

ST. MICHAEL'S FELLOWSHIP

England & Wales · Charity number 1035820

Details

Other names	ST. MICHAEL'S FELLOESHIP, ST MICHAEL'S FELLOWSHIP
Status	Registered
Legal form	Charitable company
Company number	02914273
Registered	1994-03-31
Register	View on the Charity Commission register

Contact

Address	St. Michaels Fellowship 136 Streatham High Road London SW16 1BW
Phone	02088359570
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Website	www.stmichaelsfellowship.org.uk

Activities

Objects: THE RELIEF OF POVERTY, SICKNESS AND EMOTIONAL AND PHYSICAL HARDSHIP BY THE PROVISION OF ACCOMMODATION, ASSISTANCE AND SUPPORT, COUNSELLING TRAINING AND REHABILITATION FOR CHILDREN AND THEIR PARENTS, WHETHER IN ACCOMMODATION PROVIDED BY THE CHARITY OR IN THE WIDER COMMUNITY, WHO ARE IN NEED OF SUCH RELIEF SO THAT THEY MAY BECOME RESPONSIBLE AND INDEPENDENT PARENTS AND MEMBERS OF SOCIETY.

Activities: The charity offers support to vulnerable families including very young parents both by the provision of residential family centres and in the community.

Classification

- **How:** Provides Human Resources, Provides Buildings/facilities/open Space, Provides Services
- **What:** General Charitable Purposes, Accommodation/housing
- **Who:** Children/young People, Other Defined Groups

Geography

- **Area of benefit:** NOT DEFINED IN PRACTICE GREATER LONDON
- Lambeth
- Wandsworth

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£2,592,147	£2,736,403	£734,196	62
2024-03-31	£2,831,651	£2,603,860	£878,452	61
2023-03-31	£1,973,852	£2,152,914	£650,661	56
2022-03-31	£2,085,147	£2,166,707	£829,723	42
2021-03-31	£2,056,362	£2,285,279	£911,283	42

Trustees

Name	Role	Appointed
Itai Bessie Nyatsanza		2026-06-18
Maria Takaendisa		2025-06-09
Shaba Dachi		2026-06-18
Shantel Thomas		2025-06-09
Susan Patricia Pettigrew		2026-04-09

ST. MICHAEL'S FELLOWSHIP

England & Wales - Charity number 1035820

Accounts

St Michael's Fellowship
Report and Financial Statements

Year ended 31 March 2025

Company Registration Number 02914273 (England and Wales)
Charity Number: 1035820

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Reference and administrative details of the company and its advisors

Trustees	Sally Prentice (Chair, resigned 6 November 2025) Jonathan Bannister (Deputy Chair from 20 February 2025, Chair from 7 November 2025) Oretha Wofford (Deputy Chair, resigned 19 February 2025) Samantha da Soller (Treasurer, appointed 15 July 2024) Sean Cranitch (appointed 10 March 2025) Yasmin Garcia-Sterling Jasmine Kaur Assi Candice Levy (appointed 10 March 2025) Juline Sinclair Maria Takaendis (appointed 9 June 2025) Shantel Thomas (appointed 9 June 2025) Valerie Wass OBE (resigned 31 December 2024) Regina Zyrek (appointed 9 June 2025)
Director Chief Executive	Sue Pettigrew OBE (resigned 25 April 2025) Oretha Wofford (appointed 31 March 2025)
Registered office	136 Streatham High Road London SW16 1BW
Registered number	02914273 (England and Wales)
Charity number	1035820
Auditor	Buzzacott Audit LLP 130 Wood Street London EC2V 6DL

Reference and administrative details of the company and its advisors

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

COIF Charity Funds
80 Cheapside
London
EC2V 6DZ

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

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

Trustees' report 31 March 2025

The Trustees, who are the directors for the purposes of company law, present their statutory report together with the audited financial statements for the year ended 31 March 2025.

The financial statements have been prepared in accordance with the accounting policies set out on pages 24 to 27. They comply with the charitable company's Memorandum and Articles of Association, applicable laws and the requirements of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

OBJECTIVES AND ACTIVITIES

Working together to keep families together

Parenting is the biggest single factor affecting children's well-being and development

Purposes and aims

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

The prime aim of the charity is to give a child the best possible start in life by working with parents to develop their parenting skills. Allied to this is the aim to help and encourage the members of a family to become fully integrated into the mainstream of society.

The principal activity of the charity is offering support to vulnerable families including very young parents through residential family assessment centres and working in the community.

St Michael's Fellowship (St Michael's) provides accommodation, help and training in residential family assessment centres in the boroughs of Lambeth and Wandsworth, for families where children are at risk or where there is other emotional, mental or physical hardship. Such support includes an assessment of parenting skills. Each centre is a converted Victorian family house, non-institutional in feel, staffed by a professional team. We also offer follow-up support to families when they leave the centre through our Securing Change programme, regardless of whether the parents leave with their child or children.

Through partnerships with children's centres and further charitable funding, St Michael's offers a number of Community projects. These provide some of the same services to mums and dads and their children who are living in their own homes, but who, for whatever reason, are in difficulty.

St Michael's also provides a contact centre, Jigsaw, which helps separated children and their parents build a stronger and healthier relationship.

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

OBJECTIVES AND ACTIVITIES (continued)

The 2024-25 financial year has been another busy one for the whole staff team and the Board of Trustees.

Last year, Sue Pettigrew announced her plans to retire as Director after 35 years in post, and over 50 years with St Michael's. Sue retired in April 2025 and in recognition of her immense contribution and leadership, the trustees agreed to make Sue a patron for St Michael's.

The major focus for Trustees during the year has been the recruitment of a new Chief Executive. The preparation for this was intensive, and involved all members of the Board in a thorough recruitment process. The trustees are delighted to confirm the appointment of Oretha Wofford to the post with effect from 31 March 2025.

Strategic plan and objectives

The Trustees reviewed and updated the strategic plan in March 2024 for the next year, pending the appointment of the new Chief Executive. The strategic priorities are continued focus on:

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

In 2024-2025 our key objectives were:

1. Recruitment and induction of a new Chief Executive following the retirement of the long-standing director
2. Reviewing the scope and reach of outreach and community services to ensure they continue to meet the changing needs of beneficiaries
3. Continued emphasis on staff training and development to achieve a "one service approach"
4. Recruitment to the Board of Trustees to replace trustees who have completed their terms of office, and to further strengthen diversity and skills

Our key objectives for 2025-26 are:

1. Introducing a new standardised recording and reporting framework, across all services
2. Further review of the structure and reach of community services to ensure they continue to meet the changing needs of beneficiaries
3. Investing in training and development to increase capacity.

ACHIEVEMENTS AND PERFORMANCE

1. Recruitment and induction of new Chief Executive

We are pleased to announce the recruitment of Oretha Wofford as our new Chief Executive with effect from 31 March 2025. Oretha has over 30 years' experience in children's social care, as a practitioner and service transformation leader. Oretha brings a deep commitment to child safeguarding, family-led interventions and anti-oppressive practice.

Under Oretha's leadership, St Michael's vision is to remain at the cutting edge of progressive, relationship-based and evidence-informed practice, with a strong commitment to social justice and advocating for a system that truly works for children.

2. Reviewing the scope and reach of outreach and community services

Our outreach and community services continue to evolve to meet the needs of beneficiaries. We offer a range of group work alongside bespoke one-to-one work, as further detailed below.

Our work is focused on both mothers and fathers and the role they each have in their children's lives. Young fathers are often a marginalised group, and we are working with individual fathers and local authorities to try to redress this issue.

3. Continued emphasis on staff training and development to achieve a "one service approach"

We have updated our induction process to include an introduction to all of St Michael's services which has encouraged broader integration across services. This has been supported by increased opportunities for whole team training and knowledge sharing through the wider training programme.

We support staff in their early careers as social workers through the ASYE scheme (Assessed and Supported Year in Employment), and provide a wide-reaching training programme for all practitioners and support staff.

4. Recruitment to the Board of Trustees to replace trustees who have completed their terms of office, and to further strengthen diversity and skills

We have successfully recruited two new trustees in March 2025: Sean Cranitch and Candice Levy.

Sean spent 25 years working in Inner London schools as headteacher and school governor, with extensive experience of working closely with families facing extraordinary challenges.

Candice has over 20 years' experience in Children's Services, including child protection, residential care and family assessment, and is an advocate for trauma-informed, child-centred practice.

Trustees' report 31 March 2025

A further three trustees have joined the board in June 2025: Shantel Thomas, Maria Takaendisa, Regina Zyrek.

Shantel is a social work leader and activist, and has led change across youth justice, academia and professional leadership. Shantel champions equality and challenges systemic racism.

Maria is a transformative Ubuntu coach with expertise in trauma, including racial, organisational and vicarious trauma, with a deep belief in the power of being heard and creating environments that foster healing, justice and equity.

Regina has over 8 years' experience of HR leadership in the non-profit sector, and is committed to best practice, inclusion and social impact.

The combined skills, experience and backgrounds of the new trustees bring further rigour and diversity to the board.

Update on services and performance

During 2024-2025 over 220 parents were helped through all our services, as further detailed below (2024: 225 parents).

As in previous years, the parents we worked with have complex backgrounds. By working alongside parents to address pressing difficulties and past trauma we have given them the opportunity to improve their parenting skills so children stay with their parents and do not go into care wherever possible.

Residential Centres

The last year has continued to present challenges in recruiting staff, which has been a sector-wide issue within social care. Nonetheless, we have continued to offer consistent and high quality support through our range of services to an increased number of families this year.

Whilst local authorities continue to be faced with financial constraints, residential assessments are still regarded as effective and assist the family courts in making a decision that secures the best future for the child or children. Our 3 residential centres are accredited with Ofsted and all assessed as Good.

We worked with 23 families including 29 children (2024: 22 families), residentially from 9 different local authorities. Early intervention is often critical: the majority (69%) of children we worked with were less than one year old (2024: 80%).

This year 43% of families returned to the community with their children (2024: 41%). For a further 9% of families the final outcome is not known – this reflects the extended period between placements ending and the final court hearing.

Trustees' report 31 March 2025

This year 6 families (26%) had had a total of 14 children removed from their care prior to being placed with us, and 3 of them returned home with their subsequent child. The lack of support for parents following removal of a child is an issue we are endeavouring to address through our Securing Change programme.

Securing Change

This service has continued to be offered to all parents who undergo a residential assessment, to offer both practical and emotional support that embeds positive change, and to step in during periods when parents may be struggling. We are helping to reduce cases of mothers having children removed over and over again through repeat care proceedings.

Our Securing Change practitioner offers a bespoke service to each family she works with, introducing herself to the family whilst they are in residence and then agreeing next steps as they are ready to move on. Moving from a very supportive environment to independence can be daunting and our practitioner helps the family to prioritise their needs to try and smooth the transition.

Our dedicated practitioner has worked intensively with 18 parents in the year (2024:15). Typically, she will work with a family for between six and twelve months. We endeavour to offer the service in the family's home travelling to many parts of South East England and further afield.

Community Projects

We have continued with our outreach services for pregnant teenagers and young mothers and fathers up to 25 years. Our work is delivered through a combination of one-to-one bespoke support and group work. By successfully securing additional funding, we have expanded our work to cover a wider area of South London.

We have supported 52 young mums and 22 young fathers (2024: 50 and 22), through our one-to-one work. A further 22 parents have attended our support groups (2024: 31). We often work with parents over extended periods, in response to their ongoing needs.

The lives of the young parents we work with remain complex with many issues that need addressing: from support with housing and benefits, basic equipment for their home, debt advice, domestic violence, mental health issues, the child being subject to a child protection plan or a child in need plan, to name but a few. We have also supported parents through Residents' Grants and the Lambeth Public Health scheme, and provided opportunities to take part in our summer activities programme.

Our work is focussed on both young mothers and fathers to meet their individual needs. Young fathers are a marginalised group and the importance of offering a dedicated service to address their needs cannot be underestimated. A number of services see young fathers as the problem rather than the solution, and we are working with individual fathers, courts and local authorities to try to redress this issue.

Trustees' report 31 March 2025

We are the delivery partner for Lambeth for the Caring Dads programme. Through our accredited trainer, we have delivered the Caring Dads programme to 29 Dads from both Lambeth and other referrers. We have also delivered training to other professionals wishing to become Caring Dads facilitators across 4 other boroughs.

Jigsaw

Our 'Jigsaw' contact centre is a child-friendly, self-contained family space in South London, accredited with NACCC. This service helps separated children and parents build stronger and healthier relationships. We aim to ensure both the child and parents have a good experience during contact and to make it as easy as possible for everyone.

This year, we provided contact to 58 families including 88 children (2024: 52 families, 75 children).

The contact centre is now open 7 days a week. Whilst we recognise that face-to-face contact is the preferred option, we also offer online contact for families living further afield.

Fundraising

We continue to be reliant on fundraising to support our work with families.

During the year, we received the final instalment of the Comic Relief, Winter Appeal. The campaign was promoted last year via the London Evening Standard and has generated additional unrestricted funding to support all our ongoing services with families.

We are grateful to all our partners, donors and marathon runners who support the ongoing delivery of our work. We also recognise former supporters who have left legacies this year.

We continue to build relationships with funders in order to build a confidence and belief in St Michael's work of support and interventions with families. We believe that closer collaboration and partnership will help to secure longer term funding for our work.

We have continued to develop our marketing strategy to ensure it supports fundraising. We have expanded our presence across a range of social media platforms in order to raise the profile of the charity, broaden engagement with supporters and build partnerships with other similar charities.

FINANCIAL REVIEW

Results for the year

The overall deficit for the year was £144,256 (overall surplus for 2023/24: £227,791) following a decrease in income generated through charitable activities in the year.

The £46,446 deficit on restricted funds activities, is met through funds previously secured (brought forward). Meanwhile the £97,810 deficit on unrestricted funds activities has decreased unrestricted reserves carried forward to £690,745.

Income from our residential and community assessment services has decreased by 5% this year. The previous year included one-off other income for reimbursement for repair period. Income from continuing services has increased by 6%.

Income from our outreach and community work with young parents has also decreased by 30% this year. This is due to longer term grants for project work coming to an end.

Income from donations has increased by 27% and includes legacy income received in the year. Income raised through marathon sponsorship and individual donors has seen a small increase.

During the year we increased charges to Local Authorities to ensure that the impact of inflation on costs is covered. Fees charged by St Michael's are on a fully costed recovery basis and are in line with market.

PRINCIPLE RISKS AND UNCERTAINTIES

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

1. General Reserves have been depleted through the losses incurred in three out of the last four previous financial years. Our strategic priority to build on key capabilities of staffing and infrastructure remains a key focus of the executive team following the appointment of a new CEO in early 2025, and is integral to securing ongoing financial stability and rebuilding reserves.
2. St Michael's continues to be largely reliant on income from Local Authorities through spot purchasing contracts for placements in our residential assessment centres. We have seen a steady level of demand for our Residential Assessments, as a result of the charity's continued focus on providing a high quality and effective service, and an acknowledgement of the continuing levels of need. The risk of a fall in placements and income is mitigated by the fact that St Michael's provides services to a broad base of Local Authorities and continues to develop additional services to meet the varied demands of supporting families. In addition, fundraising activities have been expanded to reduce the dependency on single sources of income.

3. The work of St Michael's is focussed on ensuring the safeguarding of children in their parents' care and the safeguarding of the parents, many of whom are 'adults at risk'. St Michael's mitigates this risk through its operational procedures including careful planning, setting clear expectations of families and staff, close monitoring within the centres, risk identification, training and supervision of staff and monthly inspections. Our residential centres are also inspected by Ofsted. All are rated as Good.
4. Staff recruitment and retention is a risk because without full teams we are unable to meet our occupancy targets. St Michael's seeks to mitigate this risk through investment in its staff. Specific measures include annual salary benchmarking, investment in training and supervision, and career development and succession planning.
5. The quality of the property is also critical to meeting occupancy targets. St Michael's mitigate this risk through close relationships with the Housing Associations to ensure timely delivery of routine repairs and to plan and schedule major works.

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

Investment policy

The trustees' investment policy is to ensure that all reserves are held in a form in which their capital value is secure.

An amount of reserves equivalent to at least three months of working capital should remain readily available in a current account, or a deposit or savings account with instant access.

Reserves over and above three months of working capital can be held in deposit or savings accounts as long as access is available (without penalty costs) within a notice period enabling the Charity to meet its cash flow requirements above three-months of working capital.

Fundraising policy

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

St Michael's employs an in-house fundraiser (Head of Fundraising) with a remit to raise funds from trusts, foundations, corporates and individuals. We use themed campaigns to target specific needs and engage support from the local community. We engage individuals through challenge events, regular giving and independent fundraisers. We do not carry out door-to-door or street fundraising.

Trustees' report 31 March 2025

Our fundraising, in all its forms, is legal, open, honest and respectful. We clearly state how donations are used to fulfil our mission. We are respectful of the wishes, preferences, personal information and circumstances of the people we interact with and who choose to donate to us, and we will take all steps necessary to comply with the law and fundraising practice standards.

Our fundraising is compliant with the Fundraising Regulator as well as Charity Commission guidance. Our approach has been informed by the Institute of Fundraising's guidance on treating donors fairly and General Data Protection Regulation (GDPR). We do not use third party fundraisers, commercial participators or their representatives to raise funds for us.

We have a robust fundraising complaints policy and have not received any complaints in relation to our fundraising activities.

Reserves policy

The Trustees aim to maintain sufficient reserves to support the day-to-day expenditures and cash-flow demands, plus a sufficient buffer to cover the ongoing operating expenses of the services at times when demand may slacken.

To meet this need, the Trustees aim to maintain a General Fund (within unrestricted reserves) which is not less than one third of the current year's budgeted operating expenses for core services.

The reserves policy is reviewed annually by the Trustees.

Reserves as of 31 March 2025

St Michael's reserves stand at £734,196 at 31 March 2025 (2024: £878,452) and are in two forms: restricted and unrestricted.

Restricted reserves

Restricted funds will be expended in due course in accordance with their restricted purposes. Restricted funds are £43,451 (2024: £89,897).

Unrestricted reserves

Unrestricted funds are retained to meet a number of needs:

The General Fund stands at £589,791 at March 2025 and covers 3.9 months' operating costs (2024: £687,601, equivalent to 4.5 months) which is just below the threshold required by the reserves policy. The Trustees consider that the current level of reserves will provide sufficient cover to allow the business to continue to operate.

The Trustees have also decided to set aside funding for the development of St Michael's work, via a Designated Development Fund.

The Designated Fund of £100,954 (2024: £100,954) is earmarked for strategic development and impact measurement; governance, leadership and management development; and upgrading furniture and equipment across services. There has been no change to the Designated Fund during the financial year.

GOING CONCERN

As set out in the Going Concern section of the Principal Accounting Policies on page 24 of the Financial Statements, the Trustees have considered the operational actions taken by the leadership team since the appointment of a new CEO in early 2025, liquidity and reserves, current levels of activity and operating forecasts.

The Trustees consider that despite some continuing challenges, there are no material uncertainties about the charitable company's ability to continue as a going concern.

FUTURE PLANS

The future plans are defined by the strategic objectives for the year. The immediate priority is building on key capabilities of staffing, including induction for the new CEO, whilst maintaining good governance and financial management.

STRUCTURE, GOVERNANCE AND MANAGEMENT

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

All Trustees give their time voluntarily and receive no benefits from the charity. Any expenses reclaimed from the charity are set out in Note 6 to the accounts.

St Michael's Board of Trustees is also the Board of directors under company law. The Board meets formally four-six times a year. The Board of Trustees delegates to the Chief Executive the responsibility for managing all the day-to-day affairs of the organisation that fall within the scope of an annually agreed budget and operating plan. The Treasurer maintains contact with the Chief Executive and the Head of Finance to provide oversight of financial management, systems and procedures, under authority delegated by the full Board of Trustees and in accordance with the Board's financial procedures.

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

- ◆ The Finance Committee oversees budgetary control with the Chief Executive. This committee considers financial matters, proposals and issues of risk before presentation to the Board.
- ◆ The EDI Committee provides guidance and oversight on all EDI matters.

In addition, 2 Trustees are assigned to the residential centres, with responsibility for bi-monthly inspection visits. Reports from inspection visits are provided to the Board.

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

Trustees' report 31 March 2025

In line with the recommended practice of the Charity Governance Code, the Board of Trustees has adopted a Governance Manual to provide guidance to Trustees and staff involved in the governance and management of the organisation.

The Trustees believe that the diversity of the service users and staff should be reflected in the makeup of the Board. It recognises that diversity in all its forms leads to a more effective Board. The Board regularly reviews skills, experience and diversity of its members to inform Trustee recruitment.

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

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

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 31 March 2025 was 8 (2024 – 8). The Trustees are members of the charity but this entitles them only to voting rights. The Trustees have no beneficial interest in the charity.

Appointment and departure of Trustees

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

During the year, Val Wass and Oretha Wofford resigned as trustees. Both gave their time generously and we are indebted to them for their invaluable support.

Remuneration policy for key management personnel

To deliver its charitable aims, St Michael's employs sufficient staff with the necessary skills and qualifications. We are committed to ensuring that we pay our staff a fair and appropriate salary that is within our means.

We monitor salaries against the National Joint Council pay scales for all staff, and any overall changes to the rates of pay or to the salaries of senior staff are approved by the Board. The pension provisions for all staff regardless of seniority are the same.

The remuneration ratio (highest paid versus the median salary) is 1.9:1 (2024 – 2.1:1). We are committed to paying the London Living wage and above.

TRUSTEES' RESPONSIBILITIES STATEMENT

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

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

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

- ◆ Select suitable accounting policies and then apply them consistently
- ◆ Observe the methods and principles in Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)
- ◆ Make judgements and estimates that are reasonable and prudent
- ◆ State whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- ◆ Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation

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

Each of the Trustees confirms that:

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

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

TRUSTEES' RESPONSIBILITIES STATEMENT (continued)

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

The Trustees' report has been approved by the Trustees on 15 December 2025 and signed on their behalf by:

A handwritten signature in blue ink, which appears to read 'Jonathan Bannister', is written over a faint, light blue circular watermark. The signature is fluid and cursive.

Chair - Jonathan Bannister

Independent auditor's report Year to 31 March 2025

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

Opinion

We have audited the financial statements of St Michael's Fellowship (the 'charitable company') for the year ended 31 March 2025 which comprise the statement of financial activities, the balance sheet, and statement of cash flows, the principal accounting policies and the notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2025 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

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

Independent auditor's report Year to 31 March 2025

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report, which is also the directors' report for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report, which is also the directors' report for the purposes of company law, has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit, or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page [X], the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

How the audit was considered capable of detecting irregularities including fraud

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

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

Independent auditor's report Year to 31 March 2025

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

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

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

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

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

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

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

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

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

Independent auditor's report Year to 31 March 2025

Use of our report

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

A handwritten signature in cursive script that reads "Buzzacott Audit LLP".

