

**MICHAEL HOUSE ASSOCIATION LIMITED
A STEINER WALDORF SCHOOL**

A COMPANY LIMITED BY GUARANTEE

**TRUSTEES REPORT
AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED
31ST AUGUST 2016**

**COMPANY NUMBER 515882
CHARITY NUMBER 527187**

**SLANEY & CO
CHARTERED ACCOUNTANTS
26 ST JOHN STREET
MANSFIELD
NG18 1QJ**

**FINANCIAL STATEMENTS FOR THE YEAR ENDED
31ST AUGUST 2016**

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MICHAEL HOUSE ASSOCIATION LIMITED

TRUSTEES ANNUAL REPORT 2015-2016

The Trustees, who are also directors for the purposes of Company Law, present their report and the audited financial statements of the charity for the year ended 31st August 2016.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Charity name	Michael House Association Limited
Charity registration number	527187
Company registration number	515882
Principal & registered office	The Field, Shipley, Derbyshire, DE75 7JH

TRUSTEES

M. J. Conroy (appointed 12th December 2016)
I. M. Duffy (appointed 17th June 2016)
A. D. Featherstone (appointed 10th December 2013, resigned 24th March 2016)
N. R. Gamble (appointed 17th June 2013, resigned 12th October 2016)
S. C. Holbrook (appointed 11th December 2014, resigned 24th November 2015)
J. R. Shaw (appointed 24th November 2015)
R. A. Sisson (appointed 26th April 2016)
J. A. Tipper (appointed 23rd March 2016)

ACCOUNTANTS / INDEPENDENT EXAMINERS

Slaney & C^o. Chartered Accountants
26 St. John Street,
Mansfield,
Nottingham
NG18 1QJ

BANKERS

HSBC Bank plc
63 Bath Street
Ilkeston
Derby
DE7 8DD

The Co-operative Bank plc
PO Box 250
Delf House
Southway
Skelmersdale
WN8 6WT

STRUCTURE, GOVERNANCE & MANAGEMENT

ASSOCIATIVE LEADERSHIP (SEPTEMBER 2015 – EASTER 2016)

At the start of the year the school was managed and governed following an Associative Leadership management model, which is set out in The Michael House School Constitution (Version 2.0 dated 9th January 2012).

Management of the School was vested in the School Management Team (SMT), responsibility being delegated from the School Governance Team (Trustees of Michael House Association Limited). The SMT was accountable to the School Governance Team. School Support Teams were accountable to the SMT, with responsibility for specific areas of operation. All decisions are made and major risks were reviewed and managed by these teams or passed towards the School Governance Team through the SMT. Final responsibility rests with the School Governance Team.

The Board of Trustees (the Board) is an elected body responsible for the legal and financial workings of the Michael House Association Limited, and hence the school, in accordance with the principles set out by the Charity Commission. It is responsible for ensuring effective governance is applied in the operation of the school. It has responsibility for finance, development and management of assets and is also responsible for ensuring that the operation of Michael House Association Limited complies with legislative requirements.

As a Steiner Waldorf School, Michael House also has a Collegiate which has delegated responsibility for pedagogical matters and direct responsibility for the appointment of members to the SMT. Within this method, Collegiate would in normal practice make recommendations to the Board through SMT which is responsible for managing the school. Any proposals will be considered by the Board in consultation and with regard for development plans and Ethos & Culture. The Governance Team holds the SMT accountable for teaching and learning outcomes.

RESTRUCTURING (EASTER 2016 – AUGUST 2016)

The school finances maintained the deterioration experienced in the preceding year. Concerns about the school's future and the need for strong leadership led to falling morale, both amongst teaching staff and parents. It was also becoming increasingly apparent that the school would not survive without measures being taken to address its growing deficit.

A number of parents and teachers got together during the Easter holidays with the express aim of helping to take the school out of its financial distress and securing a sustainable future. The group, which became known as the Recovery Group, felt that the Associative Leadership model was not working and proposed that Ron Waddell should be approached to take on the task of developing a School Improvement Plan. The requirements of the Plan were that it should propose costed options regarding funding and finances as well as a new management model..

This proposal was taken to the trustee body, who themselves were becoming increasingly aware of the shortcomings of Associative Leadership. Ron Waddell was duly appointed, initially on a voluntary basis but with the prospect also of a future paid management role. Throughout the summer term, a number of Open Meetings were held with the whole school community to keep them informed of developments.

