

St Michael's Fellowship

Report and Financial Statements

Year ended 31 March 2022

Company Registration Number 02914273
(England and Wales)

Charity Number: 1035820

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Reference and administrative details of the company and its advisors

Trustees	Loucia Kyprianou (Chair from April 2021, resigned 7 July 2022) Philippa Owen (Vice Chair) William Anderson (Hon Treasurer) Richard Barron (resigned 7 July 2022) Annie Brough Alison Dixon (resigned 13 May 2021) Corina Forman (resigned 8 July 2021) Mary Gibson (resigned 14 March 2022) Stephen Hair (Chair to March 2021, resigned 8 July 2021) Juline Sinclair Oretha Wofford Valerie Wass OBE
Chief Executive	Sue Pettigrew OBE
Registered office	136 Streatham High Road London SW16 1BW
Registered number	02914273 (England and Wales)
Charity number	1035820
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL

Reference and administrative details of the company and its advisors

Bankers National Westminster Bank Plc
145 Clapham High Street
Clapham
London
S4 7TH

COIF Charity Funds
80 Cheapside
London
EC2V 6DZ

Virgin Money Plc
Jubilee House, Gosforth
Newcastle on Tyne
NE3 4PL

Solicitors The Charity Team at Russell-Cooke
2 Putney Hill
London
SW15 6AB

Trustees' report 31 March 2022

The trustees, who are the directors for the purposes of company law, present their statutory report together with the audited financial statements for the year ended 31 March 2022.

The financial statements have been prepared in accordance with the accounting policies set out on pages 28 to 31. They comply with the charitable company's Memorandum and Articles of Association, applicable laws and the requirements of 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).

OBJECTIVES AND ACTIVITIES

Purposes and aims

The objects of the charity are: "the relief of poverty, sickness and emotional and physical hardship by the provision of accommodation, assistance and support, counselling, training and rehabilitation for children and their parents, whether in accommodation provided by the charity or in the wider community, who are in need of such relief so that they may become responsible and independent parents and members of society".

The principal activity of the charity is offering support to vulnerable families including very young parents both by the provision of residential family centres and in the community.

St Michael's provides accommodation, help and training in residential centres in the boroughs of Lambeth and Wandsworth for families where children are at risk or where there is other emotional, mental or physical hardship. Such support includes an assessment of parenting skills. Each of these projects is in a converted Victorian family house, non-institutional in feel and each is staffed by a professional team.

Through partnerships with Children's Centres, the Department for Health and Social Care (England), and further charitable funding, St Michael's offers outreach work providing some of the same services to mums and dads and their children who are living in their own homes, but who, for whatever reason, are in difficulty.

The prime aim of the charity is to give a child the best possible start in life in the circumstances. Allied to this is the aim to help and encourage the members of a family to become fully integrated into the mainstream of society. This is achieved either through the rehabilitation of the family in a residential centre, or through preventive work in the community.

We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning future activities and are satisfied that we meet the guidance.

OBJECTIVES AND ACTIVITIES (continued)

Strategic plan and objectives

The Trustees reviewed and updated the strategic plan in March 2020 for the next three years. The strategic priorities are continued focus on:

- ◆ Maintaining the quality of our residential assessments; and
- ◆ Widening and embedding our outreach and community services.

The strategic priorities are underpinned by the following core drivers:

- ◆ Financial stability;
- ◆ Skilled and motivated staff; and
- ◆ Digitalisation.

In 2021-2022 our key objectives were:

1. Recovery following the Covid-19 pandemic; embedding new ways of working, and returning to a financially stable operating position;
2. A continued focus on staff including: recruitment and retention measures; leadership development; and reviewing, updating and implementing an effective EDI strategy; and
3. Further implementation of digital technology.

Our key objectives for 2022-23 are:

1. Continued recovery following the Covid-19 pandemic, with a focus on increasing occupancy and service levels to pre-pandemic levels;
2. Investment in staff recruitment and retention across the whole organisation, with development of the leadership team following changes in personnel to include a 'one service' approach;
3. Implementing an effective EDI strategy; and
4. A fundraising and marketing strategy that helps to secure our financial base and ensures we inform others of our achievements and contribute to wider debates concerning parents and children.

ACHIEVEMENTS AND PERFORMANCE

We would like to express our gratitude to our staff for their ongoing commitment during these difficult times.

Recovery following the Covid-19 pandemic; embedding new ways of working, and returning to a financially stable operating position

The last year has continued to present a number of challenges as we learn to live with the ongoing and long term impacts of Covid.

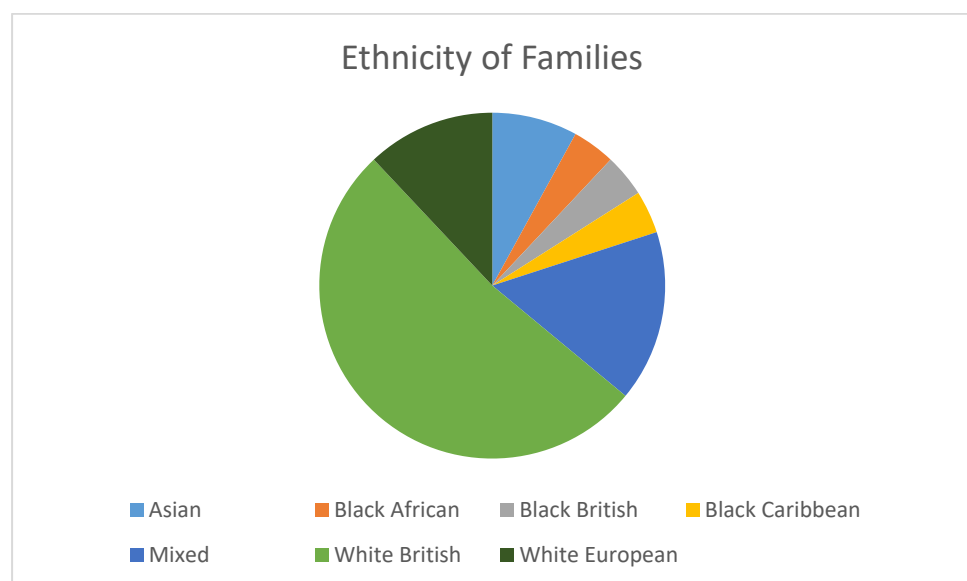
Residential Centres

During the year we took the difficult decision to close 84, this centre had been in operation since 1980 and served us well as a quarantine centre during Covid. Sadly we were unable to recruit to vacant posts and could not afford to keep the property on given our deficit in the previous year. We are pleased another charity that works with families will be using it.

46 was inspected in March 2022 receiving a 'good' rating, 'Families benefit from a transparent and empowering three-phase assessment process which encourages self-responsibility. There is a strong emphasis on supporting and educating parents and parents' learning is uniquely adapted to their preferred learning style.' A parent said: "it is a blessing to be given the opportunity. We have thrived."

We worked with 25 families including 33 children (2020-21 25 families), residentially from 15 different local authorities. We have continued to be mindful of the need for social distancing and risk assessment during the continued effects of the pandemic.

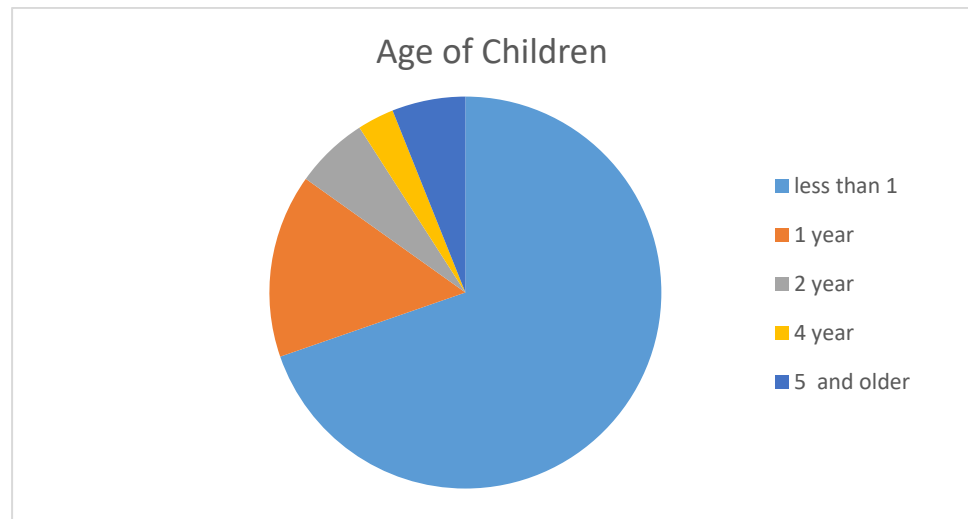
Of the 25 families, 8 were single parents and 17 were couples. The ethnic breakdown of the families is 52% White British, 8% Asian, 4% Black African, 4% Black British, 4% Black Caribbean, 12% White European and 16% Mixed.



