

Hall Green Secondary School
(A Company Limited by Guarantee)
Annual Report and Financial Statements
Year ended 31 August 2021

Company Registration Number
07892732 (England and Wales)

Feltons
Chartered Accountants

Birmingham
B1 3JR

Hall Green Secondary School
(A Company Limited by Guarantee)

Report and Financial Statements
Year ended 31 August 2021

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**Hall Green Secondary School
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Trustees' report for the year ended 31 August 2021

Reference and Administrative Details

Members	Mr Robert Harvey Mrs Fiona Dennis-Stephens Mrs Manjit Shellis (Chair up to 29.9.21) Mr Greg Scott-Cook (Chair, appointed 29.9.21, parent trustee) Mrs Helen Scott-Cook (parent trustee)
Trustees	Mr David Adams (Headteacher and Accounting Officer, resigned 6.1.21) Mrs Farzana Ahmed (parent trustee, appointed 17.11.20, resigned 19.1.21) Mr Khuram Chohan (community trustee) Mr Mahboob Hussain (community trustee, appointed 9.5.21) Mrs Carol McLoughlin (staff trustee, resigned 30.9.20) Mr Satnam Nazran (staff trustee, appointed 9.12.20) Mr Greg Scott-Cook (Chair, appointed 29.9.21, parent trustee) Mrs Helen Scott-Cook (parent trustee) Miss Karen Slater (Headteacher and Accounting Officer, appointed 1.1.21) Mrs Shahin Vohra (parent trustee) Mrs Zubina Ziebeck (staff trustee) Mr Robert Harvey Mrs Fiona Dennis-Stephens Mrs Manjit Shellis (Chair up to 29.9.21)
Company secretary	Mr Michael Hosfield
Senior management team	
• Headteacher	Miss Karen Slater (appointed 1.1.21)
• Headteacher	Mr David Adams (resigned 31.12.20)
• Deputy Headteacher	Mr Andrew Simson
• Deputy Headteacher	Mr Michael Hosfield
• Assistant Headteacher	Mrs Pauline Evans
• Assistant Headteacher	Mrs Shelley Paxton-Gault
Company name	Hall Green Secondary School
Principal and registered office	Southam Road Hall Green Birmingham B28 0AA
Company registration number	07892732
Independent auditor	Feltons 8 Sovereign Court 8 Graham Street Birmingham B1 3JR
Bankers	Lloyds Bank The Cross Worcester WR1 3PY
Solicitors	Browne Jacobson LLP Mowbray House Castle Meadow Road Nottingham NG2 1BJ

Hall Green Secondary School (A Company Limited by Guarantee)

Trustees' report for the year ended 31 August 2021

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 1 September 2020 to 31 August 2021. The annual report serves the purposes of both a trustees' report and a directors' report under company law.

The academy trust operates an academy for pupils aged 11 to 16 serving a catchment area in Hall Green, Birmingham. It has a pupil capacity of 900 and had a roll of 904 in the school census on 7 October 2021.

Structure, Governance and Management

Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The trustees of Hall Green Secondary School are also the directors of the charitable company for the purposes of company law. The charitable company operates as Hall Green Secondary School.

Details of the trustees who served during the year and to the date these accounts are approved are included in the Reference and Administrative details on page 1.

Members' liability

Each member of the charitable company undertakes to contribute to the assets of the charitable company in the event of it being wound up while they are a member, or within one year after they cease to be a member, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before they ceased to be a member.

Trustees' indemnities

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £10,000,000 on any one claim.

Method of recruitment and appointment or election of Trustees

Parent trustees are elected by the parents of registered pupils at the academy. A parent trustee must be a parent of a pupil at the academy at the time when she/he is elected.

Community trustees may be appointed by the board of trustees provided that the person who is appointed as a community trustee is:

- a person who lives or works in the community served by the academy; or
- a person who, in the opinion of the board of trustees, is committed to the government and success of the academy.

Staff Trustees are elected by employees of the academy trust.

The above selection procedures are organised around parent ballots for all parental trustees and staff ballots for staff representatives on the Governing Body.

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Trustees' report for the year ended 31 August 2021 (continued)

Policies and Procedures Adopted for the Induction and Training of Trustees

The board of trustees has a service level agreement with School and Governor Support, a traded service provided by Birmingham Local Education Authority to provide training, advice and support to the board of trustees.

Newly elected trustees attend induction training for new trustees, and in addition select specific training provided by School and Governor Support in accordance with their needs.

One of the trustees is appointed as link trustee, attends relevant training and provides information to trustees following such training. The link trustee also manages the training of the Governing Body as a whole to ensure that there are sufficient skills and expertise within the Governing Body to hold the school to account.

Organisational structure

The Governing Body has established committees and appoints trustees to serve on each of the committees annually. The committees for the period of the report were:

- Finance & General Purposes including the Audit Committee and the Pay Committee
- Pastoral & Curriculum

The written terms of reference of the committees include the monitoring of the preparation and management of the academy's budget and implementation of the academy's financial management policies, including risk assessment.

The Governing Body also appoints an External Auditor and this role has been fully implemented in accordance with the academy trust's financial procedures.

Decisions relating to whole school matters are reserved for the board of trustees. Those responsibilities delegated to management include whole school spending within certain limits according to the Scheme of Delegation.

Arrangements for setting pay and remuneration of key management personnel

The Governing Body agrees the Academy Pay Policy every year using the School Teachers' Pay and Conditions Document (STPCD) issued by the Department for Education. The Senior Leadership Team pay is calculated using the guidance in STPCD based on the size of the school. The Governing Body also agrees the school Teacher and Support Staff Appraisal Policies which explain how pay increments are agreed for the Senior Leadership Team. Trustees that are not employed by the school do not receive payment.

Trade union facility time

Information in accordance with Schedule 2 of the Trade Union (Facility Time Publication Requirements) Regulations 2018 is as follows:

Relevant union officials

Number of employees who were relevant union officials during the relevant period	Full-time equivalent number
2	2

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Trustees' report for the year ended 31 August 2021 (continued)

Trade union facility time (continued)

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	
1% - 50%	2
51% - 99%	
100%	

Percentage of pay bill spent on facility time

Total cost of facility time	£3,048
Total pay bill	£4,985,735
Facility time as percentage of total pay bill	0.061

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	1.22
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Related parties and other Connected Charities and Organisations

There were three related parties.

