

Charity Registration No. 1076999

ST MICHAEL'S SCHOOL TRUST

Annual report and financial statements

For the year ended 31 August 2019

ST MICHAEL'S SCHOOL TRUST

LEGAL AND ADMINISTRATIVE INFORMATION

Board of Governors	P H Carter (Resigned 9 July 2019) D A Evans (Resigned 21 November 2019) R Chinchawala E Bukuku (Resigned 27 June 2019) J K Tyson M Weatheritt E Sharman C Kiggell P J O'Keefe (Appointed 6 September 2019) A Scarff (Appointed 27 June 2019) R D Turner (Appointed 10 April 2019)
Trustee	St Michael's Trust Association Ltd
Charity number	1076999
Principal address	St Michael's School Row Dow Otford Court Otford Kent TN14 5RY
Key management	Headteacher - J Aisher Director of Finance and Operations - D Birmingham Finance Bursar - K Christen Clerk to Governors - H Grogan
Auditor	WSM Advisors Limited Connect House 133-137 Alexandra Road Wimbledon London SW19 7JY
Bankers	Barclays Bank Plc 80 High Street Sevenoaks Kent TN13 1LR
Solicitors	Brachers LLP Somerfield House Maidstone Kent ME16 8JH

ST MICHAEL'S SCHOOL TRUST

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ST MICHAEL'S SCHOOL TRUST

TRUSTEE REPORT

For the year ended 31 August 2019

The trustee of St Michael's School Trust presents their annual report and audited accounts for the year ended 31 August 2019 and confirm they comply with the requirements of the Charities Act 2011, the trust deed and the Charities SORP (FRS 102).

Property known as Otford Court Estate was originally settled under a Memorandum of Trust dated 21 March 1925. A further Deed of Trust was executed on 25 November 1935 between G.E. Cowper and others (known as The Cowper-Miles Trust) which provided funds for the running of a school on the Otford Court Estate. As a result of a scheme of the Charity Commission of 17 July 1996 the above trusts were amalgamated to be administered as one charity called the St. Michael's School Trust. St. Michael's Trust Association Limited, a company incorporated on 18 January 1937, remains the trustee of the charity.

Aims

The objectives of the charity are the advancement of education of children and young people by the provision of a school or schools conducted in accordance with the principles of the Church of England and in particular in accordance with those beliefs and practices commonly known as Anglo-Catholic. In the furtherance of this objective, the trustee has complied with the duty in s.4 of the Charities Act 2011 to have regard to the Charity Commission's published general and relevant sub-sector guidance concerning the operation of the Public Benefit requirement under that Act.

The success of the school in achieving its objectives means that it attracts and retains a high number of pupils. Many year groups are full and enquiry levels remain high. We now have a 3-form intake in Pre-Prep, and this has enabled us to respond to increasing demand for places in the early years. By September 2020, our Pre-Prep will have 3 forms in each year group from Reception to Year 2. This will provide a more cohesive transition into Year 3 and securing entrants into this year group enables us to continue to provide specialist teachers.

Ethos and Strategy of the School

Our aim is to provide a first-class education to children between the ages of 2 and 13. We seek to provide a structured educational environment that develops our pupils' capabilities, competencies and skills. We promote the academic, moral, physical and creative development of our pupils through our academic curriculum, our innovative curiosity curriculum, pastoral care, the arts, sport, drama, music and other activities. We provide an environment where each pupil can develop and fulfil their potential, building self-confidence and a social conscience, inspiring a desire to contribute to the wider community. We challenge and stimulate pupils to achieve their best and strive for excellence in all that they do; fostering in them a sense of wonder and joy in learning, so that they take real pride in their achievements. Children are given opportunities to make a difference to their school and to the wider world. Our Admissions policy does not restrict admission to only those pupils who can afford fees; applications for financial support through our bursary programme are encouraged. The school motto; perseverance, wisdom, gratitude encapsulates the cornerstones of this education.

We are an equal opportunities organisation and are committed to a working environment which is free from any form of discrimination. We will make reasonable adjustments to meet the needs of staff and pupils who are or become disabled.

Our Schools is committed to safeguarding and promoting the welfare of our pupils and expects all staff, volunteers and contractors to share this commitment.

Parents are given regular information about their children's social and academic progress through parent evenings, in addition to the end of term and year reports. We maintain regular contact with parents throughout the year through our weekly newsletter and our parents app.

ST MICHAEL'S SCHOOL TRUST

TRUSTEE REPORT (CONTINUED)

For the year ended 31 August 2019

OUR OBJECTIVES

Our objectives are set to reflect our educational aims and the ethos of the School. It is important to us that we maintain and enhance the academic success of the School.

This objective is however, set in the context of the broader goals we set for the School and its pupils.

In setting our objectives and planning our activities, our Governors have given careful consideration to the Charity Commission's public benefit guidance.

Key objectives for the year are:

- To ensure every lesson meets the needs of every pupil.
- To embed work on well-being into the curriculum and to foster a culture of well-being and mental health awareness throughout the school
- To review and refine the assessment and marking policy
- To explore ways to increase diversity and the understanding of diversity at St Michael's Prep
- To continue to build community, locally and globally and further develop the charitable and Christian work of the school.

ST MICHAEL'S SCHOOL TRUST

TRUSTEE REPORT (CONTINUED)

For the year ended 31 August 2019

REVIEW OF ACTIVITIES AND ACHIEVEMENTS

Pupil numbers and fees

Our activities are carried out through our Pre-Prep School and Prep School. Pupil numbers were 441, an increase over the previous year (437). These are broken down as follows;

Pre-Prep	202
Prep	239
Total	441

Fee affordability remains an important factor for the Governors when considering setting the fees and despite increasing cost pressures compared to the previous year, the fee increase was maintained at 3%.

Our termly fees before deduction of any means-tested bursaries or scholarships were:

Nursery	£840 (per day)
Kindergarten	£790 (per day)
Reception – Year 2	£3,950
Years 3-4	£4,550
Years 5-8	£4,800

Academic

The first year of our St Michael's Diploma saw great levels of engagement by staff and pupils in the newly designed Year 7 curriculum. The assessment criteria encourages pupils to take more ownership of the direction of their learning and collaborate to be creative, critical, ambitious, to commit and to persevere. The children have worked hard and they have tackled the curiosity curriculum with greater levels of independence and curiosity than we have seen before.

We conducted our fifth round of Progress Tests in English (PTE) and Progress Test in Maths (PTM) which are marked and standardised externally to provide us with comparative data. The results were pleasing with general progress being as expected or higher than expected. Key headlines from the data are that our children are achieving well above the national scores in all areas of curriculum content in English and Maths. In the Pre-Prep both cohorts are stronger than the national average by a significant amount, with Year 2 making positive gains two years running. Where further analysis of the results shows unexpected results, we target improvements in those areas through curriculum reviews, reinforcement and interventions where necessary. A key feature in the results this year was the improvement in spelling where children in Year 5 achieved scores at an average of 30% higher than those nationally.

