

**ST MICHAEL'S SCHOOL TRUST**

**Annual report and financial statements**

**For the year ended 31 August 2018**

# ST MICHAEL'S SCHOOL TRUST

## LEGAL AND ADMINISTRATIVE INFORMATION

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<b>Board of Governors</b>	P H Carter D A Evans R Chinchawala E Bukuku J K Tyson A Smith (Retired 6 July 2018) M Weatheritt R Overend (Retired 6 July 2018) E Sharman C Kiggell (Appointed 21 June 2018)
<b>Trustee</b>	St Michael's Trust Association Ltd
<b>Charity number</b>	1076999
<b>Principal address</b>	St Michael's School Row Dow Otford Court Otford Kent TN14 5RY
<b>Key management</b>	Headteacher - J Aisher Director of Finance and Operations - D Birmingham Finance Bursar - K Christen Clerk to Governors - H Grogan
<b>Auditor</b>	WSM Advisors Limited Connect House 133-137 Alexandra Road Wimbledon London SW19 7JY
<b>Bankers</b>	Barclays Bank Plc 80 High Street Sevenoaks Kent TN13 1LR
<b>Solicitors</b>	Brachers LLP Somerfield House Maidstone Kent ME16 8JH

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# ST MICHAEL'S SCHOOL TRUST

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# ST MICHAEL'S SCHOOL TRUST

## TRUSTEE REPORT

**For the year ended 31 August 2018**

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The trustee of St Michael's School Trust presents their annual report and audited accounts for the year ended 31 August 2018 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 objective, the trustee has complied with the duty in s.4 of the Charities Act 2011 to have regard to the Charity Commission's published general and relevant sub-sector guidance concerning the operation of the Public Benefit requirement under that Act.

The success of the school in achieving its objectives means that it is able to maintain high pupil numbers. Many year groups are full to capacity and enquiry levels remain high. To retain this position, we decided to expand our pupil intake in Reception. We will open an additional class in September 2018 to create a 3 form intake and enable us to respond to demand for places in the early years. Securing entrants to Year 3 creates the ability to provide specialist teachers.

### **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.

### **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

# ST MICHAEL'S SCHOOL TRUST

## TRUSTEE REPORT (CONTINUED)

For the year ended 31 August 2018

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Key objectives for the year are:

<ul style="list-style-type: none"><li>• To ensure every lesson meets the needs of every pupil.</li></ul>
<ul style="list-style-type: none"><li>• To review the curriculum for Years 7 &amp; 8.</li><li>• To develop well-being and mental health provision and understanding throughout the school.</li><li>• To consider ways to expand provision at the school.</li><li>• 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.</li><li>• To continue to build community, locally and globally and further develop the charitable and Christian work of the school.</li></ul>

# ST MICHAEL'S SCHOOL TRUST

## TRUSTEE REPORT (CONTINUED)

For the year ended 31 August 2018

### REVIEW OF ACTIVITIES AND ACHIEVEMENTS

#### **Pupil numbers and fees**

Our activities are carried out through our Pre Prep School and Prep School. Pupil numbers were 437, a decrease over the previous year (2017: 447). These are broken down as follows;

Pre Prep	202
Prep	235
Total	437

Our termly fees, which increased by 3%, before deduction of any means-tested bursaries or scholarships were:

Nursery	£1,915 (based on 5 morning sessions)
Kindergarten	£3,830 (based on 10 sessions per week)
Reception –Year 2	£3,835
Years 3-4	£4,419
Years 5-8	£4,665

#### **Academic**

Curriculum changes brought in during the year included an additional English lesson in Years 3 & 4 and a termly 'big write' opportunity to spend a whole morning researching and creating a literary response to a situation. We created morning challenge slots to introduce and watch the varied and exciting responses to the homework challenges. These moments enabled a hive of activity with children proudly presenting, singing and showcasing their independent work.

St Michael's continued 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. 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 all year groups. Our children are performing above the level of children nationally in all areas of the curriculum in both English and Maths. A key feature in the results this year was the improvement in spelling where children in the Prep School achieved scores at an average of 16.75% higher than those nationally. In Maths we saw another strong set of results where our children consistently performed higher than their benchmarked score, demonstrating excellent progress.

The school continues to provide exceptional individual attention and support for all abilities.