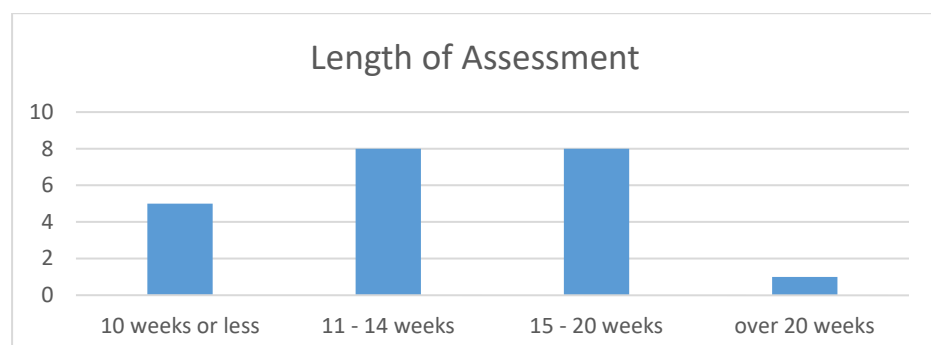
ACHIEVEMENTS AND PERFORMANCE (continued)

Residential Centres (continued)

Whilst local authorities may think twice about residential family assessments in this financial climate, and the covid pandemic has caused disruption to the system, we do believe assessments are effective and assist the court in making a decision that secures the best future for the child. Where this involves a young baby the assessment is timely: 23 (70%) of the 33 children worked with were less than one-year-old, and 70% of this group were new born on admission. Where larger sibling groups are referred it is often the case that children have languished in neglectful, abusive families and our residential assessment can highlight the experience of those children and offer a solution; 5 (15%) of the children were 1 year or more on admission, and 6 were part of larger sibling groups. Of these 2 (6%) were 5 or older.



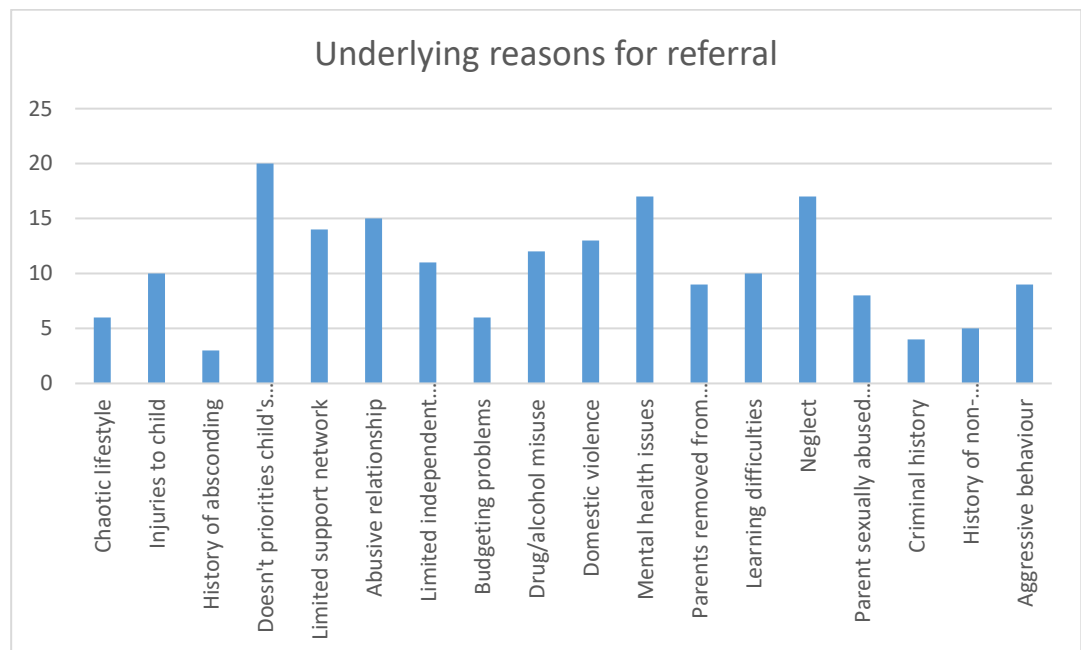
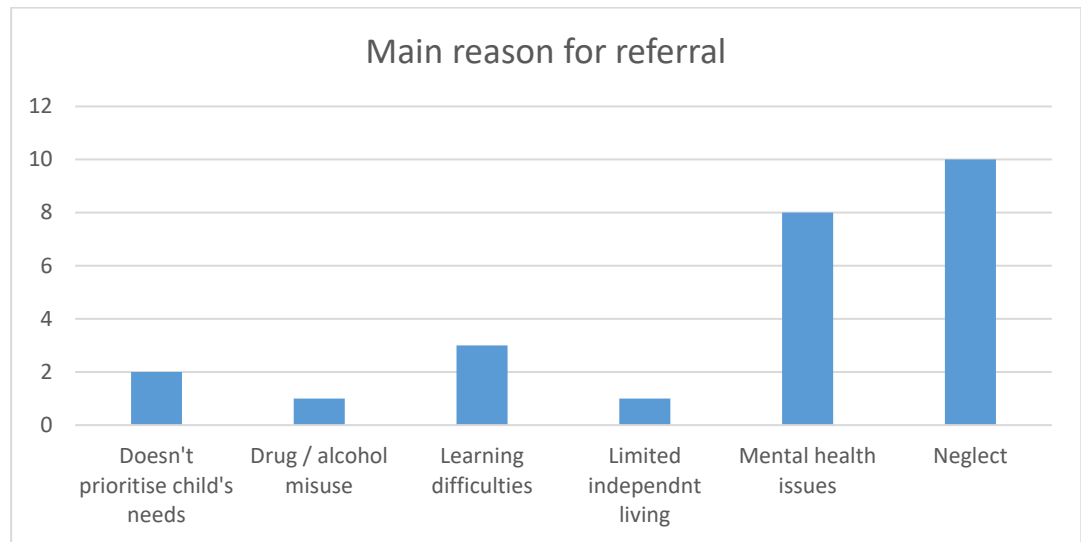
It is also the case that we do not prolong assessments where it is clear that the parent is unable to meet the child's needs and it is therefore not in the child's best interests to continue; for 5 families (15%) length of stay was 10 weeks or less. However we do need to acknowledge a trend from local authorities asking us to extend placements until a court hearing has taken place even though this may exceed the 26 week rule. This allows the court to make the decision about the child's future or it enables the local authority to find a suitable alternative placement or accommodation for the family. As a result of extended placements, 8 families (27% of the total) stayed between 15 and 20 weeks, with 1 further family staying for over 30 weeks.



ACHIEVEMENTS AND PERFORMANCE (continued)

Residential Centres (continued)

Primary reasons for referral are neglect, mental ill health, domestic violence and abusive relationships, learning difficulties, and an inability to prioritise the child's needs. Typically, families present with 7 or more issues leading to referral



This year 24% of families returned to the community with their children and a further 12% of children were placed within their extended family. For a further 8% of families the final outcome is not known – this reflects the extended period between placements ending and the final court hearing.

ACHIEVEMENTS AND PERFORMANCE (continued)

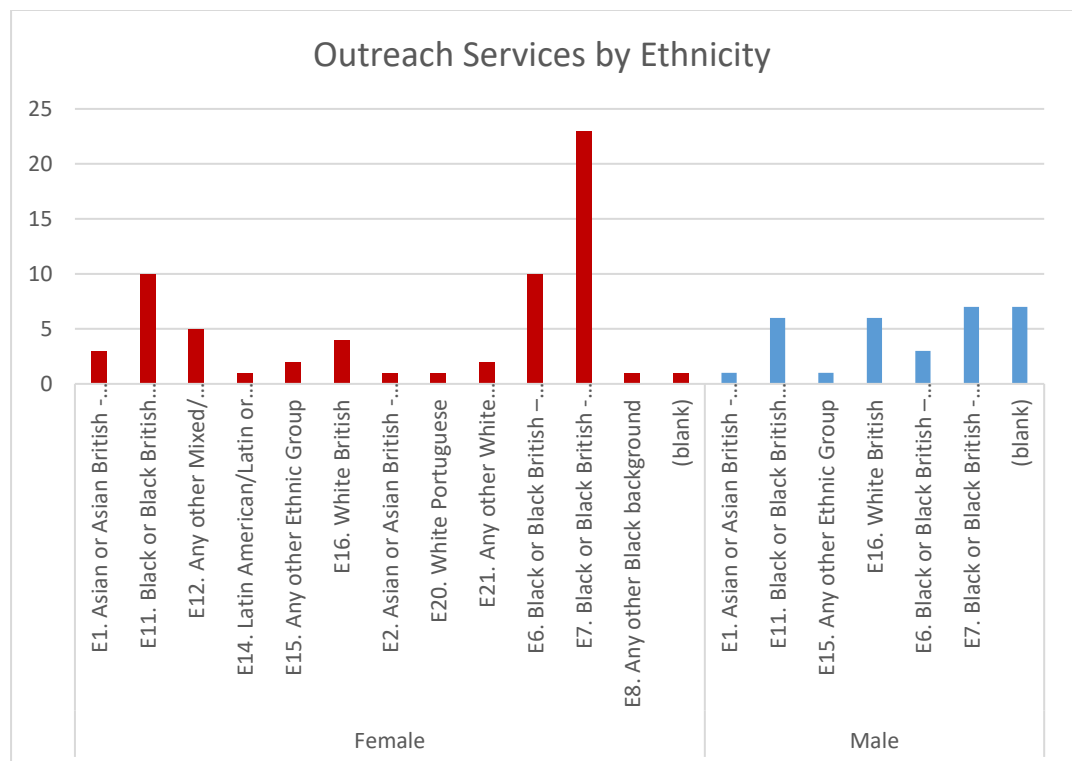
Residential Centres (continued)

This year 9 families (36%) had had 28 children removed from their care, prior to being placed with us, and 3 of them (33%) returned home with their subsequent child. The lack of support for parents following removal of a child is an issue we are endeavouring to address through our Securing Change programme.