The school continues to provide exceptional individual attention and support for all abilities. This year we were delighted that 33% of our Year 8 cohort received scholarship offers from other senior schools, all of whom accepted. All of our 13+ leavers went on to their chosen senior school. In the Kent 11+ test, whilst the overall pass rate fell slightly to 58% compared to 67% in 2018, the average CAT score (cognitive ability) of those passing was lower. This demonstrates that pupils were well prepared for these examinations and that children with a wider range of abilities secured a grammar school place.

Art & Design Technology

New curriculum projects focused upon the creative and challenging use of technology within Art, Craft and Design. During the year pupils were challenged to design and make a full-scale working go-kart in teams which they were then able to test out in the grounds.

This year in collaboration with the Drama department, pupils and art staff produced props, backdrops and scenery to enhance the production of 'Emil and the Detectives'.

One art scholar was successful in being awarded an art scholarship for their chosen secondary school, and a pupil in Yr3 won the IAPS award for her brilliant artwork which is on display in school. The year finished with a celebration of students' work in the end of year art exhibition which showcased the creative artwork and talents of our students.

ST MICHAEL'S SCHOOL TRUST

TRUSTEE REPORT (CONTINUED)

For the year ended 31 August 2019

Drama

It was another very successful year for our Drama department with a lot to celebrate and some outstanding performances. We held our 4th annual House Drama competition with 15 pairs qualifying for the finals. We were fortunate to have a guest judge, who has worked extensively in the TV and Film industry as a principal agent and has managed or produced high profile musical artistes, writers and presenters. Once again, our pupils displayed their talent, creativity and professionalism.

Two of our pupils secured external drama scholarships to senior schools and we awarded 3 drama scholarships and an exhibition to pupils staying on into Year 7. Our current drama scholars explored the Globe Theatre, viewed the permanent exhibition chronicling the history of the site, previous incarnations of the building as well as exhibits of the costumes and props. This was followed by a visit to The National Theatre to see the anniversary tour production of War Horse. Afterwards lead actor Thomas Dennis answered a variety of questions from our pupils including details about the rehearsal process, how he became a professional actor and the difficulty of connection with 'Joey' the puppet horse.

Year 3 performed in 'Cinderella' a pantomime written by the department with each class taking turns to take the story from start to finish. Lively singing, assured performances and superb comic timing impressed the audience. A team effort from the children, drama scholars, staff and parents made this a memorable occasion. Year 4 pupils were treated to a make-up workshop from industry expert make-up artist and trainer, Kate Griffiths. Pupils had a lot of fun producing 'trauma' make-up and enjoyed producing some convincing injuries to surprise their teachers.

This year 52 of our pupils were involved with the school's production of 'Emil and The Detectives'. It was a fantastic show which showcased exceptional ensemble work, choreography and performance standards.

The department introduced a new initiative by inviting parents and friends of pupils to experience an 'open rehearsal'. This gave them an opportunity to see pupils rehearsing scenes studied during the term in the final stages of rehearsal. The experience was successful with many parents commenting on how interesting it was to be part of this.

Music

It has been another year of incredible and varied music making characterised by tremendous teamwork, exciting performance opportunities and the celebration of individual musical growth and outstanding achievements. We were delighted to learn that two of our pupils gained places in the National Children's Orchestra and National Youth Boys' Choir respectively. In addition, two pupils were awarded scholarships into Year 7.

Large numbers of pupils participated in instrumental ensembles or in one of several choirs and more than 264 pupils received instrumental & vocal tuition delivered by a team of specialists. During the year every child had an opportunity to perform in a concert at least once.

Our chamber choir enjoyed a special trip to St Paul's Cathedral where they were treated to a private 'behind the scenes tour', a fabulous choral rehearsal with the musical director, followed by the opportunity to watch the choristers rehearse for Choral Evensong and then join them in the quire for the service. The evening ended with a shared supper with the choristers in the refectory.

60 pupils travelled to Salzburg at Easter on our annual Music tour. The singers and musicians had rehearsed intensely for this moment and they delighted audiences in both formal concert settings and impromptu renditions wherever they went. They spent a day of workshops with the school and church community of Itzling parish culminating in a concert performance. Highlights from the tour include exploring Mozart's birthplace and music, singing songs from the Sound of Music and sampling schnitzel and strudel.

We are proud to have achieved some of our best exam results in the ABRSM examinations. A total of 115 pupils were entered for examinations ranging from Prep-Test through to Grade 7 and the results indicate that 31% achieved Distinction, 42% Merit and 25% Pass. Other examination success was achieved by 7 pupils in the Trinity College examinations in guitar and drums who between them gained 3 distinctions and 4 merits.

As part of our community outreach and partnership work, we hosted a Big Sing Day for 40 pupils in Years 2 & 3 from several local primary schools. The children rehearsed together and then performed in an afternoon concert with energy and high spirits.

ST MICHAEL'S SCHOOL TRUST

TRUSTEE REPORT (CONTINUED)

For the year ended 31 August 2019

Science

Scientific enquiry continues to be at the heart of our lessons in science and our busy science week was no exception. Year 3 rose to the challenge of keeping helium balloons afloat even with a cargo of eggs in baskets.

Year 4 investigated how many marbles their handcrafted paper rafts could hold before sinking. Year 5 visited Herstmonceux Observatory where they worked in teams to build a bridge, tried out all the hands-on exhibits, and watched an interactive science show. Colour chemistry was introduced to Year 6 with flame testing and the use of the Bunsen burners for the first time.

Year 7 spent an inspiring day completing the STEM challenge, Mission to Mars, designing, building and testing model landing craft to get astronauts safely to the surface of the red planet. Having passed the moderation process with flying colours, those involved all achieved the CREST Discovery Award from the British Science Association.

We introduced a new extra-curricular club, CREST SuperStars, with a group of Year 6 scientists completing ten STEM challenges to achieve the Award. Our Kitchen Science club ran again for Year 5 pupils.

In April, we were delighted to achieve third place in the Salter's Festival of Chemistry at the University of Kent. Our team of four Year 7 pupils put their enquiry skills to excellent use in the 'University Challenge', building a multi-coloured density column and investigating the effectiveness of fruit cells.

This year has seen the launch of our new Year 7 curriculum in science. Using the AQA KS3 Science Syllabus as our framework, we have incorporated the parts of Common Entrance Science to create topics, which prepare the pupils thoroughly for the demands of senior school science.

Outdoor learning remains a firm favourite with the pupils. Our science pond and garden are maturing well, and we are looking forward to some pond dipping next year.

Geography

Geography has continued to grow and develop. In the curriculum, students have covered several human and physical topics from China to Earth and the Environment. Students have been developing their geographical skills such as decision making, map skills, annotations of features and field work techniques. The new St Michael's Diploma in Year 7 has seen students developing their knowledge through project-based learning. Each term they are assessed through a project involving different topics. This year they created a 3D contour model of an area using Ordnance Survey maps and linked the Curiosity Curriculum to the topic of Rivers and Coasts. In Year 8 we visited London Stratford and the Olympic Park to learn about the regeneration of the East End of London and see if it has improved the economic, environmental and social aspects.