Objectives and activities

The school aims to build upon its good Ofsted judgement to achieve outstanding status, through:

- High quality teaching and learning
- An enriched and supportive learning environment
- Personalised learning
- Monitoring and striving for outstanding pupil progress

The strategies adopted for achieving these objectives are:

- Targeted task groups providing CPD for teaching staff
- Timetabled quality assurance programme for the year
- Planned infrastructure programme to develop the school site
- Targeted support for individuals and groups

Significant activities linked to the trust's charitable activities, and how they further its aims, have been:

- Continuing to implement high quality provision during national lockdowns: live lessons taught through remote learning during the lockdowns; on-site provision for vulnerable, key worker and special needs pupils; wellbeing support for all pupils through regular phone calls/Teams meetings/home visits.
- Implementing the additional responsibilities for schools due to the pandemic (COVID testing, vaccinations etc).
- Implementing additional intervention programmes to support pupils who have been disadvantaged due to the pandemic.
- Providing additional mental and wellbeing support for all pupils.
- Teacher Assessed Grades for Year 11 leavers provided.
- Development of our virtual systems to improve communication and ensure continuation of our work.
- School budget maintained through an unpredictable year.

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Trustees' report for the year ended 31 August 2021 (continued)

Public benefit

In setting our objectives and planning our activities, the board of trustees has given careful consideration to the general guidance on public benefit published by the Charity Commission on their website at www.gov.uk/running-charity/managing-charity in exercising their powers or duties.

Hall Green Secondary School is an equal opportunity employer, and strives to give full and fair consideration to all applicants for employment, training and promotions, irrespective of disability, gender, race, colour or sexual orientation.

Strategic Report

Achievements and Performance

The school development plan for 2020-2021 contained four key priorities in moving the school towards an outstanding Ofsted judgement.

Priority 1: Develop a model of blended learning to ensure high quality teaching and learning continues for all.

Schemes of work and lessons were adjusted for online learning including the introduction of live lessons for all pupils.

The quality of teaching in the school (including remote learning) was assessed using learning walks and lesson observations. Internal quality assurance confirms that teaching in the school continues to be good.

Priority 2: Embed rigorous and effective assessment for learning.

Targets were set for the year as listed below. Because of the pandemic, schools are not required to publish results this year and will not be held to account for them.

Assessment systems were developed for online learning to ensure pupil progress could still be tracked.

Teacher Assessed Grades were submitted in line with Qualifications and Curriculum Authority (QCA) regulations and requirements. Pupil confidence in the system was high evidenced by the submission of only a very small number of appeals.

Priority 3: Develop effective and efficient IT systems to support blended learning.

Pupil access to devices and internet access during remote learning was achieved through the roll out of the DfE laptop and access scheme. The school continues to use the devices to support the learning of disadvantaged pupils and those most affected by the pandemic.

The school begun a review of the IT infrastructure to plan for long term developments.

Priority 4: Support the physical and mental wellbeing of pupils and staff.

The leadership team and governing body continue to make decisions and shape policy with wellbeing at the centre of everything we do in school. Additional resources have been deployed to support pupil welfare both during lockdowns and when in school. Regular pupil, parent, and staff feedback opportunities were introduced to support wellbeing and shape policy.

Key Performance Indicators

The school continues to be oversubscribed with 904 on roll and a waiting list for each year group.

Because of the pandemic, all GCSE exams for Year 11 pupils across the country were cancelled. Schools were required to provide Teacher Assessed Grades (TAG) instead. The 2021 TAGs were in keeping with the school's previously published results in 2019.

- Direct costs as a percentage of total costs were 71.2% (2020 : 74.1%)
- Support costs as a percentage of total costs were 28.8% (2020 : 25.9%)

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Trustees' report for the year ended 31 August 2021 (continued)

- Total payroll costs as a percentage of recurring income were 80.1% (2020 : 86.9%)

Going concern

After making appropriate enquiries, the board of trustees has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

Financial Review

The financial results of Hall Green Secondary School are detailed in the following pages. It is considered that the finances are sound and well established. The principal financial management policies adopted are laid down by the Finance Handbook for Academies published by the ESFA and requirements as laid down by the Academy's Financial Handbook.

The principal funding source is grant income from the ESFA. All expenditure of this grant income is planned to fulfil the objectives and strategies of the Academy.

During the year ended 31 August 2021 total resources expended were £6,303,943 and the surplus of income over expenditure was £391,820 which included depreciation of £165,439.

Reserves Policy

The trustees continually monitor the reserves of the charitable company. This process encompasses the nature of income and expenditure streams and the need to match commitments with income and nature of reserves.

It is the board of trustees' general policy to continue to build reserves which can be used for future educational purposes. The aim is to maintain a contingency fund of at least 10% of the total income of the school. Any additional surplus is directed towards the infrastructure and maintenance schedule for the school or significant time-limited initiatives to support the school's development plan.

The academy had total funds at 31 August 2021 of £3,460,541 which included £1,098,338 restricted funds not available for general purposes of the academy trust and £8,231,203 which can only be realised by the disposal of tangible fixed assets.

The balance on restricted general funds (excluding pension reserve) plus the balance on unrestricted funds was a surplus of £1,098,338.

In addition, the deficit on the restricted pension fund of £5,869,000 arises from an actuarial deficit on the local government pension scheme which will be dealt with as advised by the actuary.

Investment Policy

Any surplus funds are invested with Lloyds Bank in a deposit account.

These investments are carried out in accordance with the powers vested in the board of trustees.

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Trustees' report for the year ended 31 August 2021 (continued)

Principal Risks and Uncertainties

The trustees have considered the major risks and uncertainties facing the charitable company which include changes in legislation and regulations and cash flow management and have put in place procedures to deal with these matters.

Attention has also been focussed on non-financial risks arising from fire, health and safety. These risks are managed by ensuring accreditation is up to date, having robust policies in place, and regular awareness training for staff working in these operational areas. As part of the risk management of the school, the board of trustees has also commissioned a visit from external consultants to audit the health and safety provision of the school and provide advice on managing future risks.

The pandemic brought additional risks due to funding uncertainties and progress against school objectives linked to the following:

- On-site testing for all upon return to school in March and September
- Re-deployment of staff during lockdowns and the testing programmes
- Implementation of additional cleaning
- Purchase of safety equipment
- Higher fuel costs due to the ventilation of rooms needing the heating to be on for longer than normal
- Slower delivery times and difficulties in securing services and resources
- Staff absence linked to the virus
- Pupil absence linked to the virus including illness, isolations due to bubbles, and quarantining after travelling abroad to visit family

Fundraising

The academy trust does not use any external fundraisers.