Outreach

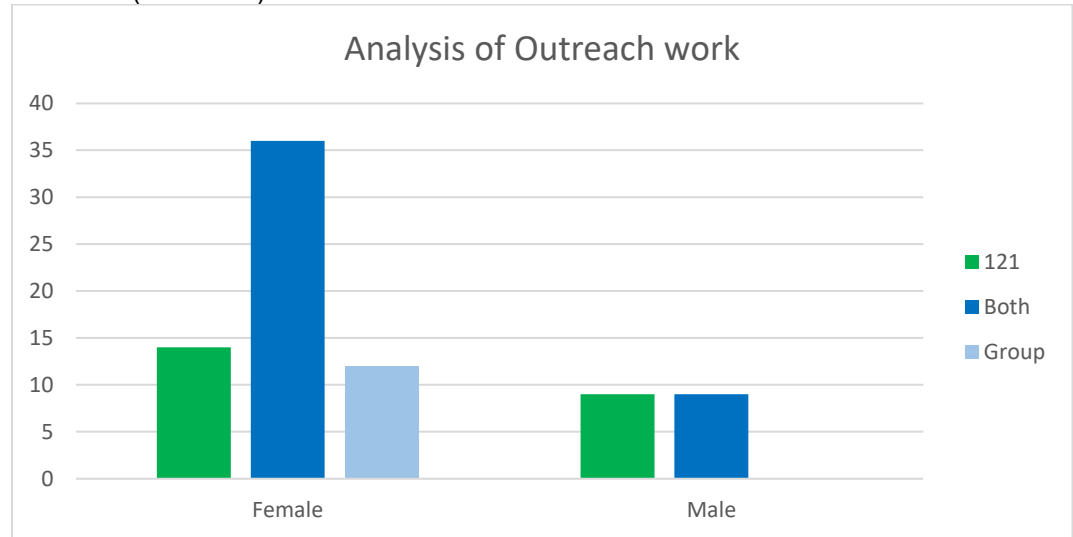
We have continued with our outreach services for pregnant teenagers and young mums and dads up to 25 years. Our work has been a combination of online and face to face work. We have supported 64 young mums and 31 young fathers, with 119 children. Of these parents, 21 were pregnant on referral. Work includes 78 ongoing cases and 17 new referrals in the year.

During Covid we found current and former parents looking to us for support and that was mainly provided on line, both groups and one-to-one services. Isolation and fear were common concerns leading to poor mental health for some. We also experienced a dip in new referrals as families were less visible. There was initial reluctance to return to groups largely through fear and less motivation to resume former patterns of behaviour however the numbers attending groups has picked up.

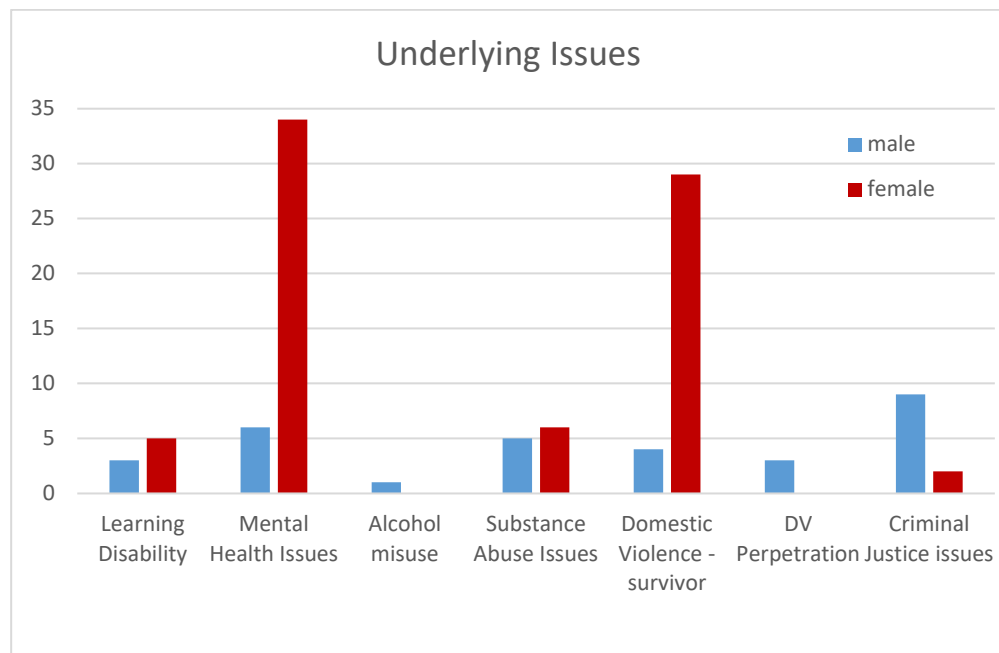


ACHIEVEMENTS AND PERFORMANCE (continued)

Outreach (continued)

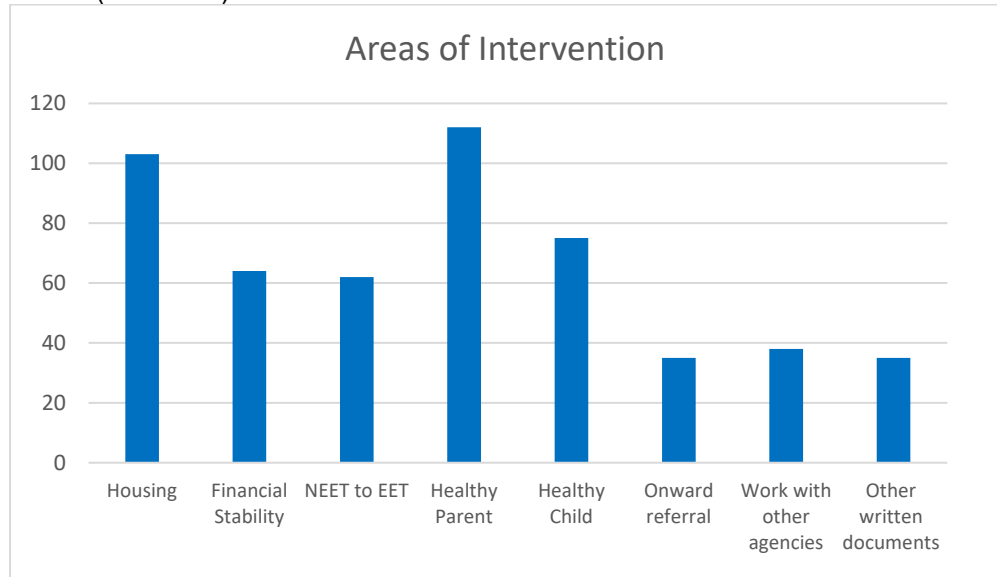


The lives of the young parents we work with remain complex with many issues that need addressing: from support with housing and benefits, basic equipment for their home, debt advice, domestic violence, mental health issues, the child being subject to a child protection plan or a child in need plan, to name but a few. There are similar issues for the young fathers with whom we work who are motivated to contribute to their child's upbringing so are keen to work towards employment through apprenticeships, training and CV writing. Young fathers are a marginalised group and the importance of offering a dedicated service to address their needs cannot be underestimated: it is all too easy for some services to see young fathers as the problem rather than the solution



ACHIEVEMENTS AND PERFORMANCE (continued)

Outreach (continued)



We restarted our groups during the year, and our most successful group takes place at a Children's Centre where our staff prepare a delicious lunch for the parents and children, while the parents are engaged in play with their children. After lunch there is a themed workshop covering topics on child development and parenting, Black History, sexual health and much more.

7 of our parents have benefited from the generosity of Housing the Homeless through our Residents' Grants scheme, which has assisted families purchasing essential items for their new accommodation

Through our accredited trainer, we have delivered Caring Dads training to other professionals wishing to become Caring Dads facilitators across four other boroughs.

Following funding from Lambeth Public Health we continue to prevent unintentional injuries in children 0-5 by supplying home safety equipment such as safety gates, safety locks for cupboards and windows, non-slip bath mats, water thermometers and smoke alarms

Jigsaw

During the year we reopened our NACCC accredited contact centre, and were able to offer a combination of online and face to face contact to 56 families, including 24 new referrals in the year. Whilst face to face contact is the preferred option for families we do recognise that online contact should form part of our service. Some visiting parents travel from the north of England or even further afield and online contact can assist when funds are low, during bad weather or when there is disruption to travel. For a few children it can be part of the process of re-establishing a link with the non-resident parent following a lengthy period of no contact. One father said 'staff are very friendly here. It feels like home every time I visit, 3 times a week. I have a laugh with staff which is very good and I'd recommend this place for anyone that needs contact with their family.'

ACHIEVEMENTS AND PERFORMANCE (continued)

Jigsaw (continued)

In the new financial year, we plan to introduce Sunday opening, recognising that a number of the parents using our service are in employment and would welcome that extension.

Securing Change

Following a review last year, this service has been offered to all parents leaving St Michael's residential assessments, whether with or without their children. We recognised the vulnerability of parents who needed support after leaving the assessment, providing both practical and emotional support that embeds positive change, and to step in during the danger periods when parents may slip back into old ways.

Our dedicated practitioner has worked intensively with 15 families in the year. Typically, we will work with a family for between six and twelve months. For many she has provided the only opportunity for face to face support throughout the pandemic. Support is tailored to the individual's needs and includes coping strategies and abilities to manage in a crisis. Participants are signposted to suitable services and programs to allow for ongoing assistance. We facilitate access to local groups, general services and community projects. We encourage and enable participants to enrol in open training courses and take up volunteering opportunities. We may also discuss planned pregnancies and personal development plans to sustain parenting.