Sport

We have a comprehensive PE curriculum taught by specialist teachers, which includes speed, agility, racket sports, invasion games, gymnastics and athletics. Our commitment is to provide the best opportunity for pupils to develop in a range of sports and we aim to help every child achieve their potential, by providing situations where they can gain success. Our focus is to promote an enjoyment of physical activity of all types, a healthy lifestyle and the benefits that both bring, as well as an increase in skill level and an understanding of the benefits that team sports have to offer.

The 2018-2019 season of sport has produced many exciting moments and great achievements. 3 pupils were awarded sports scholarships to their chosen senior schools or had Sport as a part of their scholarship and 5 pupils were awarded a sports scholarship or an exhibition for Year 7 & 8 here.

Pupils played matches against local schools in football, rugby, cricket, hockey and netball as well as entering many tournaments and our results once again reflect the hard work put in by the pupils and staff. Another exciting season of girls' cricket took place in the summer of 2019. Cricket is now a part of the girls' summer curriculum for all age groups and they and the staff all rose to the challenge.

We also took part in IAPS District competitions in athletics, netball, hockey, swimming and cross country. 5 new school records were set throughout the term – 1 at an Athletics match and 4 during our Prep School Sports Day.

ST MICHAEL'S SCHOOL TRUST

TRUSTEE REPORT (CONTINUED)

For the year ended 31 August 2019

The number of matches remains high with 657 matches played throughout the year in our major games– rugby, football, cricket, hockey, netball and rounders. The boys played 343 matches, winning 176 of them, drawing 34 and losing 158. The girls played 304 matches, winning 153, drawing 29, with 97 losses. Overall, we won 329 matches and lost 255 overall.

Some of our pupils' successes include:

U11 girls hockey team won the Hawthorns Hockey Tournament

U11 netball team won the Community tournament

U11 boys football team won the St Michael's Prep Community tournament

U11 boys football team won the Sevenoaks School 5 a side tournament

U9 A netball team were runners up in the Sevenoaks Prep A tournament

U9 B netball team won the Rose Hill B Tournament.

U8 A netball team were runners up in the Hazelwood tournament

A team of 28 swimmers made up the St Michaels Regional IAPS Team with some outstanding swimming

There were many individual successes during the year too.

One of our pupils in the under 11 age group achieved a place at the IAPS National Swimming Finals at the Olympics Aquatics Centre where he achieved a person best and was ranked 15th in the UK for 50m breaststroke.

One pupil represented the country in Yoga and has won several medals and certificates after competing all over the world.

Two of our footballers have become the first female pupils to be called up to the U12 and U11 West Kent District squads.

Some of our footballers represent their county or play for clubs including Crystal Palace and Gillingham.

Two pupils competed in the IAPS Athletic Championships in Ashford and won gold in the U12 High Jump and the U13 800m respectively qualifying for the IAPS Athletics National Finals in Birmingham.

Other Activities and Other Initiatives

Global Citizenship

As part of our very successful Global Citizenship week in January we reflected on many differences and similarities between ourselves and others, enjoyed dancing from different continents and thought deeply about injustice and inequality, whether racial, political or economic. As part of that week we also looked at the importance of religion and philosophy in today's world, with a focus on people who have or are making the world a better place.

In September we celebrated the European Day of Languages with an international assembly to celebrate linguistic diversity across Europe. The pupils wore global-themed accessories and practiced different languages. Our annual French Day saw the school and pupils and staff adorned in red, white and blue, sampling French cuisine including snails, and enjoying lessons in French.

Wellbeing

We are a flagship Lead School for West Kent Mind. During the year we organised well-being awareness training for parents and staff and raised the profile of this topic within our pupil community as we worked towards the achievement of our Well Being Award.

Details of bursary and scholarship awards

Bursaries

As a thriving school we are keen to share the benefits of an education at St Michael's Prep with children who would otherwise be unable to attend the school and we do this through our means-tested bursary programme. Support is also provided to parents of existing pupils who find themselves in financial difficulties. During 2018/19 the school was able to offer support with fees on a means tested basis to

8 pupils. This year means-tested bursaries amounted to £79,463, an increase of 6.5% over the previous year. This represented 1.48% of our gross fees. The level of support provided ranged between 50% -100% remission of fees.

ST MICHAEL'S SCHOOL TRUST

TRUSTEE REPORT (CONTINUED)

For the year ended 31 August 2019

Additional financial support for musical instrument tuition and help with school trips and activities is also offered. The bursary scheme is advertised on the school website and is promoted during Open Mornings, parent tours and in our information booklet.

We keep our Bursary policy under review to ensure we fulfil our aims of widening access to the school. We continue to use an external independent bursary administrator to conduct home visits and a financial review. In the assessment of means, we take into account a number of factors, including family income, investments, savings and number of siblings. However, we do not have an endowment fund so in offering bursaries, we are respectful of the fact that our bursaries are funded through income from fee-paying parents. One of our development objectives is to explore ways to increase funds for bursaries and we are looking at how we identify and approach potential donors.

Scholarships

In addition, the school offers a range of non means-tested scholarships for entry into Year 7. This enables the school to attract and reward the most able pupils in their chosen discipline. Current scholarships available are; Academic, All-rounder, Art, Drama, Music and Sport. We awarded new scholarships to 8 pupils this year, an increase over the previous year. Total scholarships amounted to £23,760 which represented 0.44% of our gross fees.

Fee Assistance for staff

Fee remission continues to be a valuable tool to enable us to fulfil our continued commitment to attract, recruit and retain high calibre staff.

Community

We see St Michael's Prep as a part of a wider community and now have links with the Board of Trustees of the Otford Palace Development and are looking at ways for our pupils to become more involved with this initiative.

Partnership Programme

We continue to work with commitment to our partner schools locally and abroad and are excited about the burgeoning relationship with our partners school and church in Chunya, Tanzania in collaboration with Shoreham Primary School and Rochester diocese. The primary purpose is to build relationships and promote mutual support and learning.

Our partnership programme aims to widen access to education resources and facilities by bringing independent and state school communities together. The schools we have partnered with during the year are Parkwood Hall Co-operative Academy, a residential school for pupils with learning difficulties and Plaxtol, Otford, Seal St Lawrence, Shoreham and St Paul's Swanley Village primary schools. Further details of our partnerships are on the Schools Together website: <https://www.schoolstogether.org>

Parkwood Hall provided leadership training to our senior leadership team. Their pupils who have a range of additional needs, are able to enjoy exclusive use of our swimming pool each week, benefitting from the expertise of our swimming teacher. Their steel band entertained staff and pupils here with a concert and musical quiz and this was followed by their pupils teaching our pupils how to play the steel pans.

