

MICHAEL HALL SCHOOL

**Trustees Report**

**And Financial Statements**

for the year ended 31 July 2017

**Registered Charity Number 307006**

# **MICHAEL HALL SCHOOL**

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2017

## **INDEX**

---

	<b>Page</b>
Reference and administrative details	<b>1</b>
Report of the trustee	<b>3</b>
Independent auditors' report	<b>7</b>
Statement of financial activities	<b>9</b>
Balance sheet	<b>10</b>
Statement of cash flows	<b>11</b>
Accounting policies	<b>12</b>
Notes to the accounts	<b>15</b>

---

# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2017

## 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:

A Scott	(Independent, Chair)
S Barker	(Parent)
A Bourke	(Parent – resigned 21.12.16)
M Brown	(Independent – resigned 21.12.16)
W Forward	(Teacher – appointed 20.05.17)
J Gallagher	(Independent – resigned 21.12.16)
S Gillman	(Teacher)
F Goodwin	(Independent)
S Grimshaw	(Teacher – resigned 21.12.16)
K Hagenbach	(Independent)
H Hebrank	(Parent)
V King	(Teacher)
G Kositzki-Metzner	(Teacher – resigned 21.12.16)
S Rafferty	(Parent – appointed 20.05.17)
A Ramsabhag	(Parent – resigned 03.10.16)
M Westoll	(Parent – resigned 21.12.16)

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 during the year

S Barker	Chair of Management
M Fielding	Early Years Faculty Chair
S Grimshaw	Upper School Faculty Chair
E Hawker	College of Teachers Co-Chair
H Howlett	College of Teachers Co-Chair
J Morris-Brown	Education Co-ordinator
D Skinner	Resources Manager
V Westlake	Lower School Faculty Chair
K Whiley	Financial Controller

### Principal office

Kidbrooke Park  
Priory Road  
Forest Row  
East Sussex  
RH18 5JA

### Charity registered number

307006

### Auditors

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

# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2017

## REPORT OF THE TRUSTEE

---

### Solicitors

Stevensdrake	Penningtons Manches
117-119 High Street	31 Chertsey Street
Crawley	Guildford
West Sussex	Surrey
RH10 1DD	GU1 4HD

### Bankers

HSBC	Barclays Bank Plc	Triodos Bank
38 London Road	18 Southgate Street	Brunel House
East Grinstead	Gloucester	11 The Promenade
West Sussex	GL1 2DH	Bristol
RH19 1AB		BS8 3NN

# **MICHAEL HALL SCHOOL**

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2017

## **REPORT OF THE TRUSTEE**

---

The trustee has pleasure in presenting its annual report for the purposes of the Charities Act 2011, together with the accounts for the year ended 31 July 2017. The trustee has adopted the provisions of the Statement of Recommended Practice "Accounting and Reporting by Charities" (FRS 102) in preparing the annual report and financial statements of the charity

### **STRUCTURE GOVERNANCE AND MANAGEMENT**

Michael Hall School is a registered charity constituted as an unincorporated association under a trust deed dated 21 January 1925 and the Memorandum and Articles of Association of the trustee company dated 25 September 1954 as revised.

It is controlled by the Council of Trustees whose members are appointed or removed by the Association members and are trustees for the purposes of charity law.

During the course of the year, Trustee portfolio responsibilities were refined. These map directly onto the School Inspection Service standards that came into effect on January 2015.

New trustees are selected on the basis of the contribution that they will make to the governance of the organisation and the skills that they will contribute. They are provided with copies of the Charity Commission's guidance to trustees and given an introduction to the activities of the charity by the existing board. Existing trustees are provided with training as and when required. The Trustees are aware that there is a simple induction process which incorporates online training in various relevant areas including Health & Safety, Safer Recruitment, Safeguarding and Child Protection.

To improve the effectiveness and efficiency of the decision making process, a new General Management Team (GMT) took effect from September 2016 with clearer accountability, responsibility and authority. GMT comprised of 3 key management roles;

The Chair of Management – to bring stakeholder views to bear in the management decision making in the school – primarily the needs and interests of parents, to set management agendas and ensure policy, procedures and practices are kept current.

The Education Co-ordinator - to ensure the effective delivery and development of the education provision and associated curriculum. Maintain and improve the quality of teaching for early years and the school years and to support and develop the teaching faculties

The Resources Manager – to manage and develop the financial and other physical assets of the School leading to a strengthened balance sheet, profitability and cashflow; and improved campus infrastructure. To ensure the satisfactory delivery of the support services including administration and maintenance necessary for the smooth operation of the School.

The school has opted for a flat pay scale system for all teaching staff. Support staff have been streamlined to fit in with market remuneration rates.

We are a member school of the Steiner Waldorf Schools Fellowship (SWSF), which has a code of conduct and has recommendations for policies and procedures. The school is also a member of the Independent Schools Bursars Association (ISBA) which has an extensive policy and compliance library.

