

ST MICHAEL'S SCHOOL TRUST

Annual report and financial statements

For the year ended 31 August 2017

ST MICHAEL'S SCHOOL TRUST

LEGAL AND ADMINISTRATIVE INFORMATION

Board of Governors	P H Carter D A Evans R Chinchawala E Bukuku J K Tyson A Smith M Weatheritt R Overend E Sharman
Trustee	St Michael's Trust Association Ltd
Charity number	1076999
Principal address	St Michael's School Row Dow Otford Court Otford Kent TN14 5RY
Key management	Headteacher - J Aisher Director of Finance and Operations - D Birmingham Finance Bursar - K Christen Clerk to Governors - F J Wade
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 2017

The trustee of St Michael's School Trust presents their annual report and audited accounts for the year ended 31 August 2017 and confirm they comply with the requirements of the Charities Act 2011, the trust deed and the Charities SORP (FRS 102).

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

Aims

The objectives of the charity 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.

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

Key objectives for the year 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 obtain an outstanding ISI inspection.
- To focus on excellent progress in literacy and numeracy across the school curriculum.
- To explore the impact of homework on learning and review and refine the homework practice in the school.
- 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 continue to build community, locally and globally and further develop the charitable and Christian work of the school.

ST MICHAEL'S SCHOOL TRUST

TRUSTEE REPORT (CONTINUED)

For the year ended 31 August 2017

REVIEW OF ACTIVITIES AND ACHIEVEMENTS

Pupil numbers and fees

Our activities are carried out through our Pre Prep School and Prep School. Pupil numbers increased from 447 in 2015/2016 to 451. These are broken down as follows;

Pre Prep	197
Prep	254
Total	<u>451</u>

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

Nursery	£1,860 (based on 5 morning sessions)
Kindergarten	£3,720 (based on 10 sessions per week)
Reception – Year 2	£3,723
Years 3-4	£4,290
Years 5-8	£4,529

Academic

This year, ISI judged the quality of pupils' academic and other achievements to be excellent. They recognised that the new initiatives introduced into our curriculum allow pupils to pursue excellent opportunities and become independent, self-reflective learners. Pupils at St Michael's display exemplary attitudes and a strong work ethic from a young age which is reflected in the academic achievements made on their journey through St Michael's Prep.

Curriculum changes brought in for 2016-17 included the introduction of an extra lesson of Latin in Y7, the introduction of phonics and spelling schemes into the whole school, the undertaking of a major drama production through our after-school club activities, the timetabling of the curiosity curriculum in the Y7 Lent term and we were delighted to have achieved team and individual wins in the first Curiosity Club Convention.

St Michael's continues to take part in recognised benchmarking tests, 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 third 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. The results in Y3 & 4 are outstanding. Both year groups increased their average scores compared to the previous year.

This year we achieved the highest number of scholarships to senior school with 15 scholarships and exhibitions. 35% of our Year 8 pupils won awards to their senior schools. This is the highest number of scholarships in one year. A further 6 were won but not taken up. All of our 13+ leavers went on to their chosen senior school. At 11+ the grammar school pass rate was 60%. The school continues to provide exceptional individual attention and support for all abilities.

ST MICHAEL'S SCHOOL TRUST

TRUSTEE REPORT (CONTINUED)

For the year ended 31 August 2017

Drama

The school is fortunate in having a strong and enthusiastic drama department. For the second year, we held our inter-house drama duologue competition in both senior and junior divisions and the standard of entries across the school was noticeably higher. Our crowning achievement brought together staff from the Drama, Art and Music departments in an ambitious production of “Guys and Dolls” with all roles played by children from Years 5 to 8. The show was a resounding success and standards of musicianship, dramatic performance, dancing and ensemble were exceptional. The summer Pre-Prep production of “Pirates and Mermaids” taught great lessons about managing feelings, challenging stereotypes and showcased a high level of talent in Year 2.

Music

The Music Department continues to thrive in both curricular and extra-curricular music-making, with a large number of pupils learning at least one musical instrument. All children now have access to digital music-making resources. Ensemble activities are flourishing with large numbers of pupils choosing to participate in instrumental ensembles or one of several choirs. We continue to provide at least half-termly performing opportunities for soloists and ensembles in a very wide range of musical styles and instruments covering Renaissance Music through to Jazz and Pop. Our community outreach included a very popular and successful Jazz Day in January for pupils from six local primary schools working with professional musicians and in March we played host to over 100 children for a Big Sing day including all of our Year 2 and Year 3 pupils.