We have an accredited Computing in Schools Master Teacher and we are officially recognised as a CAS Lead school. Our Digital Leaders have had the opportunity to train other pupils in some of our partnership schools. Another successful E-safety training session was held during the year for the staff and parents of those schools as well. A new initiative this year was Code-a-Thon which involved our Year 5 pupils together with those from Plaxtol Primary. The pupils learnt about coding concepts and how technology can be incorporated into lessons to make them even more engaging and interesting.

We hosted two primary sports competitions; a football tournament in November and a netball tournament in Spring. We continue to offer the following facilities free of charge to benefit pupils from local state primary schools:

ST MICHAEL'S SCHOOL TRUST

TRUSTEE REPORT (CONTINUED)

For the year ended 31 August 2019

Use of the swimming pool for lessons

Use of our minibuses free of charge to transport pupils to and from the swimming pool and to assist with school trips

Use of the athletic track and field facilities for Sports Day

Where we can offer any spare capacity of the facilities to the local community, we are delighted to do so.

Other benefits to the wider community

Each year our pupils select a number of charities to be the beneficiaries of our major annual fundraising event which takes place during the summer. These were Demelza House, Hospice in the Weald, and QEF in association with MERU, for whom we were able to raise £5000 for the manufacture of a paediatric motorised wheelchair called a 'Bugzi' supplied on a loan basis to families in need. Some Year 6 girls through their own initiative raised just under £100 through finger knitting for Cancer Research UK. As well as supporting charities, these activities encourage our pupils to recognise the wider context of the education they receive at St Michael's and fosters a sense of social responsibility. Many other charities are supported on an ad hoc basis such as Children in Need. The school raised £10,371 in 2018-19 through pupil-led fundraising events.

A long-term regular commitment to supporting a Trussell Trust food bank in Swanley continues and the school is one of its largest contributors. The school also provides funding for a local vicar on a shared stipend basis with the Church of England. We promote active participation in environmental projects and currently recycle paper, cardboard and food waste and are soon to start recycling pens and out-of-date medical supplies such as bandages. We have a clothes recycling bank on site in partnership with the Salvation Army.

In addition, a member of staff has become a Governor of a local primary school during the year.

Old Michaelians' Association

We held our Old Michaelians' Day as part of our annual Sports Day this year. Former pupils arrived during the morning to tour the school and share their memories over lunch.

In the afternoon they joined parents and families in watching the various sporting events. Staff, children and Old Michaelians all thoroughly enjoyed the day.

We are always delighted to hear from our Old Michaelians.

Volunteers

We benefit from the excellent support from our active Parents and Friends Association (P & F) who meet regularly with us and raise significant funds each year to support projects and initiatives. It is also a forum for parents to establish links with each other which strengthens the school community. Many parents volunteer at the school in a variety of different ways.

Our parents run an International Club which is a support and social group for parents who have come here as non-British citizens or are British citizens who have lived abroad for at least a year. Their aim is to create an opportunity for new parents to meet others and to participate in a range of activities celebrating their diverse heritage and individual expertise. Parents of all nationalities meet informally to share their experience of living abroad and in Britain. They also volunteer at school events such as Open Day and host a wonderful international food booth during the Pre- Prep Sports Day with proceeds being donated to a nominated charity.

Donations received during the year include a branded marquee, a climbing frame for Pre-Prep as well as a world map jointly donated by the International Club and the P & F. The map has enabled our pupils to focus on where pupils were born and next year will focus on a new theme.

Events organised during the year include a festive Christmas Bazaar and a very successful Circus in May.

The trustee would like to recognize the continued contribution that the P&F Association makes to the school and thank the volunteers for their time and considerable efforts. The Parents and Friends also donate a percentage of the funds raised from their biennial ball to other charities.

ST MICHAEL'S SCHOOL TRUST

TRUSTEE REPORT (CONTINUED)

For the year ended 31 August 2019

Future Plans

The Governors intend to continue their current strategies of maintaining the School's position in a competitive market by investing to provide high quality education for our pupils. Achieving a high standard of academic results is a constant aim whilst maintaining the breadth and depth of the education provided.

Our future plans are financed primarily from fee income and from our reserves. The Governors need to maintain an equitable balance ensuring our current pupils benefit whilst, at the same time, ensuring a sound infrastructure and financial base are preserved for the next generation of pupils in the same way as our current pupils benefit today from the investment made in the past.

As a reflective school with ambition for all, we engage annually in reviewing our performance and making adjustments based on what we find. We have been innovative in our curriculum changes and bold in our new homework policy which has encouraged more creativity and independence. We enter the new academic year with the largest number of pupils in the school yet and double the numbers staying on into Year 7.

The Governors view our bursary and scholarship awards as key to widening access to the education we provide, and we are exploring ways in which we can attract external funding to increase the number of bursaries offered.

Significant investment in facilities has improved the experience for all and we finished work on our Forest School in readiness for the new academic year where our Reception pupils will benefit from Forest Fridays in this outdoor learning space. Stable Court has been fully renovated and refurbished to provide wonderful new teaching and learning facilities for Year 2 as they expand next year.

We are delighted to be in the process of building our All-Weather hockey pitch which, once complete, we will be able to offer to local schools in our community. The work is due to be completed in the spring of 2020. We will then explore the feasibility of drawing up plans for a Creative Arts building.

Environmental issues are also a high priority and we are making our buildings more energy-efficient by installing LED lighting as part of our re-wire and we plan to upgrade our external light fittings to LED on a rolling basis. We also support local recycling initiatives and seek new ways of recycling.

During the year all stakeholders contributed to a series of Vision and Values workshops to agree our core values with a view to producing a 10-year development plan for the school which will be finalised during the next academic year.

School Premises Development

The Premises Development Plan is reviewed on an annual basis. The key objectives achieved in 2018/19 were:

- To commence building the All-Weather Sports Pitch after satisfying pre-planning conditions
- To carry out the refurbishment and redevelopment of Stable Court to accommodate Year 2 in Pre-Prep
- To find alternative accommodation for the school shops to enable Stable Court to be redeveloped
- To continue our electrical rewire and upgrade of the Prep School teaching spaces
- To get our Woodland management plan approved
- To develop an area of the woodland to set up a Forest School
- To refresh some of our minibuses and vehicles
- To carry out some roof repairs to the Sports Hall

Future plans include:

- To complete the construction of the All-Weather Sports Pitch to be able to offer hockey more widely as part of the school curriculum
- To carry out landscaping and planting to enhance the site in the context of the new astroturf and our location in an Area of Outstanding Natural Beauty (AONB)
- To continue to refresh and upgrade our IT facilities including improved infrastructure for broadband
- To continue our programme of electrical rewiring in the Prep School
- To investigate the feasibility of building a Creative Arts Facility to include a theatre, music, art and drama facilities

ST MICHAEL'S SCHOOL TRUST

TRUSTEE REPORT (CONTINUED)

For the year ended 31 August 2019

Financial review

The financial statements show the school generated a net income of £590,937 (2017/18: £416,897) for the year. The net assets of the Charitable Trust amount to £8,613,974 (2017/18: £8,023,038).