This year we had the highest number of scholarship offers from other senior schools with 24 offered, 13 of which were accepted. Last year we were offered 21 scholarships and 15 were accepted. All of our 13+ leavers went on to their chosen senior school. At the 11+ the grammar school pass rate was 67%, a 7% increase on the previous year.

#### **Art & Design Technology**

Art and DT celebrated the work of our pupils and promotes a positive creative learning environment. Examples of their creative talents were displayed in a changing gallery in the school's main corridor and through the sculpture displayed in cabinets. This year in a collaboration with the Drama department, pupils and staff produced props, backdrops and scenery to enhance the production of 'Lord of the Flies'.

The Music and Art Tour to Venice provided many opportunities for pupils to experience the art and culture of Italy including work from both old masters and modern artists. Visits to art galleries with works by Bellini, Canaletto, Leonardo da Vinci and Tintoretto inspired our students to sketch the works and imitate the artists' style.

The main focus was a Venetian mask-making workshop, where techniques were taught around the four elements; earth, wind, water and fire. The decorated masks were finished with coloured ribbons in order for them to be worn or displayed.

The year finished with a celebration of students' work in the end of year exhibition showcasing their creative achievements including their Venetian masks.

# ST MICHAEL'S SCHOOL TRUST

## TRUSTEE REPORT (CONTINUED)

For the year ended 31 August 2018

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### Drama

It was another very successful year for our Drama department. We held our 3rd annual House Drama competition with 15 pairs qualifying for the finals. We were fortunate to have a guest judge, who worked extensively in the TV and Film industry, and was impressed by the high levels of performance from all the children.

Two of our pupils secured drama scholarships during the year and our current drama scholars spent an immersive day of theatre in London, which combined experiencing the birthplace of Musical Theatre, Drury Lane on a backstage tour, with a visit to see the musical 'Cabaret' in Bromley.

Year 3 performed 'Christmas is Forever' and all who watched commended their performance. A team effort from the children, staff, parents and our drama scholars made this a memorable occasion. Year 6 pupils went to see the West End production of "School of Rock" which was thoroughly enjoyed by all, not least the various musical talents of the children performing in the show.

This year our pupils were really challenged with the school's production of 'Lord of the Flies'. It was a tour de force, and produced some exquisite performances.

Students, including 2 of our alumni visited from Sevenoaks School to give a presentation and workshop on Macbeth. Some of our students were called up on stage and incorporated into the scenes, which blended the Shakespearian text with created scenes. This workshop consolidated our term's work on the text, and gave the students a wonderful opportunity to see the story brought to life with older students performing.

### Music

It has been another year of outstanding musical endeavour and we have seen an increase in the number and quality of performance opportunities for pupils across the school. Large numbers of pupils participate in instrumental ensembles or in one of several choirs and more than 260 pupils receive instrumental & vocal tuition. We put on or attended over 20 concerts to allow every single child the opportunity to perform at least once during the year.

Our chamber choir 'The Ten' joined other Prep Schools and the choirs of King's Canterbury for a day of choral singing at Canterbury Cathedral. The choral selections were challenging and inspiring and included works by Elgar, Howells, Bruckner and Chilcott. Little Big Band had the opportunity to perform on the youth music stage in the Sevenoaks Summer Festival.

60 pupils had the opportunity to travel to Venice at Easter on our combined Music and Art tour, culminating in a concert in the church of San Cassiano, where our pupils performed alongside an orchestra and a local adult choir. The focus of the tour was Vivaldi and the Baroque period, in preparation for a performance of Vivaldi's Gloria by our Community Choir at the summer concert. The choir comprised 160 pupils, 50 parents, teachers and friends and professional musicians and soloists. It was a truly remarkable performance in our marquee, enjoyed by an appreciative audience.

We hosted ABRSM examination enabling some 104 pupils to take graded exams and we again achieved an excellent pass rate. Other examination success was achieved by 19 pupils in the Trinity College and London College for grades in guitar and musical theatre.

As part of our community outreach and partnership work we hosted another successful Orchestra Day, Music Workshop and Concert involving several local primary schools and over 70 pupils. The workshops offered included strings, brass, woodwind, and percussion.

### Science

There have been many highlights during the year as we have continued to place emphasis on how science works and the development of pupils' scientific enquiry skills. Modelling scientific concepts remains a valuable tool for improving pupils' understanding.