Our string Trio reached the finals of the national *Pro-Corda* schools Chamber Music Festival, performed at numerous events throughout the year and attended a Masterclass at the Royal Academy of Music. Our instrumental musicians and singers 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 Bruges this year.

We played host to the ABRSM for two examination sessions enabling some 150 pupils to take graded exams and we again achieved a 100% pass rate. Other examination success was achieved by around 20 pupils in the Trinity College and London College for grades in guitar and musical theatre. The summer term was devoted to the successful artistic collaboration with Drama and Art in the production of the musical “Guys and Dolls” at the Stag theatre.

Science

Science in Pre-Prep and Years 3-6 is taught in line with the National Curriculum. We place considerable emphasis on ‘working scientifically’ – encouraging our pupils to think about the natural world, ask questions and investigate them.

In Years 7 and 8, pupils follow the Common Entrance syllabus, with the three sciences being taught separately. Once again, focus is placed on developing pupils’ investigatory skills, as well as ensuring they have the underpinning knowledge and understanding required. Scholarship pupils are extended within lessons, and taught during additional sessions outside of normal lesson time.

The year began with the Year 8 trip to Lullingstone World Garden, where Old Michaelian, Tom Hart-Dyke, guided pupils through a fascinating variety of plants and their many uses. Y7 were treated to an exciting talk on states of matter by Dr Fryer, whose research has shown that there are many different types of ice, some harder than concrete. The pupils went on to learn how to make a solar panel from pipes and painted glass. A team of pupils entered the annual Quiz Club science competition. The theme for ‘Science Week’ in March was Fabulous Food. We incubated eggs and followed the development of the chicks until they were old enough to return to the farm. Various challenges and experiments provided a stimulating experience for pupils including investigating changes of state by turning cream into butter, having fun with forces, seeing how yeast is used in bread production; and making yogurt. Senior pupils took part in their very own ‘Bushtucker Trial’ by tasting edible insects. In the Trinity Term, Y5 pupils took part in an after-school ‘Kitchen Science’ club with activities ranging from making bath bombs to exploding papier-mâché volcanoes.

A new pond has been constructed for the science department, ready for the department to plant, develop and put to full use in the next academic year.

ST MICHAEL'S SCHOOL TRUST

TRUSTEE REPORT (CONTINUED)

For the year ended 31 August 2017

Sport

We remain committed to providing the best opportunities for pupils to develop in a range of sports offering a broad curriculum, taught by specialist teachers, which includes speed, agility, racket sports, invasion games, gymnastics and athletics. We promote an enjoyment of physical activity of all types, a healthy lifestyle and the benefits that both bring. Our aim is to help every child achieve their potential, by providing situations where they can gain success and experience the benefits of team sports. We continue to develop cross country and triathlon.

Swimming has grown from strength to strength this year and we have seen six school records broken. Amongst the notable achievements is the success of one of our pupils who won the IAPS national 50m breast stroke in Crawley. We introduced our Year 8 to Survival and Rescue swimming teaching them how to handle an emergency, get a casualty out of the water and place them in the recovery position. Our Swim School has grown and developed and we have 158 pupils registered with us and we run 4 swim squads. We continue to develop links with local swimming clubs.

The 2016-17 sporting season has produced many exciting moments, great achievements and highlights. 5 pupils were awarded sports scholarships to their senior schools. The number of matches remains consistently high. There were 619 matches in rugby, football, cricket, hockey, netball and rounders. Our girls played 308, winning 182 (59%) and our boys played 385 matches and won 197 (51%).

Some of our pupils' notable successes include: -

U13 boys won the rugby 7's in Jersey

U11 A rugby team won the Sportsmanship Award at Solefields rugby 7's tournament.

U11 hockey team won the IAPS regionals

U11 hockey team won the Hawthorns tournament

U13 netball team won the St Michael's tournament

U11 netball team won the Cobham Hall tournament

U8 netball team won the Hazelwood tournament

Yr 5-8 girls football team won the Hazelwood tournament

U11 rounders team won the plate at IAPS rounders

In addition, there were many individual achievements this year. A pupil represented the school in the 100m in the U11 age group at the IAPS National championships in Birmingham. Several pupils were selected for the district and regional football squads, one pupil represented Kent in the County Tennis Cup, one was selected for an elite sailing squad and another pupil was selected for the England fencing team.