The principal source of income is fees accounting for 94% of the school's income. Pupil numbers remain strong and this, together with careful financial management contributed to the healthy operating surplus this year. The school continues to see a healthy number of parents registering interest in the school and adding their children's name to waiting lists.

Costs are extremely closely managed by the management team and the school performs well in external benchmarking exercises.

This continued strong financial performance has enabled the Governors to pursue opportunities for further improvement to the school's facilities. There is a programme of continued investment in upgrading and enhancing the facilities for the benefit of our pupils. The recent restoration, refurbishment and upgrade of Stable Court to provide 3 classrooms, toilets, kitchen and staff facilities and a resources room has further added to the high-quality facilities on offer.

As a charity, parents of our pupils have the assurance that the school's income must be applied for educational purposes. As an educational charity we enjoy tax exemption on our educational activities and on our investment income provided these are applied for the achievement of our charitable aims. We are currently entitled to 80% relief on our business rates for the properties we occupy for educational purposes. However, as an educational charity, we are unable to reclaim VAT input tax on our costs as we are exempt for VAT purposes. We also pay tax as an employer through the national insurance contribution we pay on salaries.

In addition to the very substantial benefits our school brings to our pupils, the local community and wider society through the education we offer, our bursary programme and our partnership programme create a social asset without cost to the Exchequer.

Reserves and Financial Health

The Governors regularly review the finances, budgets and spend against budget as part of the effective stewardship of the school. The Governors have invested substantial sums into a new Pre-Prep building and refurbished facilities in recent years and have a continuing programme of refurbishment, development and investment to maintain excellent teaching facilities for our pupils.

The reserves fund represents the unrestricted funds arising from past operating results. It also represents the free reserves of the charity.

The principal source of income for the charity is school fees. This is sufficient to cover the day to day running of the school. It is not the policy of the school to accumulate significant cash reserves and the main reason for the current surplus is to service the bank loan, to meet our financial commitments and to fund capital development. The Governors' policy is, whilst ensuring that the school is always able to meet its obligations, to use the reserves to enhance the educational facilities and maintain and improve the fabric of the school. The Governors consider this to be the best way of furthering the charity's objectives.

Investment Policy and performance

Under the Memorandum and Articles of Association the charity has the power to make any investments which the trustee sees fit. Other than owning a piece of land in Norfolk which is rented out for agricultural purposes there are no other investments held by the charity. There are no plans for this to change in the foreseeable future. The Governing Body's policy continues to be to put any short- and medium-term cash surplus into interest-bearing deposit accounts, some of which are on fixed term notice.

ST MICHAEL'S SCHOOL TRUST

TRUSTEE REPORT (CONTINUED)

For the year ended 31 August 2019

Risk management

The Board of Governors is responsible for the overseeing of the risks faced by the School. Detailed consideration of risk is delegated to the Headteacher, Director of Finance & Operations and Senior Management of the school. Risks are identified, assessed and controls established throughout the year. The activities of the school are continually under review with particular account taken of any risks which may arise. Formal reviews are undertaken on a termly basis and scrutinised by the Finance and General Purposes Committee of the Governing Body. Risk is managed under the headings of financial, operational and strategic.

The main risks that the Governors have identified and the plans to manage those risks are:

- **Reputation:** The School's success is founded on its reputation for the education and well-being of our pupils. We manage this risk through our safeguarding policies, staff recruitment policies, pastoral support for both pupils and staff and active identification and resolution of health and safety-related issues.
- **Financial health:** Our financial health is reliant on pupil fees and our ability to meet our commitments as they fall due. This risk is managed by marketing activity, having a reputation for academic excellence and robust financial management procedures.
- **Possible changes to government policy regarding business rates relief and VAT on school fees:** Whilst largely outside of our control, we work with our associations and take part in consultations to highlight the impact this would have on both the independent and state sector. We ensure we maintain sound financial management and keep this risk under regular review.

Potential risks are carefully evaluated, and procedures are documented to enable them to be appropriately managed. This management involves the use of internal controls, policies and where necessary insurance cover. Key controls used include:

- Formal Agendas and Minutes for all Board and Committee meetings
- Detailed planning, budgeting and management accounting
- Regular review of the Financial Risk Register by the Finance & General Purposes Committee
- Established reporting structures
- Clear authorisation and approval levels
- Background checks, as required by law, for the protection of the vulnerable
- Critical Incident Management Plan
- Regular review of policies

Through the risk management processes established for the School, the Governors are satisfied that the major risks identified have been appropriately mitigated where possible. It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

ST MICHAEL'S SCHOOL TRUST

TRUSTEE REPORT (CONTINUED)

For the year ended 31 August 2019

Structure, governance and management

The trustee who served the charity during the year was St Michael's Trust Association Limited.

The Governors of the School are also Directors of St Michael's Trust Association Limited. The Governors who served during the year are as stated below:

P H Carter*~ Chair of Governors (resigned July 2019)
R Turner (Appointed 10 April 2019 and Chair effective July 2019)
D A Evans* (Resigned November 2019)
R Chinchawala* (Deputy Chair of Governors)
E Bukuku (Resigned June 2019)
J K Tyson ~
M Weatheritt ~
E Sharman ~
C Kiggell
A Scarff (Appointed June 2019)

Clerk to Governors
H Grogan

* Member of the Finance and General Purposes Committee
~ Member of the Staffing and Remuneration Committee

The Governors meet as a Board three times a year and there are sub-committees which meet termly. The Finance and General Purposes Committee, chaired by D Evans meets two weeks prior to the full Governors' meetings with specific responsibility to review the financial plans and activities of the school, agree the budget and the annual accounts. The Staffing & Remuneration Committee chaired by J Tyson meets once a term to plan staffing resources, discuss staff welfare and remuneration. Individual Governors also provide representation on the school's Health and Safety Committee and there is a governor with specific responsibility for overseeing the safeguarding of children. All Governors have had safeguarding training.

Key Management Personnel

The Governors consider that they, together with the Head, the Director of Finance & Operations and the Senior Leadership team comprise the Key Management Personnel. All Governors give of their time freely and no remuneration or expenses were paid in the year. The pay and remuneration of the Head and senior staff is set by the Staffing and Remuneration Committee and is kept under annual review. The Governors have given delegated authority to the Head to pay higher salaries for exceptional candidates where this is in the interest of the School.

Organisational Management

The Governors determine the general policy of the School. On a day to day basis the Governors delegate the running of the school to the Head and the Director of Finance & Operations who are fully supported by their academic and administrative staff. Formal communication between the Governors and those with delegated responsibilities is by both formal meetings and on an ad hoc basis. The Clerk to the Governing Body is responsible for coordinating the work of the Governors and their Committees, circulation of papers and the review of matters arising.

The Head oversees the recruitment of all educational staff, whilst under delegated authority the Director of Finance & Operations oversees the recruitment of administrative and operational staff. The Head, Director of Finance & Operations and Finance Bursar are invited to attend Governors' meetings. The Head of Pre-Prep and other members of the Senior Leadership team also attend as appropriate.

No Governor or person connected with a Governor received any benefit from either means tested bursaries or scholarships awarded to our pupils.