A parent donor agreed to meet the school's financial shortfall throughout this period whilst the School Improvement Plan was being developed.

At the end of the financial year, the School Improvement Plan was almost complete. It was delivered to the trustee body a week later in September.

POST BALANCE SHEET EVENTS (SEPTEMBER 2016 – DECEMBER 2016)

The School Improvement Plan was further fleshed out into a Business Plan which set out financial projections for the following year, a series of actions to be undertaken and calculated further funding required from the donor.

The proposed new structure defines a new post of School Manager with the School Management Team to be disbanded. The School Manager takes the lead role in strategic decision making within the school, fund-raising, business development opportunities and parent liaison. He is present at all collegiate meetings and is directly accountable to the trustees.

In October 2016, the School Improvement Plan and Business Plan were agreed at a joint meeting by trustees and collegiate. Following this decision, the parent donor agreed to continue funding the school.

The new constitution was rewritten (version 4.0) on 6 December 2016 and the post of School Manager was advertised. Ron Waddell was appointed as School Manager at the end of December 2016.

OBJECTIVES & ACTIVITIES

In line with the Memorandum of Association, the principal activity during the year continued to be to provide for and conduct the education of children in line with the principles and methods enunciated by Rudolf Steiner.

SCHOOL ACTIVITIES

The School opened for its eighty-first year on 7th September 2015, after the usual effort by staff and parents to prepare the school for another academic year. As always, the school received support from the Steiner Waldorf Schools Fellowship whose advice and guidance is always welcome.

The Michaelmas festival at the end of September was as usual celebrated throughout the school.

The annual Martinmas Lantern Walk for children up to Class 5 took place during November attended by many pupils, parents and staff.

The Festival of Work took place on 21st November which celebrated the diverse hard work and talents of all classes throughout the school. The Advent Fair was held on the 5th December and this year had a gingerbread house theme including a competition for the best house. This fair remains one of the high points in the school calendar for raising funds for the school and welcoming new visitors from the local community.

An Open Mic and Supper Night was held on 11th December and the Christmas term finished as usual with the traditional Christmas plays from Oberufer with the Shepherds play including entertaining shepherds performed by class 10 pupils.

The Association Annual General meeting was held on 17th December 2015.

Easter term began on 11th January. On the 4th March, class 8 organised a Cabaret night to raise funds for their trip to Scotland.

A flood of new volunteers heeded the call to revitalise the Publicity and Fundraising Group and attended the meeting on 8th February. This led the way to a raft of improvements in publicity which were implemented over the following months such as improved fliers, brochures and the news feed service which keeps the school community updated via email.

On 9th April, the school hosted a talk by Marjatta van Boeschoten, the General Secretary of the Anthroposophical Society in Great Britain, where she talked about Rudolf Steiner's visits to London.

A new gardening group was formed and had their first session on 25th April, the first of regular sessions to improve the grounds of Michael House and on the 29th April class 10 organised a Dinner and Music fundraising evening.

In June, class 8 presented their play 'Jungle Book' by Rudyard Kipling before departing on their trip to Scotland.

On the 13th June, Ron Waddell presented his first draft of the School Improvement Plan at an open meeting. This was well attended and was an opportunity for families and to hear how the school intends to tackle its ongoing financial problems.

The Greek Olympics held annually at Michael Hall for Class 5, is something of a rite of passage for Class 5 children and a highlight of the year for UK Steiner schools. This year the event was cancelled with little notice due to localised flooding however a hugely successful and popular Olympics event was pulled together at the last minute and hosted by Wynstones School, the Steiner school in Gloucester.

The last Festival of Work for the 2015-16 year was held on 9th July, celebrating the achievements of pupils across the school and bringing the whole community together. Term ended on Friday 15th July.

GCSE examinations were taken by Class 10 pupils in a range of subject areas.

At year end of the year, the staff compliment numbered 32. The school said goodbye to Hester Machin, Ian Black, Sigrid Black, Heidi Pawlus and Gwen Tresidder. Their contributions to the school over many years have been invaluable and they will be sadly missed.

Community work days continued throughout the year bringing repairs, improvements and enhancements to the school. These days continue to provide valuable support to the school.

DEVELOPMENT ACTIVITIES

This year was significant in that after several years of hard effort it became apparent that the Associative Leadership model was not working well for the school. As discussed above, the school moved towards adopting a School Manager as a single point of accountability for ensuring the school meets its educational, safety, financial and statutory requirements.

