

ST MICHAEL'S SCHOOL TRUST

Annual report and financial statements

For the year ended 31 August 2016

ST MICHAEL'S SCHOOL TRUST

LEGAL AND ADMINISTRATIVE INFORMATION

Board of Governors	P H Carter A J Glenister D A Evans R Chinchawala E Bukuku J K Tyson A Smith M Weatheritt R Overend
Trustee	St Michael's Trust Association Ltd
Charity number	1076999
Principal address	St Michael's School Otford Court Otford Kent TN14 5SA
Key management	Headteacher - J Aisher Director of Finance and Operations - D Birmingham Finance Bursar - K Christen Clerk to Governors - S J Richards (September 2015-April 2016) Clerk to Governors - F J Wade (from April 2016)
Auditor	WSM Advisors Limited Connect House 133-137 Alexandra Road Wimbledon London SW19 7JY
Bankers	Barclays Bank Plc 80 High Street Sevenoaks Kent TN13 1LR
Solicitors	Brachers LLP Somerfield House Maidstone Kent ME16 8JH

ST MICHAEL'S SCHOOL TRUST

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ST MICHAEL'S SCHOOL TRUST

TRUSTEE REPORT

For the year ended 31 August 2016

The trustee of St Michael's School Trust present their annual report and audited accounts for the year ended 31 August 2016 and confirm they comply with the requirements of the Charities Act 2011, the trust deed and the Charities SORP (FRS 102).

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

Objectives and activities

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

We aim through our Pre Prep and Prep Schools to provide a first class education to boys and girls between the ages of 2 and 13. We promote the academic, moral, physical and creative development of our pupils through our academic curriculum, our new curiosity curriculum, pastoral care, sport, drama, music and other activities. We provide an environment where each pupil can develop and fulfil his or her potential, building self-confidence and inspiring a desire to contribute to the wider community. In so doing, we prepare our students for the opportunities, responsibilities and experiences of later life.

The success of the school in achieving its objectives means that it is able to maintain high pupil numbers. Many year groups are full to capacity and enquiry levels remain high.

OUR OBJECTIVES

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

These are:

- To provide a breadth of intellectual, physical and cultural opportunities for all children attending the school. Every child is encouraged to try their best and to participate in and enjoy every aspect of life at the school. Success is rewarded and effort and talent are recognised.
- To maintain the high academic standards achieved in previous years. This is achieved by maintaining high teacher/pupil ratios, the retention and recruitment of well qualified and committed staff, and the provision of services.
- To develop further our existing bursary scheme and continue to widen access to children from lower income families who will benefit from the opportunities provided by the school.
- To encourage social responsibility amongst pupils. (The school, and often pupils themselves, arranges frequent fundraising activities for charities and makes a regular donation which supports the work of a school in Nepal).
- To play our part in the life of our local community through sharing our facilities and further developing our partnerships with local state schools

ST MICHAEL'S SCHOOL TRUST

TRUSTEE REPORT (CONTINUED)

For the year ended 31 August 2016

REVIEW OF ACTIVITIES AND ACHIEVEMENTS

Pupil numbers and fees

Our activities are carried out through our Pre Prep School and Prep School. Pupil numbers for the year were:

Pre Prep	193
Prep	261
Total	<u>454</u>

Our termly fees, which increased by 4%, before deduction of any means-tested bursaries or scholarships were:

Nursery	£1,790 (based on 5 morning sessions)
Kindergarten	£3,580 (based on 10 sessions per week)
Reception –Year 2	£3,580
Years 3-4	£4,125
Years 5-8	£4,355

Academic

Our broad, challenging and exciting curriculum has enabled great success in nationally standardised tests, common entrance and scholarship assessments across a variety of subjects. Curriculum changes brought in for 2015-16 included the introduction of an extra lesson in Science in Y7, better timetabling of scholarship classes, the introduction of a reasoning lesson in Years 5&7 and the introduction of Latin into Year 6 for most pupils. This year we launched the Curiosity Curriculum with Year 7 pupils. The aim was to provide an opportunity for children to understand more about the history of the world by taking their own journey through self-selected and differentiated challenges covering a range of disciplines and skills. The project encourages curiosity, creativity and independent thinking and many children have excelled through this style of learning. We have committed to a continuation of the curiosity curriculum in the next academic year and feel confident that it sets our Year 7 & 8 curriculum apart from many other schools both locally and nationally. St Michael's takes part in recognised benchmarking tests called Progress Test in English (PTE) and Progress Test in Maths (PTM) which are marked externally and provide us with comparative data. The national standard required equates to a score of 100 and to make expected progress a child would need to retain that score the following year. Anything above 100 exceeds national expectations. We were delighted that, in our second round of running these tests, children in all year groups achieved average scores in excess of the national average.