### **Risk Management**

The trustees have assessed the major risks to which the charity is exposed, in particular those relating to the specific operational areas of the charity and its finances and maintain a risk register to effectively monitor and manage those risks. The risk register is regularly updated and reviewed at least annually. The trustees believe that by monitoring reserve levels, by ensuring controls exist over key financial systems and by examining the operational and business risks faced by the charity, they have established effective systems to mitigate those risks.

# **MICHAEL HALL SCHOOL**

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2017

## **REPORT OF THE TRUSTEE**

---

### **OBJECTIVES AND ACTIVITIES**

The charity's objectives are:

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

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

In determining how best to pursue these objects the trustees have had regard to the Charity Commission's guidance on public benefit.

The charity offers educational schooling from children from 3 years through to 18 and fees from this represent over 90% of the charities income. The curriculum is delivered with age appropriate awareness that takes into account the cycles and rhythm of natural child development. The school offers an extensive fee assistance programme based on a means tested method and during the course of this academic year around 122 children have benefited from this.

The aim of the school is through a truly holistic education, to provide the students will skills and a passion for lifelong learning that promotes confidence and encourages well rounded and creative individuals.

The strategies for achieving aims and objectives are documented in the School Improvement Plan and provide for continual assessment and development of efficiency and effectiveness.

The Trustees are confident that the short term objectives to maintain a good standard of education are met within the School Improvement Plan and that longer term objectives require an asset restructuring plan which is in process. Key performance indicators and budgets are regularly monitored.

### **ACHIEVEMENTS AND PERFORMANCE**

#### **Staff Numbers**

Staff numbers have remained constant during 2016-17 at 121 employees (2015-6, 122 employees). Work has been completed on loading and timetables and this will continue into 2017-18 with further changes expected in 2018-19.

#### **Pupil Numbers**

Pupil numbers have risen slightly during 2016-17 but a focus will remain during 2017-18 to help grow these numbers further as the school continues its commitment to pupil retention and attraction. Focus will be generated in this area over the course of the next year.

#### **Estate and Buildings**

Due to financial constraints, capital expenditure was kept to a minimum with the main focus being on the planning and investment for future building works in order to get existing buildings into usable teaching spaces. Much work and emphasis was placed on completing works around the fire safety aspect and electrical remedial works. Windows were replaced in the Middle School Building.

A painting schedule was completed within the Mansion teaching spaces and improvements and extension to existing fencing were completed

Improvement and maintenance work was also completed on some of the School owned residential properties

#### **Public Benefit**

Michael Hall aims to make the school accessible to families on a wide range of incomes, and achieves this primarily through its fee assistance programme. The programme is means-tested, open to all including new applicants to the school (subject to eligibility criteria points being met), and the sole criterion for assistance is the ability to pay. The means test methodology and the formula used to assess fee levels are made public to ensure objectivity and transparency. In 2016-17, 122 pupils (70 families) were benefiting from means-tested fee assistance. As well as its

# **MICHAEL HALL SCHOOL**

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2017

## **REPORT OF THE TRUSTEE**

---

annual fee assistance programme, the school also operates a formal emergency fee assistance programme for families who experience a sudden change in financial circumstances during the course of the school year.

### **FINANCIAL REVIEW**

During the year under review the school is reporting net expenditure of £1,633,586 inclusive of a gain on investments of £55,370 (2016: £6,011) and charges in respect of the pension deficit of £1,918,600 giving an operating surplus of £229,644.

As at 31 July 2017, the charity's total reserves amounted to £4,923,486 of which £896,664 is held within endowment funds with a further £6,507 restricted leaving unrestricted funds of £4,020,315. Within unrestricted funds are designated amounts totalling £134,902 with funds represented by fixed assets amounting to £7,691,655 and a pension deficit position of £3,765,337 giving an overall deficit reserves position of £40,905. The trustees consider that the charity should hold positive reserves equivalent to three months operating costs (estimated at £750,000) in order to ensure the on going delivery of its charitable objects during an unforeseen downturn in income. There is currently an additional need to accumulate reserves in order to provide for the future development of the charity's facilities and the trustees estimate that a sum of £1,000,000 may be required. They consider that the current level of reserves is below that required and that the charity should aim to generate sufficient surpluses over the next 5-10 years to build the reserves to the required level.

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

During the academic year 2016-17, negotiations were concluded regarding the defined benefit pension scheme deficit and a new repayment plan has been agreed with the Pensions Trustee. This is a group scheme consisting of 18 employers anthroposophical organisations, Michael Hall School being the principal employer of the scheme and main representative. The payment plan spans 22 years. The trustees consider the payments to be affordable and the asset restructure plan will help to provide for future payments and mitigate impact on operating funds.

The trustees have considered the key risks to the organisation in line with their portfolio allocations and the Educational Standards. These include;

Quality of Educational Provision and Compliance, Safeguarding, Welfare, Health & Safety, Suitability of Premises, the Quality of Leadership and Management and Financial risks.

The risks have been assessed and actions to mitigate those risks have been identified and included within the School Improvement Plan.

The Improvement Plan is used by the School Management to inform operational requirements and reviewed at least termly. The risk Register held by the Trustees is reviewed at least annually.