ST MICHAEL'S SCHOOL TRUST

TRUSTEE REPORT (CONTINUED)

For the year ended 31 August 2019

Other relationships

The Head is a Governor at St Paul's Cathedral School and a member of the Independent Association of Prep Schools (IAPS) and the Director of Finance & Operations is a member of the Independent Schools Bursars' Association (ISBA). Both associations provide an opportunity to share expertise, knowledge and experience across the independent school sector. They also provide a forum for appropriate representation to Government and other regulators of the views of the sector.

Governors' Recruitment and Training

The Governing Body is a member of the Association of Governing Bodies of Independent Schools (AGBIS). The School believes the Governing Body requires breadth and depth of experience to carry out its duties effectively and efficiently. When recruiting new Governors, the important attribute is a passion for the work of our School and an understanding of education. We offer an induction programme for Governors including safeguarding training. It is the policy of the school to appoint a governing body of sufficient size to deliver a broad mix of skills and experience. Governors are recruited on the basis of approaches made by current members of the Governing Body. A letter is sent by the Chair each year to parents of outgoing pupils inviting them to consider putting themselves forward. Each Governor accepts individual areas of responsibility which, as far as possible make use of their specific expertise.

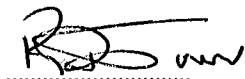
Auditor

In accordance with the company's Deed of Trust, a resolution proposing that WSM Advisors Limited be reappointed as auditor of the Charitable Trust will be put at a General Meeting.

Disclosure of information to auditor

Each of the Governors has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The trustee report was approved by the Board of Trustee.



St Michael's Trust Association Limited

Dated: 21/11/19

ST MICHAEL'S SCHOOL TRUST

STATEMENT OF TRUSTEE RESPONSIBILITIES

For the year ended 31 August 2019

Statement of Trustee responsibilities

The trustee is responsible for preparing the Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the trustee to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charity's financial activities and of the incoming resources and application of resources of the charity for that year.

In preparing these accounts, the trustee is required to:

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

The trustee is responsible for keeping sufficient accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the accounts comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

ST MICHAEL'S SCHOOL TRUST

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ST MICHAEL'S SCHOOL TRUST

Opinion

We have audited the financial statements of St Michael's School Trust (the 'charity') for the year ended 31 August 2019 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 August 2019 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

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

We have nothing to report in this regard.

ST MICHAEL'S SCHOOL TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF ST MICHAEL'S SCHOOL TRUST

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustee

As explained more fully in the statement of trustee responsibilities, the trustee 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 trustee 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 trustee are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustee either intend to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

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

Use of our report

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

Annie Lee

Annie Lee FCA

(Senior Statutory Auditor)

For and on behalf of WSM Advisors Limited (Statutory Auditor)

Chartered Accountants

21/11/2019

Connect House

133-137 Alexandra Road

London

SW19 7JY

ST MICHAEL'S SCHOOL TRUST

STATEMENT OF FINANCIAL ACTIVITIES

For the year ended 31 August 2019

	Notes	Total 2019 £	Total 2018 £
<u>Income from:</u>			
Donations and legacies	2	56,071	15,670
Charitable activities	3	5,402,981	5,065,050
Investments	4	25,398	15,366
Total income		5,484,450	5,096,086
<u>Expenditure on:</u>			
Charitable activities	5	4,893,513	4,679,189
Net income for the year/ Net movement in funds		590,937	416,897
Reconciliation of funds			
Fund balances at 1 September 2018		8,023,037	7,606,141
Fund balances at 31 August 2019		8,613,974	8,023,038
All funds are unrestricted.			

ST MICHAEL'S SCHOOL TRUST

BALANCE SHEET

As at 31 August 2019

	Notes	2019 £	£	2018 £	£
Fixed assets					
Tangible assets	10		8,049,540		7,599,217
Investment properties	11		20,000		20,000
			<u>8,069,540</u>		<u>7,619,217</u>
Current assets					
Debtors	12	145,995		78,351	
Cash at bank and in hand		3,220,130		2,882,027	
		<u>3,366,125</u>		<u>2,960,378</u>	
Creditors: amounts falling due within one year	13	(1,604,693)		(1,256,559)	
Net current assets			<u>1,761,432</u>		<u>1,703,819</u>
Total assets less current liabilities			<u>9,830,972</u>		<u>9,323,036</u>
Creditors: amounts falling due after more than one year	14		(1,199,998)		(1,299,998)
Provisions for liabilities	15		(17,000)		-
Net assets			<u><u>8,613,974</u></u>		<u><u>8,023,038</u></u>
The funds of the charity					
<u>Unrestricted funds</u>					
Designated funds	18	97,500		100,000	
General funds		8,496,939		7,903,503	
Revaluation reserve		<u>19,535</u>		<u>19,535</u>	
			<u>8,613,974</u>		<u>8,023,038</u>
Total charity funds			<u><u>8,613,974</u></u>		<u><u>8,023,038</u></u>

The accounts were approved by the Trustee on 21/10/19



R D Turner
St Michael's Trust Association Limited

ST MICHAEL'S SCHOOL TRUST

STATEMENT OF CASH FLOWS

For the year ended 31 August 2019

	Notes	2019 £	£	2018 £	£
Cash flows from operating activities					
Cash generated from operations	22		1,283,489		867,122
Investing activities					
Purchase of tangible fixed assets		(871,790)		(478,176)	
Proceeds on disposal of tangible fixed assets		1,006		4,000	
Interest received		25,398		15,366	
Net cash used in investing activities			(845,386)		(458,810)
Financing activities					
Repayment of bank loans		(100,000)		(191,588)	
Net cash used in financing activities			(100,000)		(191,588)
Net increase in cash and cash equivalents			338,103		216,724
Cash and cash equivalents at beginning of year			2,882,027		2,665,303
Cash and cash equivalents at end of year			3,220,130		2,882,027

ST MICHAEL'S SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2019

1 Accounting policies

Company information

Property known as Otford Court Estate was originally settled under a Memorandum of Trust dated 21 March 1925. A further Deed of Trust was executed on 25 November 1935 between G.E. Cowper and others (known as The Cowper-Miles Trust) which provided funds for the running of a school on the Otford Court Estate. As a result of a scheme of the Charity Commission of 17 July 1996 the above trusts were amalgamated to be administered as one charity called the St. Michael's School Trust. St. Michael's Trust Association Limited, a company incorporated on 18 January 1937, remains the trustee of the charity.

1.1 Accounting convention

These accounts have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"), "Accounting and Reporting by Charities" the Statement of Recommended Practice for charities applying FRS 102, the Charities Act 2011 and UK Generally Accepted Accounting Practice as it applies from 1 January 2015. The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

The accounts are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The accounts have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustee have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustee continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Incoming resources

School fees receivable are accounted for in the period in which the service is provided including fees in lieu of notice. Fees receivable are stated after deducting discounts, bursaries and head teacher's awards by the School.

Hire of facilities income receivable is accounted for in the period in which the use of the schools facilities are provided.