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

19 December 2025

Statement of financial activities Year to 31 March 2025
(including income and expenditure account)

	Notes	Restricted fund £	Unrestricted funds £	Total funds 2025 £	Restricted fund £	Unrestricted funds £	Total funds 2024 £
Income from:							
Donations	1	23,000	138,454	161,454	--	127,179	127,179
Interest receivable		--	18,271	18,271	--	19,190	19,190
Charitable activities:							
. Residential and community assessment	2a	1,000	2,014,110	2,015,110	1,000	2,124,951	2,125,951
. Community projects	2b	363,241	31,771	395,012	514,752	41,879	556,631
. Residents grants fund	13	2,300	--	2,300	2,700	--	2,700
Total income		389,541	2,202,606	2,592,147	518,452	2,313,199	2,831,651
Expenditure on:							
Raising funds		8,118	60,742	68,860	468	62,953	63,421
Charitable activities							
. Residential and community assessment		2,294	2,139,515	2,141,809	5,606	1,956,861	1,962,467
. Community projects		423,888	100,159	524,047	496,430	78,875	575,305
. Residents grants fund	13	1,687	--	1,687	2,667	--	2,667
Total expenditure	3	435,987	2,300,416	2,736,403	505,171	2,098,689	2,603,860
Net (expenditure) income before transfer	5	(46,446)	(97,810)	(144,256)	13,281	214,510	227,791
Transfers between funds	13	--	--	--	30,794	(30,794)	--
Net (expenditure) income and net movement in funds		(46,446)	(97,810)	(144,256)	44,075	183,716	227,791
Reconciliation of funds							
Fund balances brought forward at 1 April 2024		89,897	788,555	878,452	45,822	604,839	650,661
Fund balances carried forward at 31 March 2025	13	43,451	690,745	734,196	89,897	788,555	878,452

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

Balance sheet 31 March 2025

	Notes	2025 £	2025 £	2024 £	2024 £
Fixed assets					
Tangible assets	9		17,872		11,810
Current assets					
Debtors	10	424,145		572,135	
Cash at bank and in hand		532,079		537,254	
		956,224		1,109,389	
Creditors: amounts falling due within one year	11	239,900		242,747	
Net current assets			716,324		866,642
Total net assets	12		734,196		878,452
Funds					
Restricted funds			43,451		89,897
Unrestricted funds					
. Designated fund			100,954		100,954
. General fund			589,791		687,601
Total funds	13		734,196		878,452

Approved by the Trustees of St Michael's Fellowship, Company Registration Number 02914273 (England and Wales), 15 December 2025, and signed on their behalf by:



Chair - Jonathan Bannister

Statement of cash flows 31 March 2025

	Notes	2025 £	2024 £
Cash flows from operating activities:			
Net (expenditure) income for the year (as per the financial statements)		(144,256)	227,791
Depreciation charges		7,195	6,974
Interest receivable		(18,271)	(19,190)
Decrease (increase) in debtors		147,990	(253,294)
(Decrease) increase in creditors		(2,847)	16,972
Net cash (used in) operating activities		(10,189)	(20,747)
Cash flows from investing activities:			
Interest received		18,271	19,190
Purchase of fixed assets		(13,257)	(14,545)
Net cash provided by investing activities		5,014	4,645
Change in cash and cash equivalents in the year		(5,175)	(16,102)
Cash and cash equivalents at the beginning of the year	A	537,254	553,356
Cash and cash equivalents at the end of the year	A	532,079	537,254
A Analysis of cash and cash equivalents			
		2025 £	2024 £
Cash at bank and in hand		118,729	89,781
Notice deposits (less than three months)		413,350	447,473
Total cash and cash equivalents		532,079	537,254

Principal accounting policies 31 March 2025

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

Basis of preparation

These financial statements have been prepared for the year to 31 March 2025 with comparative information presented in respect of the year to 31 March 2024.

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

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (Charities SORP FRS 102) updated 2019, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Companies Act 2006 and the Charities Act 2011.

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

Public benefit entity

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

Critical accounting estimates and areas of judgement

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

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

Going concern

The Trustees have considered the operational actions taken by the leadership team since the appointment of a new CEO in early 2025, liquidity and reserves, current levels of activity and operating forecasts.

The Trustees consider that despite some continuing challenges, there are no material uncertainties about the charitable company's ability to continue as a going concern.

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

Income

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

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

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

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

Donations of gifts, services and facilities

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

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

Interest receivable

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

Expenditure and irrecoverable VAT

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

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

Expenditure and irrecoverable VAT (continued)

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

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

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

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

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

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

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

Tangible fixed assets

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

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

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

Debtors

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

Cash at bank and in hand

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

Creditors and provisions

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

Financial instruments

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

Fund accounting

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

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

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

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

Operating leases

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

Pensions

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

Notes to the financial statements - Year to 31 March 2025

1 Income from donations

	Restricted funds £	Unrestricted funds £	2025 Total funds £
London Marathon	--	23,065	23,065
29 th May Trust	--	6,000	6,000
B&Q Foundation	10,000	--	10,000
Clothworkers' Foundation	10,000	--	10,000
Comic Relief	--	54,000	54,000
Dyers Company	--	3,000	3,000
Elizabeth & Prince Zaiger Trust	--	5,000	5,000
Howberry Trust	--	2,000	2,000
Jet Charitable Trust	--	500	500
Twinkle Trust	--	1,000	1,000
University of Roehampton Grad Scheme	3,000	--	3,000
Uxbridge Foundation	--	2,000	2,000
Gift in kind	--	1,350	1,350
Legacy income	--	20,850	20,850
Other donations	--	19,689	19,689
	23,000	138,454	161,454
	Restricted funds £	Unrestricted funds £	2024 Total funds £
London Marathon	--	14,746	14,746
Baring Foundation	--	16,397	16,397
Beatrice Laing Trust	--	5,000	5,000
Comic Relief	--	50,000	50,000
Dyers Company	--	1,000	1,000
Elizabeth & Prince Zaiger Trust	--	5,000	5,000
Howberry Trust	--	2,000	2,000
Humble Trust	--	200	200
Jet Charitable Trust	--	500	500
Paget Charitable Trust	--	2,000	2,000
Rathbone Redfern	--	2,000	2,000
Worshipful company of Fanmakers	--	2,500	2,500
29 th May Trust	--	3,000	3,000
Gift in kind	--	2,057	2,057
Other donations	--	20,779	20,779
	--	127,179	127,179

Notes to the financial statements - Year to 31 March 2025

2 Income from charitable activities

a. Residential and community assessment

	Restricted funds £	Unrestricted funds £	2025 Total funds £
General fees	--	1,879,465	1,879,465
Parental support	--	126,597	126,597
Charges	--	4,352	4,352
Other	1,000	3,696	4,696
	1,000	2,014,110	2,015,110
	Restricted funds £	Unrestricted funds £	2024 Total funds £
General fees	--	1,802,513	1,802,513
Parental support	--	79,433	79,433
Supporting people	--	10,388	10,388
Charges	--	5,117	5,117
Other – Reimbursement for repair period	--	227,500	227,500
Other – grant	1,000	--	1,000
	1,000	2,124,951	2,125,951

b. Community projects

	Restricted funds £	Unrestricted funds £	2025 Total funds £
Lambeth Outreach Young Parents	150,000	--	150,000
Lambeth other	63,888	--	63,888
Caring Dads Programmes	--	28,001	28,001
Charles Hayward	15,000	--	15,000
City Bridge Trust	29,175	--	29,175
Comic Relief	6,137	--	6,137
Fatherhood Institute	29,999	--	29,999
Segelman Trust	35,000	--	35,000
St James Place Foundation	30,000	--	30,000
Other	4,042	3,770	7,812
	363,241	31,771	395,012

Notes to the financial statements - Year to 31 March 2025

2 Income from charitable activities (continued)

b. Community projects (continued)

	Restricted funds £	Unrestricted funds £	2024 Total funds £
Lambeth Outreach Young Parents	157,500	--	157,500
Lambeth other	60,888	--	60,888
Lambeth Start for Life	50,000	--	50,000
Basketmakers Charitable Trust	1,000	--	1,000
Caring Dads Programmes	--	31,486	31,486
Charles Hayward	15,000	--	15,000
City Bridge Trust	56,725	--	56,725
Comic Relief	81,448	--	81,448
Ironmongers	9,116	--	9,116
John Coates Charitable Trust	5,000	--	5,000
L&Q Placemakers Fund	6,250	--	6,250
Lambeth Summer HAP	75	--	75
National Children's Bureau	100	--	100
Segelman Trust	35,000	--	35,000
St James Place Foundation	30,000	--	30,000
1485 Hardship fund	1,000	--	1,000
Other	5,650	10,393	16,043
	514,752	41,879	556,631

3 Total expenditure

	Costs of raising funds £	Residential and community assessment £	Community projects £	Residents grants fund £	Governance costs £	Support costs £	2025 Total £
Staff costs (note 6)	19,040	1,589,021	449,488	--	7,285	245,089	2,309,923
Premises costs	--	49,876	264	--	--	61,886	112,026
Maintenance	--	16,355	--	--	--	2,795	19,150
Insurance	--	--	--	--	--	20,260	20,260
Professional fees	216	10,611	--	--	1,034	30,215	42,076
Housing association charges	--	78,032	--	--	--	--	78,032
Communications and stationery	2,803	47,554	2,791	--	60	37,575	90,783
Publicity	5,086	--	--	--	--	--	5,086
Residents' welfare	--	9,078	10,996	1,687	--	294	22,055
Depreciation	--	5,831	--	--	--	1,363	7,194
Audit and accountancy	--	--	--	--	16,266	--	16,266
Travel and sundry expenses	57	5,128	3,735	--	162	4,470	13,552
Total expenditure	27,202	1,811,486	467,274	1,687	24,807	403,947	2,736,403
Reallocation of support costs (note 4)	38,132	284,481	47,369	--	33,965	(403,947)	--
Reallocation of governance costs	3,526	45,842	9,404	--	(58,772)	--	--
Total expenditure	68,860	2,141,809	524,047	1,687	--	--	2,736,403

Notes to the financial statements - Year to 31 March 2025

3 Total expenditure (continued)

	Costs of raising funds £	Residential and community assessment £	Community projects £	Residents grants fund £	Governance costs £	Support costs £	2024 Total £
Staff costs (note 6)	14,871	1,440,437	483,689	--	6,297	249,398	2,194,692
Premises costs	--	44,588	--	--	--	74,846	119,434
Maintenance	--	23,788	424	--	--	2,938	27,150
Insurance	--	--	--	--	--	18,068	18,068
Professional fees	216	15,386	2,176	--	3,926	2,965	24,669
Housing association charges	--	80,065	--	--	--	--	80,065
Communications and stationery	4,336	38,119	4,876	--	--	26,979	74,310
Publicity	3,287	--	--	--	--	--	3,287
Residents' welfare	--	6,576	18,069	2,667	--	164	27,476
Depreciation	--	3,508	--	--	--	3,465	6,973
Audit and accountancy	--	--	--	--	13,590	--	13,590
Travel and sundry expenses	2,101	5,416	5,562	--	6	1,061	14,146
Total expenditure	24,811	1,657,883	514,796	2,667	23,819	379,884	2,603,860
Reallocation of support costs (note 4)	36,146	268,616	49,669	--	25,453	(379,884)	--
Reallocation of governance costs	2,464	35,968	10,840	--	(49,272)	--	--
Total expenditure	63,421	1,962,467	575,305	2,667	--	--	2,603,860

4 Support costs

	Costs of raising funds £	Residential and community assessment £	Community projects £	Governance £	2025 Total £
Head office staff	22,729	185,625	5,229	31,506	245,089
Premises costs	7,917	31,045	21,660	1,264	61,886
Maintenance	358	1,402	978	57	2,795
Insurance	2,592	10,163	7,091	414	20,260
Professional fees	--	30,215	--	--	30,215
Communications and stationery	3,790	22,810	10,370	605	37,575
Residents' welfare	--	295	--	--	295
Depreciation	174	684	477	28	1,363
Travel and sundry	572	2,242	1,564	91	4,469
	38,132	284,481	47,369	33,965	403,947

Notes to the financial statements - Year to 31 March 2025

4 Support costs (continued)

	Costs of raising funds £	Residential and community assessment £	Community projects £	Governance £	2024 Total £
Head office staff	20,346	199,502	6,333	23,217	249,398
Premises costs	9,550	37,749	26,196	1,351	74,846
Maintenance	375	1,482	1,028	53	2,938
Insurance	2,306	9,113	6,323	326	18,068
Professional fees	--	2,965	--	--	2,965
Communications and stationery	3,127	14,832	8,577	443	26,979
Residents' welfare	--	164	--	--	164
Depreciation	442	1,748	1,212	63	3,465
Travel and sundry	--	1,061	--	--	1,061
	36,146	268,616	49,669	25,453	379,884

5 Net income(expenditure) for the year

Net income (expenditure) is stated after charging:

	2025 £	2024 £
Depreciation	7,195	6,974
Trustees' expenses	44	--
Auditor's remuneration		
. Audit	13,555	12,925
Operating lease rentals		
. Equipment	--	7,880
. Property	123,032	128,446

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

Staff costs were as follows:

	2024 £	2024 £
Salaries and wages	1,409,711	1,376,286
Redundancy and termination costs	8,857	--
Social security costs	187,364	181,416
Employer's contribution to defined contribution pension schemes	98,302	84,283
Sessional staff	467,991	452,900
Agency staff	82,258	44,601
Other staff costs	55,426	55,206
	2,309,909	2,194,692

1 employee earned between £60,000-£70,000 and 1 employee earned between £70,000-£80,000 (2024: 1 employee between £70,000-£80,000)

The total employee benefits including employer's pension contributions and national insurance of the key management personnel were £219,167 (2024: £211,263).

Notes to the financial statements - Year to 31 March 2025

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

The charity Trustees were not paid nor received any other benefits from employment with the charity in the year (2024: £nil). No charity Trustee received payment for professional or other services supplied to the charity (2024: £nil).

Trustees' expenses represent the payment or reimbursement of travel and subsistence costs totalling £44 (2024: £nil) incurred by members relating to attendance at meetings of the Trustees.

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

	Headcount (number of staff employed)		Full-time equivalent	
	2025 No.	2024 No.	2025 No.	2024 No.
Social and care workers	55.94	54.12	39.15	38.91
Management	6.25	7.28	6.26	6.53
	62.20	61.40	45.41	45.44

7 Related party transactions

There are no related party transactions to disclose for 2025 (2024: none).

Aggregate donations from related parties were £506 (2024: £794), all of which arise in the normal course of business.

8 Taxation

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

9 Tangible fixed assets

	Leasehold improvements £	Head office equipment £	House fixtures and fittings £	House equipment £	Total £
Cost					
At the start of the year	94,687	64,110	18,402	40,009	217,208
Additions during the year	--	3,967	2,903	6,387	13,257
At the end of the year	94,687	68,077	21,305	46,396	230,465
Depreciation					
At the start of the year	94,687	62,994	12,243	35,474	205,398
Charge for the year	--	1,363	2,710	3,122	7,195
At the end of the year	94,687	64,357	14,953	38,596	212,593
Net book value					
At the end of the year	—	3,720	6,352	7,800	17,872
At the start of the year	—	1,116	6,159	4,535	11,810

All of the above assets are used for charitable purposes.

Notes to the financial statements - Year to 31 March 2025

10 Debtors

	2025 £	2024 £
Trade debtors receivable	381,454	280,090
Other debtors	--	232,497
Prepayments and accrued income	42,691	59,548
	424,145	572,135

11 Creditors: amounts falling due within one year

	2025 £	2024 £
Trade creditors	48,925	66,100
Taxation and social security	53,399	47,543
Deferred income	9,274	19,162
Accruals	66,715	76,115
Other creditors	61,587	33,827
	239,900	242,747

Deferred income comprises a grant received at the end of the year that relates to 2025-26, plus marathon donations made in advance for the April 2025 event (2024: deferred grant and marathon income).

12 Analysis of net assets between funds

	General unrestricted £	Designated funds £	Restricted funds £	2025 Total funds £
Tangible fixed assets	15,336	--	2,536	17,872
Net current assets	574,455	100,954	40,915	716,324
Net assets at 31 March 2025	589,791	100,954	43,451	734,196

	General unrestricted £	Designated funds £	Restricted funds £	2024 Total funds £
Tangible fixed assets	11,245	--	565	11,810
Net current assets	676,356	100,954	89,332	866,642
Net assets at 31 March 2024	687,601	100,954	89,897	878,452

Restricted Funds: Fixed assets with a net book value of £2,536 have been purchased with restricted funds (2024: £565). This comprises the balance of the Capital Appeal for replacement carpet at one of the residential units which is being depreciated over 10 years.

Notes to the financial statements - Year to 31 March 2025

13 Movement in funds

	At 1 April 2024 £	Income and gains £	Expenditure and losses £	At 31 March 2025 £
Restricted funds:				
Lambeth Outreach Young Parents	--	150,000	(150,000)	--
Lambeth other	--	18,388	(18,388)	--
Lambeth Public Health	11,535	--	(378)	11,157
Lambeth Caring Dads	--	45,500	(45,500)	--
Lambeth Start for Life	45,000	--	(45,000)	--
City of London, City Bridge Trust	--	29,175	(29,175)	--
CWDC	5,174	--	(1,294)	3,880
ASYE Dept. for Education	--	1,000	(1,000)	--
Foyle Foundation	8,929	--	(76)	8,853
Residents grants fund	3,499	2,300	(1,687)	4,112
Elizabeth & Prince Zaiger Trust – Capital	567	--	(206)	361
Summer Trips Appeal	8	--	(8)	--
University of Roehampton Graduate Scheme	--	3,000	(3,000)	--
B&Q Foundation	--	10,000	(2,456)	7,544
Clothworkers' Foundation	--	10,000	(2,456)	7,544
Charles Hayward	--	15,000	(15,000)	--
Segelman Trust	--	35,000	(35,000)	--
1485 Hardship Fund	407	--	(407)	--
St James Place Foundation	--	30,000	(30,000)	--
Fatherhood Institute	--	29,999	(29,999)	--
The Change Foundation	--	1,542	(1,542)	--
Comic Relief	14,778	6,137	(20,915)	--
CAFCASS	--	2,500	(2,500)	--
Total restricted funds	89,897	389,541	(435,987)	43,451
Unrestricted funds:				
Designated funds:				
. Development fund	100,954	--	--	100,954
Total designated funds	100,954	--	--	100,954
General fund	687,601	2,202,606	(2,300,416)	589,791
Total unrestricted funds	788,555	2,202,606	(2,300,416)	690,745
Total funds	878,452	2,592,147	(2,736,403)	734,196

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

Notes to the financial statements - Year to 31 March 2025

13 Movement in funds (continued)

	At 1 April 2023 £	Income and gains £	Expenditure and losses £	Transfers £	At 31 March 2024 £
Restricted funds:					
Lambeth Outreach Young Parents	--	157,500	(188,294)	30,794	--
Lambeth other	--	13,388	(13,388)	--	--
Lambeth Public Health	11,895	--	(360)	--	11,535
Lambeth Caring Dads	--	47,500	(47,500)	--	--
Lambeth Start for Life	--	50,000	(5,000)	--	45,000
City of London, City Bridge Trust	--	56,725	(56,725)	--	--
National Children's Bureau	--	100	(100)	--	--
CWDC	9,574	--	(4,400)	--	5,174
ASYE Dept. for Education	--	1,000	(1,000)	--	--
Foyle Foundation	8,982	--	(53)	--	8,929
Residents grants fund	3,466	2,700	(2,667)	--	3,499
Elizabeth & Prince Zaiger Trust – Capital	773	--	(206)	--	567
Summer Trips Appeal	427	75	(494)	--	8
Basketmakers Charitable Trust	--	1,000	(1,000)	--	--
John Coates Charitable Trust	--	5,000	(5,000)	--	--
L&Q Placemakers Fund	8,967	6,250	(15,217)	--	--
Invesco Cares Foundation	--	3,150	(3,150)	--	--
Garfield Weston Foundation	572	--	(572)	--	--
Charles Hayward	--	15,000	(15,000)	--	--
Tudor Trust – Wellbeing	468	--	(468)	--	--
Segelman Trust	--	35,000	(35,000)	--	--
1485 Hardship Fund	698	1,000	(1,291)	--	407
St James Place Foundation	--	30,000	(30,000)	--	--
Ironmongers	--	9,116	(9,116)	--	--
Comic Relief	--	81,448	(66,670)	--	14,778
CAFCASS	--	2,500	(2,500)	--	--
Total restricted funds	45,822	518,452	(505,171)	30,794	89,897
Unrestricted funds:					
Designated funds:					
. Development fund	954	--	--	100,000	100,954
Total designated funds	954	--	--	100,000	100,954
General fund	603,885	2,313,199	(2,098,689)	(130,794)	687,601
Total unrestricted funds	604,839	2,313,199	(2,098,689)	(30,794)	788,555
Total funds	650,661	2,831,651	(2,603,860)	--	878,452

Notes to the financial statements - Year to 31 March 2025

13 Movement in funds (continued)

Purposes of restricted funds

Lambeth Outreach Young Parents

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

Lambeth Other

This fund supports group sessions for young parents for advice, support and sporting activities,

Lambeth Public Health

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

Lambeth Caring Dads

This fund supports the delivery of the Caring Dads programme to young fathers living in Lambeth.

Lambeth Start for Life

To support parenting, parent-infant relationships and infant feeding interventions.

City of London, City Bridge Trust

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

National Children's Bureau (LEAP)

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

The Children's Workforce Development Council (CWDC)

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

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

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

Foyle Foundation

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

Residents grants fund

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

Elizabeth & Prince Zaiger Trust - Capital

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

13 Movement in funds (continued)

Purposes of restricted funds (continued)

Summer trips Appeal

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

Basketmakers Charitable Trust

To support work with young parents

John Coates Charitable Trust

To support work with young parents

University of Roehampton Graduate Internship

Scheme to pay for the employment of a University graduate and an undergraduate, to support the fundraising function on an internship.

London & Quadrant Placemakers Fund

This fund is to support the continuation of the Securing Change programme.

Garfield Weston Foundation

This fund is also to support the continuation of the Securing Change programme

B&Q Foundation

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

Clothworkers' Foundation

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

Tudor Trust – Wellbeing

To support the wellbeing of St Michael's staff.

The Fatherhood Institute

Funding to support the evaluation and adaptation of the Fathers for Change programme for use in England.

The Change Foundation

This funding is to supports the delivery of a group programme in Greenwich.

13 Movement in funds (continued)

Purposes of restricted funds (continued)

Segelman Trust

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

St James Place foundation

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

Invesco Cares Foundation

To support group work with parents

Charles Hayward

Funding to support work with young fathers in South London

Comic Relief

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

1485 Hardship Fund

To support parents to provide a safe and secure environment for their children.

Ironmongers

To support group work with young mothers.

CAFCASS

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

Purposes of designated funds

Development fund

The development fund was set up to hold monies designated for expenditure on existing and new work subject to the case-by-case approval of the Trustees, as set out in the Trustees' report. Funds have been designated for strategic development and impact measurement; governance, leadership and management development; and upgrading furniture and equipment across all services. Trustees have agreed main areas for utilisation of the designated fund in the coming year.

Notes to the financial statements - Year to 31 March 2025

14 Operating lease commitments

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

	Equipment		Property	
	2025 £	2024 £	2025 £	2024 £
Less than one year	--	--	84,697	83,151
One to five years	--	--	180,000	--
Over five years	--	--	11,250	11,250
	--	--	275,947	94,401

15 Contingent assets or liabilities

At the balance sheet date, the charity has no contingent assets or liabilities (2024: £nil).

16 Legal status of the charity

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

ST. MICHAEL'S FELLOWSHIP

England & Wales - Charity number 1035820

Accounts

St Michael's Fellowship

Report and Financial Statements

Year ended 31 March 2024

Company Registration Number 02914273 (England and Wales)

Charity Number: 1035820

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Reference and administrative details of the company and its advisors

Trustees	Sally Prentice (Chair) Oretha Wofford (Deputy Chair) William Anderson (Treasurer, resigned 31 December 2023) Jonathan Bannister (interim Treasurer from 1 January 2024 to 14 July 2024) Samantha da Soller (Treasurer, appointed 15 July 2024) Annie Brough (resigned 31 March 2024) Yasmin Garcia-Sterling Jasmine Kaur Assi Juline Sinclair Valerie Wass OBE
Director	Sue Pettigrew OBE
Registered office	136 Streatham High Road London SW16 1BW
Registered number	02914273 (England and Wales)
Charity number	1035820
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL

Reference and administrative details of the company and its advisors

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

COIF Charity Funds
80 Cheapside
London
EC2V 6DZ

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

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

Trustees' report 31 March 2024

The Trustees, who are the directors for the purposes of company law, present their statutory report together with the audited financial statements for the year ended 31 March 2024.

The financial statements have been prepared in accordance with the accounting policies set out on pages 30 to 33. They comply with the charitable company's Memorandum and Articles of Association, applicable laws and the requirements of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

OBJECTIVES AND ACTIVITIES

Working together to keep families together

Parenting is the biggest single factor affecting children's well-being and development

Purposes and aims

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

The prime aim of the charity is to give a child the best possible start in life by working with parents to develop their parenting skills. Allied to this is the aim to help and encourage the members of a family to become fully integrated into the mainstream of society.

