SCHOOL TRUST
NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 August 2021

5. Analysis of resources expended (continued)

5.3 Governance included in support costs

	2021	2020
	£	£
Remuneration paid to auditor for audit services	13,500	13,200
Reimbursement of personal expenses to governors – travel costs	-	436
Other governance costs	1,413	3,252
	<u>14,913</u>	<u>16,888</u>

6. Staff costs and numbers

	2021	2020
	Total	Total
	£	£
Salaries and wages	3,177,261	3,392,084
Social security	269,158	266,712
Pension costs	444,251	472,858
	<u>3,890,670</u>	<u>4,131,654</u>
Agency staff costs	21,715	63,306
	<u>3,912,385</u>	<u>4,194,960</u>

Included within salaries and wages is £329 (2020: £709) of childcare voucher administration charges associated with a salary sacrifice scheme for employees and staff termination costs of £23,094 (2020: £114,674). Termination costs of £3,869 (2020: £14,177) remain outstanding at the year-end. Also included within salaries and wages is £5,636 (2020: £7,717) of premiums for staff death in service benefit cover and £5,243 (2020: £5,505) 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 £566,153 (2020: £577,246). The Governors consider that the key management personnel comprise the Executive team.

The average number of employees during the year was:

	2021	2020
	No.	No.
Teaching staff	38	43
Teaching assistants and nursery nurses	44	45
Domestic staff	16	14
Office and management staff	16	17
	<u>114</u>	<u>119</u>

HALLFIELD SCHOOL TRUST
NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 August 2021

6. Staff costs and numbers (continued)

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

	2021	2020
	No.	No.
£60,001 - £70,000	2	1
£80,001 - £90,000	-	1
£90,001 - £100,000	1	1
£140,001 - £150,000	1	1

The employees in the £60,001 - £70,000 bracket (2020: One), the employee in the £90,001 - £100,000 bracket in 2020, and the employee in the £140,001 - £150,000 bracket (2020: One) are members of the Governments' Teachers' Pension Defined Benefits Scheme and the School pays standard contributions as detailed in note 11. The employee in the £90,001 - £100,000 bracket (2020: the employee in the £80,001 - £90,000 bracket) is a member of the defined contribution scheme set out in note 11.

No governor received any remuneration. No governor received reimbursement for travel expenses (2020: £Nil). No governor received reimbursement for subsistence costs for Governors' meetings in 2020 (2020: £Nil). No governors (2020: 2 Governors) received reimbursement for travel costs associated with training courses of £Nil (2020: £420). No governors received reimbursement for entertaining expenses in either 2021 or 2020.

7. Intangible fixed assets

	Trademark Licence
Cost	£
As at 1 September 2020	1,280
Additions	840
Disposals	(1,280)
At 31 August 2021	<u>840</u>
Depreciation	£
As at 1 September 2020	1,163
Charge	138
Disposals	(1,280)
At 31 August 2021	<u>21</u>
Net Book Value	£
At 31 August 2021	<u>819</u>
At 1 September 2020	<u>117</u>

The licence to use the trademark of Hallfield School will expire in ten years.

HALLFIELD SCHOOL TRUST
NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 August 2021

8. Tangible fixed assets

	Freehold Land & Buildings £	Long Term Leasehold Property £	Fixtures Fittings & Equipment £	Total £
Cost				
At 1 September 2020	546,581	6,457,520	812,530	7,816,631
Additions	-	392,351	275,294	667,645
Disposals	-	(11,400)	(9,579)	(20,979)
At 31 August 2021	<u>546,581</u>	<u>6,838,471</u>	<u>1,078,245</u>	<u>8,463,297</u>
Depreciation				
At 1 September 2020	72,730	2,681,022	462,689	3,216,441
Charge	10,133	241,763	135,210	387,106
Disposals	-	(11,400)	(8,885)	(20,285)
At 31 August 2021	<u>82,863</u>	<u>2,911,385</u>	<u>589,014</u>	<u>3,583,262</u>
Net Book Value				
At 31 August 2021	<u>463,718</u>	<u>3,927,086</u>	<u>489,231</u>	<u>4,880,035</u>
At 31 August 2020	<u>473,851</u>	<u>3,776,498</u>	<u>349,841</u>	<u>4,600,190</u>

Included in freehold land and buildings is an amount of £39,947 (2020: £39,947) relating to freehold land which is not depreciated.

9. Debtors: amounts due within one year

	2021 £	2020 £
Trade debtors	104,670	92,656
Other debtors	8,446	8,446
Prepayments and accrued income	<u>161,731</u>	<u>150,031</u>
	<u>274,847</u>	<u>251,133</u>

Debtors: amounts due after more than one year

	2021 £	2020 £
Lease Premium	<u>746,927</u>	<u>755,372</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 2021

10. Creditors: amounts falling due within one year

	2021	2020
	£	£
Fees in advance	318,325	181,796
Trade creditors	336,672	217,528
Other creditors	369,456	337,673
Accruals and deferred income	70,446	62,983
Deferred rental charge	4,054	4,054
Other tax and social security	84,594	83,269
	<u>1,183,547</u>	<u>887,303</u>

Included within other creditors are amounts relating to outstanding pension contributions of £53,353 (2020: £54,849) and an amount of £216,410 (2020: £193,650) relating to deposits received from parents for pupils attending the School; deposits are repayable when the pupil leaves the School in Year 6 or Year 8.