# **ST MICHAEL'S SCHOOL TRUST**

## **TRUSTEE REPORT (CONTINUED)**

**For the year ended 31 August 2018**

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A wonderful, new pond welcomed us back to school in September heralding the start of a busy year of outdoor learning in Science. Year 6 pupils rose to the challenge of researching and selecting suitable native plants for the pond. During Science Week, Year 4 worked collaboratively to build a bug hotel for the pond garden, which inspired them to take part in the annual Great Bug Hunt Competition.

Year 8 visited Lullingstone World Garden, where Old Michaelian, Tom Hart-Dyke, guided pupils through a fascinating variety of plants and their many uses. A small group from Year 8 represented the school at the Salters' Festival of Chemistry at the University of Kent. Their team work skills were put to the test as they completed two chemistry challenges in the impressive undergraduate lab. A team of pupils from Years 5 & 6 entered the Science Quiz championships in November.

A new development this year was our ICT/Science Fusion Club where pupils were able to learn about optics using virtual lasers and lenses, experiment with motors, springs and material properties and create some games which obeyed the laws of physics.

Year 7 were inspired by an exciting talk from Lord Winston, Professor of Science and Society at Imperial College on studying science and medicine as a career. To finish the year, Year 8 completed our stairwell art project. A lasting record not only of the history of the Earth but also our talented students from the past four years.

### **Geography**

This year has seen an exciting range of activities and developments in Geography. In the curriculum, students have covered a vast range of subjects from Antarctic explorers to specific country studies to learning about volcanos and earthquakes. We introduced a combined humanities approach to History and Geography in Year 3 and 4 and this has been a great success. Outside of the classroom, Year 8 visited Stratford to look at the Olympic Park and to learn about the regeneration of the East End of London. They carried out studies during a residential at Bore Place, learning about sustainability. Year 7 learnt studied rivers, coasts and fieldwork technique during an active day at Seven Sisters.

### **Sport**

We have a comprehensive PE curriculum taught by specialist teachers, which includes speed, agility, racket sports, invasion games, gymnastics and athletics. Our commitment is to provide the best opportunity for pupils to develop in a range of sports. We aim to help every child achieve their potential, by providing situations where they can gain success. Our focus is to promote an enjoyment of physical activity of all types, a healthy lifestyle and the benefits that both bring, as well as an increase in skill level and an understanding of the benefits that team sports have to offer. 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, hockey, swimming and cross country. 5 new school records were set during our Prep School Sports Day.

The 2017-18 season of sport has produced many exciting moments and great achievements. 3 pupils were awarded sports scholarships to their chosen senior schools and 4 pupils were awarded a sports scholarship or an exhibition for Year 7 & 8 here. The number of matches remains high with 670 matches played throughout the year in our major games— rugby, football, cricket, hockey, netball and rounders. The boys played 399 matches, winning 175 of them (43%), drawing 94 and losing 169. The girls played 271 matches, winning 153 (55%), drawing only 29, with 89 losses. Overall, we won 328 matches and lost 258 overall.



# **ST MICHAEL'S SCHOOL TRUST**

## **TRUSTEE REPORT (CONTINUED)**

**For the year ended 31 August 2018**

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Some of our pupils' successes include:

U13 boys won the football tournament in Jersey

U11 boys won the Sevenoaks School Indoor football tournament

U11 hockey team won the Kent Schools Hockey Tournament and went on to represent St Michael's at the regionals

U13 netball team won the St Michael's B tournament

U11 netball team won the Community tournament

U9 netball team won the Sevenoaks Prep A tournament and the Rose Hill B Tournament.

An exciting addition to our curriculum this year has been the introduction of girls' cricket. The U11's had an introductory cricket match against Sevenoaks Prep where they had success late on in the term. Cricket will become a part of the girls' summer curriculum for all age groups next year.

There were many individual successes during the year too.

One pupil is a member of the England fencing team, one pupil represents the country in Yoga and has won several gold medals and another is 4th in the country in tennis.

Two pupils qualified for the IAPS Athletics National Finals in Birmingham following impressive medal-winning performances at the IAPS athletics in Ashford

One of our Year 8 pupils won a gold medal in breaststroke and is ranked in the top three breaststroke swimmers in the UK in his age group.

Three of our swimmers qualified for the National Championships at the Olympic Park, 2 of whom reach the final selection of the fastest 10 overall.

Several pupils had success at District level in tennis and gold medals were won by one of our pupils at the IAPS swimming gala in the 50m breast stroke, and the IAPS Triathlon.