The Collegiate, a staff body, ensures that the Steiner Waldorf ethos remains at the heart of all school activity. Effective running of the school cannot be achieved without the active support of other groups established across the school, including parents from the wider community. The School Manager is not a member of the teaching staff but attends all Collegiate meetings to offer support and guidance.

The Council of Management supports these development activities and the running the school.

PERFORMANCE

The school achieved a lower proportion of GCSE Grades A* - C than the average across England

Year	N° of Eligible Students	% achieving 5 or more GCSE Grades A*-C (including Maths & English)	All England % achieving 5 or more GCSE Grades A*-C (including Maths & English)
2010	6	83%	53%
2011	9	67%	58%
2012	11	91%	59.4%
2013	10	60%	58.6%
2014	12	75%	53.4%
2015	9	67%	64.9%
2016	9	22%	66.9%

Note that from 2016 onwards, the government is introducing 'Progress 8' and 'Attainment 8' as measures for the school's performance. The figures above for 2016 have been calculated for comparison with previous years.

FINANCIAL REVIEW

The financial position of the Association is shown in the accompanying Statement of Accounts and Notes.

The £53,114 increase in 2015-2016 income from the previous year is attributable to £39,551 more in donations (2014-2015: £9,458; 2015-2016: £49,009) and an increase of £15,482 in fee income from charitable activity being offset by a reduction £1,912 in fund raising activity

Income from fund raising activity, based on exact figures (2015: £11,913; 2016: £10,001) was 16% down on the previous year.

The significant increase in voluntary donations is attributable in the main to a single parent benefactor, who around the Easter holidays, offered to meet the school's financial debts and financial obligations for the rest of the year. The benefactor has also agreed to continue their financial support for the in the year 2016-2017 without which the school could not continue to operate. The school's profitability should continue to improve and the trustees have confidence that by the year 2017-2018, the school should operate at a small surplus, thereby reducing the reliance on donations from this one individual.

In summary, operation resulted in a net profit of £13,246 which includes depreciation at £13,370 and loan interest of £6,089.

PUBLIC BENEFIT

The Trustees of Michael House Association Limited confirm that due regard has been paid to the Charity Commission's guidance on public benefit in deciding to undertake the above and all other activities this year. These activities support the Association's stated aim of providing Steiner education for children.

Throughout the year, the Association has sought to provide a Steiner education to as wide a range of children as possible regardless of their family's financial circumstances so providing as much benefit as possible within the constraints of the resources available. This continues to be illustrated by the number of children for whom have assisted fees.

However, the current financial difficulties demonstrate that it would be even less sustainable than before for the school to now provide a greater number of assisted places or reduce its standard fees from the current levels.

The Trustees support the active promotion of use of the school's facilities for public benefit, which has resulted in some hires of the school hall.

The Trustees consider that these factors demonstrate that the opportunity to benefit from the education provided under the aims of the Association is not unreasonably restricted, given the financial resources available to the Association.

PLANS FOR FUTURE PERIODS

The foci for the academic year 2016 – 2017 will include:

- Complete restructuring the school from Associative Leadership model to one centred on the School Manager;
- Recruitment of a School Manager and implementation of the School Improvement Plan
- Continuation of the program to raise pupil numbers and develop a strategy to ensure future sustainability;
- Continuation of the program to raise funds through other means, including Friends of Michael House School and a Crowd-funding video;
- Strengthening of the school's Collegiate body.
- Continuation of the extension of professional development opportunities for all staff.

RESERVES POLICIES

Total reserves, as at 31st August 2016, were £212,681 being the value of tangible assets & cash in the bank after application of future debts to be repaid to, and future credits to be paid out by the Association.

Fixed (tangible) assets were £204,690 (historic cost £571,088 less depreciation of £196,035 a net value of £375,053 less secured mortgage of £170,363); the investment at cost of £3,701 together with £16,598 held as cash and funds at the bank. Debts owed to the Association (£22,687) less credits to be paid out (£36,878) left £12,308 net credits owed by the Association. The aggregate of these four amounts gives the total reserves figure of £212,681.

Reserves are required to provide contingency ensuring continuation of current activities together with enabling development towards medium and long term aims (current operation taking priority).

It is the aim of our reserves policy that the school's cash reserves should, ideally be equal to one term's running costs. As part of our plans for improving the sustainability of the school, we aim to rebuild our reserves over a number of years, to a level that will provide appropriate funds, suitable for supporting the operation of the school over one whole term.