The principal activity of the charity is offering support to vulnerable families including very young parents through residential family assessment centres and working in the community.

St Michael's provides accommodation, help and training in residential family assessment centres in the boroughs of Lambeth and Wandsworth, for families where children are at risk or where there is other emotional, mental or physical hardship. Such support includes an assessment of parenting skills. Each of these projects is in a converted Victorian family house, non-institutional in feel and each is staffed by a professional team. We also offer follow-up support to families when they leave the residential centre through our Securing Change programme, regardless of whether the parents leave with their child or children.

Through partnerships with children's centres and further charitable funding, St Michael's offers a number of Community projects. These provide some of the same services to mums and dads and their children who are living in their own homes, but who, for whatever reason, are in difficulty.

St Michael's also provides a contact centre, Jigsaw, which helps separated children and their parents build a stronger and healthier relationship.

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

Trustees' report 31 March 2024

OBJECTIVES AND ACTIVITIES (continued)

The 2023-24 financial year has been a busy one for the whole staff team and the Board of Trustees.

Earlier this year, Sue Pettigrew announced her plans to retire as Director after 35 years in post, and over 50 years with St Michael's. Sue's contribution to St Michael's has been immense. Under her leadership, St Michael's has enabled thousands of children to thrive by working intensively with their parents at a critical point in their lives. The benefits to these children and wider society are considerable.

Sue has innovated throughout her time as Director, developing new services, with a particular interest and focus on supporting young fathers. She has also been exemplary in building relationships with trusts and foundations to support our work and in 2023 St Michael's was a named charity in The Evening Standard's Christmas Appeal.

In recognition of her indefatigable leadership of St Michael's, the Trustees have agreed to make Sue a Patron of St Michael's. We wish her all the very best for a long and happy retirement.

We also bid farewell to Will Anderson, our Treasurer for nine years, who stood down as a Trustee in December 2023. St Michael's has been incredibly fortunate to have benefitted from Will's diligence, financial expertise and acumen. Annie Brough also finished her tenure as a Trustee after seven years of service. We are particularly indebted to Annie for the active interest she showed in our services, regularly undertaking inspections of our residential assessment centres and attending some of our outreach services, plus her understanding of governance and the wider voluntary sector.

The major focus for Trustees in 2024 has been planning the recruitment of a new Chief Executive and a new Treasurer. We are delighted that Samantha da Soller has become the first female Treasurer in St Michael's 121-year history! Samantha brings her experience of being a finance director for two national charities.

The recruitment of a new CEO is the most important duty undertaken by Trustees. The preparation for this has been intensive, and has involved all members of the Board in shaping the recruitment process. The Trustees hope to be able to confirm a new appointment by the end of December 2024.

Strategic plan and objectives

The Trustees reviewed and updated the strategic plan in March 2023 for the next year. The strategic priorities are continued focus on:

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

Trustees' report 31 March 2024

In 2023-2024 our key objectives were:

1. Increasing occupancy and service levels and building financial resilience
2. Building on key capabilities of staffing and infrastructure to support ongoing activities
3. Continued focus on staff retention, including staff training and development with an emphasis on "one service approach"
4. Continuing the implementation of an effective EDI strategy

Our key objectives for 2024-25 are:

1. Recruitment and induction of a new CEO following the retirement of our longstanding Director in the coming year
2. Reviewing the scope and reach of our outreach and community services to ensure they continue to meet the changing needs of beneficiaries
3. Continued emphasis on staff training and development to achieve a "one service approach"
4. Recruitment to the Board of Trustees to replace trustees who have completed their terms of office, and to further strengthen diversity and skills

ACHIEVEMENTS AND PERFORMANCE

During 2023-2024 over 225 parents were helped through all our services, as further detailed below. (2023: over 200 parents)

As in previous years, the parents we worked with have complex backgrounds. By working alongside parents to address pressing difficulties and past trauma we have given them the opportunity to improve their parenting skills so children stay with their parents and do not go into care wherever possible.

Increasing occupancy and service levels and building financial resilience

The last year has continued to present challenges in recruiting staff, which has been a sector-wide issue within social care. We have also faced periods of lower occupancy during essential repairs and maintenance works in the residential centres. Nonetheless, we have continued to offer consistent and high quality support through our range of services to an increased number of families this year.

Residential Centres

Whilst local authorities continue to be faced with financial constraints, residential assessments are still regarded as effective and assist the family courts in making a decision that secures the best future for the child or children. Our 3 residential centres are accredited with Ofsted and all assessed as Good.

“The work in the residential centres has a 100% success rate from the perspective of the child. Whatever the outcome of the assessment, we always focus on and prioritise the needs of the child” Service Manager

We worked with 22 families including 24 children (2023: 19 families), residentially from 11 different local authorities.

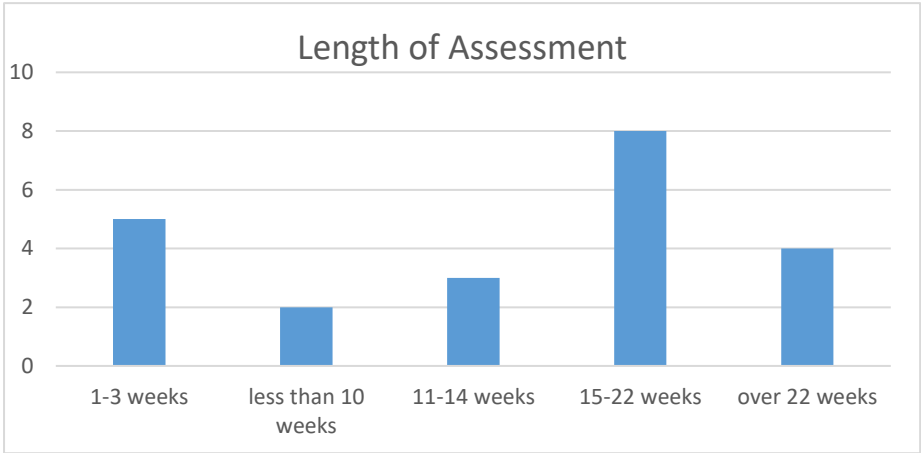
“Without this place I think we would of lost our baby girl. They are here to help you” Parent

“I can honestly say coming to St Michael's was the best thing that could have happened to me.” Parent

Where assessment involves a young baby, the intervention is timely: 19 (80%) of the 24 children worked with were less than one-year-old, and 73% of this group were new born on admission.

In all cases, we focus on the needs of the child. We do not prolong assessments where it is clear that the parent is unable to meet the child's needs and it is therefore not in the child's best interests to continue; for 7 families (32%) length of stay was 10 weeks or less.

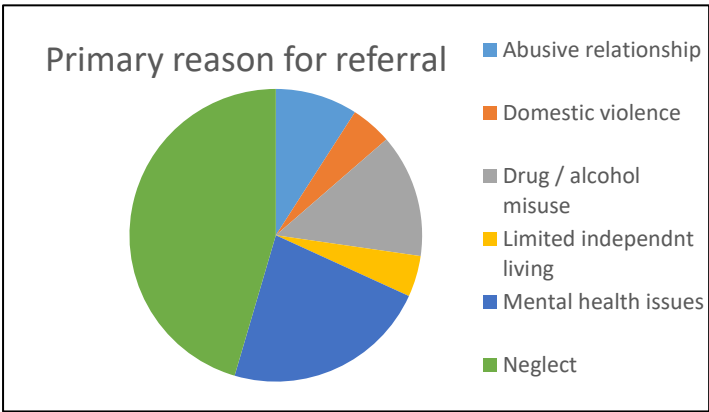
However we also acknowledge a trend from local authorities asking us to extend placements until a court hearing has taken place, even though this may exceed the 26 week rule. This allows the court to make the decision about the child’s future or it enables the local authority to find a suitable alternative placement or accommodation for the family. As a result of extended placements, 8 families (36% of the total) stayed between 15 and 22 weeks, with 4 further families staying for over 25 weeks. A further 2 families were continuing their assessment at the year end.



This year 41% of families returned to the community with their children. For a further 18% of families the final outcome is not known – this reflects the extended period between placements ending and the final court hearing.

This year 5 families (22%) had had a total of 15 children removed from their care prior to being placed with us, and 2 of them returned home with their subsequent child. The lack of support for parents following removal of a child is an issue we are endeavouring to address through our Securing Change programme.

Primary reasons for referral are neglect, mental ill health, domestic violence and abusive relationships, and drug or alcohol misuse. Typically, families present with seven or more issues leading to referral.



Ongoing building works are being resolved, and there is an agreement with the housing provider to have much better oversight and management of contractors on future works.

Securing Change

This service has continued to be offered to all parents who undergo a residential assessment, to offer both practical and emotional support that embeds positive change, and to step in during periods when parents may be struggling. We are helping to reduce cases of mothers having children removed over and over again through repeat care proceedings.

Our Securing Change practitioner offers a bespoke service to each family she works with, introducing herself to the family whilst they are in residence and then agreeing next steps as they are ready to move on. Moving from a very supportive environment to independence can be daunting and our practitioner helps the family to prioritise their needs to try and smooth the transition. Often basic furniture is required for their home, new claims need to be made and new links established with services such as a GP, nursery, playgroup or community projects. There are ongoing meetings with social services where the practitioner can advocate on behalf of the family. We also encourage and enable participants to enrol on open training courses and take up volunteering opportunities. We may also discuss planned pregnancies and personal development plans to sustain parenting.

"She's so proactive and quick to help, not everyone is lucky enough to get the help she's given me". Parent

"I couldn't have understood a lot of the forms and different processes without Ann-Marie" Parent

"I have not come across a service which has offered so much outreach support". Social Worker

It's nice to watch someone succeed, particularly a young father, who professionals had previously questioned as being capable". Securing Change Practitioner

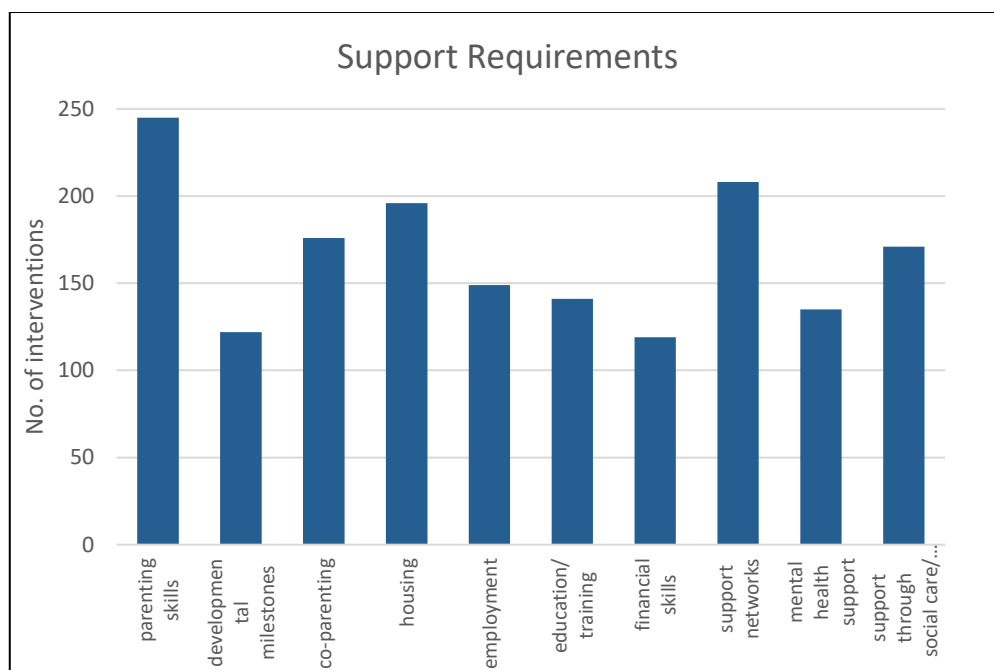
Our dedicated practitioner has worked intensively with 15 parents (with 21 children) in the year (2023:11). Typically, she will work with a family for between six and twelve months. We endeavour to offer the service in the family's home travelling to many parts of South East England and further afield.

Community Projects

We have continued with our outreach services for pregnant teenagers and young mums and dads up to 25 years. Our work is delivered through a combination of one-to-one bespoke support and group work. By successfully securing additional funding, we have expanded our work to cover a wider area of South London.

We have supported 50 young mums and 22 young fathers (2023: 36 and 26), with 78 children, through our one-to-one work. A further 31 parents have attended our support groups (2023: 24). We often work with parents over extended periods, in response to their ongoing needs.

The lives of the young parents we work with remain complex with many issues that need addressing: from support with housing and benefits, basic equipment for their home, debt advice, domestic violence, mental health issues, the child being subject to a child protection plan or a child in need plan, to name but a few.



Our work is focussed on both young mothers and fathers to meet their individual needs. Young fathers are a marginalised group and the importance of offering a dedicated service to address their needs cannot be underestimated. A number of services see young fathers as the problem rather than the solution, and we are working with individual fathers, courts and local authorities to try to redress this issue.

We are the delivery partner for Lambeth for the Caring Dads programme. Through our accredited trainer, we have delivered the Caring Dads programme to 34 Dads from both Lambeth and other referrers. We have also delivered training to other professionals wishing to become Caring Dads facilitators across 6 other boroughs.

Nine of our parents have benefited from the generosity of Housing the Homeless through our Residents' Grants scheme, which has assisted families purchasing essential items for their new accommodation. We have also supported 5 parents through our in-house Hardship Fund, thanks to the generosity of one of our donors.

In addition, 14 of the families attended our summer trips programme offering opportunities that would not otherwise be available and helping them to build confidence to explore other activities in their neighbourhood.

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

Jigsaw

Our 'Jigsaw' contact centre is a child-friendly, self-contained family space in South London. This service helps separated children and parents build stronger and healthier relationships. We aim to ensure both the child and parents have a good experience during contact and to make it as easy as possible for everyone.

Families use the contact centre for lots of different reasons. Jigsaw gives children and parents a safe and welcoming space to meet. Some parents who are separated use this service to see their children if their relationships are strained, or a court has ordered it. Children who are in care come to contact centres to see their parents or other family members.

We provided contact to 52 families including 75 children (2023: 48 families, 75 children). This year, we have increased our service by extending our opening hours to seven days a week and offering opportunities for extended sessions, to meet the demand of parents wanting weekend contact.

About 45% of the contact offered is to families involved in care proceedings where our detailed contact notes contribute to the social workers' assessments.

"You truly run an effective and efficient service" NACCC assessor

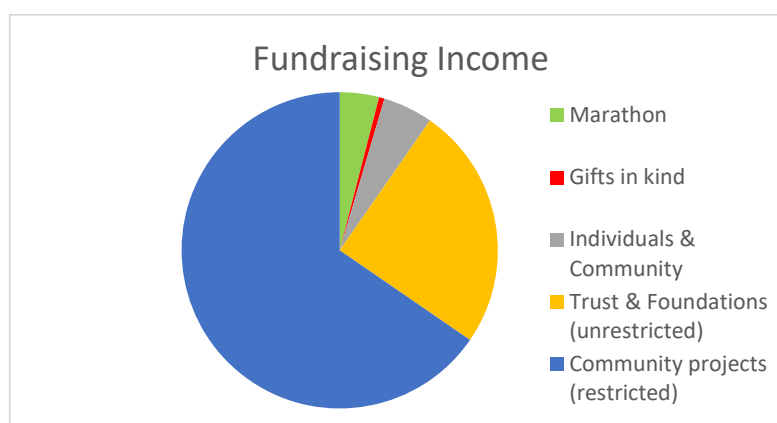
Families using our service are often at a difficult and emotional time in their lives.

"We only spent two hours there in total but it will forever be the place we started getting to be father and son again. I may not see you again but I will forever be thankful." Contact centre Dad

Whilst face-face contact is the preferred option for families we do recognise that online contact should form part of our service. For example, for parents visiting from much further afield, during bad weather and travel disruption, and we have continued to offer this option.

Fundraising

Fundraising for 2023-24 was in line with St Michael's strategy, and focused on securing multi-year grants to ensure the continuation of programmes in the community.



Following on from our current Fathers' Work programme funded through Comic Relief, we were delighted to be invited to take part in their Winter Appeal campaign. The campaign was promoted via the London Evening Standard and has generated additional unrestricted funding to support all our ongoing services with families.

We welcome the current mood in the charitable sector to move away from short-term project-based funding towards more opportunities for longer term funding that support the charity's overall aims and objectives

We continue to build relationships with funders in order to build a confidence and belief in St Michael's work of support and interventions with families. We believe that closer collaboration and partnership will help to secure longer term funding for our work.

During the year, we have also developed our marketing strategy to ensure it supports fundraising. We have expanded our presence across a range of social media platforms in order to raise the profile of the charity, broaden engagement with supporters and build partnerships with other similar charities.

This year we have partnered with "For Baby's Sake" during our Mothers' Day campaign, and promoted the importance of the early relationship between parent and child using the Emotional Safety Plan.

We are grateful to all our partners, donors and marathon runners who support the ongoing delivery of our work.

The growth across each of our services has been supported by a 40% increase in charitable income. This has enabled us to generate a surplus this year and we are now in a stronger financial position.

Trustees' report 31 March 2024

Building on key capabilities of staffing and infrastructure to support ongoing activities

We recognise the importance of recruiting and investing in staff who are central to the delivery capacity and quality of our services.

Like many other organisations in the sector, we have been faced with staff shortages and difficulties in recruiting. Last year, we reviewed the key worker and support roles within our residential centres to enable us to recruit from a potentially wider pool of applicants, and bring in a wider range of skills. We have seen good progress in the year with most roles now filled.

We have continued to focus on training and development to promote staff skills and retention, as further detailed below.

We have made further improvements in our IT infrastructure during the year in order to improve efficiencies and effective working.

We have also been working closely with service managers at the Housing Associations who own the residential properties, to facilitate more timely repairs and maintenance.

We have reviewed the usage of space at Head Office. In particular, the Jigsaw contact centre is now open seven days a week, and we are exploring options for hiring out the meeting room.

We are currently preparing for the retirement of our Director, who has been with the organisation for over 50 years. This will be a significant change for the charity. Sue has immense detailed knowledge of the services we offer and the family social work sector. We are planning a detailed handover to her successor which will be supported by the leadership team, with the additional support of the Chair and Trustees.

Continued focus on staff retention, including staff training and development with an emphasis on "one service approach"

In recognition for the ongoing commitment of our teams, we were pleased to be able to reward staff with a 5% pay increase in October 2023, and then a further 2½% increase in January 2024 towards the increased costs of living.

We held a thank-you celebration in December for all permanent and regular sessional staff. We also held a social event in the summer of 2023 to encourage team-building across the different services. We are planning to embed these events in our annual calendar.

Following recruitment to leadership roles in the year, the management team has continued to focus on improving cross-team working.

The introduction of a broader induction process to include an introduction to all of St Michael's services has been well received, and lead to broader integration across services. This has been supported by increased opportunities for whole team training and knowledge sharing through the wider training programme.

Continuing the implementation of an effective EDI strategy

St Michael's is committed to putting Equity, Diversity and Inclusion (EDI) firmly at the heart of all we do. Our commitment to EDI is deeply embedded in our core values and directly informs the compassionate, honest, and expert work we undertake with each family. We recognise that every individual – whether a child, parent, staff member, Trustee, volunteer, or partner – brings unique experiences, perspectives, and backgrounds to our organisation.

Our commitment to EDI begins with us creating a culture of inclusion and allyship within the organisation. Initiatives that have been put in place include:

- Monthly meeting of EDI working group (made up of staff from across the organisation) to drive EDI initiatives and monitor progress
- Quarterly meeting of an EDI sub-committee led by Trustees to act as a critical friend to the organisation providing guidance and oversight on EDI matters
- Anonymization has been introduced into the recruiting process to reduce unconscious bias
- Including EDI goals as part of the probation and performance appraisal process
- Developing a zero tolerance to racism and micro-aggressions procedure and a clear process for reporting, recording and addressing incidents and concerns
- Undertaking anti-racism training and micro-aggression training for all staff and Trustees in the year
- Raising awareness of and celebrating diversity and inclusion, through campaigns and cultural and religious events across the year
- Continuing to diversify our Board of Trustees

We continuously strive to ensure our policies, practices, and procedures reflect our commitment to EDI, and this will remain firmly at the centre of all we do.

FINANCIAL REVIEW

Results for the year

The overall surplus for the year was £227,791 (overall deficit for 2022/23: £179,062) following a growth in income generated through charitable activities in the year.

The £13,281 surplus generated on restricted funds activities contributed to the increase in restricted funds carried forward to £89,897. Meanwhile the £214,510 surplus on unrestricted funds activities, less the transfer of £30,794 to cover unfunded restricted funds activities, increased unrestricted reserves carried forward to £788,555.

This is the first year of surplus, following three previous years of losses following the pandemic, which had impacted on the level of our unrestricted reserves.

Income from our residential services has grown by over 50% this year. This includes other income for reimbursement for repair period, which was a contributing factor to the loss arising in the last financial year. This growth is encouraging given the continuing challenges of recruiting staff in the social care sector.

Income from our outreach and community work with young parents has also grown by 30% this year. This growth has been supported by additional funded projects focused on fathers' work and Securing Change, plus delivery of the Caring Dads programmes and the contact centre service.

Income from donations has decreased by 12% following a reduction in gifts-in-kind in the year. Income raised through marathon sponsorship and individual donors has been maintained at a similar level.

During the year we increased charges to Local Authorities to ensure that the impact of inflation on costs is covered. Fees charged by St Michael's are on a fully costed recovery basis and are in line with market.

Principal risks and uncertainties

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

1. General Reserves have been depleted through the losses incurred in the previous three financial years, although this has been partly mitigated by the surplus generated this financial year. Our strategic priority to build on key capabilities of staffing and infrastructure is integral to securing ongoing financial stability and rebuilding reserves.

Trustees' report 31 March 2024

2. St Michael's continues to be largely reliant on income from Local Authorities through spot purchasing contracts for placements in our residential assessment centres. We have seen a steady level of demand for our Residential Assessments, as a result of the charity's continued focus on providing a high quality and effective service, and an acknowledgement of the continuing levels of need. The risk of a fall in placements and income is mitigated by the fact that St Michael's provides services to a broad base of Local Authorities and continues to develop additional services to meet the varied demands of supporting families. In addition, fundraising activities have been expanded to reduce the dependency on single sources of income.
3. The work of St Michael's is focussed on ensuring the safeguarding of children in their parents' care and the safeguarding of the parents, many of whom are 'adults at risk'. St Michael's mitigates this risk through its operational procedures including careful planning, setting clear expectations of families and staff, close monitoring within the centres, risk identification, training and supervision of staff and monthly inspections. Our residential centres are also inspected by Ofsted. All are rated as Good.
4. Staff recruitment and retention is a risk because without full teams we are unable to meet our occupancy targets. St Michael's seeks to mitigate this risk through investment in its staff. Specific measures include annual salary benchmarking, investment in training and supervision, and career development and succession planning.
5. The quality of the property is also critical to meeting occupancy targets. St Michael's mitigate this risk through close relationships with the Housing Associations to ensure timely delivery of routine repairs and to plan and schedule major works.

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

Investment policy

The trustees' investment policy is to ensure that all reserves are held in a form in which their capital value is secure. An amount of reserves equivalent to at least three months of working capital should remain readily available in a current account, or a deposit or savings account with instant access. Reserves over and above three months of working capital can be held in deposit or savings accounts as long as access is available (without penalty costs) within a notice period enabling the Charity to meet its cash flow requirements above three-months of working capital.

Trustees' report 31 March 2024

Reserves policy

The Trustees aim to maintain sufficient reserves to support the day-to-day expenditures and cash-flow demands, plus a sufficient buffer to cover the ongoing operating expenses of the services at times when demand may slacken.

To meet this need, the Trustees aim to maintain a General Fund (within unrestricted reserves) which is not less than one third of the current year's budgeted operating expenses for core services.