Key headlines from the data are that our cohort is stronger than the national average across year groups. Outstanding results were achieved in Year 4, with an average increase per child of 6 marks from the end of Year 3. This is a reflection of the excellent teaching and curriculum developments in both English and Maths.

This year we gained 3 academic scholarships as well as art, music and sport, drama and all-rounder scholarships. The greatest variety of awards since our scholarship board began in 1995.

All of our 13+ leavers went on to their chosen senior school with 9 pupils achieving scholarships. At 11+ the grammar school pass rate was 64%. The school continues to provide exceptional individual attention and support for all abilities.

Drama

The school is fortunate in having a strong and enthusiastic drama department. During the year all children in the Prep school had the opportunity of performing extracts from plays in their form groups to an invited audience in our Tea Time Theatre end of year celebrations. We also introduced new opportunities, an inter-house drama duologue competition in both senior and junior divisions, the launch of 'St Michael's Got Talent'. The summer production of "The Mysterious Hat Box" was performed by our Pre-Prep pupils.

ST MICHAEL'S SCHOOL TRUST

TRUSTEE REPORT (CONTINUED)

For the year ended 31 August 2016

Music

The Music Department continues to thrive with over half our pupils learning at least one musical instrument. Ensemble activities continue to flourish with large numbers of pupils choosing to participate in orchestras, bands, recorder consorts or one of several choirs. We continue to provide performing opportunities for a very wide range of musical styles and instruments covering Renaissance Music through to Jazz, Rock, and Pop. In March we hosted a very successful orchestra day for over 100 pupils from several schools and our string quarter reached the semi-finals of the national Pro-Corda schools Chamber Music Festival. Our musicians have performed in at least two school concerts per term as well as performing in senior schools and on our annual European music tour which was in Vienna this year. Approximately 80% of our pupils are learning an instrument and once again pupils achieved 100% pass rate in the Associated Board's practical examinations on a wide range of instruments with high levels of success in music theory through the ABRSM and Trinity College exam boards. Pupils from Years 3 & 4 attended the Young Voices concert held at the O2 Arena.

Science

Science is taught in Pre Prep and Years 3-6 in the Prep School according to the new National Curriculum, with an emphasis on 'working scientifically' – thinking about the natural world, asking questions and investigating. Years 7 and 8 are taught three separate sciences as described in the Common Entrance syllabus with an emphasis on working scientifically. Pupils are able to carry out investigations and interpret their own findings. Scholarship pupils are extended within lessons, and taught during additional sessions outside of normal lesson time.

We entered two teams into the annual Quiz Club science competition. Pupils enjoyed participating in various astronomy events which took place at St Michael's and Sevenoaks School. Pupils once again attended the annual Science Week at Sevenoaks School. In May a team of our Year 8 pupils competed in the Salters' Festival of Chemistry competition.

In June the school hosted a team from the King's School Canterbury for a 'Writing for Science' workshop which gave the children a taste of how to write scientifically for different audiences. Pupils from Year 7 together with pupils from local schools worked with Christina Astin, co-founder of the Young Scientists' Journal. The journal, supported by The Royal Society is a peer reviewed science journal written, edited and produced entirely by 12-20 year-olds.

Sport

We are totally committed to providing the best opportunity for pupils to develop in a range of sports. We aim to help every child achieve their potential, by providing situations where they can gain success. We aim to promote an enjoyment of physical activity of all types, a healthy lifestyle and the benefits that both bring, as well as an increase in skill level and an understanding of the benefits that team sports have to offer. Pupils played matches against local schools in football, rugby, cricket, hockey, netball and rounders as well as entering many tournaments and our results reflect the hard work put in by the pupils and staff. We also took part in IAPS District competitions in athletics, netball, swimming and cross country. We have a full PE curriculum taught by specialist teachers, which includes speed, agility, racket sports, invasion games, gymnastics and athletics.

During the year we have improved our swimming curriculum for Year 3, led by specialists and hosted swimming galas. We also added tennis matches to the fixtures calendar.

Some of the highlights of the year included:

- U8A girls' netball team won the Hazelwood tournament
- U10 girls' hockey team won the Rose Hill and Holmewood House tournaments
- U10 girls' netball team won the Russell House and Kent College tournaments.
- U11 boys' football won St Michael's tournament
- U13 boys' football A team won the plate at the New Beacon Tournament
- U13 boys won the ESSKIA regional ski race.

Two of our pupils was selected for the regional football squad and two pupils had the opportunity to take part in ESSKIA ski training abroad. Senior pupils take part in the annual sports tour to Jersey and we introduced curling as an extra-curricular activity.