Other Activities and Initiatives

China Link

In Geography, Year 6 took part in our first international school link and collaborative project with Y K Pao School in Shanghai, China. The children corresponded by email and shared details about their school lives, while reflecting on their own experiences. We plan to develop this initiative and create further links next year.

Global Citizenship

Our global ambassadors programme was launched with children selected to represent each class from Year 3-8. Since January, they have worked together to research and learn about people who have made a difference globally. They have met once a week for a shared lunch where they discuss issues and share inspiring stories. They have identified issues that are important to them and worked in cross year group teams to produce information to raise awareness about these issues. They have advocated on: the environment, poverty, refugees and endangered animals and they have shared idea about how we, and our community, can take action to make a difference. The global ambassadors have also started to track the child initiated actions taken around the school. In January, we held our "Global Citizenship" week at the Prep school, with a focus on themes of rights, equality, UK values, cross-cultural understanding and sustainability.

The Geography department collaborated with our Parents and Friends group to create 3 unique geographical signposts, located around the campus and showing children and visitors the direction and distance to a range of global locations. These create interest, stimulate curiosity and comparison and link directly to our curriculum. A book of questions regarding the locations is available to stimulate further understanding. The department has also worked with the International Club to plan a world map to show visually and celebrate the extent of our international community. the as well as developing relationships with Bore Place and Empathy Action and will build on these links with these strong, local, ethical organisations, which share similar philosophies to our own. We were awarded the British Council International School Award Intermediate Level, as a result of this work.

ST MICHAEL'S SCHOOL TRUST

TRUSTEE REPORT (CONTINUED)

For the year ended 31 August 2017

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 Prep with children who would otherwise be unable to attend the school and this is achieved through our means-tested bursary programme. Support is also provided to parents of existing pupils who find themselves in financial difficulties. During 2016/17 the school was able to offer support with fees on a means tested basis to 7 pupils. This year the value of means tested bursaries totalled £61,461 and represented 1.2% of our gross fees. The level of support provided ranged between 40% up to 100% remission 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 we fulfil our aims of widening access to the school. We use 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, we do not have an endowment fund so in offering bursaries, we are respectful of the fact that our bursaries are funded through income from fee-paying parents.

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 11 pupils this year. Total scholarships amounted to £42,958 which represented 0.85% of our gross fees.

Assistance for staff

As part of our commitment to attract and retain high calibre staff, we offer a staff discount scheme for staff who choose to educate their children at our School.

Community

Developing community has been a development objective and much outreach work has been achieved this year by staff and pupils working together.

Partnership Programme

Our partnership programme aims to widen access to education resources and facilities by bringing independent and state school communities together. Our partnership with Parkwood Hall Co-operative Academy has developed during the year, with training and support being provided by their leadership team to our leadership team working on higher levels of leadership teamwork and to all staff as we explored aspects of autism and team teaching. Their pupils who have a range of additional needs, are able to enjoy exclusive use of our swimming pool benefitting from the expertise of our swimming teacher.

We have a trained Computing In Schools master teacher who has led teachers from our district in training, both in-house and provided by our partners in Kent LEA and opened up the opportunity for our pupils, who are Digital Leaders to train other pupils in our partner primaries of Shoreham and Otford. We led E-safety training for the staff and parents of those schools as well.

We hosted two primary sports competitions; football in November and a netball tournament in the Spring. Both were well received. Full details of our partnerships are on the Schools Together website:

<https://www.schoolstogether.org>

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

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

ST MICHAEL'S SCHOOL TRUST

TRUSTEE REPORT (CONTINUED)

For the year ended 31 August 2017

Other benefits to the wider community

As part of our community outreach and partnership work we hosted two successful community music workshop concert events for local primary schools: Jazz Day in November and Big Sing Day in March, which were attended by over 150 pupils. For the Jazz day, professional musicians worked alongside our own staff who organised workshops for brass, woodwind, piano, drums and song. The happy atmosphere from the rehearsal phase culminated in a tremendous performance and it was amazing to hear what could be achieved by talented young people coming to work together to provide such enjoyment for themselves and for the proud assembled audience of parents and staff. The Big Sing, a collaborative singing experience in which the children expressed themselves in music, words and actions to such a high standard that it was almost impossible not to shed a tear. The joyful faces and the energy and accuracy of four musically complex and witty songs that held the audience enthralled were a privilege to behold. We are delighted to have hosted such a successful singing day and to have welcomed our five neighbouring primaries to be a part of it.