The initial pilot of Securing Change has been evaluated by University of Middlesex, which concluded: "Securing Change has done very valuable work in supporting parents who have undergone care proceedings and have had children recently or previously removed. The flexible and personalised care provided has supported them with their loss or their ongoing parenting and other needs. It filled a service gap and worked with a very disadvantaged client group. We would like to see it continue and grow."

A continued focus on staff including: recruitment and retention measures; leadership development; and reviewing, updating and implementing an effective EDI strategy

We recognise the importance of investing in our staff in order to maintain our capacity and quality of services

Recruitment and retention – we were really pleased to be able to reward staff with a 2½% pay increase in October following the huge level of commitment that they had showed throughout the pandemic. We also held a small thank-you celebration at Christmas.

Training for staff was mainly on line during the year.

Like many other organisations in the sector, we have been faced with staff shortages and difficulties in recruiting. We have reviewed the key worker and support roles within residential units to enable us to recruit from a potentially wider pool of applicants, and have seen some progress in early 2022.

We have successfully recruited to leadership roles through internal applicants, and will provide support to staff as they transition into the new roles. There will also be a focus on cross-team working as the new team develops.

ACHIEVEMENTS AND PERFORMANCE (continued)

A continued focus on staff including: recruitment and retention measures; leadership development; and reviewing, updating and implementing an effective EDI strategy (continued)

We commissioned an external consultant to work with us on an effective EDI Strategy that entailed giving all staff and trustees a voice through individual meetings, that were welcomed by all. We have formed a small EDI committee of trustees and staff to oversee and guide the work, to be supported by a reference group of staff from each service. We are planning training on EDI for all staff and trustees alongside a review of key policies.

We are also seeking to further enhance the support for staff involved in complex work.

Further implementation of digital technology

As an initial pilot phase, we trialled a move of one of our services onto a cloud based platform. Feedback from staff was that this provided a more efficient and effective way of working, and led to improved productivity. Following this initial success, we have extended the trial to two other services, and have continued to receive positive feedback.

We are planning to further extend the use of cloud based platforms to other services in the coming year.

We have continued to develop our systems for data collection, monitoring and reporting, in order to extend our reporting and evaluation capacity, and to meet the various requirements of different funders.

We have continued to upgrade and further invest in our IT infrastructure.

FINANCIAL REVIEW

Results for the year

The overall deficit for the year was £81,560 (overall deficit for 2020/21: £228,917) following a continued reduction in income generated through charitable activities during the pandemic. This is largely met from restricted funds brought forward, where activities were delayed from last year. Overall reserves continue to be strong at 31 March 2022.

In June 2021, we made the difficult decision to close one of our residential centres that had previously been mothballed (during renovation work and then the pandemic). We have focused on rebuilding our core services in the remaining 3 houses, together with our ongoing community work as we move through the pandemic.

Income for our outreach work with young parents was unchanged this year. Our community work has been supported by additional funded projects focused on fathers' work, our Securing Change project working with parents after they leave assessments, plus the contact centre service.

Income from donations has reverted to our pre-pandemic levels (2021 included emergency funding to support our ongoing services). Donations include grants from a number of trusts and foundations plus our individual donor base.

We made a further increase in fees charged to Local Authorities to cover the additional costs as a result of the pandemic and the inflationary increases in our cost base. We have also continued with tight financial controls over all areas of expenditure.

Principal risks and uncertainties

The principal risks faced by St Michael's and the measures put in place to manage these risks are:

1. The Covid-19 pandemic has had a major impact on the ways we work and the services we offer. This has continued for much of 2021-2022 with some easing of restrictions later in the year, and will require ongoing monitoring in 2022-2023. Specific risk and the mitigation steps are:
 - ◆ Loss of income due to reduced number of families in residential centres: This is mitigated by changes in staff rotas and a reduction in the use of sessional staff whilst maintaining appropriate staff levels for safeguarding and assessments.
 - ◆ Additional costs for health and safety and personal protection for both families and staff: We made a small increase to fees to cover the additional costs incurred.
 - ◆ Impact on staff morale and well-being: All staff continue to receive regular supervision and support from their line manager, plus access to a support package "WeCare". During the year we have reintroduced face to face support and meetings where appropriate.
 - ◆ Changes in policies and compliance: We have continued to follow advice given by Government and Ofsted and adapted our ways of working accordingly.

FINANCIAL REVIEW (continued)

Principal risks and uncertainties (continued)

2. St Michael's continues to be largely reliant on income from Local Authorities which continue to face funding constraints. Notwithstanding this, we have seen a steady level of demand for our Residential Assessments, as a result of the charity's continued focus on providing a high quality and effective service, and an acknowledgement of the continuing levels of need. Whilst it is not possible to mitigate this risk entirely, St Michael's provides services to a greater number of Local Authorities and continues to develop additional services to meet the varied demands of supporting families. In addition, fundraising activities have been expanded to reduce the dependency on single sources of income.
3. The work of St Michael's is focussed on ensuring the safeguarding of children in their parents' care and the safeguarding of the parents, many of whom are 'adults at risk'. St Michael's mitigates this risk through its operational procedures including careful planning, setting clear expectations of families and staff, close monitoring within the centres, pre-empting risks, training and supervision of staff and monthly inspections. Our residential centres are also inspected by Ofsted.
4. Staff recruitment and retention is a risk because without full teams we are unable to meet our occupancy targets. St Michael's seeks to mitigate this risk through investment in staff capacity. Specific measures include annual salary benchmarking, investment in training and supervision, and career development and succession planning.
5. Cost of living and inflationary increases will give rise to an increase in our cost base, and put added pressure on staff. St Michael's reviews its fees every year to ensure they keep pace with inflation. We also carry out regular benchmarking of staff salaries to ensure they remain competitive in the market.

St Michael's maintains a detailed risk register and reviews the top risks at every board meeting. Measures have been put in place, to the extent possible, to manage these risks in order to reduce both their likelihood and impact, whether to St Michael's service users or its reputation and financial position. Significant risks are brought to the attention of the Board as they arise.

Investment policy

The trustees' investment policy is to ensure that all reserves are held in a form in which their capital value is secure and remain readily available. For this reason, all reserves over and above the day-to-day working capital are held primarily in instant access deposit in the Charities Official Investment Fund, and a smaller amount continues to be invested in an instant access Virgin Charity Account.

FINANCIAL REVIEW (continued)

Reserves policy

St Michael's reserves stand at £829,723 at 31 March 2022 (2021: £911,283) and are in two forms: restricted and unrestricted.

Restricted reserves

Restricted funds will be expended in due course in accordance with their restricted purposes. Restricted funds are £175,789 (2021: £253,937).

Unrestricted reserves

Unrestricted funds are retained to meet a number of needs:

The first need is to cover the working capital requirements of the charity. The trustees aim to maintain sufficient reserves to support the day to day expenditures and cash-flow demands, plus sufficient buffer to cover the ongoing operating expenses of the services at times when demand may slacken.

To meet this need, the trustees aim to maintain a General Fund at a minimum level equivalent to one third of the current year's operating expenses for core services (not met from restricted funds).

The General Fund stands at £652,980 at March 2022 and is equivalent to 4.4 months operating costs (2021 – £614,066, equivalent to 4.4 months) as described in previous paragraph.

The second need is to fund initiatives to develop the work of St Michael's or specific initiatives which cannot be funded by existing revenue streams, via a designated Development Fund. During 2021/22 designated expenditure from the Development Fund totalled £42,326 (2021 – £29,510) comprising £338 support for Vardens Road, £976 for equipment for Jigsaw, £991 for subsidised contact work, £5,225 for depreciation charges in respect of IT assets purchased through this fund, and £34,796 for staff investment.

The Development Fund stands at £954 at March 2022 (2021 – £43,280) comprising:

- ♦ £954 to purchase security equipment for Jigsaw

The reserves policy is reviewed annually by the trustees.

The trustees consider that the current level of reserves will provide sufficient cover to allow the business to continue to operate, including sufficient cover for any changes in the operation of the services if necessary, as set out in the earlier sections of this report.

GOING CONCERN

As set out in the Going Concern section of the Principal Accounting Policies on page 28 of the Financial Statements, the trustees have considered the impact of recovery following the pandemic on the charity, and have concluded that although there have been and may continue to be some negative consequences, it is appropriate for the charity to continue to prepare its financial statements on the going concern basis.

FUTURE PLANS

The future plans are defined by the strategic plan and key objectives for the year. The immediate priority is continued recovery following the Covid-19 pandemic, with a focus on increasing occupancy and service levels to pre-pandemic.

FUNDRAISING

St Michael's Fellowship is committed to its charitable aims, and fundraises in order to improve the lives and futures of families and to secure the best possible future for their children.

At St Michael's, our fundraising promise to the general public and all our supporters is that our fundraising, in all its forms, is legal, open, honest and respectful. We will be honest about how donations are used to fulfil our mission, open about the methods we use to raise funds and who we work with, respectful to the wishes, preferences, personal information and circumstances of the people we interact with and we will take all steps necessary to comply with the law and fundraising practice standards.

We have a robust complaints policy and have not received any complaints in relation to our fundraising activities. We do not use third party fundraisers, commercial participators or their representatives to raise funds for us.

Our fundraising is compliant with the Fundraising Regulator as well as Charity Commission guidance. Our approach has been informed by the Institute of Fundraising's guidance on treating donors fairly and General Data Protection Regulation (GDPR).

We have been assessed as complying with the IASME Governance Standard v5 updated January 2018, which includes an assessment of Cyber Essentials and GDPR Requirements.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The organisation is a charitable company limited by guarantee, incorporated on 23 March 1994 and registered as a charity on 31 March 1994. The company was established under a memorandum of association which established the objects and powers of the charitable company and is governed under its articles of association.