### **Other Activities and Initiatives**

#### **Global Citizenship**

Our Global Ambassadors have also continued to promote issues that they are passionate about. They have learnt about the importance of advocacy and have been putting this into practice by teaching other students about clean water and sustainable development goals; the importance of bees; and how to take better care of our local and global environment. Their Eco work has helped us apply for the Eco Schools Award.

We have gained the British Council International School Intermediate Award because of our work promoting a global dimension to our curriculum. We celebrated the European Day of Languages with an international assembly. Our annual French Day, saw the school and pupils and staff adorned in red, white and blue, sampling cuisine, and enjoying lessons in French.

Our global partnerships have continued. In addition to our links with a school in Shanghai, we are planning links with schools in Tanzania and have established a link through the curiosity curriculum with a school in the USA.

Our pupils enjoyed a Tanzania Day, to promote mutual support and understanding in preparation for a new partnership with the Rochester of Diocese to link up with two schools in Mpwapwa, Tanzania. This will also bring us in to a closer partnership with Shoreham Village School whose travel to Tanzania we funded.

#### **Wellbeing**

We became a flagship Lead School for West Kent Mind. During the year we organised Parent and Staff well-being awareness training and raised the profile of this topic within our pupil community.

# ST MICHAEL'S SCHOOL TRUST

## TRUSTEE REPORT (CONTINUED)

For the year ended 31 August 2018

### 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 2017/18 the school was able to offer support with fees on a means tested basis to 12 pupils, an increase of 5 compared to the previous year. This year the value of means tested bursaries totalled £74,610, an increase of 21.4% over the previous year. This represented 1.48% of our gross fees. The level of support provided ranged between 15% -85% 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 and we ran a radio campaign to increase awareness of the support available which proved very successful.

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. We remain committed to exploring ways to increase the funds available for bursaries. This is one of our development objectives for 2018-2019.

#### 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 5 pupils this year. Total scholarships amounted to £32,871 which represented 0.65% of our gross fees.

#### Assistance for staff

As part of our continued commitment to attract and retain high calibre staff, we offer a fee remission scheme for staff who choose to educate their children at St Michael's Prep.

#### Community

We continue in our commitment to partner schools locally and abroad and have developed a new link with a diocese and school in Mpwapwa, Tanzania in collaboration with Rochester diocese. Its primary purpose is to build relationships and promote mutual support and learning.

#### Partnership Programme

Our partnership programme aims to widen access to education resources and facilities by bringing independent and state school communities together. Our partnership working has continued during the year and we entered into a new partnership with a local primary school. The following schools now using our facilities: Otford, Shoreham, Parkwood Academy and Seal St Lawrence.

Parkwood Hall Co-operative Academy provided leadership training to our senior leadership team. Their pupils who have a range of additional needs, are able to enjoy exclusive use of our swimming pool benefitting from the expertise of our swimming teacher.

We have an accredited Computing in Schools Master Teacher we are now officially recognised as a CAS Lead school. This took two years to achieve through delivering Computing training and workshops to staff and students from other schools. Our pupils, who are Digital Leaders have had the opportunity to train other pupils in some of our partnership schools. We provided E-safety training for the staff and parents of those schools as well.

We hosted two primary sports competitions; football in November for six schools and a netball tournament in the Spring. Both were very successful. Full details of our partnerships are on the Schools Together website: <https://www.schoolstogether.org>.

# **ST MICHAEL'S SCHOOL TRUST**

## **TRUSTEE REPORT (CONTINUED)**

**For the year ended 31 August 2018**

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We continue to offer the following facilities free of 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.

### **Other benefits to the wider community**

Each year our pupils select a number of charities to be the beneficiaries of our major annual fundraising event which takes place during the summer. These were Cancer Research, NSPCC and Young Epilepsy. As well as supporting 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 such as Children in Need. The school raised £6,834 in 2017-18 through pupil-led fundraising events.

A long term regular commitment to supporting a 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. We promote active participation in environmental projects and currently recycle paper, cardboard and food waste and are soon to start recycling pens. We have a clothes recycling bank on site in partnership with the Salvation Army.

### **Old Michaelians' Association**

During the Michaelmas Term 2017, we held an Old Michaelians' Day.

Former pupils, young and old arrived during the morning and spent time sharing memories amongst themselves and with some of our staff, whilst looking at old photo albums from our archives. They then had the opportunity to tour the school and speak to current pupils.