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 £8,870 in 2016-17 through pupil- led fundraising events.

A long term regular commitment to supporting a local Trussell Trust food bank in Swanley continues 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. This year sees our final donations to the Shiva Charity as we look for a charity in a partner country that we can support and have more contact with. We promote active participation in environmental projects and currently recycle paper, cardboard and food waste. We have a clothes recycling bank on site in partnership with the Salvation Army.

Development of our Old Michaelians' Association

We have reconnected with many Old Michaelians and now have over 1000 names on our database. It was decided to organise our annual event in September rather than June as in previous years, so plans are well underway for a tour of the school, barbeque, cricket and rounders matches and opportunities for our guests to meet our current pupils.

Volunteers

Our Parents and Friends Association is very active, raising significant funds each year to provide additional school amenities. This year they have contributed towards outdoor play equipment, a mural in Pre-Prep and IT equipment. As well as providing financial support to the school, it is also a forum for parents to establish links with each other which strengthens the school community. The events organised this year include a comedy night and very successful music festival held in the school grounds.

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 and this year funds have been raised towards the purchase of a new piano.

ST MICHAEL'S SCHOOL TRUST

TRUSTEE REPORT (CONTINUED)

For the year ended 31 August 2017

School Premises Development

The Premises Development Plan is reviewed on an annual basis. The key objectives achieved in 2016/17 were:

- To achieve an excellent ISI inspection result.
- To build a new reception area.
- To further develop our wrap around care facility 'The Hive' and our Swim School.
- To refurbish part of Stable Court to provide accommodation for our Estates Manager.
- To continue our electrical rewiring (Phase 4 completed) and upgrade of remaining Year 6 classrooms and resource room.

Future plans

- To further develop digital leaders programme.
- To upgrade and reconfigure the pupils' toilets in the Prep School.
- To replace the swimming pool tiling.
- To complete redevelopment of Stable Court.
- A member of the leadership team is to serve on the Governing body of the Otford Palace development project in a voluntary capacity
- To continue our programme of electrical rewiring

Longer term plans include

- Construction of an Astroturf
- Creation of a Performing Arts Facility

In addition, a member of the leadership team is to serve on the Governing body of the Otford Palace development project in a voluntary capacity

ST MICHAEL'S SCHOOL TRUST

TRUSTEE REPORT (CONTINUED)

For the year ended 31 August 2017

Financial review

The financial statements show the school generated a surplus of £391,095 (2015/16: £587,923) for the year. The net assets of the Trust amount to £7,606,141 (2015/16: £7,215,046).

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 and to fund capital development. 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 appealing a planning application refusal with a view to building 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 Governing Body'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 2017

Risk management

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

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, policies and where necessary insurance cover. Key controls used include:

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

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 2017

Ethos and Strategy of the School

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 innovative 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. We challenge and stimulate pupils to achieve their best and strive for excellence in all that they do; fostering in them a sense of wonder and joy in learning, so that they take real pride in their accomplishments. Children are given opportunities to make a difference to their school and to the wider world. Our Admissions policy does not restrict admission to only those pupils who can afford fees; applications for financial support through our bursary programme are encouraged. The school motto; perseverance, wisdom, gratitude encapsulates the cornerstones of this education.

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 (retired March 2017)

D A Evans*

R Chinchawala* (Deputy Chair of Governors)

E Bukuku

J K Tyson ~

A Smith

M Weatheritt~

R Overend~

E Sharman (from March 2017)

Clerk to Governors

F J Wade (April – December 2016)

H Grogan (from January 2017)

*Member of the Finance and General Purposes Committee

~Member of the Staffing and Resources Committee

The Governors meet as a Board three 3 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. All 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.

ST MICHAEL'S SCHOOL TRUST

TRUSTEE REPORT (CONTINUED)

For the year ended 31 August 2017

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

Governors' Recruitment and Training

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

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

STATEMENT OF TRUSTEE RESPONSIBILITIES

For the year ended 31 August 2017

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 Trustees.