RESPONSIBILITIES OF TRUSTEES

The Trustees (who are also directors of Michael House Association Limited for the purposes of company law) are responsible for preparing the Trustees Annual 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 are a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and apply them consistently;
- Observe the methods and principles of the Charities SORP;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation;
- Comply with the duty of Section 4 of the Charities Act 2006 to have due regard to public benefit guidance published by the Charity Commission.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. The Trustees are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT EXAMINERS

Messrs. Slaney & Co. will continue in office as Independent Examiners for the ensuing year.

SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the special provisions relating to companies subject to the small companies regime within part 15 of the Companies Act 2006.

Registered Office:

Signed

The Field

Shipley

Derbyshire

DE757JH

I Duffy

R Shaw

.....
Ian Duffy
(Chair of Trustees)
26 May 2017

.....
Richard Shaw
(Trustee)
26 May 2017

Independent examiner's report to the trustees of Michael House Association Limited

I report on the accounts of the Charitable Company for the year ended 31st August 2016, which are set out on pages 12 to 19.

Respective responsibilities of trustees and examiner

The charity's trustees (who are also directors of the company for the purposes of company law) are responsible for the preparation of the accounts. The charity's trustees consider that an audit is not required for this year under section 144 of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.

Having been satisfied that the charity is not subject to audit under company law and is eligible for independent examination it is my responsibility to:

- examine the accounts under section 145 of the 2011 Act
- to follow the procedures laid down in the General Directions given by the Charity Commission under section 145(5) of the 2011 Act and
- to state whether particular matters have come to my attention.

Basis of independent examiner's report

My examination was carried out in accordance with the General Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statement below.

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

(1) which gives me reasonable cause to believe that in any material respect the requirements:

- to keep accounting records in accordance with s386 of the Companies Act 2006; and
- to prepare accounts which accord with the accounting records and comply with the accounting requirements of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities (revised 2005) (SORP 2005) have not been met or;

(2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Name of principal: Mr C G H Jubb

Name of firm: Slaney & Co.

Relevant professional qualification or body: Chartered Accountant (ICAEW)

Address: 26 St John Street, Mansfield, Notts, NG18 1QJ

Date: 27th May 2017

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**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING THE
INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED
31ST AUGUST 2016**

	Notes	Unrestricted Funds £	Restricted Funds £	Total Funds 2016 £	Total Funds 2015 £
INCOMING RESOURCES					
Incoming resources from generating funds:					
Voluntary income	2	48,759	250	49,009	9,458
Activities for generating funds	3	10,001	-	10,001	11,913
Investment Income	4	94	-	94	101
Incoming resources from charitable activities	5	<u>471,532</u>	<u>-</u>	<u>471,532</u>	<u>456,050</u>
TOTAL INCOMING RESOURCES		<u>530,386</u>	<u>250</u>	<u>530,636</u>	<u>477,522</u>
RESOURCES EXPENDED					
Charitable activities	6	(- 507,379)	(- -)	(- 507,379)	(- 491,346)
Governance costs	8	(- 10,011)	-	(- 10,011)	(- 11,321)
TOTAL RESOURCES EXPENDED		<u>(- 517,390)</u>	<u>-</u>	<u>(- 517,390)</u>	<u>(- 502,667)</u>
NET INCOMING / (OUTGOING) RESOURCES FOR THE YEAR /					
NET INCOME / (EXPENDITURE) FOR THE YEAR		12,996	250	13,246	(- 25,145)
RECONCILIATION OF FUNDS					
Total funds brought forward		<u>197,660</u>	<u>1,775</u>	<u>199,435</u>	<u>224,580</u>
TOTAL FUNDS CARRIED FORWARD		<u>210,656</u>	<u>2,025</u>	<u>212,681</u>	<u>199,435</u>

All of the above amounts relate to continuing activities.

The Statement of Financial Activities includes all gains and losses in the year and therefore a statement of total recognised gains and losses has not been prepared.

The notes on pages 14 to 19 form part of these financial statements.