All trustees give their time voluntarily and receive no benefits from the charity. Any expenses reclaimed from the charity are set out in Note 7 to the accounts.

St Michael's board of trustees is also the board of directors under company law. The board meets formally six times a year. Additional meetings were held this year in response to the pandemic. The board of trustees delegates to the Chief Executive the responsibility for managing all the day-to-day affairs of the organisation that fall within the scope of an annually agreed budget and operating plan. The Honorary Treasurer maintains contact with the Chief Executive and the Accountant to review the development and improvement of financial systems and procedures. He does this under authority delegated by the full board of trustees and in accordance with the board's financial procedures manual.

To support the work of the Board there are four sub-committees chaired by trustees and reporting to the Board:

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

- ◆ The Honorary Treasurer chairs the Finance Committee and oversees budgetary control with the Chief Executive. This committee considers financial matters, proposals and issues of risk before presentation to the Board.
- ◆ The Fundraising Committee advises on fundraising strategy and meets as necessary regularly to review strategy and to support the organisation of events.
- ◆ A Trustee is assigned to each of the residential family assessment centres and the outreach services and these trustees meet as a Services sub-committee twice a year with the Deputy Director to discuss practice matters, housing issues and monthly inspections.
- ◆ A new EDI Committee was formed in 2020 to oversee our review of EDI policies and practice.

The organisation's occupancy of the houses in which it provides its residential services is governed by management agreements with London and Quadrant Housing Trust and Optivo.

The board of trustees has worked to apply the recommended practice of the Charity Governance Code. It has produced and adopted a Governance Manual to provide guidance to trustees and staff involved in the governance and management of the organisation. In July 2021 minor changes were made to the Governance Manual in respect of the Integrity principle and similar work will follow in respect of the EDI principle.

The trustees believe that the diversity of the service users and staff should be reflected in the makeup of the Board. It recognises that diversity in all its forms leads to a more effective Board. The Board regularly reviews skills, experience and diversity of its members to inform trustee recruitment, and shall consider plans to recruit to vacant positions to enhance this diversity.

The Board annually reviews and assesses its own performance and the performance of its sub-committees. The appraisal of the Chair is carried out by the Deputy Chair having gathered the views of other trustees.

The Board ensures conflicts of interest and duties are properly addressed and has drawn up a conflicts of interest policy and maintains a register of interests. At the start of each Board meeting all trustees are asked to confirm that they have no conflicts of interest in respect of St Michael's business.

Under company law we are required to identify the people with significant control (PSC) over the company and confirm their information, maintain a record and provide this information to Companies House annually. We, as a Board, have considered this requirement and do not believe that any Board member or member of staff has significant control over the organisation. Our PSC register reflects this position.

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 31 March 2022 was 8 (2021 – 12). The trustees are members of the charity but this entitles them only to voting rights. The trustees have no beneficial interest in the charity.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Appointment of trustees

The trustees give their time voluntarily. Trustees have been recruited by advertisement in the main and occasionally by word of mouth, as and when new appointments need to be made in accordance with a matrix of skills and experience that the board has agreed to be required. New trustees are inducted by way of personal briefings as required, an induction pack and the support of a more experienced trustee. All trustees are required to complete 'an introduction to safeguarding' and are given further opportunities for trustee training by attending relevant conferences and seminars. Trustees are appointed to the board by the existing trustees. The trustees are the members of the charitable company.

Remuneration policy for key management personnel

To deliver our charitable aims, St Michael's employs sufficient staff with the necessary skills and qualifications. We are committed to ensuring that we pay our staff a fair and appropriate salary that is within our means. This is so we can attract and retain people with the right skills and therefore have the greatest impact in delivering our objectives. We recognise that our rates of pay are generally less than in the private or public sector but we believe that the training and development we offer compensates along with a shared commitment to our charitable purpose. We utilise the National Joint Council pay scales for all staff and any overall change to the rates of pay or to the salaries of senior staff is made by the Board. The pension provisions for all staff regardless of seniority are the same. The remuneration ratio (highest paid versus the median salary) is 1.95:1 (2021 – 2.13:1). We do not pay less than the London Living wage.

Trustees' responsibilities statement

The trustees (who are also directors of St Michael's Fellowship for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the income and expenditure of the charity for that period.

In preparing these financial statements, the trustees are required to:

- ◆ Select suitable accounting policies and then apply them consistently;
- ◆ Observe the methods and principles in 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);
- ◆ Make judgements and estimates that are reasonable and prudent;
- ◆ State whether applicable United Kingdom 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 charity will continue in operation.

Trustees' report 31 March 2022

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

Each of the trustees confirms that:

- ◆ So far as the trustee is aware, there is no relevant audit information of which the charity's auditor is unaware; and
- ◆ The trustee has taken all the steps that he/she ought to have taken as a trustee in order to make himself/herself aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

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

The trustees' report has been approved by the trustees on 8 September 2022 and signed on their behalf by:

Chair



Philippa Owen

Independent auditor's report Year to 31 March 2022

Independent auditor's report to the members of St Michael's Fellowship

Opinion

We have audited the financial statements of St Michael's Fellowship (the 'charitable company') for the year ended 31 March 2022 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies, and the notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- ◆ give a true and fair view of the state of the charitable company's affairs as at 31 March 2022 and of its income and expenditure for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ◆ have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the 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 charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

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

Independent auditor's report Year to 31 March 2022

Other information (continued)

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.

Opinions on other matters 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, which is the directors' report for the purposes of company law, including the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ◆ the trustees' report, which is the directors' report for the purposes of company law, including the strategic report, has 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report, including the strategic 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 returns adequate for our audit have not been received from branches not visited by us; or
- ◆ the financial statements are not in agreement with the accounting records and returns; or
- ◆ certain disclosures of trustees' remuneration specified by law are not made; or
- ◆ we have not received all the information and explanations we require for our audit; or
- ◆ the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees 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.

Responsibilities of trustees (continued)

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:

How the audit was considered capable of detecting irregularities including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- ◆ the Senior Statutory Auditor ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- ◆ we identified the laws and regulations applicable to the charitable company through discussions with management, and from our knowledge and experience of the sector;
- ◆ we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charitable company, including the Charities Act 2011, Companies Act 2006, data protection legislation, anti-bribery, safeguarding, employment, health and safety legislation;
- ◆ we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- ◆ identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

Independent auditor's report Year to 31 March 2022

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

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- ◆ making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- ◆ considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- ◆ performed analytical procedures to identify any unusual or unexpected relationships;
- ◆ tested journal entries to identify unusual transactions;
- ◆ assessed whether judgements and assumptions made in determining the accounting estimates set out in the accounting policies were indicative of potential bias; and
- ◆ used data analytics to identify any significant or unusual transactions and identify the rationale for them.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- ◆ agreeing financial statement disclosures to underlying supporting documentation;
- ◆ reading the minutes of trustee meetings;
- ◆ enquiring of management as to actual and potential litigation and claims; and
- ◆ reviewing any available correspondence with HMRC and the company's legal advisors (although none was noted as being received by the charitable company).

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

Independent auditor's report Year to 31 March 2022

Use of our report

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



06 October 2022

Hugh Swainson (Senior Statutory Auditor)
For and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

Statement of financial activities Year to 31 March 2022
(including income and expenditure account)

	Notes	Restricted fund £	Unrestricted funds £	Total funds 2022 £	Restricted fund £	Unrestricted funds £	Total funds 2021 £
Income from:							
Donations	1	6,100	106,074	112,174	18,980	248,818	267,798
Interest receivable		—	264	264	—	1,032	1,032
Charitable activities:							
. Residential and community assessment	2a	—	1,486,139	1,486,139	2,000	1,253,193	1,255,193
. Community projects	2b	416,749	67,903	484,652	506,883	21,456	528,339
. Residents grants fund	13	1,918	—	1,918	4,000	—	4,000
Total income		424,767	1,660,380	2,085,147	531,863	1,524,499	2,056,362
Expenditure on:							
Raising funds		6,795	87,316	94,111	7,000	109,474	116,474
Charitable activities							
. Residential and community assessment		732	1,541,115	1,541,847	14,164	1,703,462	1,717,626
. Community projects		494,026	35,361	529,387	388,680	58,364	447,044
. Residents grants fund	13	1,362	—	1,362	4,135	—	4,135
Total expenditure	3	502,915	1,663,792	2,166,707	413,979	1,871,300	2,285,279
Net (expenditure) income before transfer	5	(78,148)	(3,412)	(81,560)	117,884	(346,801)	(228,917)
Transfers between funds	13	—	—	—	459	(459)	—
Net (expenditure) income and net movement in funds		(78,148)	(3,412)	(81,560)	118,343	(347,260)	(228,917)
Reconciliation of funds							
Fund balances brought forward at 1 April 2021		253,937	657,346	911,283	135,594	1,004,606	1,140,200
Fund balances carried forward at 31 March 2022	13	175,789	653,934	829,723	253,937	657,346	911,283

All of the above results are derived from material continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in note 13 to the financial statements.