ST MICHAEL'S SCHOOL TRUST

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ST MICHAEL'S SCHOOL TRUST

Opinion

We have audited the accounts of St Michael's School Trust (the 'charity') for the year ended 31 August 2017 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the accounts:

- give a true and fair view of the state of the charity's affairs as at 31 August 2017 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

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

We have nothing to report in this regard.

ST MICHAEL'S SCHOOL TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF ST MICHAEL'S SCHOOL TRUST

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the trustee and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustee Report.

We have nothing to report in respect of the following matters in relation to which 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
- sufficient accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; 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.

Responsibilities of trustee

As explained more fully in the Statement of Trustee Responsibilities, the trustee are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

Other matters which we are required to address

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.

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 auditors' 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.

Annie Lee FCA
(Senior Statutory Auditor)
For and on behalf of WSM Advisors Limited (Statutory Auditor)
Chartered Accountants

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

ST MICHAEL'S SCHOOL TRUST

STATEMENT OF FINANCIAL ACTIVITIES

For the year ended 31 August 2017

	Notes	Total 2017 £	Total 2016 £
<u>Income from:</u>			
Donations and legacies	2	16,256	115,398
Charitable activities	3	5,061,560	4,886,734
Investments	4	9,038	12,071
		<hr/>	<hr/>
Total income		5,086,854	5,014,203
		<hr/>	<hr/>
<u>Expenditure on:</u>			
Charitable activities	5	4,695,759	4,432,280
		<hr/>	<hr/>
Net gains on investments	9	-	6,000
		<hr/>	<hr/>
Net income for the year/ Net movement in funds		391,095	587,923
Reconciliation of funds			
Fund balances at 1 September 2016		7,215,046	6,627,123
		<hr/>	<hr/>
Fund balances at 31 August 2017		7,606,141	7,215,046
		<hr/>	<hr/>
All funds are unrestricted.			

ST MICHAEL'S SCHOOL TRUST

BALANCE SHEET

As at 31 August 2017

	Notes	2017 £	£	2016 £	£
Fixed assets					
Tangible assets	11	7,520,444		7,779,266	
Investment properties	12	20,000		20,000	
		<u>7,540,444</u>		<u>7,799,266</u>	
Current assets					
Debtors	13	48,491		45,049	
Cash at bank and in hand		2,665,303		2,226,556	
		<u>2,713,794</u>		<u>2,271,605</u>	
Creditors: amounts falling due within one year	14	(997,974)		(1,062,374)	
Net current assets		<u>1,715,820</u>		<u>1,209,231</u>	
Total assets less current liabilities		<u>9,256,264</u>		<u>9,008,497</u>	
Creditors: amounts falling due after more than one year	15	(1,650,123)		(1,793,451)	
Net assets		<u><u>7,606,141</u></u>		<u><u>7,215,046</u></u>	
The funds of the charity					
<u>Unrestricted funds</u>					
Designated funds	20	100,000		100,000	
General funds		7,486,606		7,095,511	
Revaluation reserve		19,535		19,535	
		<u>7,606,141</u>		<u>7,215,046</u>	
Total charity funds		<u><u>7,606,141</u></u>		<u><u>7,215,046</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 2017

	Notes	2017 £	£	2016 £	£
Cash flows from operating activities					
Cash generated from operations	23		709,323		1,102,009
Investing activities					
Purchase of tangible fixed assets		(140,177)		(370,911)	
Proceeds on disposal of tangible fixed assets		-		470	
Interest received		9,038		12,071	
Net cash used in investing activities			(131,139)		(358,370)
Financing activities					
Repayment of bank loans		(139,437)		(139,440)	
Net cash used in financing activities			(139,437)		(139,440)
Net increase in cash and cash equivalents			438,747		604,201
Cash and cash equivalents at beginning of year			2,226,556		1,622,355
Cash and cash equivalents at end of year			2,665,303		2,226,556

ST MICHAEL'S SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2017

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

1.3 Incoming resources

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

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

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

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

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

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

ST MICHAEL'S SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 August 2017

1 Accounting policies

(Continued)

1.4 Resources expended

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

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

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

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

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

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

1.5 Tangible fixed assets

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

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

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

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

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

1.6 Investment land

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

1.7 Cash and cash equivalents

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

ST MICHAEL'S SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 August 2017

1 Accounting policies

(Continued)

1.8 Financial instruments

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

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

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

Basic financial assets

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

Basic financial liabilities

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

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

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

Derecognition of financial liabilities

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

1.9 Employee benefits

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

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

ST MICHAEL'S SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 August 2017

1 Accounting policies

(Continued)

1.10 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.

