



MICHAEL HALL SCHOOL

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

Registered Charity Number 307006

MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023

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MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023

REFERENCE AND ADMINISTRATIVE DETAILS

Trustee

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

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

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

Management

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

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

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

Principal office

Kidbrooke Park
Priory Road
Forest Row
East Sussex
RH18 5JA

Charity registered number

307006

Auditor

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

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REFERENCE AND ADMINISTRATIVE DETAILS

Solicitor

Ellis Whittham Limited
Woodhouse
Aldford
Chester
Cheshire
CH3 6JD

Bankers

HSBC
38 London Road
East Grinstead
West Sussex
RH19 1AB

Barclays Bank Plc
18 Southgate Street
Gloucester
GL1 2DH

Triodos Bank
Brunel House
11 The Promenade
Bristol
BS8 3NN

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FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023

REPORT OF THE TRUSTEE

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

STRUCTURE, GOVERNANCE AND MANAGEMENT

Context

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

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

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

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

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

Risk Management

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

Ofsted and ISS Inspections

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

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

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These five Key Performance Indicators are:

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

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

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

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

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

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

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

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

School Leadership

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

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

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School Reputation

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

Promotion of the School

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

Online photo gallery

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

Finances

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

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

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

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

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

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OBJECTIVES AND ACTIVITIES

The charity's objectives are:

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

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

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

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

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

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

The objective is further secured through:

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

ACHIEVEMENTS AND PERFORMANCE

Context

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

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GCSE Results July 2023

Exams Results GCSEs Summer 2023

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

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

Other Qualifications

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

A-Level Results July 2023

Exams Results A - Levels - 2023

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

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

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

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Internal Progress and Attainment

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

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

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

Staff Numbers

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

Pupil Numbers

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

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

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

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

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

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

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

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

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Estate and Buildings

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

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

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

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

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

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

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

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

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

Public Benefit

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

Investments and performance

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

FINANCIAL REVIEW

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

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

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

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

PLANS FOR FUTURE PERIODS and GOING CONCERN

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

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

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

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

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REPORT OF THE TRUSTEE

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

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

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

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

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

STATEMENT OF TRUSTEE'S RESPONSIBILITIES

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

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

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

MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023

REPORT OF THE TRUSTEE

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

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

APPOINTMENT OF AUDITORS

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

28 May 2024

Approved by the Council on and signed on its behalf.

Natalie Michaels

.....
Trustee

MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023

INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the financial statements of Michael Hall School (the 'charity') for the year ended 31 July 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 July 2023, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023

INDEPENDENT AUDITOR'S REPORT

Matters on which we are required to report by exception

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

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

Responsibilities of the trustee

As explained more fully in the trustee's responsibilities statement, the trustee is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustee determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor responsibilities for the audit of the financial statements

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

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

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

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

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

Audit procedures performed by the engagement team included:

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

MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023

INDEPENDENT AUDITOR'S REPORT

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

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

Use of our report

This report is made solely to the charity's trustee, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustee those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Cawley Priory
South Pallant
Chichester
West Sussex
PO19 1SY

Blue Spire limited

Blue Spire Limited, Statutory Auditor

Date 29 May 2024

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

MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023

STATEMENT OF FINANCIAL ACTIVITIES

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

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

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

MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023

BALANCE SHEET AS AT 31 JULY 2023

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

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

28 May 2024

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

Natalie Michaels

Trustee

MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023

STATEMENT OF CASH FLOWS

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

Reconciliation of net income to net cash flow from operating activities

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

MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023

ACCOUNTING POLICIES

Scope and basis of the financial statements

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

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

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

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

Judgements in applying accounting policies and key sources of estimation uncertainty

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

Incoming resources

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

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

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

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

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

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

Resources expended

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

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

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

MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023

ACCOUNTING POLICIES

Resources expended (continued)

Support costs allocation

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

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

Redundancy and termination payments

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

Employee benefits

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

Pensions

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

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

Leases

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

Tax

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

VAT

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

Fixed assets

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

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

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

Fixed asset investments

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

MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023

ACCOUNTING POLICIES

Debtors receivable and creditors payable within one year

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

Doubtful debts provision

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

Cash and cash equivalents

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

Fund accounting

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

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

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

Going concern

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

MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023

NOTES TO THE FINANCIAL STATEMENTS

1. Donations and legacies

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

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

2. Other trading activities

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

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

3. Income from investments

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

MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023

NOTES TO THE FINANCIAL STATEMENTS

3. Income from investments (continued)

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

4. Income from charitable activities

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

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

5. Raising funds

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

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

MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023

NOTES TO THE FINANCIAL STATEMENTS

6. Charitable activities

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

MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023

NOTES TO THE FINANCIAL STATEMENTS

7. Charitable activities (continued)

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

MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023

NOTES TO THE FINANCIAL STATEMENTS

7. Governance costs

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

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

8. Fees payable to independent auditors

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

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

9. Staff costs and information

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

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

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

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

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

MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023

NOTES TO THE FINANCIAL STATEMENTS

10. Related party transactions

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

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

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

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

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

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

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

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

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

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

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

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

J Angus
N Michaels
T Souleiman

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

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

MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023

NOTES TO THE FINANCIAL STATEMENTS

11. Tangible fixed assets

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

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

12. Investments

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

The investments above are analysed as follows:

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

13. Debtors

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

MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023

NOTES TO THE FINANCIAL STATEMENTS

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

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

Deferred income

	£	£
Deferred income brought forward	43,246	500
Released in year	(43,246)	(500)
Deferred in year	419,906	43,246
Deferred income carried forward	<u>419,906</u>	<u>43,246</u>

15. Creditors: amounts falling due after one year

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

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

16. Defined benefit obligation

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

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

17. Analysis of net assets between funds

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

MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023

NOTES TO THE FINANCIAL STATEMENTS

18. Analysis of movement in funds

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

Restricted funds

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

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

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

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

Designated funds

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

19. Transfer between funds

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

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

MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023

NOTES TO THE FINANCIAL STATEMENTS

20. Financial instruments

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

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

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

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

21. Operating leases

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

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

MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023

NOTES TO THE FINANCIAL STATEMENTS

22. Analysis of changes in net debt

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

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

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

MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023

NOTES TO THE FINANCIAL STATEMENTS

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

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

24. Pensions

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

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

There are two categories of Scheme members:

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

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

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

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

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

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

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FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023

NOTES TO THE FINANCIAL STATEMENTS

24. Pensions (continued)

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

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

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

The return on the assets was:

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

Reconciliation to the balance sheet:

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

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FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023

NOTES TO THE FINANCIAL STATEMENTS

24. Pensions (continued)

Reconciliation of Scheme's assets and defined benefit obligation

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