The reserves policy is reviewed annually by the Trustees.

Reserves as of 31 March 2024

St Michael's reserves stand at £878,452 at 31 March 2024 (2023: £650,661) and are in two forms: restricted and unrestricted.

Restricted reserves

Restricted funds will be expended in due course in accordance with their restricted purposes. Restricted funds are £89,897 (2023: £45,822).

Unrestricted reserves

Unrestricted funds are retained to meet a number of needs:

The General Fund stands at £678,601 at March 2024 and covers 4.5 months' operating costs (2023 – £603,885, equivalent to 4.0 months) in line with the reserves policy-

The Trustees have also decided to set aside funding for the development of St Michael's work, via a Designated development fund.

The existing Designated fund brought forward (£954 at March 2023) is earmarked for the purchase of security equipment for Jigsaw, and has not yet been utilised. The trustees have designated further funds of £100,000 for strategic development and impact measurement; governance, leadership and management development; and upgrading furniture and equipment across services. The total Designated fund stands at £100,954 at 31 March 2024 (2023 – £954).

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

GOING CONCERN

As set out in the Going Concern section of the Principal Accounting Policies on page 30 of the Financial Statements, the Trustees have considered the current status of recovery following the pandemic, including increasing occupancy levels. The Trustees have also taken into account the operational actions taken, liquidity and reserves, current levels of activity and operating forecasts.

The Trustees consider that despite some continuing challenges, there are no material uncertainties about the charitable company's ability to continue as a going concern.

FUTURE PLANS

The future plans are defined by the strategic objectives for the year. The immediate priority is building on key capabilities of staffing, including recruitment and induction for the new CEO, whilst maintaining good governance and financial management.

FUNDRAISING

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

St Michael's employs an in-house fundraiser. Our fundraising activities aim to raise funds from trusts, foundations and businesses, from appeals to supporters and the local community, and from participating in challenge events. We do not carry out door-to-door or street fundraising.

Our fundraising, in all its forms, is legal, open, honest and respectful. We clearly state how donations are used to fulfil our mission. We are respectful of the wishes, preferences, personal information and circumstances of the people we interact with and who choose to donate to us, and we will take all steps necessary to comply with the law and fundraising practice standards.

Our fundraising is compliant with the Fundraising Regulator as well as Charity Commission guidance. Our approach has been informed by the Institute of Fundraising's guidance on treating donors fairly and General Data Protection Regulation (GDPR). We do not use third party fundraisers, commercial participators or their representatives to raise funds for us.

Volunteers who fundraise for us as part of challenge events are provided with support and guidance by the Head of Fundraising. Support includes providing fundraising materials, an overview of relevant policies and clear explanations of how their fundraising supports our work.

As an organisation working with vulnerable families, we are acutely aware of our safeguarding responsibilities. All staff and volunteers receive safeguarding training. Should we receive a donation that we suspect was not made in good faith, the Head of Finance and Head of Fundraising will follow up to ensure the donor's wishes are respected.

We have a robust fundraising complaints policy and have not received any complaints in relation to our fundraising activities.

STRUCTURE, GOVERNANCE AND MANAGEMENT

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

All Trustees give their time voluntarily and receive no benefits from the charity. Any expenses reclaimed from the charity are set out in Note 6 to the accounts.

St Michael's Board of Trustees is also the Board of directors under company law. The Board meets formally six times a year. The Board of Trustees delegates to the Chief Executive the responsibility for managing all the day-to-day affairs of the organisation that fall within the scope of an annually agreed budget and operating plan. The Treasurer maintains contact with the Chief Executive and the Head of Finance to provide oversight of financial management, systems and procedures, under authority delegated by the full Board of Trustees and in accordance with the Board's financial procedures.

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

- ◆ The Treasurer chairs the Finance Committee and oversees budgetary control with the Chief Executive. This committee considers financial matters, proposals and issues of risk before presentation to the Board.
- ◆ The Fundraising Committee advises on fundraising strategy and meets as necessary to review strategy and to support the organisation of events.
- ◆ The EDI Committee provides guidance and oversight on all EDI matters.

In addition, 2 Trustees are assigned to the residential centres, a role they share, with responsibility for bi-monthly inspection visits. Reports from inspection visits are provided to the Board.

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

The Board of Trustees has worked to apply the recommended practice of the Charity Governance Code. It has produced and adopted a Governance Manual to provide guidance to Trustees and staff involved in the governance and management of the organisation.

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

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

Trustees' report 31 March 2024

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

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

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 31 March 2024 was 8 (2023 – 9). The Trustees are members of the charity but this entitles them only to voting rights. The Trustees have no beneficial interest in the charity.

Appointment and departure of Trustees

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

During the year we said goodbye to Will Anderson (Trustee and Treasurer) and Anne Brough (Trustee). Both gave their time generously and we are indebted to them for their invaluable support.

Through advertising we have recruited a new Treasurer, Samantha da Soller from July 2024. Samantha has led the Finance and Operations team of two national charities, and brings a wealth of experience. We would like to express our appreciation to Jonathan Bannister who acted as interim Treasurer in the intervening period.

Remuneration policy for key management personnel

To deliver its charitable aims, St Michael's employs sufficient staff with the necessary skills and qualifications. We are committed to ensuring that we pay our staff a fair and appropriate salary that is within our means. This is so we can attract and retain people with the right skills and therefore have the greatest impact in delivering our objectives. We recognise that our rates of pay are generally less than in the private or public sector, but we believe that this is balanced by the training and development we offer, along with a shared commitment to our charitable purpose. We monitor against the National Joint Council pay scales for all staff and any overall changes to the rates of pay or to the salaries of senior staff are approved by the Board. The pension provisions for all staff regardless of seniority are the same. The remuneration ratio (highest paid versus the median salary) is 2.1:1 (2023 – 1.98:1). We are committed to paying the London Living wage and above, and are seeking accreditation with the Living Wage Foundation.

Trustees' responsibilities statement

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

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

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

- ◆ Select suitable accounting policies and then apply them consistently
- ◆ Observe the methods and principles in Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)
- ◆ Make judgements and estimates that are reasonable and prudent
- ◆ State whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- ◆ Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation

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

Trustees' report 31 March 2024

Each of the Trustees confirms that:

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

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

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

The Trustees' report has been approved by the Trustees on 29 November 2024 and signed on their behalf by:

A handwritten signature in black ink that reads "Sally Prentice". The signature is written in a cursive, flowing style.

Chair - Sally Prentice

Independent auditor's report Year to 31 March 2024

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

Opinion

We have audited the financial statements of St Michael's Fellowship (the 'charitable company') for the year ended 31 March 2024 which comprise the statement of financial activities, the balance sheet, and statement of cash flows, the principal accounting policies and the notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the annual report, including the trustees' report, other than the financial statements and our auditor's report thereon. The

Independent auditor's report Year to 31 March 2024

Other information (continued)

trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- ◆ the information given in the trustees' report, which is also the directors' report for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ◆ the trustees' report, which is also the directors' report for the purposes of company law, has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- ◆ adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- ◆ the financial statements are not in agreement with the accounting records and returns; or
- ◆ certain disclosures of trustees' remuneration specified by law are not made; or
- ◆ we have not received all the information and explanations we require for our audit; or
- ◆ the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Independent auditor's report Year to 31 March 2024

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 20, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

How the audit was considered capable of detecting irregularities including fraud

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

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

Independent auditor's report Year to 31 March 2024

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

- ◆ identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

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

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

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

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

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

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

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

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

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

Independent auditor's report Year to 31 March 2024

Use of our report

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



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

05 December 2024

Statement of financial activities Year to 31 March 2024
(including income and expenditure account)

	Notes	Restricted fund £	Unrestricted funds £	Total funds 2024 £	Restricted fund £	Unrestricted funds £	Total funds 2023 £
Income from:							
Donations	1	--	127,179	127,179	6,064	138,088	144,152
Interest receivable		--	19,190	19,190	--	7,018	7,018
Charitable activities:							
. Residential and community assessment	2a	1,000	2,124,951	2,125,951	--	1,394,402	1,394,402
. Community projects	2b	514,752	41,879	556,631	374,728	51,852	426,580
. Residents grants fund	13	2,700	--	2,700	1,700	--	1,700
Total income		518,452	2,313,199	2,831,651	382,492	1,591,360	1,973,852
Expenditure on:							
Raising funds		468	62,953	63,421	5,425	101,254	106,679
Charitable activities							
. Residential and community assessment		5,606	1,956,861	1,962,467	2,981	1,527,725	1,530,706
. Community projects		496,430	78,875	575,305	507,075	7,052	514,127
. Residents grants fund	13	2,667	--	2,667	1,402	--	1,402
Total expenditure	3	505,171	2,098,689	2,603,860	516,883	1,636,031	2,152,914
Net income (expenditure) before transfer	5	13,281	214,510	227,791	(134,391)	(44,671)	(179,062)
Transfers between funds	13	30,794	(30,794)	--	4,424	(4,424)	--
Net income (expenditure) and net movement in funds		44,075	183,716	227,791	(129,967)	(49,095)	(179,062)
Reconciliation of funds							
Fund balances brought forward at 1 April 2023		45,822	604,839	650,661	175,789	653,934	829,723
Fund balances carried forward at 31 March 2024	13	89,897	788,555	878,452	45,822	604,839	650,661

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

Balance sheet 31 March 2024

	Notes	2024 £	2024 £	2023 £	2023 £
Fixed assets					
Tangible assets	9		11,810		4,239
Current assets					
Debtors	10	572,135		318,841	
Cash at bank and in hand		537,254		553,356	
		1,109,389		872,197	
Creditors: amounts falling due within one year	11	242,747		225,775	
Net current assets			866,642		646,422
Total net assets	12		878,452		650,661
Funds					
Restricted funds			89,897		45,822
Unrestricted funds					
. Designated fund			100,954		954
. General fund			687,601		603,885
Total funds	13		878,452		650,661

Approved by the Trustees of St Michael's Fellowship, Company Registration Number 02914273 (England and Wales), 29 November 2024, and signed on their behalf by:

Sally Prentice

Chair – Sally Prentice

Statement of cash flows 31 March 2024

	Notes	2024 £	2023 £
Cash flows from operating activities:			
Net income (expenditure) for the year (as per the financial statements)		227,791	(179,062)
Depreciation charges		6,974	6,479
Interest receivable		(19,190)	(7,018)
(Increase) in debtors		(253,294)	(61,124)
Increase (decrease) in creditors		16,972	(11,652)
Net cash (used in) operating activities		(20,747)	(252,377)
Cash flows from investing activities:			
Interest received		19,190	7,018
Purchase of fixed assets		(14,545)	(150)
Net cash provided by investing activities		4,645	6,868
Change in cash and cash equivalents in the year		(16,102)	(245,509)
Cash and cash equivalents at the beginning of the year	A	553,356	798,865
Cash and cash equivalents at the end of the year	A	537,254	553,356
A Analysis of cash and cash equivalents			
		2024 £	2023 £
Cash at bank and in hand		89,781	122,896
Notice deposits (less than three months)		447,473	430,460
Total cash and cash equivalents		537,254	553,356

Principal accounting policies 31 March 2024

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

Basis of preparation

These financial statements have been prepared for the year to 31 March 2024 with comparative information presented in respect of the year to 31 March 2023.

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

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

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

Public benefit entity

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

Critical accounting estimates and areas of judgement

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

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

Going concern

The Trustees have considered the current status of recovery following the pandemic, including increasing occupancy levels. The Trustees have also taken into account the operational actions taken, liquidity and reserves, current levels of activity and operating forecasts.

The Trustees consider that despite some continuing challenges, there are no material uncertainties about the charitable company's ability to continue as a going concern.

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

Income

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

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

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

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

Donations of gifts, services and facilities

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

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

Interest receivable

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

Expenditure and irrecoverable VAT

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

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

Expenditure and irrecoverable VAT (continued)

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

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

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

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

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

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

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

Tangible fixed assets

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

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

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

Debtors

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

Cash at bank and in hand

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

Creditors and provisions

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

Financial instruments

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

Fund accounting

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

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

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

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

Operating leases

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

Pensions

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

Notes to the financial statements Year to 31 March 2024

1 Income from donations

	Restricted funds £	Unrestricted funds £	2024 Total funds £
London Marathon	--	14,746	14,746
Baring Foundation	--	16,397	16,397
Beatrice Laing Trust	--	5,000	5,000
Comic Relief	--	50,000	50,000
Dyers Company	--	1,000	1,000
Elizabeth & Prince Zaiger Trust	--	5,000	5,000
Howberry Trust	--	2,000	2,000
Humble Trust	--	200	200
Jet Charitable Trust	--	500	500
Paget Charitable Trust	--	2,000	2,000
Rathbone Redfern	--	2,000	2,000
Worshipful company of Fanmakers	--	2,500	2,500
29 th May Trust	--	3,000	3,000
Gift in kind	--	2,057	2,057
Other donations	--	20,779	20,779
	--	127,179	127,179

	Restricted funds £	Unrestricted funds £	2023 Total funds £
London Marathon	--	19,341	19,341
Baring Foundation	--	3,500	3,500
BNP Paribas	--	1,000	1,000
Comic Relief	--	15,000	15,000
Denton Charitable Trust	--	1,000	1,000
Dyers Company	--	2,000	2,000
Elizabeth & Prince Zaiger Trust	--	5,000	5,000
Howberry Trust	--	1,000	1,000
Jet Charitable Trust	--	500	500
Rathbone Redfern	--	1,000	1,000
Rest Harrow Trust	--	100	100
Sir Walter St John's Educational Charity	1,476	--	1,476
Small trust appeal	--	4,350	4,350
University of Sussex Graduate Internship	3,400	--	3,400
Uxbridge Foundation	--	1,000	1,000
William Allen Young Trust	--	2,000	2,000
Gift in kind	1,188	65,226	66,414
Other donations	--	16,071	16,071
	6,064	138,088	144,152

Notes to the financial statements Year to 31 March 2024

2 Income from charitable activities

a. Residential and community assessment

	Restricted funds £	Unrestricted funds £	2024 Total funds £
General fees	--	1,802,513	1,802,513
Parental support	--	79,433	79,433
Supporting people	--	10,388	10,388
Charges	--	5,117	5,117
Other – Reimbursement for repair period		227,500	227,500
Other - grant	1,000	--	1,000
	1,000	2,124,951	2,125,951
	Restricted funds £	Unrestricted funds £	2023 Total funds £
General fees	—	1,315,553	1,315,553
Parental support	—	59,060	59,060
Supporting people	—	13,036	13,036
Charges	—	5,176	5,176
Other – rates relief	—	1,577	1,577
	—	1,394,402	1,394,402

b. Community projects

	Restricted funds £	Unrestricted funds £	2024 Total funds £
Lambeth Outreach Young Parents	157,500		157,500
Lambeth other	60,888		60,888
Lambeth Start for Life	50,000		50,000
Basketmakers Charitable Trust	1,000		1,000
Caring Dads Programmes		31,486	31,486
Charles Hayward	15,000		15,000
City Bridge Trust	56,725		56,725
Comic Relief	81,448		81,448
Ironmongers	9,116		9,116
John Coates Charitable Trust	5,000		5,000
L&Q Placemakers Fund	6,250		6,250
Lambeth Summer HAP	75		75
National Children's Bureau	100		100
Segelman Trust	35,000		35,000
St James Place Foundation	30,000		30,000
1485 Hardship fund	1,000		1,000
Other	5,650	10,393	16,043
	514,752	41,879	556,631

Notes to the financial statements Year to 31 March 2024

2 Income from charitable activities (continued)

b. Community projects (continued)

	Restricted funds £	Unrestricted funds £	2023 Total funds £
Lambeth Outreach Young Parents	150,000	--	150,000
Lambeth other	31,668	--	31,668
National Children's Bureau	100	--	100
City Bridge Trust	39,525	--	39,525
Segelman Trust	37,000	--	37,000
Caring Dads Programmes	--	39,499	39,499
Garfield Weston	30,000	--	30,000
L&Q Placemakers Fund	18,750	--	18,750
Comic Relief	59,099	--	59,099
Dep't of Health and Social Care	3,586	--	3,586
1485 Hardship fund	2,000	--	2,000
Other	3,000	12,353	15,353
	374,728	51,852	426,580

3 Total expenditure

	Costs of raising funds £	Residential and community assessment £	Community projects £	Residents grants fund £	Governance costs £	Support costs £	2024 Total £
Staff costs (note 6)	14,871	1,440,437	483,689	--	6,297	249,398	2,194,692
Premises costs	--	44,588	--	--	--	74,846	119,434
Maintenance	--	23,788	424	--	--	2,938	27,150
Insurance	--	--	--	--	--	18,068	18,068
Professional fees	216	15,386	2,176	--	3,926	2,965	24,669
Housing association charges	--	80,065	--	--	--	--	80,065
Communications and stationery	4,336	38,119	4,876	--	--	26,979	74,310
Publicity	3,287	--	--	--	--	--	3,287
Residents' welfare	--	6,576	18,069	2,667	--	164	27,476
Depreciation	--	3,508	--	--	--	3,465	6,973
Audit and accountancy	--	--	--	--	13,590	--	13,590
Travel and sundry expenses	2,101	5,416	5,562	--	6	1,061	14,146
Total expenditure	24,811	1,657,883	514,796	2,667	23,819	379,884	2,603,860
Reallocation of support costs (note 4)	36,146	268,616	49,669	--	25,453	(379,884)	--
Reallocation of governance costs	2,464	35,968	10,840	--	(49,272)	--	--
Total expenditure	63,421	1,962,467	575,305	2,667	--	--	2,603,860

Notes to the financial statements Year to 31 March 2024

3 Total expenditure (continued)

	Costs of raising funds £	Residential and community assessment £	Community projects £	Residents grants fund £	Governance costs £	Support costs £	2023 Total £
Staff costs (note 6)	13,349	1,080,865	419,546	--	29	202,614	1,716,403
Premises costs	--	31,625	--	--	--	60,783	92,408
Maintenance	--	23,369	534	--	--	6,160	30,063
Insurance	--	--	--	--	--	16,285	16,285
Professional fees	216	6,689	19,902	--	12,888	5,632	45,327
Housing association charges	--	80,890	--	--	--	--	80,890
Communications and stationery	585	42,220	5,565	--	16	19,619	68,005
Publicity	6,852	--	--	--	--	--	6,852
Residents' welfare	--	3,579	10,431	1,402	--	--	15,412
Depreciation	--	1,771	--	--	--	4,709	6,480
Audit and accountancy	--	--	--	--	14,370	--	14,370
Travel	--	2,642	2,623	--	87	194	5,546
In-kind and sundry expenses	52,456	138	1,348	--	542	389	54,873
Total expenditure	73,458	1,273,788	459,949	1,402	27,932	316,385	2,152,914
Reallocation of support costs (note 4)	29,541	220,124	42,088	--	24,632	(316,385)	--
Reallocation of governance costs	3,680	36,794	12,090	--	(52,564)	--	--
Total expenditure	106,679	1,530,706	514,127	1,402	--	--	2,152,914

4 Support costs

	Costs of raising funds £	Residential and community assessment £	Community projects £	Governance £	2024 Total £
Head office staff	20,346	199,502	6,333	23,217	249,398
Premises costs	9,550	37,749	26,196	1,351	74,846
Maintenance	375	1,482	1,028	53	2,938
Insurance	2,306	9,113	6,323	326	18,068
Professional fees	--	2,965	--	--	2,965
Communications and stationery	3,127	14,832	8,577	443	26,979
Residents' welfare	--	164	--	--	164
Depreciation	442	1,748	1,212	63	3,465
Travel and sundry	--	1,061	--	--	1,061
	36,146	268,616	49,669	25,453	379,884

Notes to the financial statements Year to 31 March 2024

4 Support costs (continued)

	Costs of raising funds £	Residential and community assessment £	Community projects £	Governance £	2023 Total £
Head office staff	16,168	161,421	2,307	22,718	202,614
Premises costs	7,662	29,230	22,794	1,097	60,783
Maintenance	701	3,274	2,085	100	6,160
Insurance	2,053	7,831	6,107	294	16,285
Professional fees	--	5,632	--	--	5,632
Communications and stationery	2,363	9,889	7,029	338	19,619
Depreciation	594	2,264	1,766	85	4,709
Travel and sundry	--	583	--	--	583
	29,541	220,124	42,088	24,632	316,385

5 Net income(expenditure) for the year

Net income (expenditure) is stated after charging:	2024 £	2023 £
Depreciation	6,974	6,479
Auditor's remuneration		
. Audit	12,925	11,975
Operating lease rentals		
. Equipment	7,880	15,803
. Property	128,446	120,178

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

Staff costs were as follows:	2024 £	2023 £
Salaries and wages	1,376,286	1,082,668
Social security costs	181,416	151,353
Employer's contribution to defined contribution pension schemes	84,283	71,304
Sessional staff	452,900	361,453
Agency staff	44,601	15,669
Other staff costs	55,206	33,956
	2,194,692	1,716,403

1 employee earned between £70,000-£80,000 (2023: 1 employee between £70,000-£80,000)

The total employee benefits including employer's pension contributions and national insurance of the key management personnel were £211,263 (2023: £200,307).

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

The charity Trustees were not paid nor received any other benefits from employment with the charity in the year (2023: £nil). No charity Trustee received payment for professional or other services supplied to the charity (2023: £nil).

No Trustees' expenses (2023: none) were incurred by members relating to attendance at meetings of the Trustees.

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

	Headcount (number of staff employed)		Full-time equivalent	
	2024 No.	2023 No.	2024 No.	2023 No.
Social and care workers	54.12	48.82	38.91	31.47
Management	7.28	7.88	6.53	6.53
	61.40	56.70	45.44	38.00

7 Related party transactions

There are no related party transactions to disclose for 2024 (2023: none).

Aggregate donations from related parties were £794 (2023: £1,575), all of which arise in the normal course of business.

8 Taxation

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

9 Tangible fixed assets

	Leasehold improvements £	Head office equipment £	House fixtures and fittings £	House equipment £	Total £
Cost					
At the start of the year	94,687	62,623	11,292	34,061	202,663
Additions during the year	--	1,487	7,110	5,948	14,545
At the end of the year	94,687	64,110	18,402	40,009	217,208
Depreciation					
At the start of the year	94,687	59,529	10,259	33,949	198,424
Charge for the year	--	3,465	1,984	1,525	6,974
At the end of the year	94,687	62,994	12,243	35,474	205,398
Net book value					
At the end of the year	—	1,116	6,159	4,535	11,810
At the start of the year	—	3,094	1,033	112	4,239

All of the above assets are used for charitable purposes.

Notes to the financial statements Year to 31 March 2024

10 Debtors

	2024 £	2023 £
Trade debtors receivable	280,090	284,203
Other debtors	232,497	3,796
Prepayments and accrued income	59,548	30,842
	572,135	318,841

11 Creditors: amounts falling due within one year

	2024 £	2023 £
Trade creditors	66,100	46,530
Taxation and social security	47,543	46,048
Deferred income	19,162	32,193
Accruals	76,115	59,948
Other creditors	33,827	41,056
	242,747	225,775

Deferred income comprises a grant received at the end of the year that relates to 2024-25, plus marathon donations made in advance for the April 2024 event (2023: deferred grant and marathon income).

12 Analysis of net assets between funds

	General unrestricted £	Designated funds £	Restricted funds £	2024 Total funds £
Tangible fixed assets	11,245	--	565	11,810
Net current assets	676,356	100,954	89,332	866,642
Net assets at 31 March 2024	687,601	100,954	89,897	878,452

	General unrestricted £	Designated funds £	Restricted funds £	2023 Total funds £
Tangible fixed assets	3,467	--	772	4,239
Net current assets	600,418	954	45,050	646,422
Net assets at 31 March 2023	603,885	954	45,822	650,661

Restricted Funds: Fixed assets with a net book value of £565 have been purchased with restricted funds (2023: £772). This comprises the balance of the Capital Appeal for replacement carpet at one of the residential units which is being depreciated over 10 years.