Balance sheet 31 March 2022

	Notes	2022 £	2022 £	2021 £	2021 £
Fixed assets					
Tangible assets	9		10,568		22,225
Current assets					
Debtors	10	257,717		185,859	
Cash at bank and in hand		798,865		925,805	
		1,056,582		1,111,664	
Creditors: amounts falling due within one year	11	237,427		222,606	
Net current assets			819,155		889,058
Total net assets	12		829,723		911,283
Funds					
Restricted funds			175,789		253,937
Unrestricted funds					
. Designated funds			954		43,280
. General funds			652,980		614,066
Total funds	13		829,723		911,283

Approved by the trustees of St Michael's Fellowship, Company Registration Number 02914273 (England and Wales), 8 September 2022, and signed on their behalf by:

Philippa Owen

Chair

Philippa Owen

Statement of cash flows 31 March 2022

	Notes	2022 £	2021 £
Cash flows from operating activities:			
Net (expenditure) for the year (as per the financial statements)		(81,560)	(228,917)
Depreciation charges		7,303	8,542
Interest receivable		(264)	(1,032)
(Increase) decrease in debtors		(71,858)	122,670
Increase in creditors		14,821	59,540
Net cash (used in) operating activities		(131,558)	(39,197)
Cash flows from investing activities:			
Interest received		264	1,032
Purchase of fixed assets		—	(12,374)
Disposal of fixed assets		4,354	
Net cash provided by / (used in) investing activities		4,618	(11,342)
Change in cash and cash equivalents in the year		(126,940)	(50,539)
Cash and cash equivalents at the beginning of the year	A	925,805	976,344
Cash and cash equivalents at the end of the year	A	798,865	925,805

A Analysis of cash and cash equivalents

	2022 £	2021 £
Cash at bank and in hand	374,556	501,758
Notice deposits (less than three months)	424,309	424,047
Total cash and cash equivalents	798,865	925,805

Principal accounting policies 31 March 2022

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are laid out below.

Basis of preparation

These financial statements have been prepared for the year to 31 March 2022 with comparative information presented in respect of the year to 31 March 2021.

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these financial statements.

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (Charities SORP FRS 102) issued on 16 July 2014, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Companies Act 2006 and the Charities Act 2011.

The financial statements are presented in sterling and are rounded to the nearest pound.

Public benefit entity

The charitable company meets the definition of a public benefit entity under FRS 102.

Critical accounting estimates and areas of judgement

Preparation of the financial statements requires the trustees to make significant judgements and estimates.

The items in the financial statements where these judgements and estimates have been made include the estimation of the useful economic life of tangible fixed assets and the basis on which the support costs are allocated across the various categories of charitable expenditure.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

Going concern

The trustees have considered the impact of recovery following the coronavirus pandemic, including rebuilding service and occupancy levels, and the current challenges of staff recruitment in the sector. The trustees have also taken into account the operational actions taken, strength of liquidity and reserves, current levels of activity and operating forecasts.

The trustees have concluded that although there have been and may continue to be some negative consequences and continuing uncertainty, it is appropriate for the charity to continue to prepare its accounts on the going concern basis.

Income

Income is recognised in the period in which the charity has entitlement to the income, the amount of income can be measured reliably and it is probable that the income will be received. Income is deferred only when the charity has to fulfil conditions before becoming entitled to it or where the donor or funder has specified that the income is to be expended in a future accounting period.

Donations are received by way of donations and gifts and is usually included in full in the statement of financial activities when received. Donations received in respect of the London Marathon event are deferred until the Marathon has taken place.

Revenue grants are credited to the statement of financial activities when received or receivable whichever is earlier. Grants received that relate to a specific time period are deferred if it is outside the accounting period.

Coronavirus Job Retention Scheme grants are credited to the statement of financial activities when the charity has entitlement to the income and when the amount receivable has been quantified.

Fee and contract income is credited to the statement of financial activities in the period in which it is receivable and where any performance conditions attached to the income have been met. Any fee income received in advance of the financial period to which it relates is deferred and recognised in line with the period over which the related activity will be undertaken.

Donations of gifts, services and facilities

Donated professional services and donated facilities are recognised as income when the charity has received the service, any conditions associated with the donation have been met, and the economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), volunteer time is not recognised. Trustees give their time voluntarily.

On receipt, donated gifts, professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably; this is normally upon notification of the interest paid or payable by the bank.

Expenditure and irrecoverable VAT

Expenditure is recognised in the period in which they are incurred. Expenditure includes attributable VAT which cannot be recovered.

Expenditure on raising funds relate to the costs incurred by the charitable company in raising funds for the charitable work, as well as the cost of any activities with a fundraising purpose. Specifically, this includes the Bonds payable for the runners in the London Marathon.

Expenditure and irrecoverable VAT (continued)

Where information about the aims, objectives and projects of the charity is provided to potential beneficiaries, the costs associated with this publicity are allocated to charitable expenditure.

Where such information about the aims, objectives and projects of the charity is also provided to potential donors, activity costs are apportioned between fundraising and charitable activities on the basis of the area of literature occupied by each activity.

Expenditure is allocated to a particular activity where the cost relates directly to that activity.

Support costs for the overall direction and administration of each activity, comprising the salary and overhead cost of the central function, are apportioned on the following basis:

- ◆ Support costs are allocated and reported to community projects on the basis of the funding agreement but internally are budgeted and attributed on a full cost recovery basis.
- ◆ Remaining support costs are apportioned to the residential assessment centres based on the number of rooms available for residents in each house, which is an estimate of the amount attributable to each activity.

Note 4 shows how support costs have been re-allocated to the residential assessment centres and community projects.

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities. Governance costs have been apportioned across residential assessment centres and community projects based on the income ratios of each activity.

Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £2,000. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

House fixtures and fittings	10 years	(10%)
House equipment	4 years	(25%)
Head office leasehold	10 years	(10%)
Head office equipment – telephone system	10 years	(10%)
Head office equipment – equipment	4 years	(25%)

Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

Fund accounting

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are maintenance fees, grants, charges, donations and other incoming resources receivable or generated for the objects of the charity.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

The charity transfers funds from unrestricted funds to restricted funds where there has been higher expenditure in running a project than the funds provided. Transfers of funds also are made from general funds to designated funds in order to reach the specified target balances of the designated funds. No transfers are made out of restricted funds without written authority from the original funder.

Operating leases

Rentals payable under operating leases, where substantially all the risks and rewards of ownership remain with the lessor, are charged to the statement of financial activities in the year in which they fall due.

Pensions

The charitable company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charitable company in an independently administered fund. The pension cost charge represents contributions payable under the scheme by the charitable company to the fund. The charitable company has no liability under the scheme other than for the payment of those contributions.

Notes to the financial statements Year to 31 March 2022

1 Income from donations

	Restricted funds £	Unrestricted funds £	2022 Total funds £
London Marathon	—	8,529	8,529
Uxbridge Foundation	—	1,000	1,000
Dyers Company	—	1,000	1,000
Small Trust Appeal	—	3,100	3,100
Elizabeth & Prince Zaiger Trust	—	5,000	5,000
University of Sussex Graduate Internship	6,100	—	6,100
Invesco Cares Foundation	—	3,000	3,000
Shanley Foundation	—	2,000	2,000
Rest Harrow Trust	—	200	200
Jet Charitable Trust	—	500	500
Sir Jules Thorn Trust	—	1,500	1,500
Gift in kind	—	53,434	53,434
Other – CJRS furlough grants	—	10,950	10,950
Other donations	—	15,861	15,861
	6,100	106,074	112,174

	Restricted funds £	Unrestricted funds £	2021 Total funds £
<i>London Marathon</i>	—	5,753	5,753
<i>Uxbridge Foundation</i>	—	1,000	1,000
<i>Dyers Company</i>	—	1,000	1,000
<i>Small Trust Appeal</i>	—	1,550	1,550
<i>Rathbone Redfern</i>	—	1,000	1,000
<i>University of Sussex Graduate Internship</i>	7,000	—	7,000
<i>City of London – Emergency Grants</i>	—	80,927	80,927
<i>Invesco Cares Foundation</i>	—	3,000	3,000
<i>London & Quadrant Housing Trust</i>	9,980	—	9,980
<i>Fishmongers</i>	—	4,000	4,000
<i>Julia and Hans Rausing Trust</i>	—	50,157	50,157
<i>Jet Charitable Trust</i>	—	1,000	1,000
<i>KPMG Foundation</i>	—	9,500	9,500
<i>Tudor Trust - Wellbeing</i>	2,000	—	2,000
<i>Sir Jules Thorn Trust</i>	—	1,250	1,250
<i>Gift in kind</i>	—	58,232	58,232
<i>Other – CJRS furlough grants</i>	—	8,223	8,223
<i>Other donations</i>	—	22,226	22,226
	18,980	248,818	267,798

Notes to the financial statements Year to 31 March 2022

2 Income from charitable activities

a. Residential and community assessment

	Restricted funds £	Unrestricted funds £	2022 Total funds £
General fees	—	1,416,849	1,416,849
Parental support	—	34,058	34,058
Supporting people	—	12,946	12,946
Charges	—	4,102	4,102
Other – rates relief	—	4,557	4,557
Other – CJRS furlough grants	—	13,627	13,627
	—	1,486,139	1,486,139

	Restricted funds £	Unrestricted funds £	2021 Total funds £
General fees	—	1,215,358	1,215,358
Parental support	—	8,050	8,050
Supporting people	—	12,832	12,832
Charges	—	5,016	5,016
ASYE Department for Education	2,000	—	2,000
Other – CJRS furlough grants	—	11,937	11,937
	2,000	1,253,193	1,255,193

b. Community projects

	Restricted funds £	Unrestricted funds £	2022 Total funds £
Lambeth Outreach Young Parents	150,000	—	150,000
Lambeth other	838	—	838
National Children's Bureau	800	—	800
City Bridge Trust	47,650	—	47,650
Segelman Trust	30,000	—	30,000
Caring Dads Programmes	—	66,385	66,385
National Lottery Community Fund	36,972	—	36,972
Pilgrim Trust	15,000	—	15,000
Comic Relief	57,200	—	57,200
Dep't of Health and Social Care	75,539	—	75,539
Other – CJRS furlough grants	—	1,233	1,233
Other	2,750	285	3,035
	416,749	67,903	484,652