Other Activities and Initiatives

In June we held our "Go Global" week at the Prep school, featuring African drumming, Australian storytelling and collaborative art, Chinese language, fire dancing, gumboot and Brazilian dancing and bush craft.

ST MICHAEL'S SCHOOL TRUST

TRUSTEE REPORT (CONTINUED)

For the year ended 31 August 2016

Environmental Initiatives

Our Eco team continue to look at ways to reduce waste and take care of our environment. During the year, we promoted the recycling of clothes in our Recycle with Michael clothes bank, supported our local Trussell Trust food bank, monitored food waste and introduced food waste recycling. Our catering team has been nominated for an award for their approach to sustainability through recycling and monitoring of food waste, herb growing and having a bee hive on site.

Details of bursary and scholarship awards

Bursaries

As a successful school we are keen to share the benefits of an education at St Michael's with children who would otherwise be unable to attend the school. Support is also provided to parents of existing pupils who find themselves in financial difficulties. During 2015/16 the school was able to offer support with fees on a means tested basis to 10 pupils. This year the value of means tested bursaries totalled £54,433 and represented 1.1% of our gross fees. The level of support provided ranged from 10% of fees up to 100% of fees. Additional support for musical instrument tuition and help with school trips and activities is also provided. The bursary scheme is advertised on the school website.

We keep our Bursary policy under review to ensure that able children can accept offers of places at our School through the availability of means-tested fee assistance. Our aim is to widen access to the School.

This year we used the services of an external independent bursary administrator who conduct home visits. This has enabled us to ensure that we are able to offer bursaries in circumstances which might not have been recognised on the basis of a financial declaration alone. In assessing means, we take into account a number of factors, including family income, investments, savings and number of siblings. However, our School does not have an endowment fund so in funding our bursaries, we are mindful that we must ensure that we respect the fact that our bursaries are funded through income from fee-paying parents, many of whom make considerable personal sacrifices to fund their child or children to come here.

Scholarships

In addition, the school offers a range of non means-tested scholarships for entry into Year 7. Current scholarships available are; academic, all-rounder, art, drama, music and sport. We awarded new scholarships to 13 pupils this year. Total scholarships amounted to £53,479 which represent 1.09% of our gross fees.

Assistance for staff

As part of our emphasis on attracting and retaining high calibre staff, we offer a discount scheme where staff members choose to educate their children at our School.

ST MICHAEL'S SCHOOL TRUST

TRUSTEE REPORT (CONTINUED)

For the year ended 31 August 2016

Partnership Programme

Our partnership programme seeks to widen access to education resources and facilities by bringing independent and state school communities together. This year we developed a new partnership with a local residential school for pupils with a wide range of special educational needs. We hosted their wonderful steel band and their pupils taught some of our year 7 pupils how to play the steel drums. We have provided them with weekly use of our swimming pool and a swimming teacher and they are providing training sessions to our staff to support pupils with a range of needs. We also hosted local teachers for training in music, IT, and we invited our partnership schools to join us for the visit of Kara Tointon to talk about dyslexia. Our partnership schools' parents were also invited to e-safety training.

As in previous years we make the following facilities available at no charge to benefit pupils attending local state primary schools:

- Use of the swimming pool for lessons
- Use of our minibuses free of charge to transport pupils to and from the swimming pool
- Use of the athletic track and field facilities for Sports Day

Community Access

St Michael's Prep School is part of the wider community. It is fortunate in possessing superb facilities and amenities and continues to widen public access to them by allowing their use by local clubs, sports associations and charities. Where we can offer any spare capacity of the facilities to the local community, we are delighted to do so.

During the year, basketball, cricket, football, netball, tennis, gymnastics, archery, cubs and scouts and swimming clubs have made use of the school's facilities. Where it is considered appropriate, no charge is made for this. The local Scouts group benefits from this arrangement and the school also offers free use of its IT facilities to the local primary school. The Otford Church Youth Group and Quintian Young Explorers were able to use our minibuses free of charge to take the young people of annual camp.

Other benefits to the wider community

The school organises a major fundraising event each year for the benefit of a number of charities chosen by the pupils. As well as supporting the charities the event also encourages the children to recognise the wider context of the education they receive at St Michael's and fosters a sense of social responsibility. Many other charities, often chosen by the pupils, are supported on an ad hoc basis. The school raised £9,819 in 2015-16 through pupil-led fundraising events.

A long term regular commitment to supporting a local Trussell Trust food bank in Swanley has been established and the school is its single largest contributor. The school also provides funding for a local vicar on a shared stipend basis with the Church of England.

Volunteers

The school has an active Parents and Friends Association which raises significant funds to provide additional school amenities. The association does not only provide financial support to the school, it also provides a forum for parents to establish links with each other which strengthens the community feel of the school.