Plans for Future Periods

The school's aims are set out in the School Development Plan and on the school website. They are:

- Every pupil makes outstanding progress.
- Every pupil leaves with personal belief in and aspiration for their own successful future, and as a result takes responsibility for their learning.
- Every pupil has the skills and attitudes to make a positive contribution to society as an active and engaged citizen.
- Every pupil shows care and respect for others.
- Every pupil values and celebrates diversity.
- Every pupil is aware of and sympathetic to the needs of others, particularly those less fortunate than themselves.

The school continues working on the key issues in the development plan on the school journey to outstanding. The development plan is drawn up in consultation with governors in the Pastoral & Curriculum Committee meeting and approved in full governors meeting.

The priorities for 2021/22 are:

1. Develop a wide variety of high quality, **inclusive academic, personal, and social opportunities** to enable all pupils to achieve their full potential, developing **aspiration** in their choices when they leave school.
2. Ensure those with **barriers** to success, whether due to internal or external factors, are provided with the support needed to be successful.
3. Develop a Hall Green **identity and sense of belonging** for all members of our community through understanding and **celebrating our differences**.

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Trustees' report for the year ended 31 August 2021 (continued)

4. Develop a culture focused upon positive pupil and staff wellbeing to enable all to be successful and happy.

Auditor

Insofar as the Trustees are aware:

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

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on~~31st December~~^{8th December} 2021 and signed on the board's behalf by:

.......... Greg Scott-Cook - Chair of Trustees

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Governance statement for the year ended 31 August 2021

Scope of Responsibility

As trustees, we acknowledge we have overall responsibility for ensuring that Hall Green Secondary School has an effective and appropriate system of control, financial and otherwise. However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

As trustees, we have reviewed and taken account of the guidance in DfE's Governance Handbook and competency framework for governance.

The board of trustees has delegated the day-to-day responsibility to the Headteacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Hall Green Secondary School and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The **board of trustees** has formally met six times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
Mr David Adams (Headteacher and Accounting Officer, resigned 31.12.20)	2	2
Mrs Farzana Ahmed (parent trustee)	1	1
Mr Khuram Chohan (community trustee)	6	6
Mrs Fiona Dennis-Stephens (parent trustee)	6	6
Mr Robert Harvey (community trustee)	6	6
Mrs Carol McLoughlin (staff trustee)	0	0
Mr Satnam Nazran (staff trustee)	5	5
Mr Greg Scott-Cook (parent trustee)	6	6
Mrs Helen Scott-Cook (parent trustee)	6	6
Mrs Manjit Shellis (community trustee)	6	6
Miss Karen Slater (Headteacher and Accounting Officer, appointed 1.1.21)	4	4
Mrs Shahin Vohra (parent trustee)	4	6
Mrs Zubina Ziebeck (staff trustee)	6	6

A review of governance was undertaken during the year which found that the governing body had a good range of skills and expertise to support it work, with some areas that needed refreshing.

Subsequent to this the following actions were taken:

- Discussions about the future direction of the academy
- An increase in the number of governors accessing training courses
- Recruitment drive to ensure the governing body continues to have a good range of skills and expertise

The trust intends to conduct its next self-evaluation/external review in 2022.

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Governance statement for the year ended 31 August 2021 (continued)

The Finance and General Purposes Committee is a sub-committee of the main board of trustees

Trustee	Meetings attended	Out of a possible
Mr David Adams (Headteacher and Accounting Officer) (resigned 31.12.20)	3	3
Mr Khuram Chohan (community trustee)	7	7
Mr Robert Harvey (community trustee)	7	7
Mr Greg Scott-Cook (parent trustee)	7	7
Mrs Manjit Shellis (Chair)	6	7
Miss Karen Slater (Headteacher and Accounting Officer, appointed 1.1.21)	4	4

Audit Committee

Trustee	Meetings attended	Out of a possible
Mr David Adams (Headteacher and Accounting Officer) (resigned 31.12.20)	2	2
Mr Khuram Chohan (community trustee)	3	3
Mr Robert Harvey (community trustee)	3	3
Mr Greg Scott-Cook	3	3
Mrs Manjit Shellis (Chair)	2	3
Miss Karen Slater (Headteacher and Accounting Officer) (appointed 1.1.21)	1	1

Review of value for money

As Accounting Officer the Headteacher has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The Accounting Officer considers how the academy trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer for the academy trust has delivered improved value for money during the year by:

- Implementation of the new windows of the main block following the successful grant from the ESFA.
- Additional CCTV cameras have been installed around the school and fixed circuit wiring completed.
- Updated the fume cupboards in the science department.
- Tendering of new catering and cleaning contract have been awarded.
- Summer School was run as an opportunity for our new Year 7 pupils to aid transition. Places were also filled by existing pupils.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of the academy trust's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Hall Green

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Governance statement for the year ended 31 August 2021 (continued)

Secondary School for the period from 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period from 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

The Risk and Control Framework

The academy trust's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it includes:

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the finance and general purposes committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- identification and management of risks.

The board of trustees has considered the need for a specific internal audit function and has decided to buy-in an internal audit service from Services 4 Schools.

Their role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. In particular the checks carried out in the current period included:

March 2021:

Purchasing systems and orders
Bank accounts, VAT, prepayments and system balance
Management accounts and budgets
School finance system access
School website information

June 2021:

Payroll & HR – starters leavers, increments & expense claims
Management accounts and cash flow
Budget preparation – to review budget assumptions

On at least a half termly basis, the Chief Financial Officer /Bursar reports to the board of trustees, through the finance and general purposes committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

The internal reviewer has delivered their schedule of work as planned. There were no material control issues arising as a result of the internal reviewer's work.

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Governance statement for the year ended 31 August 2021 (continued)

Review of Effectiveness

As Accounting Officer, Miss Karen Slater (the Headteacher from 1 January 2021) and Mr David Adams (Headteacher to 31 December 2020) has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the external auditor;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the finance committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on 5th December 2021 and signed on its behalf by:



Greg Scott-Cook
Chair of Trustees



Karen Slater
Accounting Officer

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**Statement of regularity, propriety and compliance
for the period ended 31 August 2021**

As accounting officer of Hall Green Secondary School I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2020.

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2020.

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date. If any instances are identified after the date of this statement, these will be notified to the board of trustees and ESFA.