A splendid lunch, set up in the drama room, was followed by some highly competitive badminton in the sports hall and netball on the playground, as numbers were swelled by the arrival of some of St Michael's more recent "graduates".

Staff, children and Old Michaelians all thoroughly enjoyed the day.

### **Volunteers**

We continue to benefit from the support from our very active Parents and Friends Association, who meet regularly with us and raise significant funds each year to support projects and initiatives. 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.

Events organised this year include a Comedy Night, Christmas Bazaar and a very successful Spring Ball raising over £20,000, half of which went to the local charity West Kent Mind.

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 others and to participate in a range of activities celebrating their diverse heritage and individual expertise. Parents of all nationalities meet informally to share their experience of living abroad and in Britain.

They also volunteer at school events such as Open Day and host a wonderful international food booth during the Pre-Prep Sports Day with proceeds being donated to a nominated charity.

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.

# **ST MICHAEL'S SCHOOL TRUST**

## **TRUSTEE REPORT (CONTINUED)**

**For the year ended 31 August 2018**

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### **Future Plans**

The Governors intend to continue their current strategies of maintaining the School's position in a competitive market by investing to provide high quality education for our pupils.

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

### **School Premises Development**

The Premises Development Plan is reviewed on an annual basis. The key objectives achieved in 2017/18 were:

- To obtain planning permission to build an All Weather Sports Pitch.
- To retile our swimming pool
- To upgrade and refurbish the swimming pool changing rooms
- To plan the redevelopment of Stable Court to accommodate extra classes in Pre-Prep
- To continue our electrical rewire and upgrade of the basement classroom to provide a refurbished teaching space
- To create a dedicated First Aid room.

### **Future plans**

- To build the All Weather Sports Pitch after planning approval was granted
- To complete the redevelopment of Stable Court and provide alternative accommodation for the school uniform shops
- To repair the Sports Hall Roof
- To continue our programme of electrical rewiring in the Prep School

### **Longer term plans include**

- Creation of a Creative 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 2018

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### Financial review

The financial statements show the school generated a surplus of £416,897 (2016/17: £391,095) for the year. The net assets of the Charitable Trust amount to £8,023,038 (2016/17: £7,606,141).

The principal source of income is fees accounting for 95% 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 upgrade of the swimming pool and changing rooms. 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 have successfully appealed a planning application refusal, and have been granted permission to build an Astro turf facility which will happen during the next academic year. Plans are underway to refurbish Stable Court to enable us to expand provision in our Pre-Prep. 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 2018

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<b>Risk management</b>
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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 2018

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### 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)  
D A Evans\*  
R Chinchawala\* (Deputy Chair of Governors)  
E Bukuku  
J K Tyson ~  
A Smith (retired July 2018)  
M Weatheritt ~  
R Overend (retired July 2018)  
E Sharman (from March 2017) ~  
C Kiggell (Appointed June 2018)

Clerk to Governors  
H Grogan

\* Member of the Finance and General Purposes Committee

~ Member of the Staffing and Remuneration Committee

The Governors meet as a Board three times a year and there are sub-committees which meet termly. 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 2018**

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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.

### **Auditor**

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

### **Disclosure of information to auditor**

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

The trustee report was approved by the Board of Trustee.

**St Michael's Trust Association Limited**

Dated: 22 November 2018



# ST MICHAEL'S SCHOOL TRUST

## STATEMENT OF TRUSTEE RESPONSIBILITIES

**For the year ended 31 August 2018**

<p><b>Statement of Trustee responsibilities</b></p> <p>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).</p> <p>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.</p> <p>In preparing these accounts, the trustee is required to:</p> <ul style="list-style-type: none"> <li>- select suitable accounting policies and then apply them consistently;</li> <li>- observe the methods and principles in the Charities SORP;</li> <li>- make judgements and estimates that are reasonable and prudent;</li> <li>- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts; and</li> <li>- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.</li> </ul> <p>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.</p>

# ST MICHAEL'S SCHOOL TRUST

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF ST MICHAEL'S SCHOOL TRUST

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#### Opinion

We have audited the financial statements of St Michael's School Trust (the 'charity') for the year ended 31 August 2018 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 August 2018 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 financial statements is not appropriate; or
- the trustee have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

#### Other information

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

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

We have nothing to report in this regard.