Notes to the financial statements Year to 31 March 2024

13 Movement in funds

	At 1 April 2023 £	Income and gains £	Expenditure and losses £	Transfers £	At 31 March 2024 £
Restricted funds:					
Lambeth Outreach Young Parents	--	157,500	(188,294)	30,794	--
Lambeth other	--	13,388	(13,388)	--	--
Lambeth Public Health	11,895	--	(360)	--	11,535
Lambeth Caring Dads	--	47,500	(47,500)	--	--
Lambeth Start for Life	--	50,000	(5,000)	--	45,000
City of London, City Bridge Trust	--	56,725	(56,725)	--	--
National Children's Bureau	--	100	(100)	--	--
CWDC	9,574	--	(4,400)	--	5,174
ASYE Dept. for Education	--	1,000	(1,000)	--	--
Foyle Foundation	8,982	--	(53)	--	8,929
Residents grants fund	3,466	2,700	(2,667)	--	3,499
Elizabeth & Prince Zaiger Trust – Capital	773	--	(206)	--	567
Summer Trips Appeal	427	75	(494)	--	8
Basketmakers Charitable Trust	--	1,000	(1,000)	--	--
John Coates Charitable Trust	--	5,000	(5,000)	--	--
L&Q Placemakers Fund	8,967	6,250	(15,217)	--	--
Invesco Cares Foundation	--	3,150	(3,150)	--	--
Garfield Weston Foundation	572	--	(572)	--	--
Charles Hayward	--	15,000	(15,000)	--	--
Tudor Trust – Wellbeing	468	--	(468)	--	--
Segelman Trust	--	35,000	(35,000)	--	--
1485 Hardship Fund	698	1,000	(1,291)	--	407
St James Place Foundation	--	30,000	(30,000)	--	--
Ironmongers	--	9,116	(9,116)	--	--
Comic Relief	--	81,448	(66,670)	--	14,778
CAFCASS	--	2,500	(2,500)	--	--
Total restricted funds	45,822	518,452	(505,171)	30,794	89,897
Unrestricted funds:					
Designated funds:					
. Development fund	954	--	--	100,000	100,954
Total designated funds	954	--	--	100,000	100,954
General fund	603,885	2,313,199	(2,098,689)	(130,794)	687,601
Total unrestricted funds	604,839	2,313,199	(2,098,689)	(30,794)	788,555
Total funds	650,661	2,831,651	(2,603,860)	--	878,452

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

Notes to the financial statements Year to 31 March 2024

13 Movement in funds (continued)

	At 1 April 2022 £	Income and gains £	Expenditure and losses £	Transfers £	At 31 March 2023 £
Restricted funds:					
Lambeth Outreach Young Parents	—	150,000	(150,760)	760	--
Lambeth Public Health	12,601	--	(706)	--	11,895
Lambeth Caring Dads	—	31,668	(31,868)	--	--
City of London, City Bridge Trust	—	39,525	(39,525)	--	--
National Children's Bureau	645	100	(745)	--	--
CWDC	11,866	--	(2,292)	--	9,574
ASYE Dept. for Education	483	--	(483)	--	--
Foyle Foundation	8,990	--	(8)	--	8,982
Residents grants fund	3,168	1,700	(1,402)	--	3,466
Elizabeth & Prince Zaiger Trust – Capital	861	--	(88)	--	773
Summer Trips Appeal	736	1,476	(1,785)	--	427
University of Sussex Grad. Internship	--	3,400	(3,400)	--	--
L&Q Placemakers Fund	--	18,750	(9,783)	--	8,967
Garfield Weston Foundation	--	30,000	(29,428)	--	572
Capital Appeal	118	--	(118)	--	--
Tudor Trust – Wellbeing	1,305	--	(837)	--	468
Tesco community fund	-	500	(500)	--	--
National Lottery Community Fund	25,786	--	(25,786)	--	--
Securing Change Appeal	424	--	(424)	--	--
Elizabeth & Prince Zaiger Trust	934	--	(934)	--	--
Philip King Charitable Trust	3,777	--	(3,777)	--	--
Segelman Trust	783	37,000	(37,783)	--	--
1485 Hardship Fund	—	2,000	(1,302)	--	698
KPMG Foundation	2,199	--	(2,199)	--	--
Tudor Trust – Securing Change	5,438	--	(5,438)	--	--
Pilgrim Trust	9,007	--	(9,007)	--	--
Comic Relief	13,921	59,099	(73,020)	--	--
Dep't of Health & Social Care	72,747	3,586	(79,997)	3,664	--
CAFCASS	--	2,500	(2,500)	--	--
Other – gift in kind	--	1,188	(1,188)	--	--
Total restricted funds	175,789	382,492	(516,883)	4,424	45,822
Unrestricted funds:					
Designated funds:					
. Development fund	954	--	--	—	954
Total designated funds	954	--	--	—	954
General fund	652,980	1,591,360	(1,636,031)	(4,424)	603,885
Total unrestricted funds	653,934	1,591,360	(1,636,031)	(4,424)	604,839
Total funds	829,723	1,973,852	(2,152,914)	—	650,661

13 Movement in funds (continued)

Purposes of restricted funds

Lambeth Outreach Young Parents

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

Lambeth – Other

This fund supports group sessions for young parents for advice, support and sporting activities,

Lambeth Public Health

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

Lambeth Caring Dads

This fund supports the delivery of the Caring Dads programme to young fathers living in Lambeth.

Lambeth – Start for Life

To support parenting, parent-infant relationships and infant feeding interventions.

City of London, City Bridge Trust

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

National Children's Bureau (LEAP)

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

The Children's Workforce Development Council (CWDC)

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

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

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

Foyle Foundation

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

Residents grants fund

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

Elizabeth & Prince Zaiger Trust - Capital

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

13 Movement in funds (continued)

Purposes of restricted funds (continued)

Summer trips Appeal

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

Basketmakers Charitable Trust

To support work with young parents

John Coates Charitable Trust

To support work with young parents

University of Sussex Graduate Internship

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

London & Quadrant Placemakers Fund

This fund is to support the continuation of the Securing Change programme.

Garfield Weston Foundation

This fund is also to support the continuation of the Securing Change programme

Capital Appeal

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

Tudor Trust – Wellbeing

To support the wellbeing of St Michael's staff.

Tesco – young Parents

To support work with young parents in the community

National Lottery Community Fund

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

Securing Change Appeal

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

Elizabeth & Prince Zaiger Trust

To support the Securing Change project (as above).

Philip King Charitable Trust

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

Pilgrim Trust

To support the Securing Change project (as above).

13 Movement in funds (continued)

Purposes of restricted funds (continued)

KPMG Foundation

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

Tudor Trust

To support the Securing Change project (as above).

Segelman Trust

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

St James Place foundation

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

Invesco Cares Foundation

To support group work with parents

Charles Hayward

Funding to support work with young fathers in South London

Comic Relief

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

Department of Health & Social Care

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

1485 Hardship Fund

To support parents to provide a safe and secure environment for their children.

Ironmongers

To support group work with young mothers.

CAFCASS

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

Purposes of designated funds

Development fund

The development fund was set up to hold monies designated for expenditure on existing and new work subject to the case-by-case approval of the Trustees, as set out in the Trustees' report. Funds have been designated in the year for strategic development and impact measurement; governance, leadership and management development; and upgrading furniture and equipment across all services.

Notes to the financial statements Year to 31 March 2024

14 Operating lease commitments

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

	Equipment		Property	
	2024 £	2023 £	2024 £	2023 £
Less than one year	--	7,880	83,151	87,599
One to five years	--	--	11,250	56,250
	--	7,880	94,401	143,849

15 Contingent assets or liabilities

At the balance sheet date, the charity has no contingent assets or liabilities (2023: £nil).

16 Legal status of the charity

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

ST. MICHAEL'S FELLOWSHIP

England & Wales - Charity number 1035820

Accounts

St Michael's Fellowship

Report and Financial Statements

Year ended 31 March 2023

Company Registration Number 02914273
(England and Wales)

Charity Number: 1035820

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Reference and administrative details of the company and its advisors

Trustees	Sally Prentice (Chair, appointed 10 November 2022) Oretha Wofford (Deputy Chair from 7 July 2022) William Anderson (Hon Treasurer) Jasmine Kaur Assi (appointed 20 January 2023) Jonathan Bannister (appointed 30 November 2022) Richard Barron (resigned 7 July 2022) Annie Brough Yasmin Garcia-Sterling (appointed 20 January 2023) Loucia Kyprianou (former Chair, resigned 7 July 2022) Philippa Owen (former Deputy Chair and Acting Chair from 7 July 2022 – 10 November 2022, resigned 20 January 2023) Juline Sinclair Valerie Wass OBE
Director	Sue Pettigrew OBE
Registered office	136 Streatham High Road London SW16 1BW
Registered number	02914273 (England and Wales)
Charity number	1035820
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL

Reference and administrative details of the company and its advisors

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

COIF Charity Funds
80 Cheapside
London
EC2V 6DZ

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

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

Trustees' report 31 March 2023

The trustees, who are the directors for the purposes of company law, present their statutory report together with the audited financial statements for the year ended 31 March 2023.

The financial statements have been prepared in accordance with the accounting policies set out on pages 30 to 33. They comply with the charitable company's Memorandum and Articles of Association, applicable laws and the requirements of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

OBJECTIVES AND ACTIVITIES

Purposes and aims

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

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

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

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

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

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

OBJECTIVES AND ACTIVITIES (continued)

Strategic plan and objectives

The Trustees reviewed and updated the strategic plan in March 2023 for the next year. The strategic priorities are continued focus on:

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

In 2022-2023 our key objectives were:

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

Our key objectives for 2023-24 are:

1. Increasing occupancy and service levels and building financial resilience
2. Building on key capabilities of staffing and infrastructure to support ongoing activities
3. Continued focus on staff retention, including staff training and development with an emphasis on "one service approach"
4. Continuing the implementation of an effective EDI strategy

ACHIEVEMENTS AND PERFORMANCE

Continued recovery following the Covid-19 pandemic, with a focus on increasing occupancy and service levels to pre-pandemic levels.

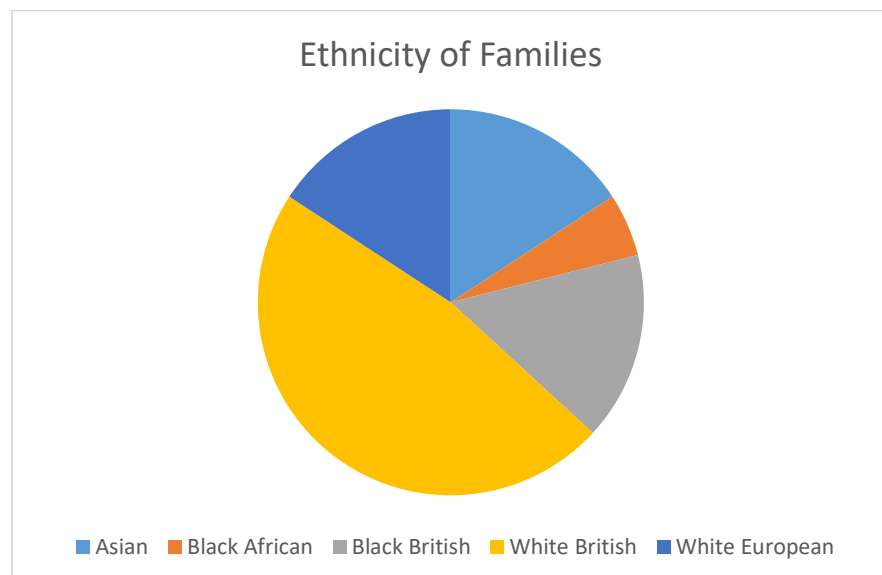
The last year has continued to present a number of challenges following the pandemic as we seek to rebuild our services. This has been largely due to the challenges of recruiting staff, which has been a sector-wide issue within social care.

Residential Centres

Crawford House was inspected in January 2023 and received a “Good” rating. From the Ofsted report: ‘Families benefit from a transparent and empowering assessment process, which is focused on the best interests of children’. A parent said, ‘I would recommend here for other families who are struggling.’ Another parent thanked staff for ‘helping me through the biggest journey of my life’. ‘Staff demonstrate a strong commitment to equality and diversity, promoting dignity and respecting parents’ rights’.

We worked with 19 families including 21 children (2022: 25 families), residentially from 12 different local authorities. The reduction in number of families was due to the temporary closure of one of the houses for almost 6 months during renovations and the subsequent recruitment of a new staff team. In addition, ongoing building work in a second property restricted the number of families we were able to work with.

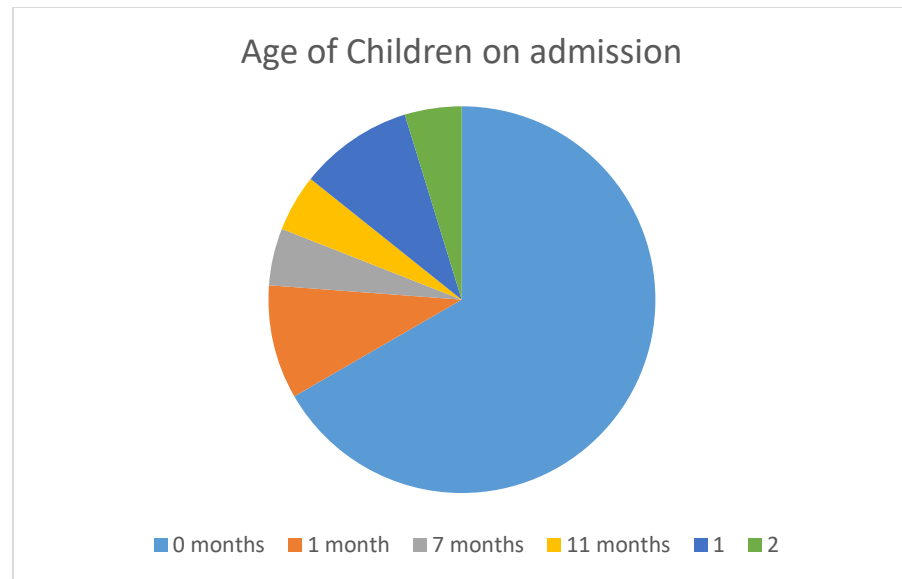
Of the 19 families, 14 were single parents and 5 were couples. The ethnic breakdown of the families is 47% White British, 16% Asian, 16% Black British, 16% White European, 5% Black African.



Trustees' report 31 March 2023

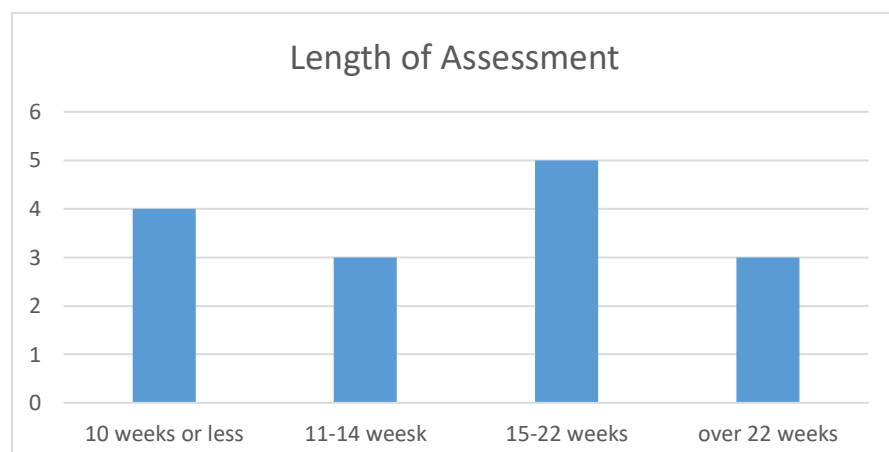
Whilst local authorities continue to be faced with financial constraints, residential assessments are still regarded as effective and assist the family courts in making a decision that secures the best future for the child or children.

Where assessment involves a young baby, the intervention is timely: 18 (81%) of the 21 children worked with were less than one-year-old, and 77% of this group were new born on admission.



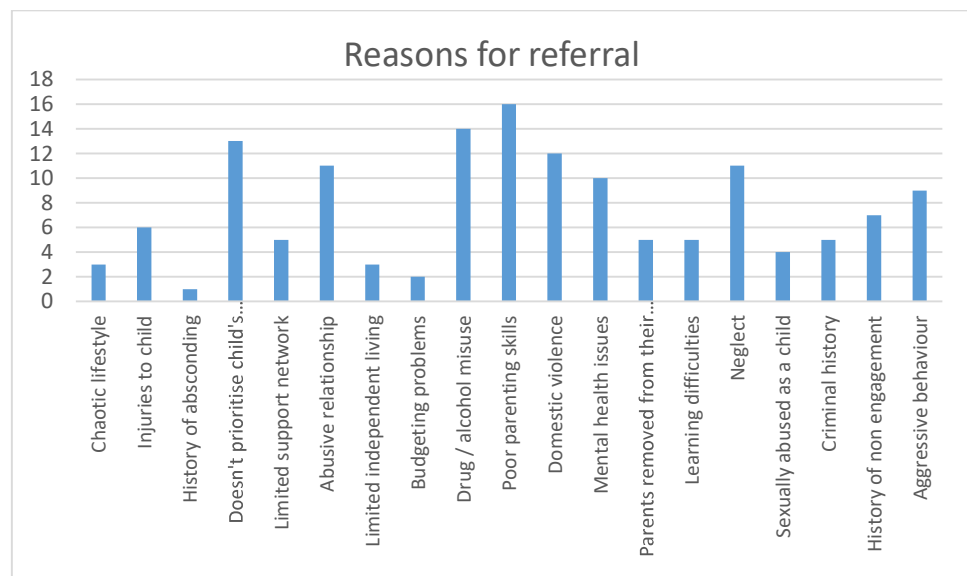
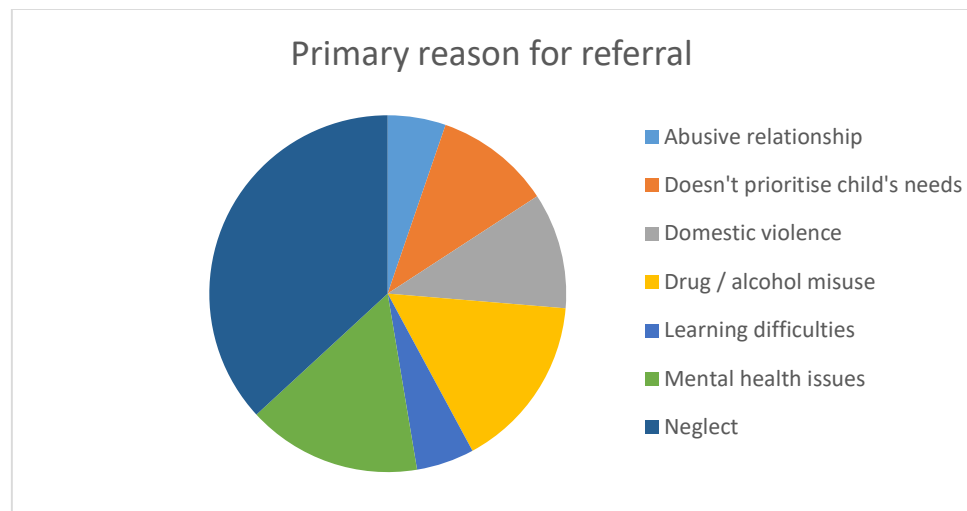
In all cases, we focus on the needs of the child. We do not prolong assessments where it is clear that the parent is unable to meet the child's needs and it is therefore not in the child's best interests to continue; for 4 families (21%) length of stay was 10 weeks or less.

However we also acknowledge a trend from local authorities asking us to extend placements until a court hearing has taken place, even though this may exceed the 26 week rule. This allows the court to make the decision about the child's future or it enables the local authority to find a suitable alternative placement or accommodation for the family. As a result of extended placements, 5 families (26% of the total) stayed between 15 and 22 weeks, with 3 further families staying for over 25 weeks. A further 4 families were continuing their assessment at the year end.



Trustees' report 31 March 2023

Primary reasons for referral are neglect, mental ill health, domestic violence and abusive relationships, and drug or alcohol misuse. Typically, families present with 7 or more issues leading to referral.



Quote from Service Manager: 'The work in the residential centres has a 100% success rate from the perspective of the child. Whatever the outcome of the assessment, we always focus on and prioritise the needs of the child'.

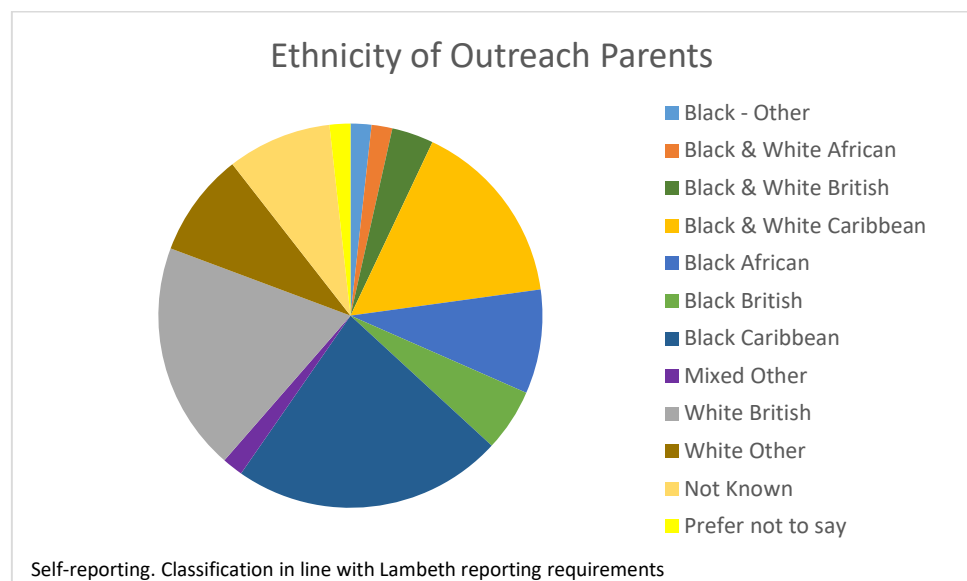
This year 31% of families returned to the community with their children and a further 25% of children were placed within their extended family. For a further 13% of families the final outcome is not known – this reflects the extended period between placements ending and the final court hearing.

This year 9 families (47%) had had a total of 20 children removed from their care prior to being placed with us, and 3 of them returned home with their subsequent child. The lack of support for parents following removal of a child is an issue we are endeavouring to address through our Securing Change programme.

Outreach

We have continued with our outreach services for pregnant teenagers and young mums and dads up to 25 years. Our work is delivered through a combination of one-to-one bespoke support and group work.

We have supported 36 young mums and 26 young fathers, with 119 children, through our one-to-one work. A further 24 parents have attended our support groups. We often work with parents over extended periods, in response to their ongoing needs.

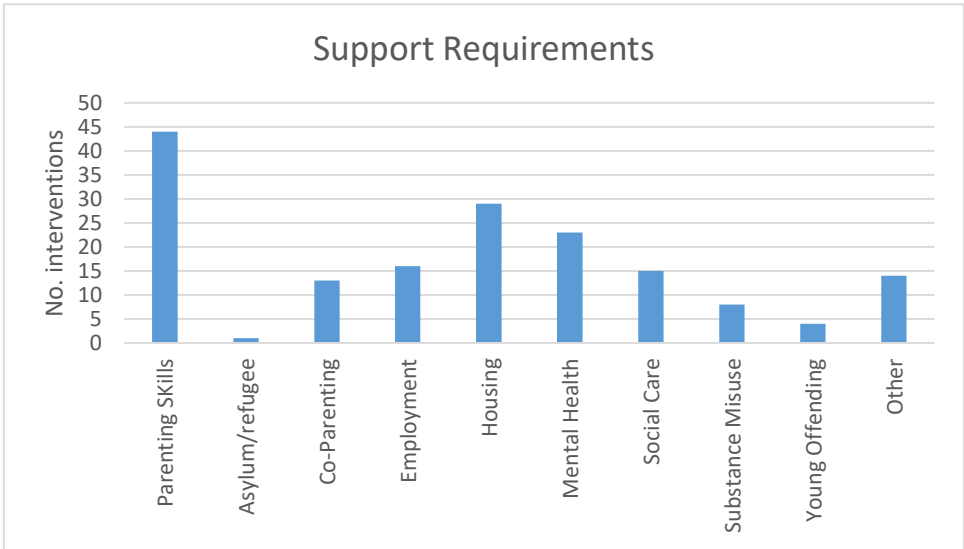


Our work is focussed on both young mothers and fathers to meet their individual needs. Young fathers are a marginalised group and the importance of offering a dedicated service to address their needs cannot be underestimated. A number of services see young fathers as the problem rather than the solution, and we are working with individual fathers, courts and local authorities to try to redress this issue.