Swimming lessons fees are accounted for in the period in which the service is provided.

Donations and similar income resources are included in the year in which they are receivable, which is when the charity becomes entitled to the resource. Donations received for the general purposes of the charity are included as unrestricted funds. Donations for activities restricted by the wishes of the donor are taken to restricted funds where these wishes are legally binding on the Governors.

Income from investment and rental income are included in the Statement of Financial Activities (SOFA) in the year in which it is receivable.

Other income including registration fees, crèche fees and commissions are recognised on a receipts basis.

ST MICHAEL'S SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 August 2019

1 Accounting policies

(Continued)

1.4 Resources expended

Resources expended are included in the Statement of Financial Activities in the year in which they are incurred, inclusive of any VAT which cannot be recovered.

Resources expended are allocated and apportioned between costs in furtherance of charitable objects (namely teaching costs, support costs and premises costs) and governance costs.

Teaching costs represent all costs directly incurred in the course of furthering the charity's principal objective through the provision of education to children and young people, including teaching staff costs, educational materials, depreciation and related equipment.

Premises costs represent those costs incurred in the running, maintenance and up-keeping of the School.

Support costs represent those costs incurred through the administration of the charity's activities in furtherance of the charity's principal objective.

Costs incurred in assisting the trustees in their stewardship of the charity are classified under governance costs.

1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Tangible fixed assets are stated at cost on initial acquisition less depreciation.

Depreciation is provided on all tangible fixed assets at rates calculated to write off the full cost or valuation less estimated residual value of each asset over its estimated useful life. The principal rates in use are:

Freehold land and buildings	Straight line over 40 years
Plant and machinery	25% per annum on a straight line basis
Fixtures and fittings	25% per annum on a straight line basis
Motor vehicles	25% per annum on a straight line basis

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

1.6 Investment land

Investment land & property, which is property held to earn rentals and/or for capital appreciation, is measured using the fair value model and stated at its fair value as the reporting end date. The surplus or deficit on revaluation is recognised in net income/(expenditure) for the year.

1.7 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

ST MICHAEL'S SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 August 2019

1 Accounting policies

(Continued)

1.8 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.9 Provisions

Provisions are recognised when the charity has a legal or constructive present obligation as a result of a past event, it is probable that the charity will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in net income/(expenditure) in the period in which it arises.

1.10 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

ST MICHAEL'S SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 August 2019

1 Accounting policies

(Continued)

1.11 Retirement benefits

The charity contributes to the Teachers' Pension Defined Benefits Scheme at rates set by the Scheme Actuary and advised to the school by the Scheme Administrator. The Scheme is a multi-employer pension scheme and it is not possible to identify the assets and liabilities of the Scheme which are attributable to the charity. In accordance with FRS17 the Scheme is accounted for as a defined contribution scheme and contributions are accounted for when advised as due by the Scheme Administrator.

The charity also contributes to defined contribution pension schemes for certain members of staff who are not eligible to join the Teachers' Pension Scheme. The assets of this scheme are held separately from those of the charity, being invested with insurance companies.

Pension costs charged in the Statement of Financial Activities represent the contributions payable by the charity in the year.

1.12 VAT

The charity is not registered for VAT and accordingly expenditure is shown gross of irrecoverable VAT.

1.13 Fund accounting

The funds held by the charity are either:

- *Unrestricted general funds* - these are funds which can be used in accordance with the charitable objects at the discretion of the trustees.
- *Designated funds* - these are funds set aside by the trustees out of unrestricted general funds for specific future purposes or projects.
- *Restricted funds* - these are funds that can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

2 Donations and legacies

	2019	2018
	£	£
Donations and gifts	56,071	15,670
	<u> </u>	<u> </u>
Donations and gifts		
Parents and Friends Association	43,688	7,074
Other donations	12,383	5,541
Donation from parent	-	3,055
	<u> </u>	<u> </u>
Unrestricted funds	56,071	15,670
	<u> </u>	<u> </u>

ST MICHAEL'S SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 August 2019

3 Income from:									
Charitable activities									
	School tuition	Hire of facilities	Swim school	Wrap around care	Miscellaneous	Total 2019	Total 2018		
	£	£	£	£	£	£	£		
Income within charitable activities	5,163,150	72,270	60,926	49,219	57,416	5,402,981	5,065,050		
Analysis by fund									
Unrestricted funds	5,163,150	72,270	60,926	49,219	57,416	5,402,981			
For the year ended 31 August 2018									
Unrestricted funds	4,860,921	60,046	53,416	44,677	45,990		5,065,050		

ST MICHAEL'S SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 August 2019

4 Investments

	2019	2018
	£	£
Rental income	375	375
Interest receivable	25,023	14,991
	<u> </u>	<u> </u>
Unrestricted funds	25,398	15,366
	<u> </u>	<u> </u>

ST MICHAEL'S SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 August 2019

5 Expenditure on: Charitable activities	School tuition		Hire of facilities		Swim school		Wrap around care		Miscellaneous		Total 2019	Total 2018
	£		£		£		£		£		£	£
Staff costs	2,791,860		-		21,401		32,864		6,020		2,852,145	2,776,550
Depreciation and impairment	420,460		-		-		-		-		420,460	397,478
Direct costs	483,515		-		18,776		1,189		-		503,480	488,181
Establishment costs	371,845		-		-		-		-		371,845	317,148
	4,067,680		-		40,177		34,053		6,020		4,147,930	3,979,357
Share of support costs (see note 6)	719,154		14,677		-		-		-		733,831	688,082
Share of governance costs (see note 6)	11,517		235		-		-		-		11,752	11,750
	4,798,351		14,912		40,177		34,053		6,020		4,893,513	4,679,189
Analysis by fund												
Unrestricted funds	4,798,351		14,912		40,177		34,053		6,020		4,893,513	
For the year ended 31 August 2018												
Unrestricted funds	4,597,733		13,997		31,605		30,525		5,329		4,679,189	

ST MICHAEL'S SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 August 2019

6 Support costs

	Support costs	Governance costs	2019	2018	Basis of allocation
	£	£	£	£	
Staff costs	414,321	-	414,321	401,308	98% schooling/2% letting
Advertising	46,305	-	46,305	44,510	98% schooling/2% letting
Post, printing, stationery	19,197	-	19,197	16,563	98% schooling/2% letting
Computer and telephone	36,801	-	36,801	34,178	98% schooling/2% letting
Premises costs	65,027	-	65,027	86,195	98% schooling/2% letting
Entertaining	2,055	-	2,055	1,538	98% schooling/2% letting
Sundries	2,754	-	2,754	696	98% schooling/2% letting
Bank charges	72,955	-	72,955	78,960	98% schooling/2% letting
Professional fees	15,122	-	15,122	3,265	98% schooling/2% letting
Subscriptions	20,134	-	20,134	6,891	98% schooling/2% letting
Donations	39,159	-	39,159	13,978	98% schooling/2% letting
Audit		8,100	8,100	7,875	98% schooling/2% letting
Accountancy		3,652	3,652	3,875	98% schooling/2% letting
	<u>733,831</u>	<u>11,752</u>	<u>745,583</u>	<u>699,832</u>	

7 Trustee

None of the trustee (or any persons connected with them) received any remuneration or benefits from the charity during the year.