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BALANCE SHEET AS AT
31ST AUGUST 2016

	Notes	Unrestricted Funds £	Restricted Funds £	Total Funds 2016 £	Total Funds 2015 £
FIXED ASSETS					
Tangible assets	11	375,053	-	375,053	388,423
Investments	12	<u>3,701</u>	<u>-</u>	<u>3,701</u>	<u>3,701</u>
		<u>378,754</u>		<u>378,754</u>	<u>392,124</u>
CURRENT ASSETS					
Debtors	13	24,570	-	24,570	38,682
Cash at bank and in hand		<u>11,323</u>	<u>5,275</u>	<u>16,598</u>	<u>13,436</u>
		<u>35,893</u>	<u>5,275</u>	<u>41,168</u>	<u>52,118</u>
CREDITORS: Amounts falling due within one year	14	(- <u>40,503</u>)	(- <u>250</u>)	(- <u>40,753</u>)	(- <u>71,193</u>)
NET CURRENT ASSETS/(LIABILITIES)		(- <u>4,610</u>)	<u>5,025</u>	<u>415</u>	(- <u>19,075</u>)
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>374,144</u>	<u>5,025</u>	<u>379,169</u>	<u>373,049</u>
CREDITORS: amounts falling due after more than one year	15	(- <u>163,488</u>)	(- <u>3,000</u>)	(- <u>166,488</u>)	(- <u>173,614</u>)
NET ASSETS		<u>210,656</u>	<u>2,025</u>	<u>212,681</u>	<u>199,435</u>
FUNDS					
Unrestricted income funds	17	210,656	-	210,656	197,660
Restricted income Funds	17	<u>-</u>	<u>2,025</u>	<u>2,025</u>	<u>1,775</u>
TOTAL FUNDS		<u>210,656</u>	<u>2,025</u>	<u>212,681</u>	<u>199,435</u>

The directors are satisfied that the company is entitled to exemption from the requirement to obtain an audit under section 477 of the Companies Act 2006.

The members have not required the company to obtain an audit in accordance with section 476 of the Act.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of accounts.

The financial statements, which have been prepared in accordance with special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006, were approved by the Trustees on 26th May 2017 and signed on the 26th May 2017

I Duffy

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I Duffy

Trustee

On behalf of the Trustees

The notes on pages 14 to 19 form part of these financial statements.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31ST AUGUST 2016

1 ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008), the Statement of Recommended Practice "Accounting and Reporting by Charities" issued in March (SORP 2005) and the Companies Act 2006.

Cash flow statements

The trustees have taken advantage of the exemption in Financial Reporting Standard No1 (revised) from including a cash flow statement in the financial statements on the grounds that the company is small.

Fund Accounting

Restricted funds are funds, which are to be used in accordance with specific restrictions imposed by the donor or trust deed. There are currently a number of small restricted funds.

Unrestricted income funds comprise those funds, which the trustees are free to use for any purpose in furtherance of the charitable objects. Unrestricted funds can include designated funds where the trustees, at their discretion, have created a fund for a specific purpose.

Further details of restricted funds are disclosed in note 17.

Incoming Resources

Donations, legacies and similar incoming resources

These are included in the Statement of Financial Activities (SOFA) when:

- a) the charity becomes entitled to the donation, legacy or similar income and any conditions for receipt are met;
- b) the trustees are reasonably certain they will receive it; and
- c) the trustees are reasonably certain that the value can be reliably measured.

Investment Income: and any associated Tax Credits are included when receivable.

Expenditure and Liabilities

Liability Recognition, resources expended

Generally liabilities are recognised as soon as there is a legal or constructive obligation committing the charity to the expenditure. All expenditure is accounted for on an accrual basis and has been classified under headings that aggregate all costs related to the category.

Charitable Activities: these costs comprise salaries, establishment and school overheads.

Governance Costs: comprise all separately identifiable cost involving the public accountability of the charity and its compliance with regulation and good practice. The costs include the compilation costs of the Accounts under SORP 2005 and bank loan interest and charges.

Fixed Assets

All fixed assets are initially recorded at cost, where the individual value exceeds £600, and they have an economic life of more than one year.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Land	-	Not depreciated
Buildings	-	2% straight line basis
School furnishings and equipment	-	15% on reducing balance
Building improvements	-	5% straight line basis
Nursery establishment	-	20% straight line basis
Computer equipment	-	20% straight line basis

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31ST AUGUST 2016

Operating Lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Pension costs

The company operated a defined contribution pension scheme for employees which was closed to new members from 1st January 2009 (see note 16). The assets of the scheme are held separately from those of the company.

The annual contributions payable are charges to the statement of financial activities.

A separate defined contribution pension scheme (with Scottish Equitable) commenced in 2010.