Our parents run an International Club which is a support and social group for parents who have come to Britain as non-British citizens, or are British citizens who have lived abroad for at least one year. Their aim is to create an opportunity for new parents to meet and to participate in a range of activities celebrating their diverse heritage and individual skills and talents. Parents of all nationalities meet informally to share their experience of living abroad and in Britain.

The trustee is keen to recognise the continued contribution that the Parents and Friends Association makes to the school and thank the volunteers for their time and considerable efforts. The Parents and Friends also donate a percentage of their funds raised to other charities each year.

Independently of the school, parent volunteers also run a second hand uniform shop. Some of the proceeds from this venture are donated to provide additional resources for the school.

ST MICHAEL'S SCHOOL TRUST

TRUSTEE REPORT (CONTINUED)

For the year ended 31 August 2016

Future plans

The School Development Plan is reviewed on an annual basis. The key objectives achieved in 2015/16 were:

- To refurbish the Pre Prep void to provide a facility including kitchen and toilets for The Hive, our wrap around care facility.
- To invest in Assessment tools with Benchmarking and initiate action plans based on data.
- To continue our programme of electrical rewiring (Phase 3 completed) and upgrade of Year 6 classrooms.

Longer term plans include:

Development of our Old Michaelians' Association
Construction of an Astroturf
New office space and reception
Replacement of the swimming pool tiling
Redevelopment of Stable Court

ST MICHAEL'S SCHOOL TRUST

TRUSTEE REPORT (CONTINUED)

For the year ended 31 August 2016

Financial review

The financial statements show the school generated a surplus of £587,923 (2014/15 £509,106) for the year. The net assets of the Trust amount to £7,215,046 (2014/15: £6,627,124).

The principal source of income is fees accounting for 96% of the School's income. Pupil numbers remain strong and this, together with careful financial management contributed to the healthy operating surplus this year. The school continues to see parents registering interest in the school and adding their children's name to waiting lists.

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

This continued strong financial performance has enabled the governors to pursue opportunities for further improvement to the school's facilities, particularly the new wrap around care facility in our Pre Prep School. There is a programme of continued investment in upgrading and enhancing the facilities for the benefit of our pupils.

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

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

Reserves and Financial Health

The Governors regularly review the finances, budgets and spend against budget as part of the effective stewardship of the school.

The Governors have invested substantial sums into a new building in recent years and have a continuing programme of refurbishment, development and investment to maintain excellent teaching facilities for our pupils.

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

The principal source of income for the charity is school fees. This is sufficient to cover the day to day running of the school. It is not the policy of the school to accumulate significant cash reserves and the main reason for the current surplus is to service the loan and to meet our financial commitments. The Governors' policy is, whilst ensuring that the school is always in a position to meet its obligations, to use the reserves to enhance the educational facilities and maintain and improve the standard of the fabric of the school. To this end, we are in the process of applying for planning permission to build an AstroTurf facility during the next academic year. In addition, the Governors are setting aside a proportion to invest in curriculum development. The Governors consider these to be the best ways of furthering the charity's objectives.

Investment Policy and performance

Under the Memorandum and Articles of Association the charity has the power to make any investments which the trustee sees fit. Other than owning a piece of land in Norfolk which is rented out for agricultural purposes there are no other investments held by the charity. There are no plans for this to change in the foreseeable future. The Board's policy continues to be to put any short term cash surplus into interest-bearing deposit accounts. Any longer term surplus which is not committed to ongoing development projects will be used to reduce existing levels of indebtedness.

ST MICHAEL'S SCHOOL TRUST

TRUSTEE REPORT (CONTINUED)

For the year ended 31 August 2016

Risk management

The Board of Governors is responsible for the overseeing of the risks faced by the School. Detailed consideration of risk is delegated to the Headteacher, Director of Finance & Operations and Senior Management of the school. Risks are identified, assessed and controls established throughout the year. The activities of the school are continually under review with particular account taken of any risks which may arise. Formal reviews are undertaken on an annual basis.

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

- **Reputation:** The School's success is founded on its reputation for the education and well-being of our pupils. We manage this risk through our safeguarding policies, staff recruitment policies, pastoral support for both pupils and staff and active identification and resolution of health and safety-related issues.
- **Financial health:** Our financial health is reliant on pupil fees and our ability to meet our commitments as they fall due. This risk is managed by marketing activity, having a reputation for academic excellence and robust financial management procedures.