# **ST MICHAEL'S SCHOOL TRUST**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE MEMBERS OF ST MICHAEL'S SCHOOL TRUST**

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#### **Matters on which we are required to report by exception**

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

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

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

#### **Responsibilities of trustee**

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

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

#### **Auditor's responsibilities for the audit of the financial statements**

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

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

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

#### **Use of our report**

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

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

22 November 2018  
Connect House  
133-137 Alexandra Road  
London  
SW19 7JY

# ST MICHAEL'S SCHOOL TRUST

## STATEMENT OF FINANCIAL ACTIVITIES

For the year ended 31 August 2018

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	Notes	Total 2018 £	Total 2017 £
<b><u>Income from:</u></b>			
Donations and legacies	2	15,670	16,256
Charitable activities	3	5,065,050	5,061,560
Investments	4	15,366	9,038
		<hr/>	<hr/>
<b>Total income</b>		5,096,086	5,086,854
		<hr/>	<hr/>
<b><u>Expenditure on:</u></b>			
Charitable activities	5	4,679,189	4,695,759
		<hr/>	<hr/>
<b>Net income for the year/ Net movement in funds</b>		416,897	391,095
<b>Reconciliation of funds</b>			
Fund balances at 1 September 2017		7,606,141	7,215,046
		<hr/>	<hr/>
<b>Fund balances at 31 August 2018</b>		8,023,038	7,606,141
		<hr/> <hr/>	<hr/> <hr/>

All funds are unrestricted.

# ST MICHAEL'S SCHOOL TRUST

## BALANCE SHEET

As at 31 August 2018

	Notes	2018 £	£	2017 £	£
<b>Fixed assets</b>					
Tangible assets	10	7,599,217		7,520,444	
Investment properties	11	20,000		20,000	
		<u>7,619,217</u>		<u>7,540,444</u>	
<b>Current assets</b>					
Debtors	12	78,351		48,491	
Cash at bank and in hand		2,882,027		2,665,303	
		<u>2,960,378</u>		<u>2,713,794</u>	
<b>Creditors: amounts falling due within one year</b>	13	(1,256,559)		(1,195,948)	
Net current assets		<u>1,703,819</u>		<u>1,517,846</u>	
<b>Total assets less current liabilities</b>		<u>9,323,036</u>		<u>9,058,290</u>	
<b>Creditors: amounts falling due after more than one year</b>	14	(1,299,998)		(1,452,149)	
<b>Net assets</b>		<u><u>8,023,038</u></u>		<u><u>7,606,141</u></u>	
<b>The funds of the charity</b>					
<u>Unrestricted funds</u>					
Designated funds	18	100,000		100,000	
General funds		7,903,503		7,486,606	
Revaluation reserve		19,535		19,535	
		<u>8,023,038</u>		<u>7,606,141</u>	
<b>Total charity funds</b>		<u><u>8,023,038</u></u>		<u><u>7,606,141</u></u>	

The accounts were approved by the Trustee on 22 November 2018

**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 2018

	Notes	2018 £	£	2017 £	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	22		867,122		709,323
<b>Investing activities</b>					
Purchase of tangible fixed assets		(478,176)		(140,177)	
Proceeds on disposal of tangible fixed assets		4,000		-	
Interest received		15,366		9,038	
<b>Net cash used in investing activities</b>			(458,810)		(131,139)
<b>Financing activities</b>					
Repayment of bank loans		(191,588)		(139,439)	
<b>Net cash used in financing activities</b>			(191,588)		(139,439)
<b>Net increase in cash and cash equivalents</b>			216,724		438,747
Cash and cash equivalents at beginning of year			2,665,303		2,226,556
<b>Cash and cash equivalents at end of year</b>			2,882,027		2,665,303

# ST MICHAEL'S SCHOOL TRUST

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2018

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### 1 Accounting policies

#### Company information

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

#### 1.1 Accounting convention

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

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

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

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

#### 1.2 Going concern

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

#### 1.3 Incoming resources

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

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

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

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

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

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

# ST MICHAEL'S SCHOOL TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 August 2018

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### 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 2018

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### 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 2018

### 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

	2018	2017
	£	£
Donations and gifts	15,670	16,256
<b>Donations and gifts</b>		
Parents and Friends Association	7,074	7,374
Other donations	5,541	8,882
Donation from parent	3,055	-
Unrestricted funds	15,670	16,256