COMPANY LIMITED BY GUARANTEE

Michael House Association Limited constituted as a company limited by guarantee (Company Registration No. 515882) and is a charity registered for charitable purposes with the Charity Commission (Charity Registration No. 527187).

LIABILITY OF MEMBERS

In the event of the Association being wound up during the period of membership or within the year following, the company members are required to contribute an amount not exceeding £1 each.

2 VOLUNTARY INCOME

	Restricted Funds	Unrestricted Funds	Total Funds 2016	Total Funds 2015
	£	£	£	£
Donations				
Gifts and Donations	-	48,759	48,759	9,208
Grants - training	-	-	-	-
Deferred income -				
Green grant for lights	250	-	250	250
	<u>250</u>	<u>48,759</u>	<u>49,009</u>	<u>9,458</u>

Grant income for lights, deferred over same period as asset depreciated.

3 INCOMING RESOURCES FROM ACTIVITIES FOR GENERATING FUNDS

	Unrestricted Funds	Total Funds 2016	Total Funds 2015
	£	£	£
Fundraising events	10,001	10,001	11,913

4 INVESTMENT INCOME

	Unrestricted Funds	Total Funds 2016	Total Funds 2015
	£	£	£
Bank Interest receivable	1	1	14
Dividends received on Depositary receipts	93	93	87
	<u>94</u>	<u>94</u>	<u>101</u>

5 INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Unrestricted Funds	Total Funds 2016	Total Funds 2015
	£	£	£
School fees	471,532	471,532	456,050

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31ST AUGUST 2016

6 COSTS OF CHARITABLE ACTIVITIES BY FUND TYPE

	Restricted Funds £	Unrestricted Funds £	Total Funds 2016 £	Total Funds 2015 £
Michael House School	0	507,379	507,379	491,346

7 COSTS OF CHARITABLE ACTIVITIES BY ACTIVITY TYPE

	Activities undertaken directly £	Total Funds 2016 £	Total Funds 2015 £
Michael House School	507,379	507,379	491,346

8 GOVERNANCE COSTS

	Unrestricted Funds £	Total Funds 2016 £	Total Funds 2015 £
Accountancy and Independent Examiners fees	3,748	3,748	4,518
Bank charges	94	94	42
Loan arrangement fee	80	80	80
Loan Interest	6,089	6,089	6,682
	10,011	10,011	11,322

One Trustee, only, has claimed and been paid expenses in the year, for travel costs to third party suppliers, totalling £232.

9 NET OUTGOING RESOURCES FOR THE YEAR

This is stated after charging:	2016 £	2015 £
Staff Pension contributions	36,930	33,745
Depreciation	13,370	13,600

10 STAFF COSTS AND EMOLUMENTS

Total staff costs were as follows:	2016 £	2015 £
Wages and salaries	333,727	333,430
Social Security Costs	10,249	10,483
Other pension costs	36,930	33,745
All staff costs relate to the main charitable activity	380,906	377,658
Particulars of employees	2016 No	2015 No
Average number of staff	34	34

No employee received emoluments of more than £60,000 during the year (2015 - NIL).

a company limited by guaranteeNOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31ST AUGUST 2016**11 TANGIBLE FIXED ASSETS**

	Land and Buildings	Building Improvements	Nursery Establishment	Computer Equipment	School Furnishings and Equipment	Total
	£				£	£
COST						
At 1st September 2015	318,307	171,320	2,668	9,006	69,787	571,088
Additions	-	-	-	-	-	-
At 31st August 2016	318,307	171,320	2,668	9,006	69,787	571,088
DEPRECIATION						
At 1st September 2015	60,253	50,270	2,668	8,367	61,107	182,665
Charge for the year	3,183	8,566	-	319	1,302	13,370
At 31st August 2016	63,436	58,836	2,668	8,686	62,409	196,035
NET BOOK VALUE						
At 31st August 2016	254,871	112,484	-	320	7,378	375,053
At 31st August 2015	258,054	121,050	-	639	8,680	388,423

The land and buildings are likely to have a market value considerably in excess of their historic cost, as they are unique assets it has not been possible to quantify this value at the year end.

Included above are assets with a net book value of £367,355 which are security for the bank loan in notes 14 and 15.