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

- Formal agendas for all Board and Committee meetings
- Detailed planning, budgeting and management accounting
- Regular review of the Financial Risk Register by the Finance & General Purposes Committee
- Established reporting structures
- Clear authorisation and approval levels
- Checks, as required by law, for the protection of the vulnerable
- Regular review of policies

The governors are satisfied that the major risks identified have been appropriately mitigated where necessary. It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

ST MICHAEL'S SCHOOL TRUST

TRUSTEE REPORT (CONTINUED)

For the year ended 31 August 2016

Structure, governance and management

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

P H Carter*~ (Chair of Governors)
A J Glenister
D A Evans*
R Chinchawala* (Deputy Chair of Governors from June 2016)
E Bukuku
J K Tyson ~
A Smith
M Weatheritt~
R Overend~

*Member of the Finance and General Purposes Committee

~Member of the Staffing and Resources Committee

It is the policy of the school to appoint a governing body of sufficient size to deliver a broad mix of skills and experience. Governors are recruited on the basis of approaches made by current members of the governing body. Each governor accepts individual areas of responsibility which, as far as possible make use of their specific expertise.

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

Key Management Personnel

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

Organisational Management

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

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

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

Other relationships

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

ST MICHAEL'S SCHOOL TRUST

TRUSTEE REPORT (CONTINUED)

For the year ended 31 August 2016

Governors' Recruitment and Training

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

Statement of Trustee responsibilities

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

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

In preparing these accounts, the trustee is required to:

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

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

The Governors who held office at the date of approval of this Trustee's Report confirm that, so far as they each are aware, there is no relevant audit information of which the company's auditors are unaware; and each Governor has taken all the steps that he ought to have taken as a Governor to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

The Trustee report was approved by the Board of Trustee.

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St Michael's Trust Association Limited

Dated:

ST MICHAEL'S SCHOOL TRUST

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ST MICHAEL'S SCHOOL TRUST

We have audited the accounts of St Michael's School Trust for the year ended 31 August 2016 which comprise the statement of financial activities, the balance sheet, the cash flow statement and related notes. These accounts have been prepared in accordance with the accounting policies set out therein. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charity's trustees, as a body, in accordance with Section 144 of the Charities Act 2011 and regulations made under Section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustee and auditor

As described in the statement of trustee's responsibilities, the trustee is responsible for preparing the Trustee's Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

We have been appointed as auditors under section 144 of the Charities Act 2011 and report in accordance with regulations made under that Act. Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the accounts give a true and fair view and are prepared in accordance with the Charities Act 2011. We also report to you if, in our opinion, the information given in the Trustee's Report is not consistent with those accounts, if the charity has not kept sufficient accounting records, if the charity's accounts are not in agreement with these accounting records or if we have not received all the information and explanations we require for our audit.

We read the Trustee's Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Scope of the audit of the accounts

An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustee; and the overall presentation of the accounts. In addition, we read all the financial and non-financial information in the Trustee Annual Report to identify material inconsistencies with the audited accounts and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on accounts.

In our opinion the accounts:

- give a true and fair view of the state of the charity's affairs as at 31 August 2016 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

ST MICHAEL'S SCHOOL TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF ST MICHAEL'S SCHOOL TRUST

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Trustee Report is inconsistent in any material respect with the accounts; or
- the accounts are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Other matter

Your attention is drawn to the fact that the charity has prepared accounts in accordance with "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

This has been done in order for the accounts to provide a true and fair view in accordance with Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

WSM Advisors Limited

Chartered Accountants

Statutory Auditor

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Connect House
133-137 Alexandra Road
Wimbledon
London
SW19 7JY

WSM Advisors Limited is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

ST MICHAEL'S SCHOOL TRUST

STATEMENT OF FINANCIAL ACTIVITIES

For the year ended 31 August 2016

	Notes	Total 2016 £	Total 2015 £
<u>Income from:</u>			
Donations and legacies	2	115,398	14,089
Charitable activities	3	4,886,734	4,844,981
Investments	4	12,071	9,230
		<hr/>	<hr/>
Total income		5,014,203	4,868,300
		<hr/>	<hr/>
<u>Expenditure on:</u>			
Charitable activities	5	4,432,280	4,359,194
		<hr/>	<hr/>
Net gains on investments	9	6,000	-
		<hr/>	<hr/>
Net income for the year/ Net movement in funds		587,923	509,106
		<hr/>	<hr/>
Reconciliation of funds			
Fund balances at 1 September 2015		6,627,123	6,118,018
		<hr/>	<hr/>
Fund balances at 31 August 2016		7,215,046	6,627,124
		<hr/> <hr/>	<hr/> <hr/>
All funds are unrestricted.			