The lives of the young parents we work with remain complex with many issues that need addressing: from support with housing and benefits, basic equipment for their home, debt advice, domestic violence, mental health issues, the child being subject to a child protection plan or a child in need plan, to name but a few.

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

In addition, 27 of the families attended our summer trips programme offering opportunities that would not otherwise be available and helping them to build confidence to explore other activities in their neighbourhood.



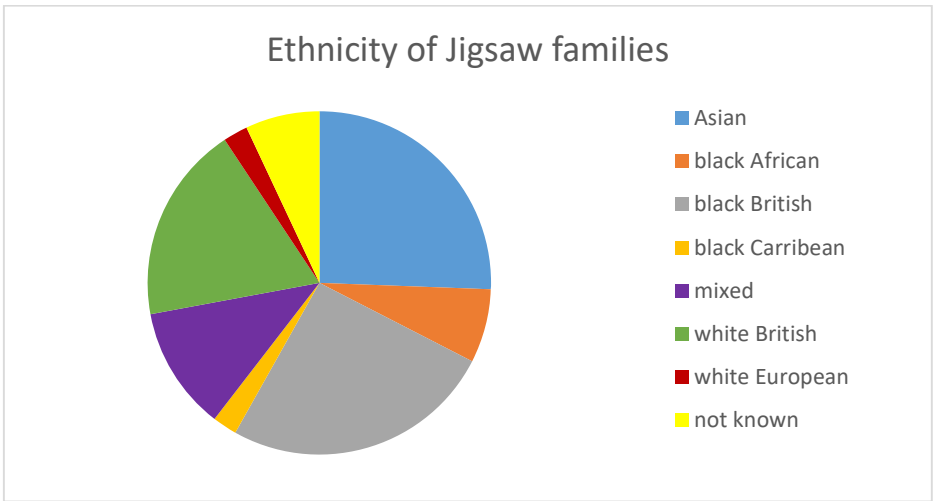
Through our accredited trainer, we have delivered the Caring Dads programme to 51 Dads. We have also delivered training to other professionals wishing to become Caring Dads facilitators across four other boroughs.

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

Jigsaw

Our NACCC contact centre was reaccredited in October 2022 for another 3 years. The assessor commented ‘You truly run an effective and efficient service.’

We provided contact to 48 families including 75 children. About 20% of the contact offered is to families involved in care proceedings where our detailed contact notes contribute to the social workers’ assessments.



Trustees' report 31 March 2023

Whilst face-face contact is the preferred option for families we do recognise that online contact should form part of our service, for example for parents visiting from much further afield, during bad weather and travel disruption, and we have continued to offer this option.

Families using our service are often at a difficult and emotional time in their lives. One father said 'You run a fabulous facility and have made a difficult situation much more pleasant and easy, so you will be forever in my mind for that.' A mother said 'Thanks for the book voucher for him and thanks for everything you do. Your continued support throughout the year is truly valued.'

This year, we have extended our opening hours to include alternate Sundays to meet the demand of parents wanting weekend contact.

Securing Change

This service is offered to all parents who undergo a residential assessment, to offer both practical and emotional support that embeds positive change, and to step in during periods when parents may be struggling.

Our Securing Change practitioner offers a bespoke service to each family she works with, introducing herself to the family whilst they are in residence and then agreeing next steps as they are ready to move on. Moving from a very supportive environment to independence can be daunting and our practitioner helps the family to prioritise their needs to try and smooth the transition. Often basic furniture is required for their home, new claims to be made and new links established with services such as a GP, nursery, playgroup. There are ongoing meetings with social services where the practitioner can advocate on behalf of the family.

One social worker said: "the family have regularly told me about the amazing support that has been provided by Securing Change. The family has spoken about how grateful they are to have someone that can support them both practically and emotionally and I know that your consistent presence over the past year has been hugely beneficial to them. It has been refreshing to hear a family talk so positively about their experience."

Our dedicated practitioner has worked intensively with 11 families in the year. Typically, she will work with a family for between six and twelve months. We endeavour to offer the service in the family's home travelling to many parts of South East England and further afield. Parents are signposted to suitable services and programmes to enable ongoing assistance within their local area. We facilitate access to local groups, general services and community projects. We encourage and enable participants to enrol in open training courses and take up volunteering opportunities. We may also discuss planned pregnancies and personal development plans to sustain parenting.

Trustees' report 31 March 2023

Investment in staff recruitment and retention across the whole organisation, with development of the leadership team following changes in personnel to include a 'one service' approach:

With the support of the City Bridge Trust, we have been able to work with Hodwells to both support the management team, and bring all staff together to focus on our strategy and 'one service' approach. This has had a positive impact on staff morale and the future development of St Michael's.

We recognise the importance of investing in our staff in order to improve staff retention, to enable us to maintain our capacity and quality of services.

We were pleased to be able to reward staff for their ongoing commitment with a 2½% pay increase in April 2022, and then a further 5% increase in October 2022 towards the increased costs of living.

We held a thank-you celebration in December for all permanent and regular sessional staff. We have also held a social event in the summer of 2023 to encourage team-building across the different services.

Like many other organisations in the sector, we have been faced with staff shortages and difficulties in recruiting. We have reviewed the key worker and support roles within our residential centres to enable us to recruit from a potentially wider pool of applicants, and bring in a wider range of skills. We have seen good progress in the year with most roles now filled.

We have also successfully recruited to leadership roles and the management team has been focused on improving cross-team working.

Our training and development plan has been updated this year. We have introduced a broader induction process to include an introduction to all of St Michael's services. We have also increased the opportunities for whole team training and knowledge sharing. The annual appraisal process has been overhauled and reflects strategic goals, and is supported by individual development plans.

Implementing an effective EDI strategy:

St Michael's is committed to putting Equity, Diversity and Inclusion (EDI) firmly at the heart of all we do. Our commitment to EDI is deeply embedded in our core values and directly informs the compassionate, honest, and expert work we undertake with each family. We recognise that every individual – whether a child, parent, staff member, trustee, volunteer, or partner – brings unique experiences, perspectives, and backgrounds to our organisation.

Our commitment to EDI begins with us creating a culture of inclusion and allyship within the organisation. In 2021, we commissioned an external EDI consultant to assist us in improving our policies, processes and structures in relation to equity, diversity and inclusion, together with improved overall workplace culture. Following this we have shown our commitment to making changes by:

- Appointing an EDI Lead and a monthly EDI working group (made up of staff from across the organisation) to drive EDI initiatives and monitor progress.
- Establishing an EDI sub-committee led by trustees to act as a critical friend to the organisation providing guidance and oversight on EDI matters.
- Making EDI a key priority in our strategy, setting specific goals and actions to advance equity, diversity, and inclusion.
- Making EDI goals part of our probation and performance appraisal process.
- Developing a zero tolerance to racism and micro-aggressions procedure and a clear process for reporting, recording and addressing incidents and concerns.
- Establishing an anonymous reporting mechanism for raising concerns and making suggestions related to EDI.
- Undertaking whole-organisation anti-racism training, with plans to cover other EDI topics throughout the year.
- Diversifying our board of Trustees.

We continuously strive to ensure our policies, practices, and procedures reflect our commitment to EDI, and this will remain firmly at the centre of all we do.

Trustees' report 31 March 2023

A fundraising and marketing strategy that helps to secure our financial base and ensures we inform others of our achievements and contribute to wider debates concerning parents and children.

Following the recruitment of a new Head of Fundraising in 2022 we have undertaken a review of the fundraising and marketing strategy to ensure it is aligned with the overall aims of the organisation.



We have identified the key areas for fundraising and requirements of funders, and are further developing our data collection and reporting processes to support this.

We have identified key messages and a marketing plan to provide timely and relevant updates to our existing supporter base. We have also developed campaigns to promote our work with the aim of widening our supporter base. We have seen some progress in attracting more interest and engagement which we aim to convert into ongoing support.

We would like to thank all those who have generously supported us during the year whether as individuals or from trusts and foundations.

FINANCIAL REVIEW

Results for the year

The overall deficit for the year was £179,062 (overall deficit for 2021/22: £81,560) following a small reduction in income generated through charitable activities in the year.

The deficit on restricted funds activity is covered by restricted funds brought forward, where activities were continuing from last year, thereby reducing restricted funds carried forward to £45,822. The deficit on unrestricted funds activities, together with the transfer of £4,424 to cover unfunded restricted fund activities, reduce unrestricted reserves carried forward to £604,839.

This is the third year of poor performance following the pandemic, which has impacted on the level of our free reserves. Our strategic priority is to rebuild reserves in order to improve our financial resilience.

Income from our residential services was impacted by the programmes of building works in two of the properties during the year, along with the challenges of recruiting staff, which has been a sector-wide issue within social care.

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

Income from donations has grown by 28% through additional grants from trusts and foundations, an improvement in marathon sponsorship and a small growth in amounts received from individual donors.

During the year we have increased charges to Local Authorities to ensure that the impact of inflation on costs is covered. Fees charged by St Michael's are on a fully costed recovery basis and are in line with market.

Principal risks and uncertainties

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

1. The Covid-19 pandemic had a major impact on the level of General Reserves through the losses incurred in the last 3 financial years. Our strategic priority to build on key capabilities of staffing and infrastructure and is integral to securing ongoing financial stability and rebuilding reserves.

Trustees' report 31 March 2023

2. St Michael's continues to be largely reliant on income from Local Authorities through spot purchasing contracts for our residential assessments. We have seen a steady level of demand for our Residential Assessments, as a result of the charity's continued focus on providing a high quality and effective service, and an acknowledgement of the continuing levels of need. This risk is mitigated by the fact that St Michael's provides services to a broad base of Local Authorities and continues to develop additional services to meet the varied demands of supporting families. In addition, fundraising activities have been expanded to reduce the dependency on single sources of income.
3. The work of St Michael's is focussed on ensuring the safeguarding of children in their parents' care and the safeguarding of the parents, many of whom are 'adults at risk'. St Michael's mitigates this risk through its operational procedures including careful planning, setting clear expectations of families and staff, close monitoring within the centres, risk identification, training and supervision of staff and monthly inspections. Our residential centres are also inspected by Ofsted.
4. Staff recruitment and retention is a risk because without full teams we are unable to meet our occupancy targets. St Michael's seeks to mitigate this risk through investment in its staff. Specific measures include annual salary benchmarking, investment in training and supervision, and career development and succession planning.
5. Cost of living and inflationary increases will give rise to an increase in our cost base, and put added pressure on staff. St Michael's reviews its fees every year to ensure they keep pace with inflation. We also carry out regular benchmarking of staff salaries to ensure they remain competitive in the market.

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

Investment policy

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

Trustees' report 31 March 2023

Reserves policy

St Michael's reserves stand at £650,661 at 31 March 2023 (2022: £829,723) and are in two forms: restricted and unrestricted.

Restricted reserves

Restricted funds will be expended in due course in accordance with their restricted purposes. Restricted funds are £45,822 (2022: £175,789).

Unrestricted reserves

Unrestricted funds are retained to meet a number of needs:

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

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

The General Fund stands at £603,885 at March 2023 and is just over 4 months operating costs (2022 – £652,980, equivalent to 4.4 months) as described in previous paragraph.

A strategic priority for the coming year is to rebuild reserves in order to improve our financial resilience.

The second need is to fund the development of St Michael's work, via a designated development fund, where this cannot be funded by existing revenue streams. During 2022/23 designated expenditure from the Development Fund was £nil (2022 – £42,326)..

The Development Fund stands at £954 at March 2023 (2022 – £954) comprising:

- ♦ £954 to purchase security equipment for Jigsaw

The reserves policy is reviewed annually by the trustees.

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

GOING CONCERN

As set out in the Going Concern section of the Principal Accounting Policies on page 30 of the Financial Statements, the trustees have considered the current status of recovery following the pandemic, including rebuilding services and occupancy levels. The trustees have also taken into account the operational actions taken, liquidity and reserves, current levels of activity and operating forecasts.

The Trustees have concluded that although there may be some continuing uncertainty, it is appropriate for the charity to prepare its financial statements on the going concern basis.

FUTURE PLANS

The future plans are defined by the strategic plan and key objectives for the year. The immediate priority is building on key capabilities of staffing and infrastructure to support increasing occupancy and income levels to rebuild general reserves.

FUNDRAISING

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

St Michaels employees an in-house fundraiser. Our fundraising activities aim to raise funds from trusts, foundations and businesses, appeals to supporters and the local community, and from participating in challenge events. We do not carry out door-to-door or street fundraising.

Our fundraising, in all its forms, is legal, open, honest and respectful. We clearly state how donations are used to fulfil our mission. We are respectful of the wishes, preferences, personal information and circumstances of the people we interact with and who choose to donate to us, and we will take all steps necessary to comply with the law and fundraising practice standards.

Our fundraising is compliant with the Fundraising Regulator as well as Charity Commission guidance. Our approach has been informed by the Institute of Fundraising's guidance on treating donors fairly and General Data Protection Regulation (GDPR). We have been assessed as complying with the IASME Governance Standard v5, updated January 2018, which includes an assessment of Cyber Essentials and GDPR Requirements. We do not use third party fundraisers, commercial participators or their representatives to raise funds for us.

Volunteers who fundraise for us as part of challenge events are provided with support and guidance by the Head of Fundraising. Support includes providing fundraising materials, an overview of relevant policies and clear explanations of how their fundraising supports our work.

As an organisation working with vulnerable families, we are acutely aware of our safeguarding responsibilities. All staff and volunteers receive safeguarding training. Should we receive a donation that we suspect was not made in good faith, the Head of Finance and Head of Fundraising will follow up to ensure the donor's wishes are respected.

We have a robust fundraising complaints policy and have not received any complaints in relation to our fundraising activities..

STRUCTURE, GOVERNANCE AND MANAGEMENT

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

All trustees give their time voluntarily and receive no benefits from the charity. Any expenses reclaimed from the charity are set out in Note 6 to the accounts.

St Michael's board of trustees is also the board of directors under company law. The board meets formally six times a year. The board of trustees delegates to the Chief Executive the responsibility for managing all the day-to-day affairs of the organisation that fall within the scope of an annually agreed budget and operating plan. The Honorary Treasurer maintains contact with the Chief Executive and the Head of Finance to provide oversight of financial management, systems and procedures. He does this under authority delegated by the full board of trustees and in accordance with the board's financial procedures.

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

- ◆ The Honorary Treasurer chairs the Finance Committee and oversees budgetary control with the Chief Executive. This committee considers financial matters, proposals and issues of risk before presentation to the Board.
- ◆ The Fundraising Committee advises on fundraising strategy and meets as necessary to review strategy and to support the organisation of events.
- ◆ The EDI Committee provides guidance and oversight on all EDI matters.

In addition, 2 trustees are assigned to the residential centres, a role they share, with responsibility for bi-monthly inspection visits. Reports from inspection visits are provided to the board.

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

The board of trustees has worked to apply the recommended practice of the Charity Governance Code. It has produced and adopted a Governance Manual to provide guidance to trustees and staff involved in the governance and management of the organisation.

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

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

Trustees' report 31 March 2023

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

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

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 31 March 2022 was 9 (2022 – 8). The trustees are members of the charity but this entitles them only to voting rights. The trustees have no beneficial interest in the charity.

Appointment and departure of trustees

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

During the year we said goodbye to our former Chair Loucia Kyprianou, who joined the Board in September 2018, was appointed Chair in April 2021, and resigned through personal circumstances in July 2022. Loucia brought a wealth of skills having a legal background and significant management experience. Richard Barron served two terms of office which completed in July 2022. Richard's fundraising knowledge and skills helped to shape and support our fundraising strategy. Philippa Owen resigned in January 2023 having served just over two terms. Philippa stayed on the Board as Acting Chair following the departure of Loucia Kyprianou in order to pass the baton to our new Chair.

All three of these trustees gave their time generously and we are indebted to them for their invaluable support.

Through advertising we have recruited new trustees. Sally Prentice was appointed in November 2022 as our new Chair. She has served as a CEO of two charities so brings a wealth of knowledge and experience. Jonathan Bannister was also appointed in November 2022; he is the founder of a marketing and innovation consultancy and brings creativity and management knowledge. Jasmine Kaur Assi, appointed January 2023, brings experience of working collaboratively to achieve strategic priorities within a large organisation. Yasmin Garcia-Sterling, also appointed January 2023, is an Assistant Professor at University College London. She is the first Trustee to be appointed with 'lived experience' and we are delighted to welcome her as she brings a unique perspective to our work.

Remuneration policy for key management personnel

To deliver its charitable aims, St Michael's employs sufficient staff with the necessary skills and qualifications. We are committed to ensuring that we pay our staff a fair and appropriate salary that is within our means. This is so we can attract and retain people with the right skills and therefore have the greatest impact in delivering our objectives. We recognise that our rates of pay are generally less than in the private or public sector, but we believe that this is balanced by the training and development we offer, along with a shared commitment to our charitable purpose. We monitor against the National Joint Council pay scales for all staff and any overall changes to the rates of pay or to the salaries of senior staff are approved by the Board. The pension provisions for all staff regardless of seniority are the same. The remuneration ratio (highest paid versus the median salary) is 1.98 (2022 – 1.95:1). We do not pay less than the London Living wage.

Trustees' responsibilities statement

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

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

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

- ◆ Select suitable accounting policies and then apply them consistently;
- ◆ Observe the methods and principles in Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102);
- ◆ Make judgements and estimates that are reasonable and prudent;
- ◆ State whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- ◆ Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

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

Trustees' report 31 March 2023

Each of the trustees confirms that:

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

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

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

The trustees' report has been approved by the trustees on 15 September 2023 and signed on their behalf by:

A handwritten signature in black ink that reads "Sally Prentice". The signature is written in a cursive, flowing style.

Chair

Independent auditor's report Year to 31 March 2023

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

Opinion

We have audited the financial statements of St Michael's Fellowship (the 'charitable company') for the year ended 31 March 2023 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies, and the notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- ◆ give a true and fair view of the state of the charitable company's affairs as at 31 March 2023 and of its income and expenditure for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ◆ have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

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

Independent auditor's report Year to 31 March 2023

Other information (continued)

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- ◆ the information given in the trustees' report, which is the directors' report for the purposes of company law, including the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ◆ the trustees' report, which is the directors' report for the purposes of company law, including the strategic report, has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report, including the strategic report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- ◆ adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- ◆ the financial statements are not in agreement with the accounting records and returns; or
- ◆ certain disclosures of trustees' remuneration specified by law are not made; or
- ◆ we have not received all the information and explanations we require for our audit; or
- ◆ the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report

Responsibilities of trustees

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

In preparing the financial statements, the trustees are responsible for assessing the charitable

Independent auditor's report Year to 31 March 2023

company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

How the audit was considered capable of detecting irregularities including fraud

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

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

Independent auditor's report Year to 31 March 2023

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

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

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

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

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

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

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

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

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

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

Independent auditor's report Year to 31 March 2023

Use of our report

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



05 October 2023

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

Statement of financial activities Year to 31 March 2023
(including income and expenditure account)

	Notes	Restricted fund £	Unrestricted funds £	Total funds 2023 £	Restricted fund £	Unrestricted funds £	Total funds 2022 £
Income from:							
Donations	1	6,064	138,088	144,152	6,100	106,074	112,174
Interest receivable		--	7,018	7,018	—	264	264
Charitable activities:							
. Residential and community assessment	2a	--	1,394,402	1,394,402	—	1,486,139	1,486,139
. Community projects	2b	374,728	51,852	426,580	416,749	67,903	484,652
. Residents grants fund	13	1,700	--	1,700	1,918	—	1,918
Total income		382,492	1,591,360	1,973,852	424,767	1,660,380	2,085,147
Expenditure on:							
Raising funds		5,425	101,254	106,679	6,795	87,316	94,111
Charitable activities							
. Residential and community assessment		2,981	1,527,725	1,530,706	732	1,541,115	1,541,847
. Community projects		507,075	7,052	514,127	494,026	35,361	529,387
. Residents grants fund	13	1,402	--	1,402	1,362	—	1,362
Total expenditure	3	516,883	1,636,031	2,152,914	502,915	1,663,792	2,166,707
Net (expenditure) before transfer	5	(134,391)	(44,671)	(179,062)	(78,148)	(3,412)	(81,560)
Transfers between funds	13	4,424	(4,424)	--	—	—	—
Net (expenditure) and net movement in funds		(129,967)	(49,095)	(179,062)	(78,148)	(3,412)	(81,560)
Reconciliation of funds							
Fund balances brought forward at 1 April 2022		175,789	653,934	829,723	253,937	657,346	911,283
Fund balances carried forward at 31 March 2023	13	45,822	604,839	650,661	175,789	653,934	829,723

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

Balance sheet 31 March 2023

	Notes	2023 £	2023 £	2022 £	2022 £
Fixed assets					
Tangible assets	9		4,239		10,568
Current assets					
Debtors	10	318,841		257,717	
Cash at bank and in hand		553,356		798,865	
		872,197		1,056,582	
Creditors: amounts falling due within one year	11	225,775		237,427	
Net current assets			646,422		819,155
Total net assets	12		650,661		829,723
Funds					
Restricted funds			45,822		175,789
Unrestricted funds					
. Designated funds			954		954
. General funds			603,885		652,980
Total funds	13		650,661		829,723

Approved by the trustees of St Michael's Fellowship, Company Registration Number 02914273 (England and Wales), 15 September 2023, and signed on their behalf by:

Sally Prentice

Chair

Statement of cash flows 31 March 2023

	Notes	2023 £	2022 £
Cash flows from operating activities:			
Net (expenditure) for the year (as per the financial statements)		(179,062)	(81,560)
Depreciation charges		6,479	7,303
Interest receivable		(7,018)	(264)
(Increase) in debtors		(61,124)	(71,858)
(Decrease) increase in creditors		(11,652)	14,821
Net cash (used in) operating activities		(252,377)	(131,558)
Cash flows from investing activities:			
Interest received		7,018	264
Purchase of fixed assets		(150)	—
Disposal of fixed assets		--	4,354
Net cash provided by investing activities		6,868	4,618
Change in cash and cash equivalents in the year		(245,509)	(126,940)
Cash and cash equivalents at the beginning of the year	A	798,865	925,805
Cash and cash equivalents at the end of the year	A	553,356	798,865
A Analysis of cash and cash equivalents			
		2023 £	2022 £
Cash at bank and in hand		122,896	374,556
Notice deposits (less than three months)		430,460	424,309
Total cash and cash equivalents		553,356	798,865

Principal accounting policies 31 March 2023

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

Basis of preparation

These financial statements have been prepared for the year to 31 March 2023 with comparative information presented in respect of the year to 31 March 2022.

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

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

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

Public benefit entity

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

Critical accounting estimates and areas of judgement

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

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

Going concern

The trustees have considered the current status of recovery following the coronavirus pandemic, including rebuilding service and occupancy levels. The trustees have also taken into account the operational actions taken, liquidity and reserves, current levels of activity and operating forecasts.