12 INVESTMENTS

	2016 £	2015 £
Historic cost at 31st August 2016 (Market value is not available)	3,701	3,701
Analysis of investments at 31st August 2016 between funds		
	Total Funds 2016 £	Total Funds 2015 £
Dutch bank - Unlisted investment at historic cost	3,701	3,701

13 DEBTORS

	2016 £	2015 £
Trade debtors	8,465	19,314
Other debtors	177	802
Prepayments	15,928	18,566
	24,570	38,682

14 CREDITORS: Amounts falling due within one year

	2016	2015
	£	£
Trade creditors	17,270	29,710
Accruals and deferred income	16,358	34,844
Mortgage secured on freehold premises	6,875	6,639
	<u>40,503</u>	<u>71,193</u>

15 CREDITORS: amounts falling due after more than one year

	2016	2015
	£	£
Deferred income (Restricted fund)	3,000	3,250
Mortgage secured on freehold premises	163,488	170,364
	<u>166,488</u>	<u>173,614</u>

At the current rate of repayment the mortgage matures after more than 5 years from the balance sheet date. The mortgage outstanding at the end of the year is £170,363 (2015 £177,003) and include instalments due after more than five years of £133,454 (2015 £135,476).

16 PENSIONS

The charity provides a pension scheme providing benefits based on final pensionable pay. The fund was closed to new members from 1st January 2009.

The assets of the scheme are held separately from those of the charity, being invested as part of the Mercury Provident Pension Scheme. This is a Multi Employer Scheme. Because of the large number of participating employers and the variety of their financial reporting dates, it is not deemed practicable or financially viable to produce the information necessary to allow participating employers to comply full with the requirements of Financial Reporting Standard 17. Therefore in accordance with FRS17 the contributions are accounted for as a defined contribution scheme.

The latest triennial valuation was at 31st March 2016 which indicated a past services deficit of £19.94m for the scheme overall, with Michael House Association Limited's share as £437,000.

17 FUNDS

	Balance at 01.09.15	Incoming resources	Outgoing resources	Balance at 31.08.16
	£	£	£	£
Restricted Income Funds (see below)	1,775	250	(-)	2,025
Unrestricted Income Funds	<u>197,660</u>	<u>530,386</u>	<u>(- 517,390)</u>	<u>210,656</u>
	<u>199,435</u>	<u>530,636</u>	<u>(- 517,390)</u>	<u>212,681</u>

Restricted Income Funds

	Fund Balance Brought forward	Incoming resources	Deferred Income	Outgoing resources	Fund Balance carried forward
	£	£	£	£	£
Fund Name:					
Green Grant for lights	1,500	250	-	-	1,750
Supper for Seats	<u>275</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>275</u>
Current Assets	<u>1,775</u>	<u>250</u>	<u>-</u>	<u>(-)</u>	<u>2,025</u>

The above amounts are a summary of the results of donations made to the school in past years, the income and expenditure this year and the balance carried forward.

17 FUNDS (CONTINUED)

The Restricted Income Funds amounts are not regarded as "material" and are therefore not shown separately in the Statement of Financial Activities as to do so would incur costs out of proportion to the benefits to the School and to users of these Accounts. Materiality is set out in the Glossary of SORP 2005 as "the final test of what information should be given in a particular set of accounts. An item of information is material to the accounts if its misstatement or omission might reasonably be expected to influence the economic decisions of users of those accounts, including their assessments of stewardship. Immaterial information will need to be excluded to avoid clutter which impairs the understandability of other information provided".

18 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Tangible Fixed Assets	Investments	Net Current Assets (Liabilities)	Total
	£	£	£	£
Restricted Funds:	-	-	2,025	2,025
Unrestricted Income Funds:				
Designated Funds	375,053	-	(- 163,488)	211,565
General Funds	-	3,701	(- 4,610)	(- 909)
	<u>375,053</u>	<u>3,701</u>	<u>(- 166,073)</u>	<u>212,681</u>

The designated funds represent those funds invested into tangible fixed assets and the associated mortgage secured on the freehold premises.

19 RELATED PARTY TRANSACTIONS

	2016 £	2015 £
N Gamble		
Trustee (Director) - resigned 12th October 2016		
Granddaughter is a fee-paying pupil at the school		
Transactions in the year - fees invoiced whilst a Trustee	5036	3690
Amount due from the related party	-	-
I M Duffy		
Trustee (Director) - appointed 17th June 2016		
Son is a fee-paying pupil at the school		
Transactions in the year - fees invoiced whilst a Trustee	5036	
Amount due from the related party	-	-