### **PLANS FOR FUTURE PERIODS**

The Board of the Trustee is in the process of formulating a 3-5 year strategy for the School. This strategy will update the School's purpose, aims, objectives and vision, marketing strategy and plan, pupil growth goals, staffing capability and capacity plan, site development plan and financial forecasts.

Plans are in hand to revise the management structure of the School to reflect current needs and expectations.

The Theory U process has concluded. As a result, a Renewal System is being designed and is in the process of being adopted. This system enables staff members, parents or students to propose development projects that require funding to be taken through a collaborative, robust process from initial idea through to implementation with a series of go/no go decisions along the way.

# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2017

## REPORT OF THE TRUSTEE

---

### STATEMENT OF TRUSTEE'S RESPONSIBILITIES

The trustee is 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 trustees 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 trustees 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 accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustee is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 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.

### APPOINTMENT OF AUDITORS

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

Approved by the Council on 05.05.18 and signed on its behalf.

Andrew Smith

Trustee



# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2017

## INDEPENDENT AUDITORS' 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 2017 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

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

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 July 2017, and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

### Basis for opinion

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

### Conclusions relating to going concern

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

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

### Other information

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

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

We have nothing to report in this regard.

# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2017

## INDEPENDENT AUDITORS' REPORT TO THE TRUSTEE OF MICHAEL HALL SCHOOL

---

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

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

- the information given in the financial statements is inconsistent in any material respect with the report of the trustee; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

### Responsibilities of trustees

As explained more fully in the statement of trustee's responsibilities, the trustees are responsible for the preparation of financial statements which 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 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 trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

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

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

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

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

*Blue Spire limited*

Blue Spire Limited, Statutory Auditor

Date

*29 May 2018*

Cawley Priory  
South Pallant  
Chichester  
West Sussex  
PO19 1SY

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

# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED YEAR ENDED 31 JULY 2017

## STATEMENT OF FINANCIAL ACTIVITIES

	Note	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2017 Total Funds £	2016 Total Funds £
<b>INCOME AND ENDOWMENTS FROM:</b>						
Donations and legacies	1	47,779	-	-	47,779	23,955
Other trading activities	2	168,560	-	-	168,560	211,645
Investments	3	10,109	-	-	10,109	11,048
Charitable activities	4	3,956,871	-	-	3,956,871	3,808,729
Other	5	2,851	-	-	2,851	25,097
<b>Total</b>		<b>4,186,170</b>	<b>-</b>	<b>-</b>	<b>4,186,170</b>	<b>4,080,474</b>
<b>EXPENDITURE ON:</b>						
Raising funds	6	60,530	-	-	60,530	118,488
Charitable activities	7	5,814,596	-	-	5,814,596	3,914,732
<b>Total</b>		<b>5,875,126</b>	<b>-</b>	<b>-</b>	<b>5,875,126</b>	<b>4,033,220</b>
Net gains/(losses) on investments	13	34,145	-	21,225	55,370	6,011
<b>Net income/(expenditure)</b>		<b>(1,654,811)</b>	<b>-</b>	<b>21,225</b>	<b>(1,633,586)</b>	<b>53,265</b>
<b>Transfers between funds</b>	19	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net movement in funds</b>		<b>(1,654,811)</b>	<b>-</b>	<b>21,225</b>	<b>(1,633,586)</b>	<b>53,265</b>
<b>RECONCILIATION OF FUNDS</b>						
<b>Total funds brought forward</b>	19	<b>5,675,126</b>	<b>6,507</b>	<b>875,439</b>	<b>6,557,072</b>	<b>6,503,807</b>
<b>Total funds carried forward</b>	19	<b>4,020,315</b>	<b>6,507</b>	<b>896,664</b>	<b>4,923,486</b>	<b>6,557,072</b>

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 YEAR ENDED 31 JULY 2017

BALANCE SHEET AS AT 31 JULY 2017

	Note	2017		2016	
		£	£	£	£
<b>FIXED ASSETS</b>					
Tangible assets	12	8,343,655		8,358,419	
Investments	13	<u>397,766</u>		<u>342,396</u>	
<b>Total fixed assets</b>			8,741,421		8,700,815
<b>CURRENT ASSETS</b>					
Debtors	14	234,568		215,660	
Cash at hand and in bank		<u>704,513</u>		<u>711,855</u>	
<b>Total current assets</b>		<u>939,081</u>		<u>927,515</u>	
<b>CURRENT LIABILITIES</b>					
Creditors: amounts falling due within one year	15	<u>499,034</u>		<u>531,096</u>	
<b>Net current assets/(liabilities)</b>			440,047		396,419
<b>Total assets less current liabilities</b>			<u>9,181,468</u>		<u>9,097,234</u>
Creditors: amounts falling due after more than one year	16		(492,645)		(528,295)
Net assets/(liabilities) excluding pension asset/(liability)			<u>8,688,823</u>		<u>8,568,939</u>
Defined benefit pension scheme asset/(liability)	17		(3,765,337)		(2,011,867)
<b>Total net assets</b>			<u><u>4,923,486</u></u>		<u><u>6,557,072</u></u>
<b>THE FUNDS OF THE CHARITY</b>					
<b>Endowment funds</b>	19		896,664		875,439
<b>Restricted funds</b>	19		6,507		6,507
<b>Unrestricted funds</b>					
Designated funds	19	4,061,220		5,800,130	
General funds	19	<u>(40,905)</u>		<u>(125,004)</u>	
<b>Total unrestricted funds</b>			4,020,315		5,675,126
<b>Total charity funds</b>			<u><u>4,923,486</u></u>		<u><u>6,557,072</u></u>

The notes on pages 15 to 25 form part of the financial statements.