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

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

Income

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

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

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

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

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

Donations of gifts, services and facilities

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

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

Interest receivable

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

Expenditure and irrecoverable VAT

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

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

Expenditure and irrecoverable VAT (continued)

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

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

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

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

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

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

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

Tangible fixed assets

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

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

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

Debtors

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

Cash at bank and in hand

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

Creditors and provisions

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

Financial instruments

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

Fund accounting

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

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

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

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

Operating leases

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

Pensions

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

Notes to the financial statements Year to 31 March 2023

1 Income from donations

	Restricted funds £	Unrestricted funds £	2023 Total funds £
London Marathon	--	19,341	19,341
Baring Foundation	--	3,500	3,500
BNP Paribas	--	1,000	1,000
Comic Relief	--	15,000	15,000
Denton Charitable Trust	--	1,000	1,000
Dyers Company	--	2,000	2,000
Elizabeth & Prince Zaiger Trust	--	5,000	5,000
Howberry Trust	--	1,000	1,000
Jet Charitable Trust	--	500	500
Rathbone Redfern	--	1,000	1,000
Rest Harrow Trust	--	100	100
Sir Walter St John's Educational Charity	1,476	--	1,476
Small trust appeal	--	4,350	4,350
University of Sussex Graduate Internship	3,400	--	3,400
Uxbridge Foundation	--	1,000	1,000
William Allen Young Trust	--	2,000	2,000
Gift in kind	1,188	65,226	66,414
Other donations	--	16,071	16,071
	6,064	138,088	144,152

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

Notes to the financial statements Year to 31 March 2023

2 Income from charitable activities

a. Residential and community assessment

	Restricted funds £	Unrestricted funds £	2023 Total funds £
General fees	--	1,315,553	1,315,553
Parental support	--	59,060	59,060
Supporting people	--	13,036	13,096
Charges	--	5,176	5,176
Other	--	1,577	1,577
	—	1,394,402	1,394,402
	Restricted funds £	Unrestricted funds £	2022 Total funds £
General fees	—	1,416,849	1,416,849
Parental support	—	34,058	34,058
Supporting people	—	12,946	12,946
Charges	—	4,102	4,102
Other – rates relief	—	4,557	4,557
Other – CJRS furlough grants	—	13,627	13,627
	—	1,486,139	1,486,139

b. Community projects

	Restricted funds £	Unrestricted funds £	2023 Total funds £
Lambeth Outreach Young Parents	150,000	--	150,000
Lambeth other	31,668	--	34,668
National Children's Bureau	100	--	100
City Bridge Trust	39,525	--	39,525
Segelman Trust	37,000	--	37,000
Caring Dads Programmes	--	39,499	39,499
Garfield Weston	30,000	--	30,000
L&Q Placemakers Fund	18,750	--	18,750
Comic Relief	59,099	--	59,099
Dep't of Health and Social Care	3,586	--	3,586
1485 Hardship fund	2,000	--	2,000
Other	3,000	12,353	15,353
	374,728	51,852	426,580

Notes to the financial statements Year to 31 March 2023

2 Income from charitable activities (continued)

b. Community projects (continued)

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

3 Total expenditure

	Costs of raising funds £	Residential and community assessment £	Community projects £	Residents grants fund £	Governance costs £	Support costs £	2023 Total £
Staff costs (note 6)	13,349	1,080,865	419,546	--	29	202,614	1,716,403
Premises costs	--	31,625	--	--	--	60,783	92,408
Maintenance	--	23,369	534	--	--	6,160	30,063
Insurance	--	—	--	--	--	16,285	16,285
Professional fees	216	6,689	19,902	--	12,888	5,632	42,327
Housing association charges	--	80,890	--	--	--	--	80,890
Communications and stationery	585	42,220	5,565	--	16	19,619	68,005
Publicity	6,852	—	--	--	--	--	6,852
Residents' welfare	--	3,579	10,431	1,402	--	--	15,412
Depreciation	--	1,771	--	--	--	4,709	6,480
Audit and accountancy	--	—	--	--	14,370	--	14,370
Travel	--	2,642	2,623	--	87	194	5,546
In-kind and sundry expenses	52,456	138	1,348	--	542	389	54,873
Total expenditure	73,456	1,273,788	459,949	1,402	27,932	316,385	2,152,914
Reallocation of support costs (note 4)	29,541	220,124	42,088	--	24,632	(316,385)	--
Reallocation of governance costs	3,680	36,794	12,090	--	(52,564)	--	--
Total expenditure	106,679	1,530,706	514,127	1,402	--	--	2,152,914

Notes to the financial statements Year to 31 March 2023

3 Total expenditure (continued)

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

4 Support costs

	Costs of raising funds £	Residential and community assessment £	Community projects £	Governance £	2023 Total £
Head office staff	16,168	161,421	2,307	22,718	202,614
Premises costs	7,662	29,230	22,794	1,097	60,783
Maintenance	701	3,274	2,085	100	6,160
Insurance	2,053	7,831	6,107	294	16,285
Professional fees	—	5,632	—	—	5,632
Communications and stationery	2,363	9,889	7,029	338	19,619
Depreciation	594	2,264	1,766	85	4,709
Travel and sundry	—	583	—	—	583
	29,541	220,124	42,088	24,632	316,385

Notes to the financial statements Year to 31 March 2023

4 Support costs (continued)

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

5 Net income(expenditure) for the year

	2023 £	2022 £
Depreciation	6,479	7,303
Auditor's remuneration		
. Audit	11,975	10,250
Operating lease rentals		
. Equipment	15,803	15,761
. Property	120,178	131,726

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

Staff costs were as follows:	2023 £	2022 £
Salaries and wages	1,082,668	1,119,435
Social security costs	151,353	145,664
Employer's contribution to defined contribution pension schemes	71,304	84,464
Sessional staff	361,453	336,007
Agency staff	15,669	21,121
Other staff costs	33,956	30,074
	1,716,403	1,736,765

1 employee earned between £70,000-£80,000 (2022: 1 employee between £70,000-£80,000)

The total employee benefits including employer's pension contributions and national insurance of the key management personnel were £200,307 (2022: £186,146).

Notes to the financial statements Year to 31 March 2023

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

The charity trustees were not paid nor received any other benefits from employment with the charity in the year (2022: £nil). No charity trustee received payment for professional or other services supplied to the charity (2022: £nil).

No trustees' expenses (2022: none) were incurred by members relating to attendance at meetings of the trustees.

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

	Headcount (number of staff employed)		Full-time equivalent	
	2023 No.	2022 No.	2023 No.	2022 No.
Social and care workers	48.82	52.30	31.47	38.38
Management	7.88	10.00	6.53	6.50
	56.70	62.30	38.00	41.88

7 Related party transactions

There are no related party transactions to disclose for 2023 (2022: none).

Aggregate donations from related parties were £1,575 (2022: £912), all of which arise in the normal course of business.

8 Taxation

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

9 Tangible fixed assets

	Leasehold improvements £	Head office equipment £	House fixtures and fittings £	House equipment £	Total £
Cost					
At the start of the year	94,687	62,623	11,292	33,911	202,513
Additions during the year	--	--	--	150	150
At the end of the year	94,687	62,623	11,292	34,061	202,663
Depreciation					
At the start of the year	94,687	54,820	10,053	32,385	191,945
Charge for the year	--	4,709	206	1,564	6,479
At the end of the year	94,087	59,529	10,259	33,949	198,424
Net book value					
At the end of the year	--	3,094	1,033	112	4,239
At the start of the year	--	7,803	1,239	1,526	10,568

All of the above assets are used for charitable purposes.

Notes to the financial statements Year to 31 March 2023

10 Debtors

	2023 £	2022 £
Trade debtors receivable	284,203	195,717
Other debtors	3,796	276
Prepayments and accrued income	30,842	61,724
	318,841	257,717

11 Creditors: amounts falling due within one year

	2023 £	2022 £
Trade creditors	46,530	34,096
Taxation and social security	46,048	35,535
Deferred income	32,193	36,850
Accruals	59,948	72,501
Other creditors	41,056	58,445
	225,775	237,427

Deferred income relates to a grant received in advance and the 2023 marathon (2022: deferred grant and marathon income).

12 Analysis of net assets between funds

	General unrestricted £	Designated funds £	Restricted funds £	2023 Total funds £
Tangible fixed assets	3,467	--	772	4,239
Net current assets	600,418	954	45,050	646,422
Net assets at 31 March 2022	603,885	954	45,822	650,661

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

Restricted Funds: Fixed assets with a net book value of £772 have been purchased with restricted funds (2022: £980). This comprises the balance of the Capital Appeal for replacement carpet at one of the residential units which is being depreciated over 10 years.

Notes to the financial statements Year to 31 March 2023

13 Movement in funds

	At 1 April 2022 £	Income and gains £	Expenditure and losses £	Transfers £	At 31 March 2023 £
Restricted funds:					
Lambeth Outreach Young Parents	—	150,000	(150,760)	760	--
Lambeth Public Health	12,601	--	(706)	--	11,895
Lambeth Caring Dads	—	31,668	(31,868)	--	--
City of London, City Bridge Trust	—	39,525	(39,525)	--	--
National Children's Bureau	645	100	(745)	--	--
CWDC	11,866	--	(2,292)	--	9,574
ASYE Dept. for Education	483	--	(483)	--	--
Foyle Foundation	8,990	--	(8)	--	8,982
Residents grants fund	3,168	1,700	(1,402)	--	3,466
Elizabeth & Prince Zaiger Trust – Capital	861	--	(88)	--	773
Summer Trips Appeal	736	1,476	(1,785)	--	427
University of Sussex Grad. Internship	--	3,400	(3,400)	--	--
L&Q Placemakers Fund	--	18,750	(9,783)	--	8,967
Garfield Weston Foundation	--	30,000	(27,428)	--	572
Capital Appeal	118	--	(118)	--	--
Tudor Trust – Wellbeing	1,305	--	(837)	--	468
Tesco community fund	-	500	(500)	--	--
National Lottery Community Fund	25,786	--	(25,786)	--	--
Securing Change Appeal	424	--	(424)	--	--
Elizabeth & Prince Zaiger Trust	934	--	(934)	--	--
Philip King Charitable Trust	3,777	--	(3,777)	--	--
Segelman Trust	783	37,000	(37,783)	--	--
1485 Hardship Fund	—	2,000	(1,302)	--	698
KPMG Foundation	2,199	--	(2,199)	--	--
Tudor Trust – Securing Change	5,438	--	(5,438)	--	--
Pilgrim Trust	9,007	--	(9,007)	--	--
Comic Relief	13,921	59,099	(73,020)	--	--
Dep't of Health & Social Care	72,747	3,586	(79,997)	3,664	--
CAFCASS	--	2,500	(2,500)	--	--
Other – gift in kind	--	1,188	(1,188)	--	--
Total restricted funds	175,789	382,492	(516,883)	4,424	45,822
Unrestricted funds:					
Designated funds:					
. Development fund	954	--	--	—	954
Total designated funds	954	--	--	—	
General funds	652,980	1,591,360	(1,636,031)	(4,424)	603,885
Total unrestricted funds	653,934	1,591,360	(1,636,031)	(4,424)	604,839
Total funds	829,723	1,973,852	(2,152,914)	—	650,661

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

Notes to the financial statements Year to 31 March 2023

13 Movement in funds (continued)

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

13 Movement in funds (continued)

Purposes of restricted funds

Lambeth Outreach Young Parents

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

Lambeth Public Health

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

Lambeth Caring Dads

This fund supports the delivery of the Caring Dads programme to young fathers living in Lambeth.

City of London, City Bridge Trust

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

National Children's Bureau (LEAP)

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

The Children's Workforce Development Council (CWDC)

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

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

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

Foyle Foundation

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

Residents grants fund

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

Elizabeth & Prince Zaiger Trust - Capital

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

Summer trips Appeal

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

13 Movement in funds (continued)

Purposes of restricted funds (continued)

University of Sussex Graduate Internship

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

London & Quadrant Placemakers Fund

This fund is to support the continuation of the Securing Change programme.

Garfield Weston Foundation

This fund is also to support the continuation of the Securing Change programme

Capital Appeal

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

Tudor Trust – Wellbeing

To support the wellbeing of St Michael's staff.

Tesco – young Parents

To support work with young parents in the community

National Lottery Community Fund

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

Securing Change Appeal

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

Elizabeth & Prince Zaiger Trust

To support the Securing Change project (as above).

Philip King Charitable Trust

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

Segelman Trust

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

Pilgrim Trust

To support the Securing Change project (as above).

KPMG Foundation

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

Tudor Trust

To support the Securing Change project (as above).

13 Movement in funds (continued)

Purposes of restricted funds (continued)

Comic Relief

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

Department of Health & Social Care

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

CAFCASS

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

Purposes of designated funds

Development fund

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

14 Operating lease commitments

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

	Equipment		Property	
	2023 £	2022 £	2023 £	2022 £
Less than one year	7,880	15,761	87,599	85,579
One to five years	--	7,880	56,250	101,250
	7,880	23,641	143,849	186,829

15 Contingent assets or liabilities

At the balance sheet date, the charity has no contingent assets or liabilities (2022: £nil).

16 Legal status of the charity

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

Accounts

St Michael's Fellowship

Report and Financial Statements

Year ended 31 March 2022

Company Registration Number 02914273
(England and Wales)

Charity Number: 1035820

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Reference and administrative details of the company and its advisors

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

Reference and administrative details of the company and its advisors

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

COIF Charity Funds
80 Cheapside
London
EC2V 6DZ

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

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

Trustees' report 31 March 2022

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

The financial statements have been prepared in accordance with the accounting policies set out on pages 28 to 31. They comply with the charitable company's Memorandum and Articles of Association, applicable laws and the requirements of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

OBJECTIVES AND ACTIVITIES

Purposes and aims

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

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

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

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

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

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

OBJECTIVES AND ACTIVITIES (continued)

Strategic plan and objectives

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

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

The strategic priorities are underpinned by the following core drivers:

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

In 2021-2022 our key objectives were:

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

Our key objectives for 2022-23 are:

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

ACHIEVEMENTS AND PERFORMANCE

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

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

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

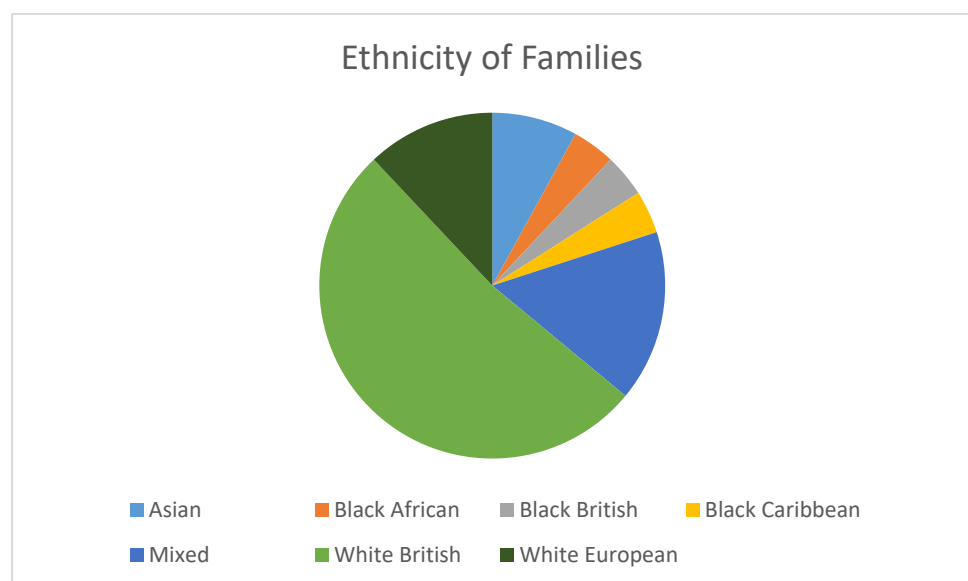
Residential Centres

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

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

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

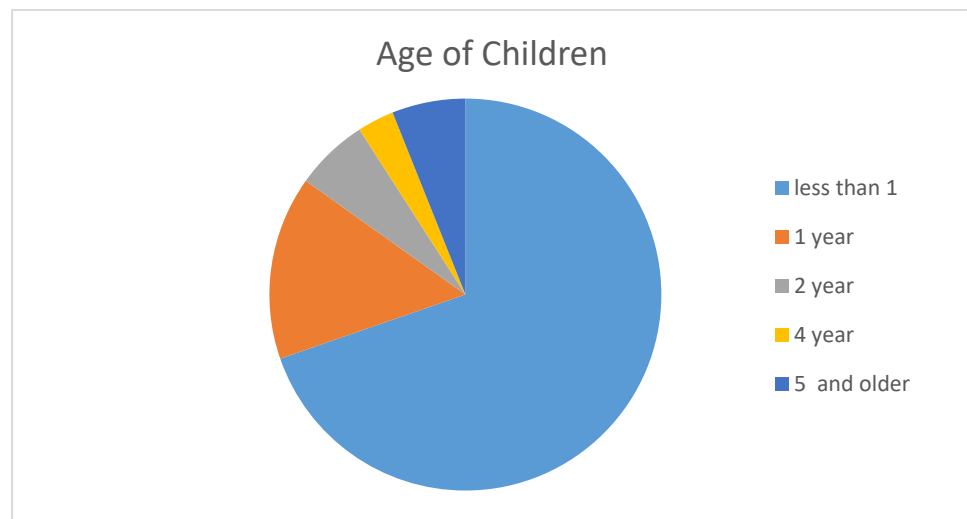
Of the 25 families, 8 were single parents and 17 were couples. The ethnic breakdown of the families is 52% White British, 8% Asian, 4% Black African, 4% Black British, 4% Black Caribbean, 12% White European and 16% Mixed.



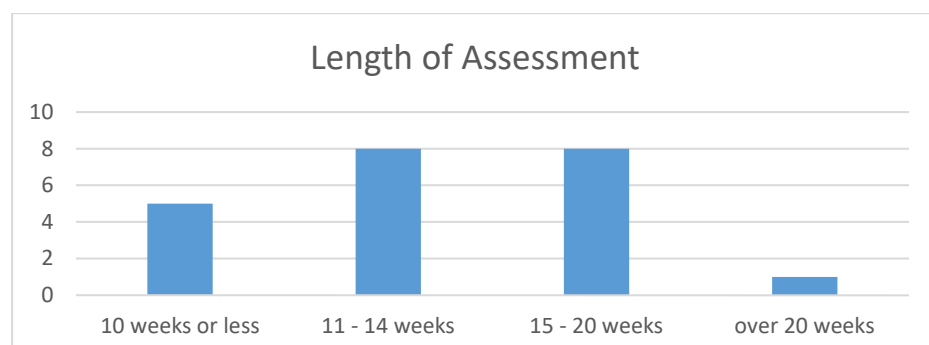
ACHIEVEMENTS AND PERFORMANCE (continued)

Residential Centres (continued)

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



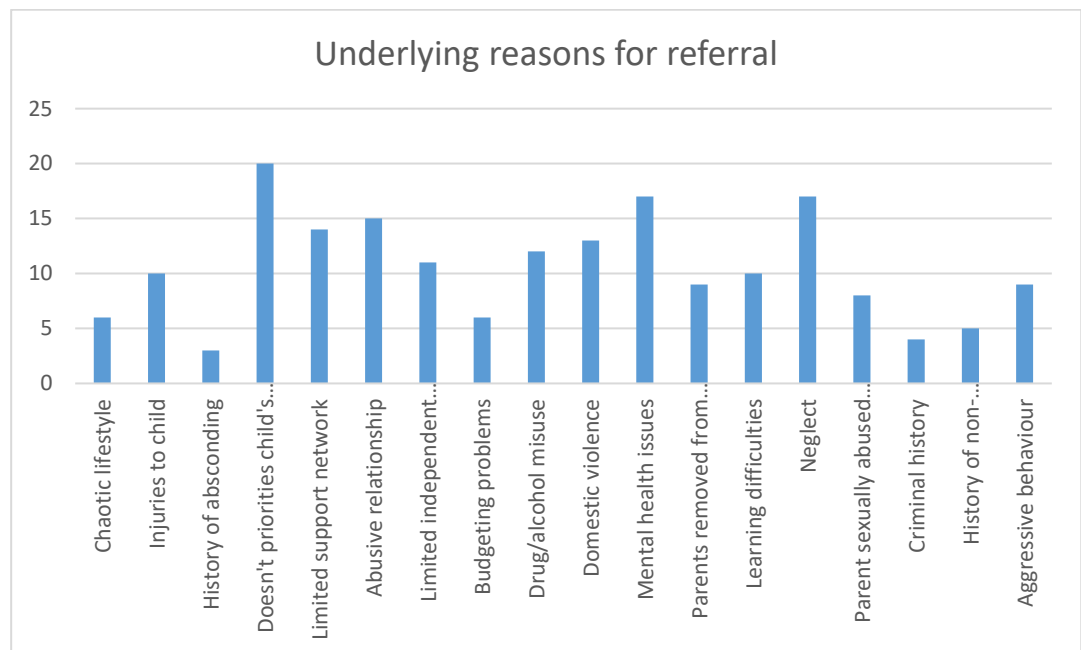
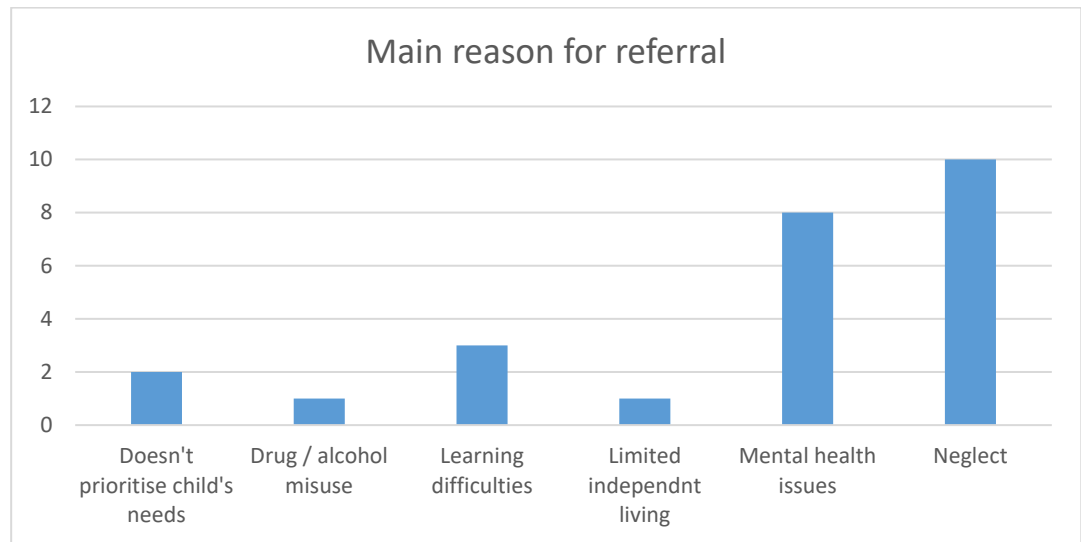
It is also the case that we do not prolong assessments where it is clear that the parent is unable to meet the child's needs and it is therefore not in the child's best interests to continue; for 5 families (15%) length of stay was 10 weeks or less. However we do need to acknowledge a trend from local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



ACHIEVEMENTS AND PERFORMANCE (continued)

Residential Centres (continued)

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



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

ACHIEVEMENTS AND PERFORMANCE (continued)