..... Karen Slater – Accounting Officer

Date : 8/12/21

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Statement of Trustees' responsibilities
for the period ended 31 August 2021

The trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Academies Accounts Direction published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure 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 2019 and the Academies Accounts Direction 2020 to 2021;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

The trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the ESFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the board of trustees on 8th December 2021 and signed on its behalf by:



..... Greg Scott-Cook – Chair of Trustees

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**Independent Auditor's Report on the Financial Statements to the Members of
Hall Green Secondary School**

Opinion

We have audited the financial statements of Hall Green Secondary School (the 'academy trust') for the year ended 31 August 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

In our opinion the financial statements :

- give a true and fair view of the state of the academy trust's affairs as at 31 August 2021, and of its incoming resources and application of resources, including its income and expenditure, for the period then ended
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency

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 academy trust 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 academy trust's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised
- Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

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**Independent Auditor's Report on the Financial Statements to the Members of Hall Green Secondary School
(continued)**

Other information

The other information comprises the information included in the trustees annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matter prescribed by the Companies Act 2006

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

- the information given in the trustees' report (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the academy and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

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

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

**Hall Green Secondary School
(A Company Limited by Guarantee)**

**Independent Auditor's Report on the Financial Statements to the Members of Hall Green Secondary School
(continued)**

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 14, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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:

- We reviewed the academy's control and risk management procedures and planned our work based on our assessment of those controls and procedures;
- This review included an assessment of the risk of material misstatement due to errors, fraud and management override of controls for all material areas in the financial statements;
- We made enquiries of management and the academy's lawyers regarding any actual or potential litigation and/or claims;
- Financial statements disclosures were reviewed and checked for compliance with applicable laws;
- Detailed testing was conducted on balances and transactions including unusual items and those of individual significance to the financial statements;
- Data analytics were used in order to identify unusual or significant trends;
- Communications with management and those charged with governance regarding relevant matters was undertaken throughout the audit and on completion.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the charitable company's internal control.

**Hall Green Secondary School
(A Company Limited by Guarantee)**

**Independent Auditor's Report on the Financial Statements to the Members of Hall Green Secondary School
(continued)**

Auditor's responsibilities for the audit of the financial statements (continued)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

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



David W Farnsworth FCA (Senior Statutory Auditor)

For and on behalf of Feltons, Statutory Auditor

8 Sovereign Court

8 Graham Street

Birmingham B1 3JR

09 December 2021

**Hall Green Secondary School
(A Company Limited by Guarantee)**

Independent Reporting Accountant's Assurance Report on Regularity to Hall Green Secondary School and the Education and Skills Funding Agency

In accordance with the terms of our engagement letter dated 22 March 2021 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Hall Green Secondary School during the period 1 September 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Hall Green Secondary School and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Hall Green Secondary School and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Hall Green Secondary School and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Hall Green Secondary School's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Hall Green Secondary School's funding agreement with the Secretary of State for Education dated 1 February 2012 and the Academies Financial Handbook, extant from 1 September 2020, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2020 to 2021. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2020 to 31 August 2021 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2020 to 2021 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity.

A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion.

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the academy trust's income and expenditure.

The work undertaken to draw our conclusion includes :

- Consideration of the applicable legislation and the academy trust's funding agreement
- Review and evaluation of the academy trust's system of internal controls
- Examination and assessment of the Accounting Officer's statement on Regularity, Propriety and Compliance
- Examination, on a test basis, of third party evidence supporting income and expenditure
- Review of exceptional and unusual items

Hall Green Secondary School
(A Company Limited by Guarantee)

Independent Reporting Accountant's Assurance Report on Regularity to Hall Green Secondary School and the Education and Skills Funding Agency (continued)

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2020 to 31 August 2021 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



David W Farnsworth FCA (Reporting Accountant)
For and on behalf of Feltons, Statutory Auditor
8 Sovereign Court
8 Graham Street
Birmingham B1 3JR

09 December 2021

Hall Green Secondary School
(A Company Limited by Guarantee)

Statement of financial activities for the year ended 31 August 2021
(including income and expenditure account)

	Notes	Unrestricted funds £	Restricted pension fund £	Restricted general funds £	Restricted fixed asset funds £	Total 2020/21 £	Total 2019/20 £
Income from :							
Donations and capital grants	2	-	-	-	380,191	380,191	19,154
Charitable activities :	3						
Funding for the academy trust's educational operations		87,805	-	6,227,422	-	6,315,227	5,782,660
Investments	4	345	-	-	-	345	2,584
Total		88,150	-	6,227,422	380,191	6,695,763	5,804,398
Expenditure on :							
Charitable activities:							
Academy trust educational operations	5	88,150	301,000	5,749,354	165,439	6,303,943	6,159,762
Total		88,150	301,000	5,749,354	165,439	6,303,943	6,159,762
Net income/(expenditure) before transfers		-	(301,000)	478,068	214,752	391,820	(355,364)
Transfers between funds	13	-	-	(43,610)	43,610	-	-
Net income/(expenditure) after transfers		-	(301,000)	434,458	258,362	391,820	(355,364)
Other recognised gains/(losses)							
Actuarial gains/(losses) on defined benefit pension schemes	13, 21	-	(514,000)	-	-	(514,000)	(687,000)
Net movement in funds		-	(815,000)	434,458	258,362	(122,180)	(1,042,364)
Reconciliation of funds							
Total funds brought forward	13	-	(5,054,000)	663,880	7,972,841	3,582,721	4,625,085
Total funds carried forward		-	(5,869,000)	1,098,338	8,231,203	3,460,541	3,582,721

All of the Academy's activities derive from continuing operations during the above two financial periods.

Hall Green Secondary School
(A Company Limited by Guarantee)

Company number : 07892732
Balance sheet as at 31 August 2021

	Notes	2021		2020	
		£	£	£	£
Fixed assets					
Tangible assets	10		8,181,418		7,972,841
Current assets					
Debtors	11	548,431		125,852	
Cash at bank and in hand		<u>805,514</u>		<u>571,898</u>	
		1,353,945		697,750	
Liabilities					
Creditors: amounts falling due within one year	12	<u>205,822</u>		<u>33,870</u>	
Net current assets			1,148,123		663,880
Net assets excluding pension liability			<u>9,329,541</u>		<u>8,636,721</u>
Defined benefit pension scheme liability	21		(5,869,000)		(5,054,000)
Total net assets			<u><u>3,460,541</u></u>		<u><u>3,582,721</u></u>
Funds of the academy trust :					
Restricted funds					
Fixed asset fund	13	8,231,203		7,972,841	
Restricted income fund	13	1,098,338		663,880	
Pension reserve	13	<u>(5,869,000)</u>		<u>(5,054,000)</u>	
Total restricted funds			3,460,541		3,582,721
Unrestricted income funds	13		-		-
Total funds			<u><u>3,460,541</u></u>		<u><u>3,582,721</u></u>