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 2021 have been included within current liabilities.

Creditors: amounts falling due after more than one year

	2021	2020
	£	£
Deferred Rental Charges	<u>205,405</u>	<u>209,459</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 £377,638 (2020: £406,245) and at the year-end £44,107 (2020: £45,264) 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.

11. Pensions (continued)

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. The government announced on 4 February 2021 that it intends to proceed with a deferred choice underpin under which members will be able to choose either legacy or reformed scheme benefits in respect of their service during the period between 1 April 2015 and 31 March 2022 at the point they become payable.

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 a consultation was launched on 24 June on proposed changes to the cost control mechanism following a review by the Government Actuary. Following the public consultation, the government have accepted three key proposals recommended by the Government Actuary, and are aiming to implement these changes in time for the 2020 valuations.

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.

Until the cost cap mechanism revision is 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.

HALLFIELD SCHOOL TRUST
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Year ended 31 August 2021

11. Pensions (continued)

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 £444,251 (2020: £472,858).

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:

At 31 August 2021	Balances at 1 September 2020 £	Incoming Resources £	Outgoing Resources £	Balances at 31 August 2021 £
Pavilion Appeal Fund	11,414	-	(1,282)	10,132
Rigby Bursary	14,199	14	-	14,213
Hardship Fund	16,218	1,777	-	17,995
Gifted and Talented Fund	3,354	3	-	3,357
Stanley Owen Allday Memorial	50	-	-	50
Ranjeen Neelima Memorial Award	205	-	(25)	180
Make a Difference Fund	505	20	-	525
	<u>45,945</u>	<u>1,814</u>	<u>(1,307)</u>	<u>46,452</u>
At 31 August 2020	Balances at 1 September 2019 £	Incoming Resources £	Outgoing Resources £	Balances at 31 August 2020 £
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 Award	229	1	(25)	205
Make a Difference Fund	440	65	-	505
	<u>46,603</u>	<u>649</u>	<u>(1,307)</u>	<u>45,945</u>

12. Restricted funds (continued)

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.

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 (2020: £25) for the School's prize in mathematics.

HALLFIELD SCHOOL TRUST
NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 August 2021

13. Unrestricted funds

At 31 August 2021	Balances at 1 September 2020	Incoming Resources	Outgoing Resources	Balances at 31 August 2021
£	£	£	£	£
General Fund	6,193,165	6,804,562	(5,812,232)	7,185,495
Designated fund	500,000	-	-	500,000
Total	6,693,165	6,804,562	(5,812,232)	7,685,495

At 31 August 2020	Balances at 1 September 2019	Incoming Resources	Outgoing Resources	Balances at 31 August 2020
£	£	£	£	£
General Fund	5,593,670	6,508,363	(5,908,868)	6,193,165
Designated fund	500,000	-	-	500,000
Total	6,093,670	6,508,363	(5,908,868)	6,693,165

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

14. Analysis of net assets between funds

At 31 August 2021	General funds £	Restricted funds £	Total £
Fixed assets	4,870,722	10,132	4,880,854
Net current assets	2,273,251	36,320	2,309,571
Long term debtors	746,927	-	746,927
Long term liabilities	(205,405)	-	(205,405)
	7,685,495	46,452	7,731,947

At 31 August 2020	General funds £	Restricted funds £	Total £
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)
	6,693,165	45,945	6,739,110

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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:

	2021		2020	
	Land and buildings	Other	Land and buildings	Other
	£	£	£	£
Leases expiring:				
Within one year	100,000	30,246	100,000	24,810
Within 2 – 5 years	462,500	34,808	437,500	29,073
Over five years	27,766,677	-	27,891,677	-
	<u>28,329,177</u>	<u>65,054</u>	<u>28,429,177</u>	<u>53,883</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 2021, the charitable company had £357,740 of capital commitments (2020: £73,341).

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 2021 there were 31 members (2020: 29).

18. Related party transactions

At the year-end there was a £15,690 creditor representing amounts due to the Friends of Hallfield Society ("the Friends") in respect of the combination of payments due from the School to the Society for annual subscriptions collected and other associated transactions made by the School on behalf of the Society. "The Friends" is a new umbrella society created in the year ended 31 August 2021 to allow current pupils, current parents, staff, governors, former parents and alumni to participate in a number of events hosted by the society. "The Friends" replaces the former Hallfield School Parents' Association and the Old Hallfieldian Society to whom the School owed £8,958 as at 31st August, 2020. The Head Master is the President of the society and the Director of Finance and Operations is the Treasurer.