# ST MICHAEL'S SCHOOL TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 August 2018

### 3 Income from: Charitable activities

	School tuition £	Hire of facilities £	Swim school £	Wrap around care £	Miscellaneous £	Total 2018 £	Total 2017 £
Income within charitable activities	4,860,921	60,046	53,416	44,677	45,990	5,065,050	5,061,560
<b>Analysis by fund</b>							
Unrestricted funds	4,860,921	60,046	53,416	44,677	45,990	5,065,050	
<b>For the year ended 31 August 2017</b>							
Unrestricted funds	4,880,432	72,897	52,313	29,465	26,453		5,061,560

# ST MICHAEL'S SCHOOL TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 August 2018

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### 4 Investments

	2018	2017
	£	£
Rental income	375	375
Interest receivable	14,991	8,663
	<hr/>	<hr/>
Unrestricted funds	15,366	9,038
	<hr/>	<hr/>

# ST MICHAEL'S SCHOOL TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 August 2018

### 5 Expenditure on: Charitable activities

	School tuition £	Hire of facilities £	Swim school £	Wrap around care £	Miscellaneous £	Total 2018 £	Total 2017 £
Staff costs	2,726,624	-	16,163	29,634	4,129	2,776,550	2,601,123
Depreciation and impairment	397,478	-	-	-	-	397,478	328,607
Direct costs	471,848	-	15,442	891	-	488,181	499,338
Establishment costs	315,948	-	-	-	1,200	317,148	408,850
	<u>3,911,898</u>	<u>-</u>	<u>31,605</u>	<u>30,525</u>	<u>5,329</u>	<u>3,979,357</u>	<u>3,837,918</u>
Share of support costs (see note 6)	674,320	13,762	-	-	-	688,082	845,991
Share of governance costs (see note 6)	11,515	235	-	-	-	11,750	11,850
	<u>4,597,733</u>	<u>13,997</u>	<u>31,605</u>	<u>30,525</u>	<u>5,329</u>	<u>4,679,189</u>	<u>4,695,759</u>
<b>Analysis by fund</b>							
Unrestricted funds	<u>4,597,733</u>	<u>13,997</u>	<u>31,605</u>	<u>30,525</u>	<u>5,329</u>	<u>4,679,189</u>	
<b>For the year ended 31 August 2017</b>							
Unrestricted funds	<u>4,610,985</u>	<u>17,157</u>	<u>34,379</u>	<u>28,044</u>	<u>5,194</u>		<u>4,695,759</u>

# ST MICHAEL'S SCHOOL TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 August 2018

### 6 Support costs

	Support costs	Governance costs	2018	2017	Basis of allocation
	£	£	£	£	
Staff costs	401,308	-	401,308	450,483	98% schooling/2% letting
Advertising	44,510	-	44,510	83,283	98% schooling/2% letting
Post, printing, stationery	16,563	-	16,563	22,504	98% schooling/2% letting
Computer and telephone	34,178	-	34,178	43,454	98% schooling/2% letting
Premises costs	86,195	-	86,195	91,797	98% schooling/2% letting
Entertaining	1,538	-	1,538	2,197	98% schooling/2% letting
Sundries	696	-	696	7,912	98% schooling/2% letting
Bank charges	78,960	-	78,960	108,238	98% schooling/2% letting
Professional fees	3,265	-	3,265	8,061	98% schooling/2% letting
Subscriptions	6,891	-	6,891	7,828	98% schooling/2% letting
Donations	13,978	-	13,978	20,235	98% schooling/2% letting
Audit	-	7,875	7,875	7,878	98% schooling/2% letting
Accountancy		3,875	3,875	3,975	98% schooling/2% letting
	<u>688,082</u>	<u>11,750</u>	<u>699,832</u>	<u>857,845</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 2018

### 8 Employees

#### Number of employees

The average monthly number employees during the year was:

	2018 Number	2017 Number
Administrative staff	21	17
Teaching staff	83	86
	<u>104</u>	<u>103</u>

#### Employment costs

	2018 £	2017 £
Wages and salaries	2,657,969	2,515,840
Social security costs	244,317	203,581
Other pension costs	306,569	266,189
	<u>3,208,855</u>	<u>2,985,610</u>

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

	2018 Number	2017 Number
£80,001-£90,000	1	1
£110,001-£120,000	1	1

The charity paid emoluments amounting to £199,418 (2017: £196,746) and pension contributions amounting to £30,920 (2017: £45,173) in the year for the key management members of staff.