ST MICHAEL'S SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 August 2019

8 Employees

Number of employees

The average monthly number of employees during the year was:

	2019 Number	2018 Number
Administrative staff	23	21
Teaching staff	82	83
	<u>105</u>	<u>104</u>

Employment costs

	2019 £	2018 £
Wages and salaries	2,714,280	2,657,969
Social security costs	252,415	244,317
Other pension costs	299,771	306,569
	<u>3,266,466</u>	<u>3,208,855</u>

The number of employees whose annual remuneration was £60,000 or more were:

	2019 Number	2018 Number
£80,001-£90,000	1	1
£110,001-£120,000	1	1

The charity paid emoluments amounting to £202,350 (2018: £199,418) and pension contributions amounting to £31,079 (2018: £30,920) in the year for the key management members of staff.

9 Taxation

The charity is exempt from income tax on its charitable activities.

ST MICHAEL'S SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 August 2019

10 Tangible fixed assets

	Freehold land and buildings	Plant and machinery	Fixtures and fittings	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 September 2018	10,194,730	491,769	714,071	54,982	11,455,552
Additions	747,747	-	110,548	13,495	871,790
Disposals	-	-	-	(17,865)	(17,865)
At 31 August 2019	10,942,477	491,769	824,619	50,612	12,309,477
Depreciation and impairment					
At 1 September 2018	2,788,236	449,796	579,299	39,004	3,856,335
Depreciation charged in the year	273,562	21,973	114,678	10,248	420,461
Eliminated in respect of disposals	-	-	-	(16,859)	(16,859)
At 31 August 2019	3,061,798	471,769	693,977	32,393	4,259,937
Carrying amount					
At 31 August 2019	7,880,679	20,000	130,642	18,219	8,049,540
At 31 August 2018	7,406,493	41,974	134,773	15,977	7,599,217

11 Investment land

	£
Fair value	
At 1 September 2018 and 31 August 2019	20,000

Investment property comprises Glebe land, a plot of land held in Little Walsingham, Norfolk. The fair value of the investment property has been arrived at on the basis of a valuation carried out at 2 November 2015 by O.A. Chapman & Son, Chartered Surveyors, who are not connected with the charity. The basis of the valuation was the amount that would be exchanged between a willing buyer and a willing seller in an arms length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

12 Debtors

	2019	2018
	£	£
Amounts falling due within one year:		
Trade debtors	1,398	1,690
Other debtors	32,952	34,348
Prepayments	23,339	15,523
Accrued income	88,306	26,790
	145,995	78,351

ST MICHAEL'S SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 August 2019

13 Creditors: amounts falling due within one year

	Notes	2019 £	2018 £
Bank loans		100,002	100,002
Deferred income	16	813,998	652,936
Trade creditors		213,403	69,843
Other creditors		328,325	308,808
Accruals		148,965	124,970
		<u>1,604,693</u>	<u>1,256,559</u>

Included in other creditors are pupil deposits of £265,494 (2018: £247,494). The Governors have concluded that the charity does not have an unconditional right to retain the individual deposits for at least 12 months after the balance sheet date and so have presented the deposits within current liabilities.

14 Creditors: amounts falling due after more than one year

	Notes	2019 £	2018 £
Bank loans		<u>1,199,998</u>	<u>1,299,998</u>

The charity has one bank loan. The loan is repayable in 3 instalments annually, 15 September, 15 January and 15 May. Interest is charged as follows:

Fixed rate loan of £1,300,000 on which interest is charged at 5.23% (3.15% plus lending margin of 2.08%).

The loan is due to be fully repaid on 15 July 2032.

15 Provisions for Liabilities

During the year, the charity recognised a bad debt provision, in regards to fee income, of £15,000 (2018: £70,000).

The provision relates to the recoverability of outstanding fees from parents. There was a decrease in the provision during the year, however, the remaining debts are still deemed recoverable in the forthcoming year.

During the year, the charity also recognised a provision for £17,000 relating to water expenses being undercharged in previous years.

ST MICHAEL'S SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 August 2019

16 Deferred income

	2019 £	2018 £
Arising from the Autumn 2019 term	813,998	652,936

Deferred income is included in the financial statements as follows:

	2019 £	2018 £
Current liabilities	813,998	652,936

17 Pension and other post-retirement benefit commitments

The charity participates in the Teachers' Pension Scheme (England and Wales) (the "TPS"), for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £266,451 (2018: £271,801).

The TPS is an unfunded multi-employer defined benefits pension scheme governed by the Teachers' Pensions Regulations 2014. Members contribute on a "pay as you go" basis with contributions from members and the employer being credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament. It is not possible or appropriate to consistently identify the liabilities of the TPS which are attributable to the charity. As required by section 28 of FRS102, the charity accounts for this scheme as if it were a defined contribution scheme.

The employer contribution rate is set following scheme valuations undertaken by the Government Actuary Department. The latest valuation report in respect of the TPS was prepared at 31 March 2016 and was published in March 2019. From 1 September 2019, the employer contribution rate for the TPS increased from 16.1% to 23.6%. Employers in addition pay a scheme administration levy of 0.08% of the employers' salary costs which increases the total payment rate from 23.6% to 23.68%.

18 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustee for specific purposes:

Movement in funds		
Balance at 1 September 2018 £	Transfers £	Balance at 31 August 2019 £
100,000	(2,500)	97,500
100,000	(2,500)	97,500

The Designated Fund is being amortised in line with the depreciation of the buildings associated with the Stable Court development. The Stable Court development is being depreciated over 40 years.

ST MICHAEL'S SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 August 2019

19 Analysis of net assets between funds

	Total £
Fund balances at 31 August 2019 are represented by:	
Tangible assets	8,049,540
Investment properties	20,000
Current assets/(liabilities)	1,761,432
Non current liabilities	(1,216,998)
	<u>8,613,974</u>
All relate to unrestricted funds.	

20 Operating lease commitments

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2019 £	2018 £
Within one year	25,078	11,503
Between two and five years	77,305	23,007
	<u>102,383</u>	<u>34,510</u>

21 Related party transactions

No transactions with related parties were undertaken such as are required to be disclosed under Section 33 of FRS 102.

22 Cash generated from operations

	2019 £	2018 £
Surplus for the year	590,937	416,897
Adjustments for:		
Investment income recognised in profit or loss	(25,398)	(15,366)
Gain on disposal of tangible fixed assets	-	(2,075)
Depreciation and impairment of tangible fixed assets	420,460	397,478
Movements in working capital:		
(Increase) in debtors	(67,644)	(29,860)
Increase in creditors	204,072	56,320
Increase in deferred income	161,062	43,728
Cash generated from operations	<u>1,283,489</u>	<u>867,122</u>