The financial statements on pages 9 to 25 we approved and authorised for issue by the trustee on 05.05.2018 and signed on its behalf by:

Andrew Smith  
Trustee

# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED YEAR ENDED 31 JULY 2017

## STATEMENT OF CASH FLOWS

	Note	£	2017	£	2016	£
<b>Net cash flow from operating activities (see below)</b>				19,717		338,361
<b>Cash flow from investing activities</b>						
Interest received		10,109			11,048	
Purchase of property, plant and equipment		(500)			-	
<b>Net cash flow from investing activities</b>				9,609		11,048
<b>Cash flow from financing activities</b>						
Net repayments of borrowing		(36,668)			(35,017)	
<b>Net cash flow from investing activities</b>				(36,668)		(35,017)
<b>Net increase/(decrease) in cash and cash equivalents</b>				(7,342)		314,392
<b>Cash and cash equivalents at 1 August 2016</b>				711,855		397,463
<b>Cash and cash equivalents at 31 July 2017</b>				<u>704,513</u>		<u>711,855</u>
<b>Cash and cash equivalents consist of:</b>						
Cash at bank and in hand				704,513		711,855
<b>Cash and cash equivalents at 31 July 2017</b>				<u>704,513</u>		<u>711,855</u>

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

	£	2017	£	2016	£
Net income for the year			(1,633,586)		53,265
Adjusted for:					
Interest and dividends	(10,109)			(11,048)	
(Gains)/losses on investments	(55,370)			(6,011)	
Depreciation and impairment of tangible fixed assets	15,264			17,446	
Decrease/(increase) in debtors	(18,908)			110,441	
Increase/(decrease) in creditors less than one year	(31,044)			129,362	
Increase/(decrease) in provisions for liabilities	1,753,470			44,906	
		1,653,303			285,096
		<u>19,717</u>		<u>338,361</u>	

# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED YEAR ENDED 31 JULY 2017

## 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 (FRS 102) issued on 16 July 2014 (as updated through Update Bulletin 1 published on 2 February 2016), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Practice as it applies from 1 January 2015.

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

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

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

Preparation of the financial statements requires management to make judgements and estimates. The key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are that of the Mercury Provident Pension Scheme deficit. A discount rate of 2.6% has been used in line with industry standards.

### 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 YEAR ENDED 31 JULY 2017

## 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 pension scheme. Contributions are paid to a multi-employer group scheme established by the Steiner Schools Fellowship with Mercury Provident. The Scheme operates as a pooled arrangement, with contributions paid at a centrally agreed rate. As a consequence, no share of the underlying assets and liabilities can be directly attributed to Michael Hall School. Under the terms of FRS 102, the discounted present value of future cash flows under a deficit funding arrangement is included as a liability in these accounts and the change in that valuation from year to year is taken to the statement of financial activities. The discount rate used is based on the expected rate of return on high quality corporate bonds for a similar period.

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

### Leases

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

### Tax

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

### VAT

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

### Fixed assets

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

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

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

### Fixed asset investments

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

# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED YEAR ENDED 31 JULY 2017

## 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 YEAR ENDED 31 JULY 2017

## NOTES TO THE FINANCIAL STATEMENTS

### 1. Donations and legacies

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2017 Total Funds £
Donations	45,933	-	-	45,933
Grants received	1,846	-	-	1,846
	<u>47,779</u>	<u>-</u>	<u>-</u>	<u>47,779</u>
	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2016 Total Funds £
Donations	23,955	-	-	23,955
Grants received	-	-	-	-
	<u>23,955</u>	<u>-</u>	<u>-</u>	<u>23,955</u>

### 2. Other trading activities

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2017 Total Funds £
Christmas fair	24,521	-	-	24,521
Other fundraising	3,056	-	-	3,056
Estate and rental income	74,189	-	-	74,189
Ancillary income	66,794	-	-	66,794
	<u>168,560</u>	<u>-</u>	<u>-</u>	<u>168,560</u>
	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2016 Total Funds £
Christmas fair	21,836	-	-	21,836
Other fundraising	5,221	-	-	5,221
Estate and rental income	104,752	-	-	104,752
Ancillary income	76,047	3,789	-	79,836
	<u>207,856</u>	<u>3,789</u>	<u>-</u>	<u>211,645</u>