The financial statements on pages 21 to 42 were approved by the trustees, and authorised for issue on 8th December 2021 and are signed on their behalf by:



Greg Scott-Cook - Chair of Trustees

Hall Green Secondary School
(A Company Limited by Guarantee)

Statement of cash flows for the year ended 31 August 2021

	Notes	2020/21 £	2019/20 £
Cash flows from operating activities			
Net cash provided by / (used in) operating activities	17	227,096	(190,495)
Cash flows from investing activities			
	18	6,520	(254,514)
Change in cash and cash equivalents in the reporting period		<hr/>	<hr/>
		233,616	(445,009)
Cash and cash equivalents at 1 September 2020		571,898	1,016,907
Cash and cash equivalents at 31 August 2021		<hr/>	<hr/>
	19	805,514	571,898

**Hall Green Secondary School
(A Company Limited by Guarantee)**

Notes to the financial statements for the year ended 31 August 2021

1. Accounting policies

A summary of the principal accounting policies adopted (which have been applied consistently, except where noted), judgements and key sources of estimation uncertainty, is set out below.

Basis of preparation

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the 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) (Charities SORP (FRS 102)), the Academies Accounts Direction 2020 to 2021 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Going concern

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Income

All incoming resources are recognised when the academy trust has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

- **Grants**

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

Capital grants are recognised in full when there is an unconditional entitlement to the grant. Unspent amounts of capital grants are reflected in the balance sheet in the restricted fixed asset fund. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

Hall Green Secondary School
(A Company Limited by Guarantee)

Notes to the financial statements for the year ended 31 August 2021 (continued)

1. Accounting policies (continued)

Income (continued)

- **Donations**
Donations are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.
- **Other income**
Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the academy trust has provided the goods or services.
- **Donated goods, facilities and services**
Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. Upon sale the fair value of the goods is charged against, and the proceeds are recognised as, 'Income from other trading activities'.
- **Donated fixed assets**
Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's accounting policies.

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

- **Expenditure on raising funds**
This includes all expenditure incurred by the academy trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.
- **Charitable activities**
These are costs incurred on the academy trust's educational operations, including support costs and costs relating to the governance of the academy trust apportioned to charitable activities.

All resources expended are inclusive of irrecoverable VAT.

**Hall Green Secondary School
(A Company Limited by Guarantee)**

Notes to the financial statements for the year ended 31 August 2021 (continued)

1. Accounting policies (continued)

Tangible fixed assets

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation is provided on all tangible fixed assets other than freehold land and assets under construction, at rates calculated to write off the cost of each asset over its expected useful life as follows:

Freehold buildings	- straight line over 50 years
Furniture and equipment	- 33% reducing balance
Computer hardware	- 33% straight line
Motor vehicles	- 33% reducing balance

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use and reclassified to freehold or leasehold land and buildings.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

Liabilities

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the academy trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Leased assets

Rentals under operating leases are charged on a straight line basis over the lease term.

Financial instruments

The academy trust only holds basic financial instruments as defined by FRS 102. The financial assets and financial liabilities of the academy trust and their measurement basis are as follows :

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

**Hall Green Secondary School
(A Company Limited by Guarantee)**

Notes to the financial statements for the year ended 31 August 2021 (continued)

1. Accounting policies (continued)

Financial instruments (continued)

Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments and are measured at amortised cost. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

Taxation

The academy trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Accordingly, the academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by part 11, chapter 3 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Pension benefits

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes.

The TPS is an unfunded scheme and contributions are calculated to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to net income/(expenditure) are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

**Hall Green Secondary School
(A Company Limited by Guarantee)**

Notes to the financial statements for the year ended 31 August 2021 (continued)

1. Accounting policies (continued)

Pension benefits (continued)

Actuarial gains and losses are recognised immediately in other recognised gains and losses.

Fund accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the academy trust at the discretion of the trustees.

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by funders where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the Education and Skills Funding Agency or Department for Education.

Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The academy trust makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 21, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Hall Green Secondary School
(A Company Limited by Guarantee)

Notes to the financial statements for the year ended 31 August 2021 (continued)

2. Donations and capital grants

	Unrestricted funds £	Restricted general fund £	Restricted fixed asset funds £	2020/21 Total £	2019/20 Total £
Capital grants	-	-	380,191	380,191	19,154
	-	-	380,191	380,191	19,154
2020 total	-	-	19,154	19,154	

3. Funding for the Academy Trust's educational operations

	Unrestricted funds £	Restricted general fund £	Restricted fixed asset funds £	2020/21 Total £	2019/20 Total £
DfE/ESFA grants					
General Annual Grant (GAG)	-	5,075,782	-	5,075,782	4,873,865
Other DfE Group grants					
FSM supplementary	-	20,530	-	20,530	17,160
Teachers pay		62,226		62,226	62,121
Teachers pension		175,834		175,834	175,541
Pupil premium	-	325,026	-	325,026	317,470
Others	-	10,827	-	10,827	9,899
	-	5,670,225	-	5,670,225	5,456,056
Other government grants					
Local authority grants	-	380,947	-	380,947	153,693
Other income from the academy trust's educational operations	87,805	-	-	87,805	172,911
Covid-19 additional funding (DfE/ESFA)					
Catch-up premium	-	74,720	-	74,720	-
Other DfE/ESFA Covid-19 funding	-	101,530	-	101,530	-
	87,805	557,197	-	645,002	326,604
	87,805	6,227,422	-	6,315,227	5,782,660
2020 total	172,911	5,609,749	-	5,782,660	

Hall Green Secondary School
(A Company Limited by Guarantee)

Notes to the financial statements for the year ended 31 August 2021 (continued)

3. Funding for the Academy Trust's educational operations (continued)

The academy received £74,720 of funding for catch-up premium and costs incurred in respect of this funding totalled £14,862, with the remaining £59,858 to be spent in 2021/22.