### 9 Taxation

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

# ST MICHAEL'S SCHOOL TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 August 2018

### 10 Tangible fixed assets

	Freehold land and buildings £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Total £
<b>Cost</b>					
At 1 September 2017	9,809,211	493,314	671,125	45,272	11,018,922
Additions	385,519	40,000	42,947	9,710	478,176
Disposals	-	(41,545)	-	-	(41,545)
At 31 August 2018	10,194,730	491,769	714,072	54,982	11,455,553
<b>Depreciation and impairment</b>					
At 1 September 2017	2,533,367	466,061	465,371	33,679	3,498,478
Depreciation charged in the year	254,870	23,353	113,928	5,326	397,477
Eliminated in respect of disposals	-	(39,619)	-	-	(39,619)
At 31 August 2018	2,788,237	449,795	579,299	39,005	3,856,336
<b>Carrying amount</b>					
At 31 August 2018	7,406,493	41,974	134,773	15,977	7,599,217
At 31 August 2017	7,275,844	27,253	205,754	11,593	7,520,444

### 11 Investment land

	£
<b>Fair value</b>	
At 1 September 2017 and 31 August 2018	20,000

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

### 12 Debtors

	2018 £	2017 £
<b>Amounts falling due within one year:</b>		
Trade debtors	1,690	-
Other debtors	34,348	24,450
Prepayments and accrued income	42,313	24,041
	78,351	48,491



# ST MICHAEL'S SCHOOL TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 August 2018

### 13 Creditors: amounts falling due within one year

	Notes	2018 £	2017 £
Bank loans		100,002	139,439
Deferred income	16	652,936	609,208
Trade creditors		69,843	22,312
Other creditors		308,808	260,513
Accruals		124,970	164,476
		<u>1,256,559</u>	<u>1,195,948</u>

Included in other creditors are pupil deposits of £247,494 (2017: £197,194) which were previously presented as liabilities due after more than one year in the 2017 financial statements. The Governors have concluded that the charity does not have an unconditional right to retain the individual deposits for at least 12 months after the balance sheet date and so have presented the deposits within current liabilities in 2018.

### 14 Creditors: amounts falling due after more than one year

	Notes	2018 £	2017 £
Bank loans		<u>1,299,998</u>	<u>1,452,149</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.

To date, the charity drew down a total of £1,591,588 from the loan.

### 15 Provisions for bad and doubtful debts

During the year, the charity recognised a bad debt provision, in regards to fee income, of £70,000 (2017: £105,105).

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 2018

### 16 Deferred income

	2018 £	2017 £
Arising from the Autumn 2018 term	652,936	609,208

Deferred income is included in the financial statements as follows:

	2018 £	2017 £
Current liabilities	652,936	609,208

### 17 Pension and other post-retirement benefit commitments

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

### 18 Designated funds

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

Balance at 1 September 2017	Movement in funds		Balance at 31 August 2018
	Incoming resources	Resources expended	
£	£	£	£
100,000	-	-	100,000
<u>100,000</u>	<u>-</u>	<u>-</u>	<u>100,000</u>
<u>100,000</u>	<u>-</u>	<u>-</u>	<u>100,000</u>

The Governors have considered a proposal to utilise these funds for our capital investment programme.

### 19 Analysis of net assets between funds

	Total £
Fund balances at 31 August 2018 are represented by:	
Tangible assets	7,599,217
Investment properties	20,000
Current assets/(liabilities)	1,703,819
Non current liabilities	(1,299,998)
	<u>8,023,038</u>
All relate to unrestricted funds.	

### 20 Operating lease commitments

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

	2018 £	2017 £
Within one year	11,503	11,503
Between two and five years	23,007	34,510
	<u>34,510</u>	<u>46,013</u>

### 21 Related party transactions

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

# ST MICHAEL'S SCHOOL TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 August 2018

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22	Cash generated from operations	2018 £	2017 £
	Surplus for the year	416,897	391,095
	Adjustments for:		
	Investment income recognised in profit or loss	(15,366)	(9,038)
	Gain on disposal of tangible fixed assets	(2,075)	-
	Reclassification of tangible fixed assets	-	70,390
	Depreciation and impairment of tangible fixed assets	397,478	328,607
	Movements in working capital:		
	(Increase) in debtors	(29,860)	(3,442)
	Increase in creditors	56,320	131,746
	Increase/(decrease) in deferred income	43,728	(200,035)
	<b>Cash generated from operations</b>	<u>867,122</u>	<u>709,323</u>