ST MICHAEL'S SCHOOL TRUST

BALANCE SHEET

As at 31 August 2016

	Notes	2016 £	£	2015 £	£
Fixed assets					
Tangible assets	11	7,779,266		7,732,319	
Investment properties	12	20,000		14,000	
		<u>7,799,266</u>		<u>7,746,319</u>	
Current assets					
Debtors	13	45,049		82,503	
Cash at bank and in hand		2,226,556		1,622,355	
		<u>2,271,605</u>		<u>1,704,858</u>	
Creditors: amounts falling due within one year	14	(1,062,374)		(902,346)	
Net current assets		<u>1,209,231</u>		<u>802,512</u>	
Total assets less current liabilities		<u>9,008,497</u>		<u>8,548,831</u>	
Creditors: amounts falling due after more than one year	15	(1,793,451)		(1,921,707)	
Net assets		<u><u>7,215,046</u></u>		<u><u>6,627,124</u></u>	
The funds of the charity					
<u>Unrestricted funds</u>					
Designated funds	20	100,000		-	
General funds		7,095,511		6,613,589	
Revaluation reserve		19,535		13,535	
		<u>7,215,046</u>		<u>6,627,124</u>	
Total charity funds		<u><u>7,215,046</u></u>		<u><u>6,627,124</u></u>	

The accounts were approved by the Trustee on

.....

.....

P H Carter
St Michael's Trust Association Limited

D A Evans

ST MICHAEL'S SCHOOL TRUST

STATEMENT OF CASH FLOWS

For the year ended 31 August 2016

	Notes	2016 £	£	2015 £	£
Cash flows from operating activities					
Cash generated from operations	23		1,102,011		525,453
Investing activities					
Purchase of tangible fixed assets		(370,911)		(223,504)	
Proceeds on disposal of tangible fixed assets		470		2,259	
Interest received		12,071		9,230	
Net cash used in investing activities			(358,370)		(212,015)
Financing activities					
Repayment of bank loans		(139,440)		(639,439)	
Net cash used in financing activities			(139,440)		(639,439)
Net increase/(decrease) in cash and cash equivalents			604,201		(326,001)
Cash and cash equivalents at beginning of year			1,622,355		1,948,356
Cash and cash equivalents at end of year			2,226,556		1,622,355

ST MICHAEL'S SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2016

1 Accounting policies

Company information

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

1.1 Accounting convention

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

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

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

1.2 Going concern

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

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustee in furtherance of their charitable objectives unless the funds have been designated for other purposes.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the accounts.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

ST MICHAEL'S SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 August 2016

1 Accounting policies

(Continued)

1.4 Incoming resources

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

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

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

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

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

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

1.5 Resources expended

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

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

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

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

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

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

1.6 Tangible fixed assets

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

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

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

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

ST MICHAEL'S SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 August 2016

1 Accounting policies

(Continued)

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

1.7 Investment land

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

1.8 Cash and cash equivalents

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

1.9 Financial instruments

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

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

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

Basic financial assets

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

Basic financial liabilities

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

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

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

Derecognition of financial liabilities

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

ST MICHAEL'S SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 August 2016

1 Accounting policies

(Continued)

1.10 Employee benefits

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

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

1.11 Retirement benefits

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

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

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

1.12 VAT

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

1.13 Fund accounting

The funds held by the charity are either:

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

2 Donations and legacies

	2016	2015
	£	£
Parents and Friends Association	6,408	7,334
Other donations	8,990	6,755
Donation from parent	100,000	-
	<hr/>	<hr/>
Unrestricted funds	115,398	14,089
	<hr/>	<hr/>

ST MICHAEL'S SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 August 2016

3 Charitable activities

	School tuition	Hire of facilities	Swim school	Wrap around care	Miscellaneous	Total 2016	Total 2015
	£	£	£	£	£	£	£
Sales within charitable activities	4,736,568	69,432	37,618	28,383	14,733	4,886,734	4,844,981
	<u>4,736,568</u>	<u>69,432</u>	<u>37,618</u>	<u>28,383</u>	<u>14,733</u>	<u>4,886,734</u>	<u>4,844,981</u>
Analysis by fund							
Unrestricted funds	4,736,568	69,432	37,618	28,383	14,733	4,886,734	
	<u>4,736,568</u>	<u>69,432</u>	<u>37,618</u>	<u>28,383</u>	<u>14,733</u>	<u>4,886,734</u>	
For the year ended 31 August 2015							
Unrestricted funds	4,739,789	78,958	11,491	-	14,743		4,844,981
	<u>4,739,789</u>	<u>78,958</u>	<u>11,491</u>	<u>-</u>	<u>14,743</u>		<u>4,844,981</u>

ST MICHAEL'S SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 August 2016

4 Investments

	2016	2015
	£	£
Rental income	375	375
Interest receivable	11,696	8,855
	<hr/>	<hr/>
Unrestricted funds	12,071	9,230
	<hr/>	<hr/>