4. Investment income

	Unrestricted funds £	Restricted funds £	2020/21 Total £	2019/20 Total £
Short term deposits	345	-	345	2,584
2020 total	2,584	-	2,584	

5. Expenditure

	Staff costs £	Non pay expenditure Premises Other £		2020/21 Total £	2019/20 Total £
Academy's educational operations					
Direct costs	4,096,157	103,852	287,622	4,487,631	4,562,753
Allocated support costs	1,265,372	308,214	242,726	1,816,312	1,597,009
	<u>5,361,529</u>	<u>412,066</u>	<u>530,348</u>	<u>6,303,943</u>	<u>6,159,762</u>
2020 total	5,046,320	414,042	699,400	6,159,762	

Net income/(expenditure) for the period includes :

		2020/21 £	2019/20 £
Operating leases	- plant and machinery	9,395	17,311
Depreciation		165,439	167,228
Fees payable to auditor	- audit	8,200	7,950
	- other services	300	-
		<u>183,334</u>	<u>292,489</u>

Hall Green Secondary School
(A Company Limited by Guarantee)

Notes to the financial statements for the year ended 31 August 2021 (continued)

6. Charitable activities

	Unrestricted funds £	Restricted pension fund £	Other restricted funds £	2020/21 Total £	2019/20 Total £
Educational operations					
Direct costs	61,590	-	4,426,041	4,487,631	4,562,753
Support costs	26,560	301,000	1,488,752	1,816,312	1,597,009
	<u>88,150</u>	<u>301,000</u>	<u>5,914,793</u>	<u>6,303,943</u>	<u>6,159,762</u>
2020 total	<u>119,228</u>	<u>192,000</u>	<u>5,848,534</u>	<u>6,159,762</u>	
Analysis of support costs					
Support staff costs	-	301,000	964,372	1,265,372	1,073,385
Depreciation	-	-	61,587	61,587	58,883
Technology costs	-	-	34,839	34,839	11,797
Premises costs	20,088	-	235,854	255,942	264,125
Other support costs	6,472	-	183,200	189,672	178,359
Governance costs	-	-	8,900	8,900	10,460
Total support costs	<u>26,560</u>	<u>301,000</u>	<u>1,488,752</u>	<u>1,816,312</u>	<u>1,597,009</u>
2020 total	<u>5,024</u>	<u>192,000</u>	<u>1,399,985</u>	<u>1,597,009</u>	

7. Staff

a) Staff costs

Staff costs during the period were:	2020/21 £	2019/20 £
Wages and salaries	3,725,363	3,611,014
Social security costs	361,737	344,148
Pension costs	<u>1,199,635</u>	<u>1,046,364</u>
	5,286,735	5,001,526
Agency staff costs	<u>74,794</u>	<u>44,794</u>
	<u>5,361,529</u>	<u>5,046,320</u>

**Hall Green Secondary School
(A Company Limited by Guarantee)**

Notes to the financial statements for the year ended 31 August 2021 (continued)

7. Staff (continued)

b) Staff numbers

The average number of persons employed by the academy during the year was as follows:

	2020/21 Number	2019/20 Number
Teachers	81	87
Administration and support	51	50
Management	5	5
	137	142

c) Higher paid staff

	2020/21 Number	2019/20 Number
The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 on an annualised basis was :		
£60,001 - £70,000	1	3
£70,001 - £80,000	2	1
£90,001 - £100,000	2	1
	2	1

d) Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £513,221 (2020 : £616,508).

8. Related Party Transactions - Trustees' remuneration and expenses

One or more trustees has been paid remuneration or has received other benefits from employment with the academy trust. The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment.

The value of trustees' remuneration and other benefits was as follows :

D Adams (principal and trustee - resigned 6 January 2021)	
Remuneration	£30,000 - £35,000 (2020 : £90,000 - £95,000)
Employer's pension contributions paid	£5,000 - £10,000 (2020 : £20,000 - £25,000)
Z Ziebeck (staff trustee)	
Remuneration	£45,000 - £50,000 (2020 : £45,000 - £50,000)
Employer's pension contributions paid	£10,000- £15,000 (2020 : £10,000 - £15,000)

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Notes to the financial statements for the year ended 31 August 2021 (continued)

8. Related Party Transactions - Trustees' remuneration and expenses (continued)

C McLoughlin (staff trustee - resigned 30 September 2020)	
Remuneration	£0- £5,000 (2020 : £50,000 - £55,000)
Employer's pension contributions paid	£0- £5,000 (2020 : £10,000 - £15,000)
K Slater (principal and trustee - appointed 1 January 2021)	
Remuneration	£60,000- £65,000 (2020 : NIL)
Employer's pension contributions paid	£10,000 - £15,000 (2020 : NIL)
S Nazran (staff trustee - appointed 9 December 2020)	
Remuneration	£25,000 - £30,000 (2020 : NIL)
Employer's pension contributions paid	£5,000 - £10,000 (2020 : NIL)

During the year ended 31 August 2021 travel and subsistence expenses totalling £nil (2020 : £nil) were reimbursed or paid directly to nil (2020 : nil) trustees.

Other related party transactions involving the trustees are set out in note 22.

9. Trustees' and officers' insurance

The academy trust has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides cover up to £10,000,000. It is not possible to quantify the trustees and officers indemnity element from the overall cost of the RPA scheme.

10. Tangible fixed assets

	Freehold property £	Furniture and equipment £	Computer hardware £	Motor vehicles £	Total £
Cost or valuation					
At 1 September 2020	8,799,074	514,575	314,710	34,960	9,663,319
Additions	360,483	-	13,533	-	374,016
At 31 August 2021	<u>9,159,557</u>	<u>514,575</u>	<u>328,243</u>	<u>34,960</u>	<u>10,037,335</u>
Depreciation					
At 1 September 2020	938,260	429,788	290,516	31,914	1,690,478
Charge for the year	122,289	28,254	13,891	1,005	165,439
At 31 August 2021	<u>1,060,549</u>	<u>458,042</u>	<u>304,407</u>	<u>32,919</u>	<u>1,855,917</u>
Net book values					
At 31 August 2021	<u>8,099,008</u>	<u>56,533</u>	<u>23,836</u>	<u>2,041</u>	<u>8,181,418</u>
At 31 August 2020	<u>7,860,814</u>	<u>84,787</u>	<u>24,194</u>	<u>3,046</u>	<u>7,972,841</u>

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Notes to the financial statements for the year ended 31 August 2021 (continued)

10. Tangible fixed assets (continued)

Freehold property was valued at 31 August 2012 by an independent RICS registered valuer appointed by the academy's trustees. Fittings and equipment, computer hardware and motor vehicles were valued as at the same date by the trustees. The basis on which the valuations were made was depreciated replacement cost. Subsequent additions have been included at cost. Freehold property includes land at valuation of £2,800,000 that is not being depreciated.