### 3. Income from investments

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2017 Total Funds £
Investment income	9,593	-	-	9,593
Bank interest	516	-	-	516
	<u>10,109</u>	<u>-</u>	<u>-</u>	<u>10,109</u>

# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED YEAR ENDED 31 JULY 2017

## NOTES TO THE FINANCIAL STATEMENTS

### 3. Income from investments (continued)

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2016 Total Funds £
Investment income	9,675	-	-	9,675
Bank interest	1,373	-	-	1,373
	<u>11,048</u>	<u>-</u>	<u>-</u>	<u>11,048</u>

### 4. Income from charitable activities

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2017 Total Funds £
Tuition fees	4,340,281	-	-	4,340,281
Reduced fee contracts	(681,266)	-	-	(681,266)
Chargeable disbursements	190,109	-	-	190,109
Lunches and catering income	107,747	-	-	107,747
	<u>3,956,871</u>	<u>-</u>	<u>-</u>	<u>3,956,871</u>

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2016 Total Funds £
Tuition fees	4,190,672	-	-	4,190,672
Reduced fee contracts	(655,601)	-	-	(655,601)
Chargeable disbursements	176,051	-	-	176,051
Lunches and catering income	97,607	-	-	97,607
	<u>3,808,729</u>	<u>-</u>	<u>-</u>	<u>3,808,729</u>

### 5. Other income

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2017 Total Funds £
Penalty and interest charges received	2,851	-	-	2,851
	<u>2,851</u>	<u>-</u>	<u>-</u>	<u>2,851</u>

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2016 Total Funds £
Penalty and interest charges received	25,097	-	-	25,097
	<u>25,097</u>	<u>-</u>	<u>-</u>	<u>25,097</u>

# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED YEAR ENDED 31 JULY 2017

## NOTES TO THE FINANCIAL STATEMENTS

### 6. Raising funds

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2017 Total Funds £
Ancillary expenditure	4,797	-	-	4,797
Salary costs of raising funds	21,434	-	-	21,434
Christmas fair and other fundraising costs	7,183	-	-	7,183
Finance costs	26,625	-	-	26,625
Bad debts and provision for bad debts	491	-	-	491
	<u>60,530</u>	<u>-</u>	<u>-</u>	<u>60,530</u>

  

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2016 Total Funds £
Ancillary expenditure	8,236	-	-	8,236
Salary costs of raising funds	21,293	-	-	21,293
Christmas fair and other fundraising costs	7,340	-	-	7,340
Finance costs	26,541	-	-	26,541
Bad debts and provision for bad debts	55,078	-	-	55,078
	<u>118,488</u>	<u>-</u>	<u>-</u>	<u>118,488</u>

# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED YEAR ENDED 31 JULY 2017

## NOTES TO THE FINANCIAL STATEMENTS

### 7. Charitable activities

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2017 Total Funds £
<u>Education</u>				
Teachers salaries	1,999,622	-	-	1,999,622
Pension scheme deficit funding agreement	1,918,600	-	-	1,918,600
Staff training and development	78,824	-	-	78,824
Supplies and equipment	148,244	-	-	148,244
Chargeable disbursements cost	156,868	-	-	156,868
Boarding and EFL costs	79,446	-	-	79,446
Comenius exchange programme	-	-	-	-
Other expenses	-	-	-	-
Depreciation	4,974	-	-	4,974
Minibus costs	34,502	-	-	34,502
Minibus depreciation	661	-	-	661
Loss on disposal of vehicles	-	-	-	-
	<u>4,421,741</u>	<u>-</u>	<u>-</u>	<u>4,421,741</u>
<u>Welfare</u>				
Catering salaries	48,448	-	-	48,448
Catering supplies and equipment	82,869	-	-	82,869
Medical salaries	30,806	-	-	30,806
Medical	2,979	-	-	2,979
	<u>165,102</u>	<u>-</u>	<u>-</u>	<u>165,102</u>
<u>Premises</u>				
Health and safety	2,084	-	-	2,084
Estate salaries	196,182	-	-	196,182
Property maintenance	297,325	-	-	297,325
Light and heat	70,935	-	-	70,935
Insurance	37,834	-	-	37,834
Cleaning	21,432	-	-	21,432
Rates & water	37,176	-	-	37,176
Buildings depreciation	-	-	-	-
	<u>662,968</u>	<u>-</u>	<u>-</u>	<u>662,968</u>
<u>Support costs</u>				
Administration salaries	330,238	-	-	330,238
Telephone and postage	11,698	-	-	11,698
Printing and stationery	7,871	-	-	7,871
Communications and PR	29,921	-	-	29,921
Insurance	4,347	-	-	4,347
Office equipment and IT	50,470	-	-	50,470
Legal and professional fees	65,558	-	-	65,558
Subscriptions	22,711	-	-	22,711
General admin expenses	11,536	-	-	11,536
Depreciation	9,628	-	-	9,628
Governance costs (see note 8)	20,807	-	-	20,807
	<u>564,785</u>	<u>-</u>	<u>-</u>	<u>564,785</u>
	<u>5,814,596</u>	<u>-</u>	<u>-</u>	<u>5,814,596</u>

# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED YEAR ENDED 31 JULY 2017

## NOTES TO THE FINANCIAL STATEMENTS

### 7. Charitable activities (continued)

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2016 Total Funds £
<u>Education</u>				
Teachers salaries	1,984,755	-	-	1,984,755
Pension scheme deficit funding agreement	213,144	-	-	213,144
Staff training and development	74,278	-	-	74,278
Supplies and equipment	165,791	3,416	-	169,207
Chargeable disbursements cost	154,403	-	-	154,403
Boarding and EFL costs	78,091	-	-	78,091
Comenius exchange programme	-	-	-	-
Other expenses	-	-	-	-
Depreciation	4,974	-	-	4,974
Minibus costs	30,390	-	-	30,390
Minibus depreciation	882	-	-	882
Loss on disposal of vehicles	-	-	-	-
	<u>2,706,708</u>	<u>3,416</u>	<u>-</u>	<u>2,710,124</u>
<u>Welfare</u>				
Catering salaries	44,328	-	-	44,328
Catering supplies and equipment	66,580	-	-	66,580
Medical salaries	31,289	-	-	31,289
Medical	6,869	-	-	6,869
	<u>149,066</u>	<u>-</u>	<u>-</u>	<u>149,066</u>
<u>Premises</u>				
Health and safety	7,417	-	-	7,417
Estate salaries	195,907	-	-	195,907
Property maintenance	192,587	-	-	192,587
Light and heat	64,618	-	-	64,618
Insurance	32,511	-	-	32,511
Cleaning	22,992	-	-	22,992
Rates & water	29,752	-	-	29,752
Buildings depreciation	-	-	-	-
	<u>545,784</u>	<u>-</u>	<u>-</u>	<u>545,784</u>
<u>Support costs</u>				
Administration salaries	297,691	-	-	297,691
Telephone and postage	12,187	-	-	12,187
Printing and stationery	9,520	-	-	9,520
Communications and PR	27,256	-	-	27,256
Insurance	4,977	-	-	4,977
Office equipment and IT	42,996	-	-	42,996
Legal and professional fees	55,458	-	-	55,458
Subscriptions	23,296	-	-	23,296
General admin expenses	5,674	-	-	5,674
Depreciation	11,591	-	-	11,591
Governance costs (see note 8)	19,112	-	-	19,112
	<u>509,758</u>	<u>-</u>	<u>-</u>	<u>509,758</u>
	<u>3,911,316</u>	<u>3,416</u>	<u>-</u>	<u>3,914,732</u>

# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED YEAR ENDED 31 JULY 2017

## NOTES TO THE FINANCIAL STATEMENTS

### 8. Governance costs

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2017 Total Funds £
Salaries	10,000	-	-	10,000
Auditors' fees - current year	9,000	-	-	9,000
Council expenses	1,807	-	-	1,807
	<u>20,807</u>	<u>-</u>	<u>-</u>	<u>20,807</u>

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2016 Total Funds £
Salaries	10,000	-	-	10,000
Auditors' fees - current year	9,000	-	-	9,000
Council expenses	112	-	-	112
	<u>19,112</u>	<u>-</u>	<u>-</u>	<u>19,112</u>

### 9. Fees payable to independent auditors

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2017 Total Funds £
Auditors' remuneration - current year	<u>9,000</u>	<u>-</u>	<u>-</u>	<u>9,000</u>

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2016 Total Funds £
Auditors' remuneration - current year	<u>9,000</u>	<u>-</u>	<u>-</u>	<u>9,000</u>

### 10. Staff costs and information

	2017 Total £	2016 Total £
Gross wages	2,369,034	2,353,908
Employer's national insurance costs	185,456	183,470
Pension costs	48,744	49,749
Termination payments*	32,900	5,835
	<u>2,636,134</u>	<u>2,592,962</u>

\* Termination payments have been made in full settlement. No additional costs are expected to arise.

	2017	2016
Staff numbers:		
Average head count	<u>121</u>	<u>122</u>

There were no employees with employee benefits (excluding employer pension costs) totalling more than £60,000 in the current or the comparative year.

The pension costs charge above has been charged to the Statement of Financial Activities. No pension contributions were outstanding at the year end or at the previous year end.

# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED YEAR ENDED 31 JULY 2017

## NOTES TO THE FINANCIAL STATEMENTS

### 11. Related party transactions

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

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

	2017		2016	
	Salary £	Pension £	Salary £	Pension £
M Devaris-Halla	-	-	7,433	74
S Fuller	-	-	23,349	1,157
W Forward	19,266	193	-	-
S Grimshaw	-	-	29,952	1,498
S Gillman	30,049	1,576	25,020	1,251
G Kositzki-Metzer	-	-	20,591	1,015
V King	29,926	299	14,420	144
	<u>79,241</u>	<u>2,068</u>	<u>120,765</u>	<u>5,139</u>

During the year under review remuneration for spouses and children of trustees amounted to £53,082 (2016: £28,478). In addition pension contributions totalling £1,770 (2016: £261) 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 pension contributions, received by the school's three (2016: five) key management personnel amounted to £113,225 (2016: £158,385) during the year under review. In addition employee benefits receivable by the spouses and children of those key management personnel totalled £nil (2016: £7,836). Additionally two of the charity's trustees, who also represent key management personnel, received £26,250 combined for management and consultancy services.