ST MICHAEL'S SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 August 2016

5 Charitable activities

	School tuition £	Hire of facilities £	Swim school £	Wrap around care £	Miscellaneous £	Total 2016 £	Total 2015 £
Staff costs	2,528,765	-	29,697	31,760	3,994	2,594,216	2,483,354
Depreciation and impairment	323,493	-	-	-	-	323,493	285,038
Direct costs	444,579	-	14,930	2,005	-	461,514	468,342
Establishment costs	318,428	-	-	-	1,200	319,628	365,805
	<u>3,615,265</u>	<u>-</u>	<u>44,627</u>	<u>33,765</u>	<u>5,194</u>	<u>3,698,851</u>	<u>3,602,539</u>
Share of support costs (see note 6)	649,848	72,205	-	-	-	722,053	745,307
Share of governance costs (see note 6)	10,239	1,137	-	-	-	11,376	11,348
	<u>4,275,352</u>	<u>73,342</u>	<u>44,627</u>	<u>33,765</u>	<u>5,194</u>	<u>4,432,280</u>	<u>4,359,194</u>
Analysis by fund							
Unrestricted funds	<u>4,275,352</u>	<u>73,342</u>	<u>44,627</u>	<u>33,765</u>	<u>5,194</u>	<u>4,432,280</u>	
For the year ended 31 August 2015							
Unrestricted funds	<u>4,272,426</u>	<u>75,665</u>	<u>9,903</u>	<u>-</u>	<u>1,200</u>		<u>4,359,194</u>

ST MICHAEL'S SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 August 2016

6 Support costs

	Support costs	Governance costs	2016	2015	Basis of allocation
	£	£	£	£	
Staff costs	384,487	-	384,487	364,221	90% schooling/10% letting
Advertising	71,082	-	71,082	45,756	90% schooling/10% letting
Post, printing, stationery	19,207	-	19,207	22,642	90% schooling/10% letting
Computer and telephone	37,088	-	37,088	37,687	90% schooling/10% letting
Premises costs	78,349	-	78,349	140,970	90% schooling/10% letting
Entertaining	1,875	-	1,875	3,467	90% schooling/10% letting
Sundries	6,753	-	6,753	2,226	90% schooling/10% letting
Bank charges	92,381	-	92,381	103,437	90% schooling/10% letting
Professional fees	6,880	-	6,880	2,979	90% schooling/10% letting
Subscriptions	6,681	-	6,681	5,996	90% schooling/10% letting
Donations	17,271	-	17,271	15,927	90% schooling/10% letting
Audit	-	7,560	7,560	7,560	90% schooling/10% letting
Accountancy	-	3,816	3,816	2,790	90% schooling/10% letting
Governors away day	-	-	-	998	90% schooling/10% letting
	<u>722,053</u>	<u>11,376</u>	<u>733,429</u>	<u>756,655</u>	
Analysed between					
Charitable activities	<u>722,053</u>	<u>11,376</u>	<u>733,429</u>	<u>756,655</u>	

7 Trustee

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

ST MICHAEL'S SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 August 2016

8 Employees

Number of employees

The average monthly number employees during the year was:

	2016 Number	2015 Number
Administrative staff	15	15
Teaching staff	76	76
	<u>91</u>	<u>91</u>

Employment costs

	2016 £	2015 £
Wages and salaries	2,522,627	2,421,942
Social security costs	184,123	193,805
Other pension costs	271,953	231,828
	<u>2,978,703</u>	<u>2,847,575</u>

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

	2016 Number	2015 Number
£80,001-£90,000	1	-
£110,001-£120,000	1	1

The charity paid emoluments amounting to £247,962 (2015: £206,338) and pension contributions amounting to £23,228 (2015: £20,461) in the year for the key management members of staff.

9 Net gains/(losses) on investments

	2016 £	2015 £
Revaluation of investment property	<u>6,000</u>	<u>-</u>

10 Taxation

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

ST MICHAEL'S SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 August 2016

11 Tangible fixed assets

	Freehold land and buildings	Plant and machinery	Fixtures and Motor vehicles fittings		Total
	£	£	£	£	£
Cost					
At 1 September 2015	9,599,211	495,722	459,135	41,044	10,595,112
Additions	236,918	-	118,625	15,368	370,911
Disposals	-	-	-	(11,140)	(11,140)
At 31 August 2016	9,836,129	495,722	577,760	45,272	10,954,883
Depreciation and impairment					
At 1 September 2015	2,043,731	447,270	336,461	35,332	2,862,794
Depreciation charged in the year	245,903	12,113	60,325	5,152	323,493
Eliminated in respect of disposals	-	-	-	(10,670)	(10,670)
At 31 August 2016	2,289,634	459,383	396,786	29,814	3,175,617
Carrying amount					
At 31 August 2016	7,546,495	36,339	180,974	15,458	7,779,266
At 31 August 2015	7,555,480	48,452	122,675	5,712	7,732,319