Cost or valuation at 31 August
2021 is represented by :

	Freehold property £	Furniture and equipment £	Computer hardware £	Motor vehicles £	Total £
Valuation in 2012	7,930,080	80,227	115,932	2,000	8,128,239
Cost	1,229,477	434,348	212,311	32,960	1,909,096
	<u>9,159,557</u>	<u>514,575</u>	<u>328,243</u>	<u>34,960</u>	<u>10,037,335</u>

11. Debtors

	2021 £	2020 £
Debtors from operations	-	6,418
VAT recoverable	51,673	20,009
Prepayments and accrued income	496,758	99,425
	<u>548,431</u>	<u>125,852</u>

12. Creditors

	2021 £	2020 £
Amounts falling due within one year :		
Accruals and deferred income	205,822	33,870
	<u>205,822</u>	<u>33,870</u>

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Notes to the financial statements for the year ended 31 August 2021 (continued)

13. Funds

	Balance at 1 September 2020 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2021 £
Restricted general funds					
General Annual Grant (GAG)	663,880	5,075,782	(4,682,755)	(43,610)	1,013,297
FSM supplementary	-	20,530	(20,530)	-	-
Pupil premium	-	325,026	(325,026)	-	-
Catch-up premium	-	74,720	(14,862)	-	59,858
Other DfE/ESFA Covid-19 funding	-	101,530	(76,347)	-	25,183
Other grants	-	629,834	(629,834)	-	-
	<u>663,880</u>	<u>6,227,422</u>	<u>(5,749,354)</u>	<u>(43,610)</u>	<u>1,098,338</u>
Restricted fixed asset funds					
Transfer on conversion	7,053,635	-	(103,456)	-	6,950,179
DfE Group capital grants	564,491	380,191	(40,249)	-	904,433
Capital expenditure from unrestricted fund	55,203	-	(2,594)	-	52,609
Capital expenditure from GAG	297,935	-	(19,064)	43,610	322,481
Other government funding	1,577	-	(76)	-	1,501
	<u>7,972,841</u>	<u>380,191</u>	<u>(165,439)</u>	<u>43,610</u>	<u>8,231,203</u>
Pension reserve	<u>(5,054,000)</u>	<u>-</u>	<u>(301,000)</u>	<u>(514,000)</u>	<u>(5,869,000)</u>
Total restricted funds	<u>3,582,721</u>	<u>6,607,613</u>	<u>(6,215,793)</u>	<u>(514,000)</u>	<u>3,460,541</u>
Unrestricted funds					
Other income	-	88,150	(88,150)	-	-
Total unrestricted funds	<u>-</u>	<u>88,150</u>	<u>(88,150)</u>	<u>-</u>	<u>-</u>
Total funds	<u>3,582,721</u>	<u>6,695,763</u>	<u>(6,303,943)</u>	<u>(514,000)</u>	<u>3,460,541</u>

The specific purposes for which the funds are to be applied are as follows:

Restricted general funds

These comprise all restricted funds other than restricted fixed asset funds and include grants from The Education and Skills Funding Agency and Birmingham City Council.

Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2021.

Unrestricted funds

These comprise resources that may be used towards meeting any of the charitable objects of the academy trust at the discretion of the trustees.

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Notes to the financial statements for the year ended 31 August 2021 (continued)

13. Funds (continued)

Restricted fixed asset funds

These comprise resources which are to be applied to specific capital purposes imposed by The Education and Skills Funding Agency and Birmingham City Council where the asset acquired or created is held for a specific purpose.

Comparative information in respect of the preceding period

	Balance at 1 September 2019 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2020 £
Restricted general funds					
General Annual Grant (GAG)	795,210	4,873,865	(4,945,422)	(59,773)	663,880
Pupil premium	-	317,469	(317,469)	-	-
Other grants	-	418,415	(418,415)	-	-
	<u>795,210</u>	<u>5,609,749</u>	<u>(5,681,306)</u>	<u>(59,773)</u>	<u>663,880</u>
Restricted fixed asset funds					
Transfer on conversion	7,157,523	-	(103,888)	-	7,053,635
DfE Group capital grants	583,097	19,154	(37,760)	-	564,491
Capital expenditure from unrestricted fund	-	-	(1,064)	56,267	55,203
Capital expenditure from GAG	262,569	-	(24,407)	59,773	297,935
Other government funding	1,686	-	(109)	-	1,577
	<u>8,004,875</u>	<u>19,154</u>	<u>(167,228)</u>	<u>116,040</u>	<u>7,972,841</u>
Pension reserve	<u>(4,175,000)</u>	<u>-</u>	<u>(192,000)</u>	<u>(687,000)</u>	<u>(5,054,000)</u>
Total restricted funds	<u>4,625,085</u>	<u>5,628,903</u>	<u>(6,040,534)</u>	<u>(630,733)</u>	<u>3,582,721</u>
Unrestricted funds					
Other income	-	175,495	(119,228)	(56,267)	-
Total unrestricted funds	<u>-</u>	<u>175,495</u>	<u>(119,228)</u>	<u>(56,267)</u>	<u>-</u>
Total funds	<u>4,625,085</u>	<u>5,804,398</u>	<u>(6,159,762)</u>	<u>(687,000)</u>	<u>3,582,721</u>

Hall Green Secondary School
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Notes to the financial statements for the year ended 31 August 2021 (continued)

14. Analysis of net assets between funds

Fund balances at 31 August 2021
are represented by:

	Unrestricted funds £	Restricted pension funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	-	-	8,181,418	8,181,418
Current assets	-	-	1,304,160	49,785	1,353,945
Current liabilities	-	-	(205,822)	-	(205,822)
	-	-	1,098,338	8,231,203	9,329,541
Pension scheme liability	-	(5,869,000)	-	-	(5,869,000)
Total net assets	-	(5,869,000)	1,098,338	8,231,203	3,460,541

Comparative information in respect
of the preceding period is as
follows :

	Unrestricted funds £	Restricted pension funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	-	-	7,972,841	7,972,841
Current assets	-	-	697,750	-	697,750
Current liabilities	-	-	(33,870)	-	(33,870)
	-	-	663,880	7,972,841	8,636,721
Pension scheme liability	-	(5,054,000)	-	-	(5,054,000)
Total net assets	-	(5,054,000)	663,880	7,972,841	3,582,721

15. Capital commitments

	2021 £	2020 £
Contracted for but not provided in the financial statements	112,371	-