1.11 VAT

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

1.12 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

	2017	2016
	£	£
Donations and gifts	16,256	115,398
	<u> </u>	<u> </u>
Donations and gifts		
Parents and Friends Association	7,374	6,408
Other Donations	8,882	8,990
Donation from parent	-	100,000
	<u> </u>	<u> </u>
	16,256	115,398
	<u> </u>	<u> </u>

ST MICHAEL'S SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 August 2017

3 Charitable activities

	School tuition £	Hire of facilities £	Swim school £	Wrap around care £	Miscellaneous £	Total 2017 £	Total 2016 £
Sales within charitable activities	4,880,432	72,897	52,313	29,465	26,453	5,061,560	4,886,734
Analysis by fund							
Unrestricted funds	4,880,432	72,897	52,313	29,465	26,453	5,061,560	
For the year ended 31 August 2016							
Unrestricted funds	4,736,568	69,432	37,618	28,383	14,733		4,886,734

ST MICHAEL'S SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 August 2017

4 Investments

	2017	2016
	£	£
Rental income	375	375
Interest receivable	8,663	11,696
	<hr/>	<hr/>
Unrestricted funds	9,038	12,071
	<hr/>	<hr/>

ST MICHAEL'S SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 August 2017

5 Charitable activities

	School tuition £	Hire of facilities £	Swim school £	Wrap around care £	Miscellaneous £	Total 2017 £	Total 2016 £
Staff costs	2,552,236	-	17,470	27,423	3,994	2,601,123	2,594,216
Depreciation and impairment	328,607	-	-	-	-	328,607	323,493
Direct costs	481,808	-	16,909	621	-	499,338	461,514
Establishment costs	407,650	-	-	-	1,200	408,850	319,628
	3,770,301	-	34,379	28,044	5,194	3,837,918	3,698,851
Share of support costs (see note 6)	829,071	16,920	-	-	-	845,991	722,053
Share of governance costs (see note 6)	11,613	237	-	-	-	11,850	11,376
	4,610,985	17,157	34,379	28,044	5,194	4,695,759	4,432,280
Analysis by fund							
Unrestricted funds	4,610,985	17,157	34,379	28,044	5,194	4,695,759	
For the year ended 31 August 2016							
Unrestricted funds	4,275,352	73,342	44,627	33,765	5,194		4,432,280

ST MICHAEL'S SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 August 2017

6 Support costs

	Support costs	Governance costs	2017	2016	Basis of allocation
	£	£	£	£	
Staff costs	450,483	-	450,483	384,487	98% schooling/2% letting
Advertising	83,283	-	83,283	71,082	98% schooling/2% letting
Post, printing, stationery	22,504	-	22,504	19,207	98% schooling/2% letting
Computer and telephone	43,454	-	43,454	37,088	98% schooling/2% letting
Premises costs	91,797	-	91,797	78,349	98% schooling/2% letting
Entertaining	2,197	-	2,197	1,875	98% schooling/2% letting
Sundries	7,912	-	7,912	6,753	98% schooling/2% letting
Bank charges	108,238	-	108,238	92,381	98% schooling/2% letting
Professional fees	8,061	-	8,061	6,880	98% schooling/2% letting
Subscriptions	7,828	-	7,828	6,681	98% schooling/2% letting
Donations	20,235	-	20,235	17,271	98% schooling/2% letting
Audit	-	7,875	7,875	7,560	98% schooling/2% letting
Accountancy	-	3,975	3,975	3,815	98% schooling/2% letting
	<u>845,991</u>	<u>11,850</u>	<u>857,841</u>	<u>733,429</u>	
Analysed between					
Charitable activities	<u>845,991</u>	<u>11,850</u>	<u>857,841</u>	<u>733,429</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 2017

8 Employees

Number of employees

The average monthly number employees during the year was:

	2017 Number	2016 Number
Administrative staff	17	15
Teaching staff	86	76
	<u>103</u>	<u>91</u>

Employment costs

	2017 £	2016 £
Wages and salaries	2,515,840	2,502,361
Social security costs	203,581	184,123
Other pension costs	266,189	271,953
	<u>2,985,610</u>	<u>2,958,437</u>

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

	2017 Number	2016 Number
£80,001-£90,000	1	1
£110,001-£120,000	1	1

The charity paid emoluments amounting to £196,746 (2016: £247,962) and pension contributions amounting to £45,173 (2016: £23,228) in the year for the key management members of staff.