Notes to the financial statements Year to 31 March 2022

2 Income from charitable activities (continued)

b. Community projects (continued)

	Restricted funds £	Unrestricted funds £	2021 Total funds £
<i>Lambeth Outreach Young Parents</i>	150,000	—	150,000
<i>National Children's Bureau</i>	1,000	—	1,000
<i>City Bridge Trust</i>	46,675	—	46,675
<i>Segelman Trust</i>	30,000	—	30,000
<i>St James' Place Foundation</i>	64,588	—	64,588
<i>Caring Dads Programmes</i>	—	12,529	12,529
<i>National Lottery Community Fund</i>	75,614	—	75,614
<i>KPMG Foundation</i>	15,500	—	15,500
<i>Tudor Trust</i>	10,000	—	10,000
<i>Comic Relief</i>	28,783	—	28,783
<i>Dep't of Health and Social Care</i>	82,053	—	82,053
<i>Other – CJRS furlough grants</i>	---	8,927	8,927
<i>Other</i>	2,670	---	2,670
	506,883	21,456	528,339

3 Total expenditure

	Costs of raising funds £	Residential and community assessment £	Community projects £	Residents grants fund £	Governance costs £	Support costs £	2022 Total £
Staff costs (note 6)	10,619	1,071,960	407,442	—	15	246,729	1,736,765
Premises costs	—	26,998	—	—	—	62,296	89,294
Maintenance	—	25,596	188	—	—	3,138	28,922
Insurance	—	—	—	—	—	15,718	15,718
Professional fees	36	5,739	43,200	—	26	9,252	58,253
Housing association charges	—	78,487	—	—	—	—	78,487
Communications and stationery	2,175	34,856	6,387	—	—	19,423	62,841
Publicity	4,956	—	201	—	—	177	5,334
Residents' welfare	—	1,636	9,817	1,362	—	—	12,815
Depreciation	—	2,595	—	—	—	4,708	7,303
Audit and accountancy	—	—	—	—	14,520	—	14,520
Travel	829	2,734	2,243	—	—	195	6,001
Sundry expenses	50,454	—	—	—	—	—	50,454
Total expenditure	69,069	1,250,601	469,477	1,362	14,561	361,637	2,166,707
Reallocation of support costs (note 4)	23,177	265,129	50,583	—	22,748	(361,637)	—
Reallocation of governance costs	1,865	26,117	9,327	—	(37,309)	—	—
Total expenditure	94,111	1,541,847	529,387	1,362	—	—	2,166,707

Notes to the financial statements Year to 31 March 2022

3 Total expenditure (continued)

	Costs of raising funds £	Residential and community assessment £	Community projects £	Residents grants fund £	Governance costs £	Support costs £	2021 Total £
Staff costs (note 6)	26,922	1,188,116	377,528	—	15	242,802	1,835,383
Premises costs	—	58,047	—	—	—	52,319	110,366
Maintenance	290	27,149	380	—	—	5,535	33,354
Insurance	—	—	—	—	—	16,465	16,465
Professional fees	—	9,403	—	—	660	3,187	13,250
Housing association charges	—	88,846	—	—	—	—	88,846
Communications and stationery	2,825	45,568	4,580	—	65	2,512	55,550
Publicity	4,965	—	—	4,135	—	25,545	34,645
Residents' welfare	—	3,585	10,966	—	—	620	15,171
Depreciation	—	3,833	—	—	—	644	4,477
Audit and accountancy	—	—	—	—	11,100	—	11,100
Travel	—	2,230	5,653	—	—	4,127	12,010
Sundry expenses	54,662	—	—	—	—	—	54,662
Total expenditure	89,664	1,426,777	399,107	4,135	11,840	353,756	2,285,279
Reallocation of support costs (note 4)	23,607	267,716	38,684	—	23,749	(353,756)	—
Reallocation of governance costs	3,203	23,133	9,253	—	(35,589)	—	—
Total expenditure	116,474	1,717,626	447,044	4,135	—	—	2,285,279

4 Support costs

	Costs of raising funds £	Residential and community assessment £	Community projects £	Governance £	2022 Total £
Head office staff	10,208	213,773	1,863	20,885	246,729
Premises costs	7,585	24,031	29,591	1,089	62,296
Maintenance	382	1,211	1,491	55	3,139
Insurance	1,914	6,063	7,466	275	15,718
Professional fees	—	9,252	—	—	9,252
Communications and stationery	2,515	8,611	7,936	361	19,423
Publicity	—	177	—	—	177
Depreciation	573	1,816	2,236	83	4,708
Travel	—	195	—	—	195
Total	23,177	265,129	50,583	22,748	361,637

Notes to the financial statements Year to 31 March 2022

4 Support costs (continued)

	Costs of raising funds £	Residential and community assessment £	Community projects £	Governance £	2021 Total £
Head office staff	11,908	207,681	1,242	21,971	242,802
Premises costs	6,457	24,214	20,666	982	52,319
Maintenance	101	5,095	324	15	5,535
Insurance	2,032	7,620	6,504	309	16,465
Professional fees	—	3,187	—	—	3,187
Communications and stationery	2,512	—	—	—	2,512
Publicity	15	17,107	8,041	382	25,545
Residents' welfare	—	571	47	2	620
Depreciation	582	62	—	—	644
Travel	—	2,179	1,860	88	4,127
	23,607	267,716	38,684	23,749	353,756

5 Net income(expenditure) for the year

	2022 £	2021 £
Depreciation	7,303	8,542
Auditor's remuneration		
. Audit	10,250	9,750
Operating lease rentals		
. Equipment	15,761	35,366
. Property	131,726	136,539

6 Analysis of staff costs, cost of key management personnel, and trustee remuneration and expenses

Staff costs were as follows:

	2022 £	2021 £
Salaries and wages	1,119,435	1,257,281
Social security costs	145,664	151,127
Employer's contribution to defined contribution pension schemes	84,464	89,292
Sessional staff	336,007	292,342
Agency staff	21,121	20,601
Other staff costs	30,074	24,740
	1,736,765	1,835,383

1 employee earned between £70,000-£80,000 (2021: 1 employee between £70,000-£80,000)

The total employee benefits including employer's pension contributions and national insurance of the key management personnel were £186,146 (2021: £184,628).

6 Analysis of staff costs, cost of key management personnel, and trustee remuneration and expenses (continued)

The charity trustees were not paid nor received any other benefits from employment with the charity in the year (2021: £nil). No charity trustee received payment for professional or other services supplied to the charity (2021: £nil).

No trustees' expenses (2021: none) were incurred by members relating to attendance at meetings of the trustees.

The average number of employees, including sessional staff, employed during the year was as follows:

	Headcount (number of staff employed)		Full-time equivalent	
	2022 No.	2021 No.	2022 No.	2021 No.
Social and care workers	52.30	56.60	38.38	35.85
Management	10.00	9.80	6.50	6.48
	62.30	66.40	41.88	42.33

7 Related party transactions

There are no related party transactions to disclose for 2022 (2021: none).

Aggregate donations from related parties were £912 (2021: £563), all of which arise in the normal course of business.

8 Taxation

The charitable company is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

9 Tangible fixed assets

	Leasehold improvements £	Head office equipment £	House fixtures and fittings £	House equipment £	Total £
Cost					
At the start of the year	94,687	62,623	23,226	38,282	218,818
Disposals during the year	—	—	(11,934)	(4,371)	(16,305)
At the end of the year	94,687	62,623	11,292	33,911	202,513
Depreciation					
At the start of the year	94,687	50,112	17,125	34,669	196,593
Charge for the year	—	4,708	788	1,807	7,303
On disposals	—	—	(7,860)	(4,091)	(11,951)
At the end of the year	94,687	54,820	10,053	32,385	191,945
Net book value					
At the end of the year	—	7,803	1,239	1,526	10,568
At the start of the year	—	12,511	6,101	3,613	22,225

All of the above assets are used for charitable purposes.

Notes to the financial statements Year to 31 March 2022

10 Debtors

	2022 £	2021 £
Trade debtors receivable	195,717	152,927
Other debtors	276	30
Prepayments and accrued income	61,724	32,902
	257,717	185,859

11 Creditors: amounts falling due within one year

	2022 £	2021 £
Trade creditors	34,096	22,606
Taxation and social security	35,535	44,018
Deferred income	36,850	—
Accruals	72,501	95,236
Other creditors	58,445	60,746
	237,427	222,606

Deferred income relates to a grant received in advance and the 2022 marathon. There is no such equivalent in 2021.

12 Analysis of net assets between funds

	General unrestricted £	Designated funds £	Restricted funds £	2022 Total funds £
Tangible fixed assets	9,588	—	980	10,568
Net current assets	643,392	954	174,809	819,155
Net assets at 31 March 2022	652,980	954	175,789	829,723

	General unrestricted £	Designated funds £	Restricted funds £	2021 Total funds £
Tangible fixed assets	21,040	—	1,185	22,225
Net current assets	593,026	43,280	252,752	889,058
Net assets at 31 March 2021	614,066	43,280	253,937	911,283

Restricted Funds: Fixed assets with a net book value of £980 have been purchased with restricted funds (2021: £1,185). This comprises the balance of the Capital Appeal for replacement carpet at one of the residential units which is being depreciated over 10 years.