16. Commitments under operating leases

At 31 August 2021 the total of the Academy
Trust's future minimum lease payments under non-
cancellable operating leases was:

	Other	
	Total 2021 £	Total 2020 £
Amounts due within one year	14,722	15,098
Amounts due between one and five years	24,289	4,035
	39,011	19,133

**Hall Green Secondary School
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Notes to the financial statements for the year ended 31 August 2021 (continued)

17. Reconciliation of net income/(expenditure) to net cash flow from operating activities	2020/21	2019/20
	Total	Total
	£	£
Net income/(expenditure) for reporting period (as per the SoFA)	391,820	(355,364)
Adjusted for :		
Depreciation (note 10)	165,439	167,228
Capital grants from DfE and other capital income	(380,191)	(19,154)
Interest receivable (note 4)	(345)	(2,584)
Defined benefit pension scheme cost less contributions payable (note 21)	223,000	117,000
Defined benefit pension scheme finance cost/(income) (note 21)	78,000	75,000
Decrease / (increase) in debtors	(422,579)	93,414
Increase / (decrease) in creditors	171,952	(266,035)
Net cash provided by / (used in) operating activities	<u>227,096</u>	<u>(190,495)</u>

18. Cash flows from investing activities	2020/21	2019/20
	Total	Total
	£	£
Interest received	345	2,584
Purchase of tangible fixed assets	(374,016)	(276,252)
Capital grants from DfE Group	380,191	19,154
Net cash provided by / (used in) investing activities	<u>6,520</u>	<u>(254,514)</u>

19. Analysis of cash and cash equivalents	At	At
	31 August	31 August
	2021	2020
	£	£
Cash at bank and in hand	805,514	571,898
	<u>805,514</u>	<u>571,898</u>

20. Members' liability

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he/she ceases to be a member.

**Hall Green Secondary School
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Notes to the financial statements for the year ended 31 August 2021 (continued)

21. Pension and similar obligations

The academy trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by West Midland Pension Fund. Both are multi-employer defined-benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 March 2019.

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for teachers in academies. All teachers have the option to opt-out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary - these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every four years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are :

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% employer administration charge)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million giving a notional past service deficit of £22,000 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI, assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

The next valuation is due to be implemented from 1 April 2023.

The employer's pension costs paid to TPS in the year amounted to £583,840 (2020 : £582,990).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The academy trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy trust has set out above the information available on the scheme.

**Hall Green Secondary School
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Notes to the financial statements for the year ended 31 August 2021 (continued)

21. Pension and similar obligations (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2021 was £374,000 (2020 : £324,000), of which employer's contributions totalled £312,000 (2020 : £267,000) and employees' contributions totalled £62,000 (2020 : £57,000). The agreed contribution rates for future years are 21.6% for employers and between 5.5% and 6.8% for employees.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

The trustees have agreed that the trust will make additional contributions in addition to normal funding levels over the next 26 years.

Principal actuarial assumptions

	At 31 August 2021	At 31 August 2020
Rate of increase in salaries	3.90%	3.25%
Rate of increase for pensions in payment / inflation	2.90%	2.25%
Discount rate for scheme liabilities	1.65%	1.60%
Inflation assumption (CPI)	2.90%	2.25%
Commutation of pensions to lump sums	50.00%	50.00%

Sensitivity analysis

	As disclosed	Discount rate	CPI rate	In life expectancy
	£'000s	+ 0.1% pa £'000s	+ 0.1% pa £'000s	+ 1 year £'000s
Present value of total obligation	11,281	11,000	11,535	11,771
Projected service cost	631	611	651	661
	£'000s	- 0.1% pa £'000s	- 0.1% pa £'000s	- 1 year £'000s
Present value of total obligation	11,281	11,569	11,033	10,812
Projected service cost	631	652	611	603

The current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement age 65 are:

	At 31 August 2021	At 31 August 2020
Retiring today		
Males	21.6	21.9
Females	24.0	24.1
Retiring in 20 years		
Males	23.4	23.8
Females	25.8	26.0

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Notes to the financial statements for the year ended 31 August 2021 (continued)

21. Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

The academy trust's share of the assets in the scheme was :

	31 August 2021 £	31 August 2020 £
Equities	3,298,000	2,426,000
Government bonds	447,000	469,000
Other bonds	331,000	168,000
Property	380,000	326,000
Cash/liquidity	199,000	287,000
Other	757,000	645,000
Total market value of assets	<u>5,412,000</u>	<u>4,321,000</u>

The actual return on scheme assets was £790,000 (2020 : £349,000).

	2020/21 £	2019/20 £
Amount recognised in the statement of financial activities		
Current service cost	534,000	382,000
Net interest cost	78,000	75,000
Administration expenses	1,000	2,000
Total amount recognised in the SoFA	<u>613,000</u>	<u>459,000</u>

Changes in the present value of defined benefit obligations were as follows :

	2020/21 £	2019/20 £
At 1 September 2020	9,375,000	7,707,000
Current service cost	534,000	382,000
Interest cost	150,000	143,000
Employee contributions	62,000	57,000
Actuarial gains/(losses) - financial assumptions	1,526,000	573,000
Actuarial gains/(losses) - demographic assumptions	(137,000)	227,000
Actuarial gains/(losses) - experience gains/losses	(157,000)	351,000
Benefits paid	(72,000)	(65,000)
At 31 August 2021	<u>11,281,000</u>	<u>9,375,000</u>

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Notes to the financial statements for the year ended 31 August 2021 (continued)

21. Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

Changes in the fair value of academy's share of scheme assets were as follows :

	2020/21	2019/20
	£	£
At 1 September 2020	4,321,000	3,532,000
Interest income	72,000	68,000
Actuarial gain/(loss)	-	183,000
Employer contributions	312,000	267,000
Employee contributions	62,000	57,000
Benefits paid net of transfers in	(72,000)	(65,000)
Administration costs	(1,000)	(2,000)
Return on assets less interest	718,000	281,000
At 31 August 2021	<u>5,412,000</u>	<u>4,321,000</u>
Net pension scheme liability	<u>(5,869,000)</u>	<u>(5,054,000)</u>

22. Related party transactions

Owing to the nature of the academy trust and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest.

The following related party transaction took place during the period:

The Reach Free School Trust

Charitable company in which the ex principal is a trustee (resigned as principal and trustee 6 January 2021)

	2021	2020
	£	£
Fees charged from related party during the year	<u>13,272</u>	<u>10,000</u>

In entering into the transaction the trust has complied with the requirements of the Academies Financial Handbook.