9 Net gains/(losses) on investments

	2017 £	2016 £
Revaluation of investment property	-	6,000

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 2017

11 Tangible fixed assets

	Freehold land and buildings £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Total £
Cost					
At 1 September 2016	9,836,129	495,722	577,760	45,272	10,954,883
Additions	46,812	-	93,365	-	140,177
Disposals	-	(2,408)	-	-	(2,408)
Reclassification	(73,730)	-	-	-	(73,730)
At 31 August 2017	9,809,211	493,314	671,125	45,272	11,018,922
Depreciation and impairment					
At 1 September 2016	2,289,633	459,384	396,786	29,815	3,175,618
Depreciation charged in the year	247,074	9,085	68,585	3,864	328,608
Eliminated in respect of disposals	-	(2,408)	-	-	(2,408)
Reclassification	(3,340)	-	-	-	(3,340)
At 31 August 2017	2,533,367	466,061	465,371	33,679	3,498,478
Carrying amount					
At 31 August 2017	7,275,844	27,253	205,754	11,593	7,520,444
At 31 August 2016	7,546,495	36,339	180,974	15,458	7,779,266

12 Investment property

	£
Fair value	
At 1 September 2016 and 31 August 2017	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

	2017 £	2016 £
Amounts falling due within one year:		
Trade debtors	-	6,661
Other debtors	24,450	19,208
Prepayments and accrued income	24,041	19,180
	48,491	45,049

ST MICHAEL'S SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 August 2017

14 Creditors: amounts falling due within one year

	Notes	2017 £	2016 £
Bank loans		139,439	139,439
Deferred income	17	609,208	607,380
Trade creditors		22,312	38,419
Other creditors		62,539	72,412
Accruals and deferred income		164,476	204,724
		<u>997,974</u>	<u>1,062,374</u>

15 Creditors: amounts falling due after more than one year

	Notes	2017 £	2016 £
Bank loans		1,452,149	1,591,588
Pupil deposits	17	197,974	201,863
		<u>1,650,123</u>	<u>1,793,451</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 2017, the charity had drawn down a total of £1,591,588.56, 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 £105,105 (2016: £130,000).

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

ST MICHAEL'S SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 August 2017

17 Deferred income

	2017 £	2016 £
Receipts in advance	807,182	809,243

Deferred income is included in the financial statements as follows:

	2017 £	2016 £
Current liabilities	609,208	607,380
Non-current liabilities	197,974	201,863
	807,182	809,243

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 £264,567 (2016: £271,953).

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 2017

19 Analysis of net assets between funds

	Total £
Fund balances at 31 August 2017 are represented by:	
Tangible assets	7,520,444
Investment properties	20,000
Current assets/(liabilities)	1,715,820
Non current liabilities	(1,650,123)
	<u>7,606,141</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 2016 £	Movement in funds Incoming resources £	Resources expended £	Balance at 31 August 2017 £
Donation from parent	100,000	-	-	100,000
	<u>100,000</u>	<u>-</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:

	2017 £	2016 £
Within one year	11,503	11,503
Between two and five years	34,510	46,013
	<u>46,013</u>	<u>57,516</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 2017

23	Cash generated from operations	2017 £	2016 £
	Surplus for the year	391,095	587,923
	Adjustments for:		
	Investment income recognised in profit or loss	(9,038)	(12,071)
	Reclassification of tangible fixed assets	70,390	
	Fair value gains and losses on investment properties	-	(6,000)
	Depreciation and impairment of tangible fixed assets	328,607	323,493
	Movements in working capital:		
	(Increase)/decrease in debtors	(3,442)	37,454
	(Decrease)/increase in creditors	(66,228)	69,190
	(Decrease)/increase in deferred income	(2,061)	102,022
	Cash generated from operations	<u>709,323</u>	<u>1,102,011</u>