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.

Expenses reimbursed to and paid on behalf of one (2016: four) trustees for travel and training totalled £61 (2016: £874) in the year under review. In the same period £nil (2016: £900) was received from the trustees for rent together with £nil (2016: £50) in donations. Income receivable from trustees for rent is on normal commercial terms in an arms length transaction.

Expenses reimbursed to and paid on behalf of three (2016: four) members of key management personnel for travel and training totalled £3,120 (2016: £6,548) in the year under review. During the year £11,100 (2016: £11,100) was received in rent. Income receivable from key management personnel for rent is on normal commercial terms in an arms length transaction. A further £nil (2016: £77) of expenses were reimbursed to a related party of management.

	2017 £	2016 £
Tuition fees charged to 6 (2016: 8) Parent Trustees inclusive of discounts amounted to	<u>53,211</u>	<u>73,718</u>

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

S Barker  
W Forward  
S Gillman  
H Hebrank  
V King  
S Rafferty

Tuition fees are charged on normal commercial terms, except for teacher trustees who, as with all teachers, receive a 80% (previously 88%) discount after other discounts on a pro-rata basis. Total staff discount for trustees in the year was £37,146 (2016: £34,107). Other discounts, inclusive of sibling and reduced fees, were provided on the same basis as those to other parents amounted to £2,823 (2016: £5,356). Extras are charged in full.

Outstanding fees and extras charges from trustees at the year end was £777 (2016: £1,123).

# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED YEAR ENDED 31 JULY 2017

## NOTES TO THE FINANCIAL STATEMENTS

### 12. Tangible fixed assets

	School site £	Machinery & office equipment £	Fixtures & fittings £	Motor vehicles £	Classroom equipment £	Total £
Cost						
Brought forward	8,250,000	393,046	276,838	40,968	308,366	9,269,218
Additions	-	-	500	-	-	500
Disposals	-	-	-	-	-	-
	<u>8,250,000</u>	<u>393,046</u>	<u>277,338</u>	<u>40,968</u>	<u>308,366</u>	<u>9,269,718</u>
Depreciation						
Accumulated brought forward	-	358,902	249,350	38,319	264,228	910,799
Charge	-	6,829	2,799	661	4,975	15,264
On disposals	-	-	-	-	-	-
	<u>-</u>	<u>365,731</u>	<u>252,149</u>	<u>38,980</u>	<u>269,203</u>	<u>926,063</u>
Net book value carried forward	<u>8,250,000</u>	<u>27,315</u>	<u>25,189</u>	<u>1,988</u>	<u>39,163</u>	<u>8,343,655</u>
Net book value brought forward	<u>8,250,000</u>	<u>34,144</u>	<u>27,488</u>	<u>2,649</u>	<u>44,138</u>	<u>8,358,419</u>

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

### 13. Investments

	2017 £	2016 £
<b>Listed investments</b>		
Market value brought forward	342,396	336,385
Additions at cost	-	-
Disposals at carrying value	-	-
Gains/(losses) on revaluation	55,370	6,011
<b>Market value carried forward</b>	<u>397,766</u>	<u>342,396</u>

*The investments above are analysed as follows:*

Listed investments	157,032	122,887
Unit trusts and similar investments	240,734	219,509
	<u>397,766</u>	<u>342,396</u>

### 14. Debtors

	2017 £	2016 £
Fees outstanding	465,734	447,076
Fee provision	(305,000)	(305,000)
Prepayments	70,751	73,584
Other debtors	3,083	-
	<u>234,568</u>	<u>215,660</u>



# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED YEAR ENDED 31 JULY 2017

## NOTES TO THE FINANCIAL STATEMENTS

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

	2017 £	2016 £
Bank loan	34,407	35,424
Trade creditors	116,368	176,982
Fees in advance	39,955	-
Deposits from parents	44,782	44,982
Other creditors and accruals	263,522	273,708
	<u>499,034</u>	<u>531,096</u>

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

	2017 £	2016 £
Bank loan	492,645	528,295
	<u>492,645</u>	<u>528,295</u>

The bank loan is secured over several of the school's freehold properties and is repayable over a period of 25 years from August 2005.

### 17. Defined benefit pension scheme liability

	2017 £	2016 £
Brought forward	2,011,867	1,966,961
Payments made	(165,130)	(160,944)
Charge to statement of financial activities	1,918,600	205,850
Carried forward	<u>3,765,337</u>	<u>2,011,867</u>

The above provision arises from the pension scheme's deficit funding arrangement and included in these accounts at the discounted present value of future cash outflows.