12 Investment property

	£
Fair value	
At 1 September 2015	14,000
Net gains through fair value adjustments	6,000
At 31 August 2016	20,000

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

13 Debtors

	2016 £	2015 £
Amounts falling due within one year:		
Trade debtors	6,661	52,921
Other debtors	19,208	17,615
Prepayments and accrued income	19,180	11,967
	45,049	82,503

ST MICHAEL'S SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 August 2016

14 Creditors: amounts falling due within one year

	Notes	2016 £	2015 £
Bank loans		139,439	139,439
Deferred income	17	607,380	516,542
Trade creditors		38,419	45,298
Other creditors		72,412	52,394
Accruals and deferred income		204,724	148,673
		<u>1,062,374</u>	<u>902,346</u>

15 Creditors: amounts falling due after more than one year

	Notes	2016 £	2015 £
Bank loans		1,591,588	1,731,028
Pupil deposits	17	201,863	190,679
		<u>1,793,451</u>	<u>1,921,707</u>

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

Element 1: Fixed loan of £1,800,000 on which interest is charged at 5.23% (3.15% plus lending margin of 2.08%).

Element 2: LIBOR loan of £709,906 on which interest is charged at base rate plus 2.08%.

The loan is due to mature on 15 July 2032.

As at 31 August 2016, the charity had drawn down a total of £1,731,028 from the loan.

Pupil deposits represents returnable fee deposits, paid by parents on the acceptance of a place for their child at the school and held until the pupil leaves. No interest is charged on the deposits held.

16 Provisions for bad and doubtful debts

During the year, the charity recognised a bad debt provision, in regards to fee income, of £130,000 (2015: £146,039).

The provision relates to the recoverability of outstanding fees from parents. There was a decrease in the provision of £16,039 during the year, however, the remaining debts are still deemed recoverable in the forthcoming year.

ST MICHAEL'S SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 August 2016

17 Deferred income

	2016 £	2015 £
Receipts in advance	809,243	707,221

Deferred income is included in the financial statements as follows:

	2016 £	2015 £
Current liabilities	607,380	516,542
Non-current liabilities	201,863	190,679
	809,243	707,221

Deferred income has arisen in relation to the fees received in advance for the next financial year.

18 Pension and other post-retirement benefit commitments

The charity participates in the Teachers' Pension Scheme (England and Wales) (the "TPS"), for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £271,953 (2015: £231,828).

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

The employer contribution rate is set following scheme valuations undertaken by the Government Actuary Department. The latest valuation report in respect of the TPS was prepared at 31 March 2012 and was published in June 2014. from 1 September 2015, the employer contribution rate for the TPS increased from 14.1% to 16.4%. Employers in addition pay a scheme administration levy of 0.08% of the employers' salary costs which increases the total payment rate from 16.4% to 16.48%.

The next revision to the employer contribution rate is not expected to take effect until 1 April 2019. This will follow on from the next actuarial valuation which will determine the opening balance of the cost cap fund and provide an analysis of the cost cap as required by the Public Service Pensions Act 2013.

ST MICHAEL'S SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 August 2016

19 Analysis of net assets between funds

	Total £
Fund balances at 31 August 2016 are represented by:	
Tangible assets	7,779,266
Investment properties	20,000
Current assets/(liabilities)	1,209,231
Non current liabilities	(1,793,451)
	<u>7,215,046</u>
All relate to unrestricted funds.	

20 Designated funds

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

	Balance at 1 September 2015 £	Movement in funds Incoming resources £	Resources expended £	Balance at 31 August 2016 £
Donation from parent	-	100,000	-	100,000
	<u>-</u>	<u>100,000</u>	<u>-</u>	<u>100,000</u>
	<u>-</u>	<u>100,000</u>	<u>-</u>	<u>100,000</u>

21 Operating lease commitments

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

	2016 £	2015 £
Within one year	11,503	14,652
Between two and five years	46,013	18,315
	<u>57,516</u>	<u>32,967</u>

22 Related party transactions

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

ST MICHAEL'S SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 August 2016

23	Cash generated from operations	2016 £	2015 £
	Surplus for the year	587,923	509,106
	Adjustments for:		
	Investment income recognised in profit or loss	(12,071)	(9,230)
	Fair value gains and losses on investment properties	(6,000)	-
	Depreciation and impairment of tangible fixed assets	323,493	285,038
	Movements in working capital:		
	Decrease/(increase) in debtors	37,454	(9,103)
	Increase/(decrease) in creditors	69,190	(212,234)
	Increase/(decrease) in deferred income	102,022	(38,122)
	Cash generated from operations	<u>1,102,011</u>	<u>525,455</u>