Notes to the financial statements Year to 31 March 2022

13 Movement in funds

	At 1 April 2021 £	Income and gains £	Expenditure and losses £	Transfers £	At 31 March 2022 £
Restricted funds:					
Lambeth Outreach Young Parents	—	150,000	(150,000)	—	—
Lambeth Public Health	13,061	—	(460)	—	12,601
DWP Caring Dads	1,500	—	(1,500)	—	—
City of London, City Bridge Trust	—	47,650	(47,650)	—	—
National Children's Bureau	475	800	(630)	—	645
CWDC	12,391	—	(525)	—	11,866
ASYE Dept. for Education	483	—	—	—	483
Foyle Foundation	9,032	—	(42)	—	8,990
Residents grants fund	2,612	1,918	(1,362)	—	3,168
Elizabeth & Prince Zaiger Trust – Capital	1,067	—	(206)	—	861
Summer Trips Appeal	853	908	(1,025)	—	736
University of Sussex Grad. Internship	—	6,100	(6,100)	—	—
Capital Appeal	118	—	—	—	118
Tudor Trust – Wellbeing	2,000	—	(695)	—	1,305
National Lottery Community Fund	28,111	36,972	(39,297)	—	25,786
Securing Change Appeal	424	180	(180)	—	424
Elizabeth & Prince Zaiger Trust	2,357	—	(1,423)	—	934
Philip King Charitable Trust	9,532	—	(5,755)	—	3,777
Segelman Trust	—	30,000	(29,217)	—	783
St James' Place Foundation	48,441	—	(48,441)	—	—
KPMG Foundation	5,549	—	(3,350)	—	2,199
Tudor Trust – Securing Change	13,724	—	(8,286)	—	5,438
Pilgrim Trust	7,734	15,000	(13,727)	—	9,007
Comic Relief	17,974	57,200	(61,253)	—	13,921
Dep't of Health & Social Care	76,499	75,539	(79,291)	—	72,747
CAFCASS	—	2,500	(2,500)	—	—
Total restricted funds	253,937	424,767	(502,915)	—	175,789
Unrestricted funds:					
Designated funds:					
. Development fund	43,280	—	(42,326)	—	954
Total designated funds	43,280	—	(42,326)	—	954
General funds	614,066	1,660,380	(1,621,466)	—	652,980
Total unrestricted funds	657,346	1,660,380	(1,663,792)	—	653,934
Total funds including pension fund	911,283	2,085,147	(2,166,707)	—	829,723

The narrative to explain the purpose of each fund is given at the foot of the note below.

Notes to the financial statements Year to 31 March 2022

13 Movement in funds (continued)

	At 1 April 2020 £	Income and gains £	Expenditure and losses £	Transfers £	At 31 March 2021 £
<i>Restricted funds:</i>					
Lambeth Outreach Young Parents	—	150,000	(150,459)	459	—
Lambeth Public Health	14,317	—	(1,256)	—	13,061
DWP Caring Dads	1,500	—	—	—	1,500
City of London, City Bridge Trust	—	46,675	(46,675)	—	—
National Children's Bureau	—	1,000	(525)	—	475
CWDC	14,554	—	(2,163)	—	12,391
ASYE Dept. for Education	298	2,000	(1,815)	—	483
Foyle Foundation	9,051	—	(19)	—	9,032
Residents grants fund	2,747	4,000	(4,135)	—	2,612
Elizabeth & Prince Zaiger Trust – Capital	1,273	—	(206)	—	1,067
Summer Trips Appeal	853	—	—	—	853
University of Sussex Grad. Internship	—	7,000	(7,000)	—	—
Capital Appeal	118	—	—	—	118
The Fence Club – 5-a-day	47	—	(47)	—	—
Tudor Trust – Wellbeing	—	2,000	—	—	2,000
London & Quadrant Housing Trust	—	9,980	(9,980)	—	—
National Lottery Community Fund	2,704	75,614	(50,207)	—	28,111
Securing Change Appeal	633	—	(209)	—	424
Elizabeth & Prince Zaiger Trust	3,521	—	(1,164)	—	2,357
Philip King Charitable Trust	14,233	—	(4,701)	—	9,532
Segelman Trust	—	30,000	(30,000)	—	—
St James' Place Foundation	47,492	64,588	(63,639)	—	48,441
KPMG Foundation	341	15,500	(10,292)	—	5,549
Tudor Trust – Securing Change	10,364	10,000	(6,640)	—	13,724
Pilgrim Trust	11,548	—	(3,814)	—	7,734
Comic Relief	—	28,783	(10,809)	—	17,974
Dep't of Health & Social Care	—	82,053	(5,554)	—	76,499
CAFCASS	—	2,670	(2,670)	—	—
Total restricted funds	135,594	531,863	(413,979)	459	253,937
<i>Unrestricted funds:</i>					
<i>Designated funds:</i>					
. Operational contingency fund	672,174	—	—	(672,174)	—
. Development fund	72,790	—	(29,510)	—	43,280
Total designated funds	744,964	—	(29,510)	(672,174)	43,280
General funds	259,642	1,524,499	(1,841,790)	671,715	614,066
Total unrestricted funds	1,004,606	1,524,499	(1,871,300)	(459)	657,346
Total funds including pension fund	1,140,200	2,056,362	(2,285,279)	—	911,283

A transfer has been made from the Operational Contingency Fund to the General Reserve to repurpose funds no longer required to be separately designated, in accordance with the Reserves Policy.

13 Movement in funds (continued)

Purposes of restricted funds

Lambeth Outreach Young Parents

The fund supports delivery of services in the community to young mothers and fathers, up to age of 24 years.

Lambeth Public Health

To enable St Michael's to support the prevention of unintentional injuries in children aged 0 - 5 by funding the supply of home safety equipment and education.

DWP Caring Dads Programme

This fund supports the continued delivery of Caring Dads to young fathers and the development of materials encouraging co-parenting.

City of London, City Bridge Trust

This fund is to support the delivery of services in the community to young mothers and fathers.

National Children's Bureau (LEAP)

This fund is to support parents' groups in the LEAP areas, through the REAL programme (Raising Early Achievement in Literacy).

The Children's Workforce Development Council (CWDC)

Funds to enable St Michael's to support the development of newly qualified social workers within the organisation.

Assessed and Supported Year in Employment (ASYE) Dept. for Education

To support newly qualified social workers in their first year of employment.

Foyle Foundation

A grant to support and teach literacy and numeracy across all our services.

Residents grants fund

This fund includes amounts received from various organisations including Housing the Homeless, for specific equipment and other purchases for some of the families as they move to new accommodation. The carried forward funds will be spent in the following year. These funds continue to be segregated in a separate bank account.

Elizabeth & Prince Zaiger Trust - Capital

To support the Capital Appeal to replace furniture, carpets, equipment and toys in St Michael's.

Summer trips Appeal

To fund summer activities for the families with whom we work.

13 Movement in funds (continued)

Purposes of restricted funds (continued)

University of Sussex Graduate Internship

Scheme to pay for the employment of a University of Sussex graduate and an undergraduate, to support the fundraising function for 10 weeks.

Capital Appeal

To support the replacement of furniture, carpets, equipment in the Residential Schemes and at Head Office.

Tudor Trust – Wellbeing

To support the wellbeing of St Michael's staff.

London & Quadrant Housing Trust

This fund is to support the changes in operations and increase in digitisation during the Covid-19 pandemic.

National Lottery Community Fund

This funding supports the Securing Change project, to develop an intensive service of support for parents who leave St Michael's with or without their child.

Securing Change Appeal

To contribute to the costs of providing an intensive service of one to one and group support for parents who leave St Michael's with or without their child.

Elizabeth & Prince Zaiger Trust

To support the Securing Change project (as above).

Philip King Charitable Trust

This funding also supports the Securing Change project (as above).

Segelman Trust

This fund is to support the delivery of community and outreach services for expectant and young parents.

St James Place Foundation

Funding for the post of Outreach Manager, with responsibility for leading a team of skilled practitioners across all areas of Outreach work with young parents.

KPMG Foundation

Funding to support the evaluation of the Securing Change project (as above).

Tudor Trust

To support the Securing Change project (as above).

Notes to the financial statements Year to 31 March 2022

13 Movement in funds (continued)

Purposes of restricted funds (continued)

Pilgrim Trust

To support the Securing Change project (as above).

Comic Relief

Funding for a Young Fathers' practitioner, working with young fathers across Lambeth.

Department of Health & Social Care

Funding for work with young fathers in the community, including partnership with other Lambeth agencies, through the Starting Well project.

CAFCASS

Funding to assist with the provision of supported contact services to children and families.

Purposes of designated funds

Operational contingency fund

This fund was previously designated to reflect the risk to which St Michael's is exposed through spot-purchased services. The reserves policy was reviewed in 2021, with the trustees' assessment that this designated fund is no longer required. Funds have been transferred to the General Fund. The reserves policy is set out in the trustees' report accompanying these accounts.

Development fund

The development fund was set up to hold monies designated for expenditure on existing and new work subject to the case-by-case approval of the trustees, as set out in the trustees' report.

14 Operating lease commitments

The charity's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods:

	Equipment		Property	
	2022 £	2021 £	2022 £	2021 £
Less than one year	15,761	15,761	85,579	93,744
One to five years	7,880	23,641	101,250	146,250
	23,641	39,402	186,829	239,994

15 Contingent assets or liabilities

At the balance sheet date, the charity has no contingent assets or liabilities (2021: £nil).

16 Legal status of the charity

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.