### 18. Analysis of net assets between funds

	General funds £	Designated funds £	Restricted funds £	Endowment funds £	2017 Total funds £	2016 Total funds £
Tangible assets	7,691,655	-	-	652,000	8,343,655	8,358,419
Investments	(3,904,188)	4,061,220	-	240,734	397,766	342,396
Current assets	928,644	-	6,507	3,930	939,081	927,515
Creditors: <1 year	(499,034)	-	-	-	(499,034)	(531,096)
Creditors: >1 year	(492,645)	-	-	-	(492,645)	(528,295)
Pension scheme deficit	(3,765,337)	-	-	-	(3,765,337)	(2,011,867)
<b>Net assets at 31 July 2017</b>	<u>(40,905)</u>	<u>4,061,220</u>	<u>6,507</u>	<u>896,664</u>	<u>4,923,486</u>	<u>6,557,072</u>

# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED YEAR ENDED 31 JULY 2017

## NOTES TO THE FINANCIAL STATEMENTS

### 19. Analysis of movement in funds

	Brought forward £	Incoming resources £	Outgoing resources £	Unrealised gains/(losses) £	Transfers £	Carried forward £
<b>Permanent endowment funds</b>						
Permanent Endowment Fund	652,000	-	-	-	-	652,000
Endowment Recoupment Fund	223,439	-	-	21,225	-	244,664
<b>Total endowment funds</b>	<u>875,439</u>	<u>-</u>	<u>-</u>	<u>21,225</u>	<u>-</u>	<u>896,664</u>
<b>Restricted funds</b>						
Clockhouse Fund	3,789	-	-	-	-	3,789
Natural England Fund	2,718	-	-	-	-	2,718
<b>Total restricted funds</b>	<u>6,507</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,507</u>
<b>Designated and general funds</b>						
WO Field bequest	105,578	1,403	-	27,921	-	134,902
Pension deficit (see notes 17 and 20)	(2,011,867)	-	(1,918,600)	-	165,130	(3,765,337)
Fixed asset reserve (see note 18)	7,706,419	-	(15,264)	-	500	7,691,655
Total designated funds	<u>5,800,130</u>	<u>1,403</u>	<u>(1,933,864)</u>	<u>27,921</u>	<u>165,630</u>	<u>4,061,220</u>
General reserves	(125,004)	4,184,767	(3,941,262)	6,224	(165,630)	(40,905)
<b>Total unrestricted funds</b>	<u>5,675,126</u>	<u>4,186,170</u>	<u>(5,875,126)</u>	<u>34,145</u>	<u>-</u>	<u>4,020,315</u>
<b>Total funds</b>	<u><u>6,557,072</u></u>	<u><u>4,186,170</u></u>	<u><u>(5,875,126)</u></u>	<u><u>55,370</u></u>	<u><u>-</u></u>	<u><u>4,923,486</u></u>

### Restricted funds

Clockhouse Fund	Grants received to support the costs of repair to the Clockhouse
Theatre Fund	Funds received to assist in the purchase of theatre equipment
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.
------------------	--

### 20. Pensions

Michael Hall School participates in the Mercury Provident Pensions Scheme, which is a defined benefit pension scheme whose membership consists of 14 Steiner schools. The most recent actuarial valuation took place at 31 March 2016 and showed a funding shortfall of £19.44m.

On 31 December 2008 the scheme closed to future accrual of benefits and since then only deficit reducing and expenses contributions have been made. A recovery plan dated 19 December 2016 has been agreed with the employers with the expectation that the deficit will be eliminated by July 2035.

Payments made to the scheme, under the funding agreement between the scheme employers, totalled £165,130 (2016: £160,943). These payments are allocated to the provision shown in note 17 to these accounts with a charge to the Statement of Financial Activities of £1,918,600 (2016: £205,849) made of the unwinding of the discounted present value, changes to the discount rate and extended period.

# MICHAEL HALL SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED YEAR ENDED 31 JULY 2017

## NOTES TO THE FINANCIAL STATEMENTS

---

### 21. Financial instruments

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

	2017 Total Funds £	2016 Total Funds £
<i>Financial assets</i>		
Measured at fair value through net income/(expenditure):		
Fixed asset investments (note 13)	397,766	342,396
	<u>397,766</u>	<u>342,396</u>
Debt instruments measured at amortised cost:		
Trade debtors (note 14)	465,734	447,076
	<u>465,734</u>	<u>447,076</u>
<i>Financial liabilities</i>		
Measured at amortised cost:		
Trade creditors (note 15)	116,368	176,982
Bank loan (notes 15 and 16)	527,052	563,719
	<u>643,420</u>	<u>740,701</u>
The income, expense, net gains and net losses attributable to the charity's financial instruments are summarised as follows:		
	2017 Total Funds £	2016 Total Funds £
<i>Income and expense</i>		
Financial assets measured at fair value through net income/(expenditure)		
Investment income	9,593	9,675
	<u>9,593</u>	<u>9,675</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	55,370	6,011
	<u>55,370</u>	<u>6,011</u>