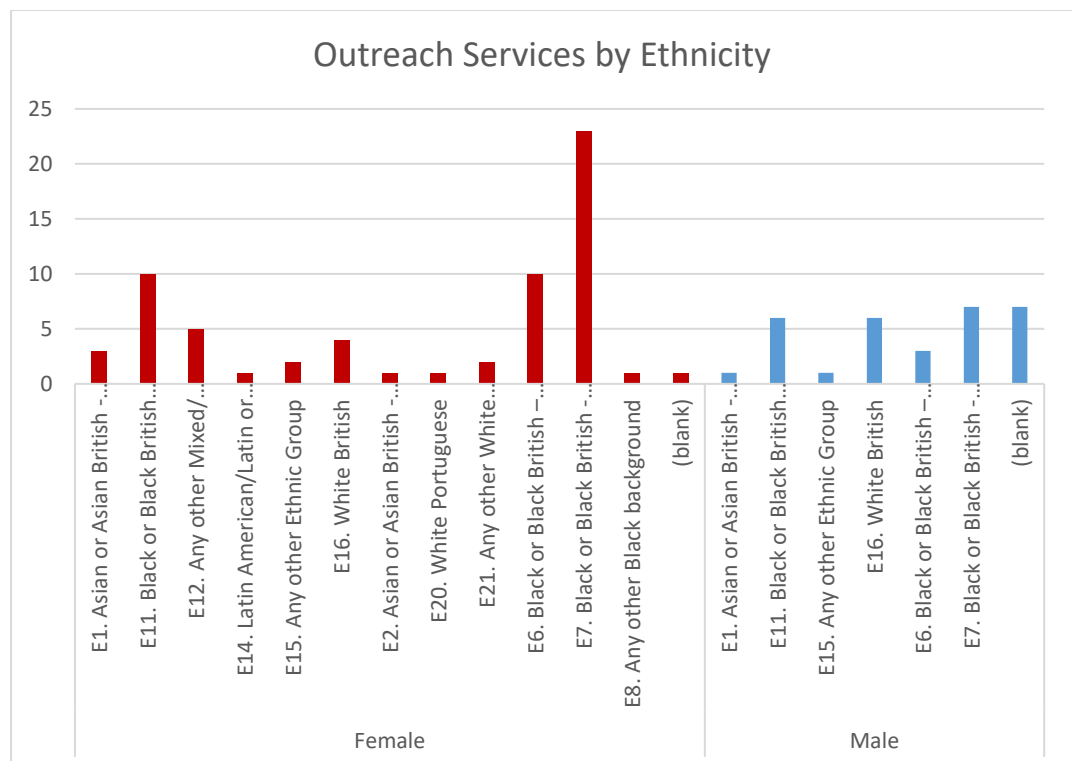
Residential Centres (continued)

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

Outreach

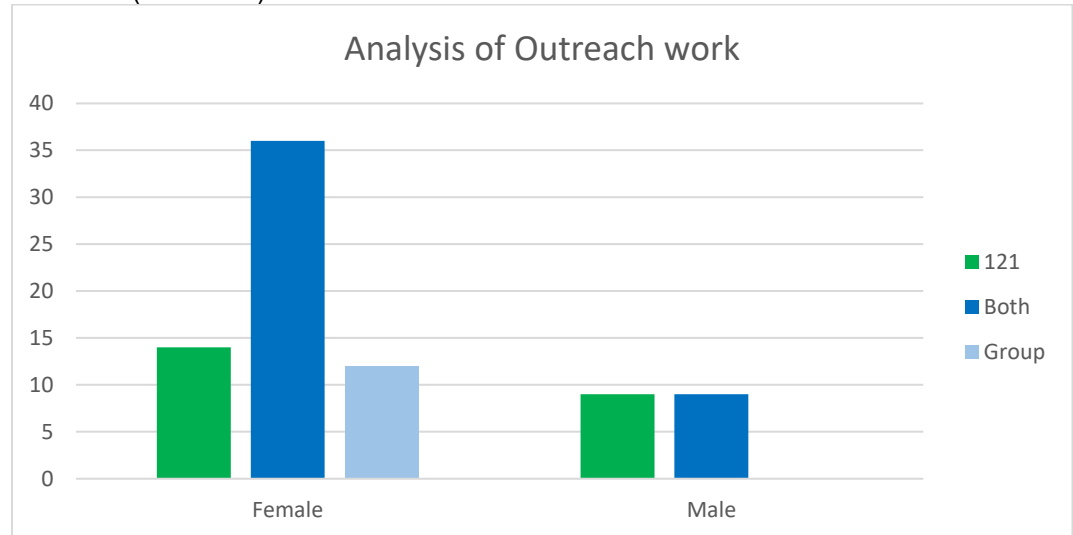
We have continued with our outreach services for pregnant teenagers and young mums and dads up to 25 years. Our work has been a combination of online and face to face work. We have supported 64 young mums and 31 young fathers, with 119 children. Of these parents, 21 were pregnant on referral. Work includes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

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

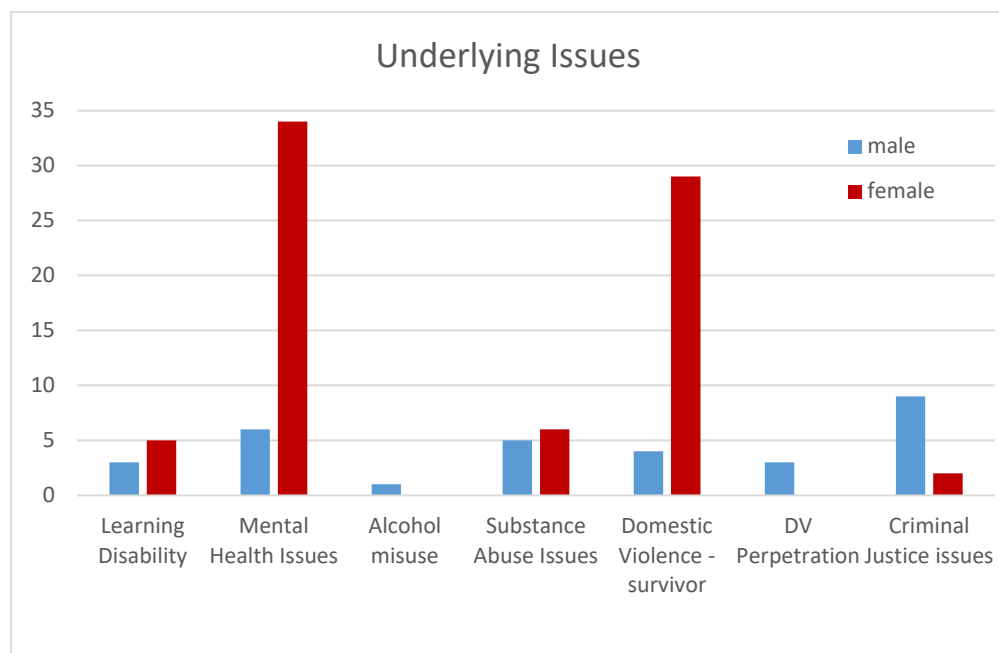


ACHIEVEMENTS AND PERFORMANCE (continued)

Outreach (continued)

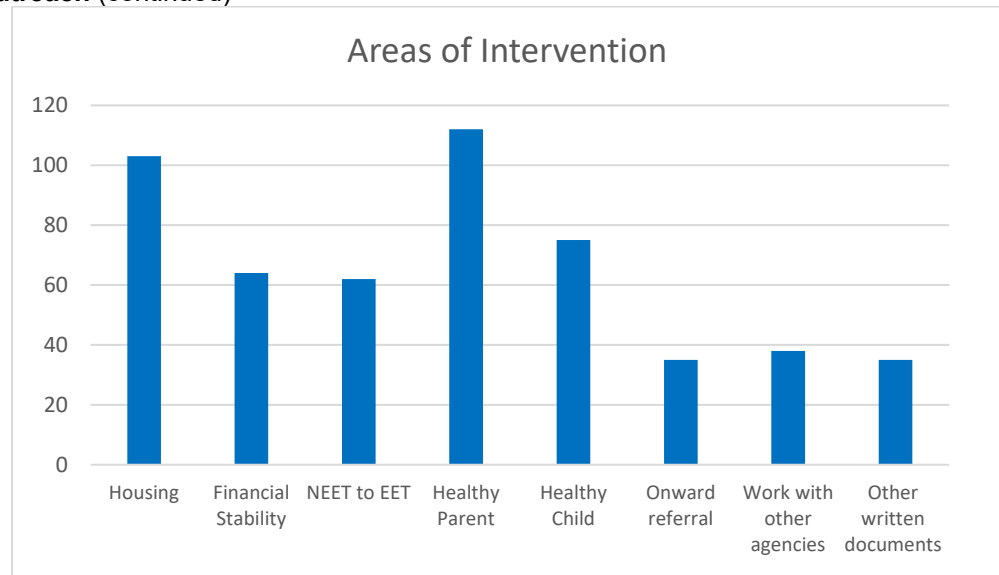


The lives of the young parents we work with remain complex with many issues that need addressing: from support with housing and benefits, basic equipment for their home, debt advice, domestic violence, mental health issues, the child being subject to a child protection plan or a child in need plan, to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



ACHIEVEMENTS AND PERFORMANCE (continued)

Outreach (continued)



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

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

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

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

Jigsaw

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

ACHIEVEMENTS AND PERFORMANCE (continued)

Jigsaw (continued)

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

Securing Change

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

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

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

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

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

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

Training for staff was mainly on line during the year.

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

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

ACHIEVEMENTS AND PERFORMANCE (continued)

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

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

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

Further implementation of digital technology

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

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

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

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

FINANCIAL REVIEW

Results for the year

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

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

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

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

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

Principal risks and uncertainties

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

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

FINANCIAL REVIEW (continued)

Principal risks and uncertainties (continued)

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

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

Investment policy

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

FINANCIAL REVIEW (continued)

Reserves policy

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

Restricted reserves

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

Unrestricted reserves

Unrestricted funds are retained to meet a number of needs:

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

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

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

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

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

- ♦ £954 to purchase security equipment for Jigsaw

The reserves policy is reviewed annually by the trustees.

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

GOING CONCERN

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

FUTURE PLANS

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

FUNDRAISING

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

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

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

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

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

STRUCTURE, GOVERNANCE AND MANAGEMENT

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

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

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

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

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

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

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

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

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

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

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

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

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

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Appointment of trustees

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

Remuneration policy for key management personnel

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

Trustees' responsibilities statement

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

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

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

- ◆ Select suitable accounting policies and then apply them consistently;
- ◆ Observe the methods and principles in Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102);
- ◆ Make judgements and estimates that are reasonable and prudent;
- ◆ State whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- ◆ Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

Trustees' report 31 March 2022

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

Each of the trustees confirms that:

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

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

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

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

Chair



Philippa Owen

Independent auditor's report Year to 31 March 2022

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

Opinion

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

In our opinion, the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

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

Independent auditor's report Year to 31 March 2022

Other information (continued)

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- ◆ the information given in the trustees' report, which is the directors' report for the purposes of company law, including the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ◆ the trustees' report, which is the directors' report for the purposes of company law, including the strategic report, has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report, including the strategic report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- ◆ adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- ◆ the financial statements are not in agreement with the accounting records and returns; or
- ◆ certain disclosures of trustees' remuneration specified by law are not made; or
- ◆ we have not received all the information and explanations we require for our audit; or
- ◆ the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report

Responsibilities of trustees

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

Responsibilities of trustees (continued)

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

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

How the audit was considered capable of detecting irregularities including fraud

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

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

Independent auditor's report Year to 31 March 2022

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

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

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

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

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

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

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

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

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

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

Independent auditor's report Year to 31 March 2022

Use of our report

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



06 October 2022

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

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

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

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

Balance sheet 31 March 2022

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

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

Philippa Owen

Chair

Philippa Owen

Statement of cash flows 31 March 2022

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

A Analysis of cash and cash equivalents

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

Principal accounting policies 31 March 2022

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

Basis of preparation

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

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

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

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

Public benefit entity

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

Critical accounting estimates and areas of judgement

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

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

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

Going concern

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

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

Income

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

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

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

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

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

Donations of gifts, services and facilities

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

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

Interest receivable

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

Expenditure and irrecoverable VAT

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

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

Expenditure and irrecoverable VAT (continued)

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

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

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

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

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

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

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

Tangible fixed assets

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

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

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

Debtors

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

Cash at bank and in hand

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

Creditors and provisions

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

Financial instruments

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

Fund accounting

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

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

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

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

Operating leases

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

Pensions

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

Notes to the financial statements Year to 31 March 2022

1 Income from donations

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

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

2 Income from charitable activities

a. Residential and community assessment

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

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

b. Community projects

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

Notes to the financial statements Year to 31 March 2022

2 Income from charitable activities (continued)

b. Community projects (continued)

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

3 Total expenditure

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

Notes to the financial statements Year to 31 March 2022

3 Total expenditure (continued)

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

4 Support costs

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

Notes to the financial statements Year to 31 March 2022

4 Support costs (continued)

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

5 Net income(expenditure) for the year

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

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

Staff costs were as follows:

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

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

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

Notes to the financial statements Year to 31 March 2022

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

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

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

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

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

7 Related party transactions

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

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

8 Taxation

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

9 Tangible fixed assets

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

All of the above assets are used for charitable purposes.

Notes to the financial statements Year to 31 March 2022

10 Debtors

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

11 Creditors: amounts falling due within one year

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

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

12 Analysis of net assets between funds

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

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

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

Notes to the financial statements Year to 31 March 2022

13 Movement in funds

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

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

Notes to the financial statements Year to 31 March 2022

13 Movement in funds (continued)

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

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

13 Movement in funds (continued)

Purposes of restricted funds

Lambeth Outreach Young Parents

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

Lambeth Public Health

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

DWP Caring Dads Programme

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

City of London, City Bridge Trust

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

National Children's Bureau (LEAP)

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

The Children's Workforce Development Council (CWDC)

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

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

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

Foyle Foundation

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

Residents grants fund

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

Elizabeth & Prince Zaiger Trust - Capital

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

Summer trips Appeal

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

13 Movement in funds (continued)

Purposes of restricted funds (continued)

University of Sussex Graduate Internship

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

Capital Appeal

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

Tudor Trust – Wellbeing

To support the wellbeing of St Michael's staff.

London & Quadrant Housing Trust

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

National Lottery Community Fund

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

Securing Change Appeal

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

Elizabeth & Prince Zaiger Trust

To support the Securing Change project (as above).

Philip King Charitable Trust

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

Segelman Trust

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

St James Place Foundation

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

KPMG Foundation

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

Tudor Trust

To support the Securing Change project (as above).

13 Movement in funds (continued)

Purposes of restricted funds (continued)

Pilgrim Trust

To support the Securing Change project (as above).

Comic Relief

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

Department of Health & Social Care

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

CAFCASS

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

Purposes of designated funds

Operational contingency fund

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

Development fund

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

14 Operating lease commitments

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

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

15 Contingent assets or liabilities

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

16 Legal status of the charity

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

ST. MICHAEL'S FELLOWSHIP

England & Wales - Charity number 1035820

Accounts

St Michael's Fellowship

Report and Financial Statements

Year ended 31 March 2021

Company Registration Number 02914273

(England and Wales)

Charity Number: 1035820

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Reference and administrative details of the company and its advisors

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

Reference and administrative details of the company and its advisors

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

COIF Charity Funds
80 Cheapside
London
EC2V 6DZ

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

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

Trustees' report 31 March 2021

The trustees, who are the directors for the purposes of company law, present their statutory report together with the audited financial statements for the year ended 31 March 2021.

The financial statements have been prepared in accordance with the accounting policies set out on pages 25 to 28. They comply with the charitable company's Memorandum and Articles of Association, applicable laws and the requirements of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

OBJECTIVES AND ACTIVITIES

Purposes and aims

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

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

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

Through partnerships with Sure Start Children's Centres, the National Children's Bureau via LEAP (Lambeth Early Action Partnership), Department for Health (England), and further charitable funding, St Michael's offers outreach work providing some of the same services to families who are living in their own homes, but who, for whatever reason, are in difficulty.

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

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

OBJECTIVES AND ACTIVITIES (continued)

Strategic plan and objectives

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

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

The strategic priorities are underpinned by the following core drivers:

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

In 2020-2021 our key objectives were:

1. Responding to the Covid-19 pandemic;
2. Embedding trauma-informed practice and learning difficulties approach into our residential assessments;
3. To reduce our reliance on statutory funding;
4. To maintain our outreach service with a focus on domestic abuse and working with young fathers;
5. To continue the development of Securing Change, a service for parents who leave assessments with or without their child;
6. To focus on staff recruitment, retention and leadership development;
7. To increase investment in and use of digital technology.

Our key objectives for 2021-2022 are:

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

ACHIEVEMENTS AND PERFORMANCE

Above all else we wish to record our gratitude to our staff for their commitment during this unprecedented year.

Our executive team agreed, that given the charity's mission, it was essential to continue to provide our services and support to our beneficiaries during the pandemic, at a time when their need was likely to be even more acute. We could not have achieved this without the dedication and commitment of all of our staff, who have shown such extraordinary resilience and flexibility. We are proud of all that has been achieved during one of the most challenging times in the 118 year history of the charity.

1. Responding to Covid-19 pandemic;

As expected, the pandemic has had a significant impact on our ability to deliver services, both residentially and in the community. Our highest priority throughout the year has been the continued safeguarding and health & safety of both families and staff, whilst continuing to provide our essential services.

In our residential units we continued to work with the existing families during the initial lockdown. Following government guidance and on completion of risk assessments, we introduced strict cleaning and social distancing measures, reviewed staff rotas and stopped all visitors. We did not introduce any new families during the initial lockdown period.

As lockdown measures were eased during 2020, we introduced testing and quarantine procedures to bring in new families, and continued to operate strict cleaning and social distancing measures in line with the government legislation throughout the rest of the year. This necessitated restricting the number of families within each centre in order to keep both families and staff safe.

Restrictions impacting the Local Authority social work and family court processes resulted in fewer referrals during 2020, and the majority of families that have been referred have been those with the most urgent and complex needs. We anticipate that there is a backlog of built up need and demand for our services following the pandemic.

For our community work, we introduced phone, WhatsApp and Zoom for one-to-one work and group sessions. We tailored our work to be responsive to the individual needs of our clients, and recognised that domestic violence and safeguarding were more likely to be prevalent issues.

We had to suspend the use of our family contact centre, and introduced Zoom in its place. This was typically shorter sessions and worked well for older children, but proved less satisfactory for very young children. During the year, we have partially re-opened the contact centre in line with government legislation, and have been able to offer some face-to-face contact, within a safe environment, with a socially-distanced supervisor.

Trustees' report 31 March 2021

The majority of our back-office staff have worked remotely throughout the year, and we have invested in our IT infrastructure to enable effective working. Our senior management team have continued to meet regularly via Zoom, and have benefitted from additional regular support from trustees.

Fundraising activity has been focused on securing emergency grants and reaching out to both trusts and individual supporters, to mitigate against the drop in income and additional costs incurred during this period.

2. Embedding trauma-informed practice and learning difficulties approach into our residential assessments

Work has continued within the residential centres to further develop practice and learning as part of our ongoing practice development, but this has not been prioritised due to the needs of dealing with the practical impacts of the pandemic.

Staff have continued to access virtual training and share best practice across the centres. Our communications officer has produced a series of podcasts looking at the needs of families with learning difficulties, using our experiences and that of academics to both inform staff and engage interested followers. Our work has confirmed that trauma-informed practice and supporting families with learning difficulties should continue to be priority areas for further development, and this work will continue throughout the coming year.

3. To reduce our reliance on statutory funding;

The challenges of the pandemic, and its immediate impact on our income from services, has lead us to pursue all available sources of support funding. We were successful in securing two tranches of emergency Covid support alongside grants from a number of trusts and foundations.

We have also continued to expand our individual donor base through the use of social media channels and specific campaigns which has led to increased financial support during the pandemic.

4. To maintain our outreach service with a focus on domestic abuse and working with young fathers;

Our community work has been delivered virtually throughout the pandemic using phone, WhatsApp and Zoom sessions for both one-to-one work and group sessions.

A number of former clients returned to access support during lockdown and previous group attendees utilised one-to-one support. We have also offered a range of practical support to families including food, reconditioned laptops, mobile data and children's Christmas gifts. Lidl customers generously donated food to us each week such that our meeting room was repurposed as a food bank. The Salvation Army and local parents collected and wrapped wonderful gifts for the children with whom we work, whilst a firm of solicitors created hampers of festive treats for families.

Trustees' report 31 March 2021

We tailored our work to be responsive to the individual needs of our clients, and recognised that domestic violence and safeguarding were more likely to be prevalent issues. Our bespoke domestic violence intervention was reshaped during lockdown into a Relationships Group.

Our work with fathers has been expanded during the year, as we have been successful in securing new funding for 2 new fathers' workers posts from Comic Relief and Department of Health and Social Care. Appointments have been made to the new roles from early 2021 for these 3-year projects.

5. To continue the development of Securing Change, a service for parents who leave assessments with or without their child;

Our work was expanded last year to include all parents leaving residential assessments both with or without their child. This change has made the implementation easier as it no longer requires waiting for the outcome of court proceedings and is less contentious and disruptive for the families, as it does not focus on the painful prospect of child removal. It also provides much needed support for parents moving back into the community with their child who may have limited support networks. A number of families have had previous children removed from their care but following assessment are returning to the community with their child. We recognise their fragility and the need for additional support to build their confidence.

Work with parents has continued throughout the pandemic, and our project worker has continued to both visit clients and provide virtual support where appropriate. Support has been tailored to individual needs and is wide-ranging, from therapeutic support and advocacy through to practical support to families including food, mobile data and children's Christmas gifts

Our project social worker reports that parents were particularly pleased to receive the ongoing support from St Michael's during the pandemic when they were often not able to access other professional support, and were feeling isolated and struggling with their mental health during lockdown.

As the initial project funding is drawing to a close, we are looking at how we can secure income and market the service to Local Authorities to continue this crucial area of work. We welcome the involvement of Middlesex University CATS department who will evaluate the work.

6. To focus on staff recruitment, retention and leadership development:

Throughout the pandemic we have prioritised staff welfare and morale.

Staff have continued to travel into work in our residential centres, and their safety in the workplace and whilst travelling has been our prime concern. We have adapted ways of working in the centres to enable social distancing for both staff and resident families. We also introduced strict cleaning protocols and provided appropriate PPE. We adapted staff shift patterns to minimise travel and limit the number of people on site. Throughout this time, we continued to provide staff support and supervision via a blend of face-to-face and virtual sessions. We recognised the particular stresses caused by the pandemic and ensured the services of WeCare were available to staff for counselling and medical support.

The majority of community and head office staff have been home-based, and have also continued to receive support and supervision virtually.

Our senior management team has continued to meet regularly via Zoom. A high level of contingency planning was undertaken at the outset of the lockdown which has enabled services to act responsively to the changing environment.

We have been fortunate to have a very low staff turnover during the year, and have successfully recruited to 2 new posts.

Unfortunately, our difficult financial situation meant that we were not able to make our annual pay review during the year. We were also unable to hold our planned team activities. We hope to rectify both of these areas in 2021.

Work has begun on leadership development and progression, with a formal coaching and leadership programme for managers due to start in 2021-2022.

The murder of George Floyd, the subsequent amplification of the Black Lives Matter movement and the growing awareness of the differential impact on BAME communities of Covid-19 have all combined to prompt us to review our EDI (Equality, Diversity and Inclusion) policies and practice. We want every member of our organisation to feel safe and valued for their uniqueness in the workplace. Having conducted a survey amongst staff we have begun work with staff and trustees with the support of an external consultant.

7. To increase investment in and use of digital technology.

Our digital journey has been greatly accelerated by necessity with the onset of the pandemic, and the need for the majority of staff to work from home.

Thanks to the support of emergency Covid funding, we have invested in new laptops for our community based staff, together with enhanced mobile data to enable their virtual work to continue with clients. We also increased the supply of laptops in the residential centres and improved Wi-Fi connectivity, recognising the importance for families to be able to connect with their wider networks for support when visitors were not allowed.

We have made extensive use of Zoom for client contact and work with other professional bodies, as well as for the majority of internal meetings and regular supervision.

In April 2021 we completed the first phase of moving part of our IT systems to the cloud.

FINANCIAL REVIEW

Results for the year

The overall deficit for the year was £228,917 (overall surplus for 2019/20: £16,617) following a significant reduction in income generated through charitable activities during the pandemic. This deficit is covered by brought forward reserves, which continue to be strong at 31 March 2021.

The substantial decrease in residential assessment income reflects the restrictions and challenges imposed by the pandemic this year. We continued to operate out of 3 residential centres during the year, and the 4th centre that had previously been mothballed was repurposed as a quarantine centre.

Income for our outreach work with young parents was unchanged this year. Our community work has been supported by additional funded projects plus the supervised contact service. The Securing Change project has continued this year; working with parents after they leave assessments, and further funding has been received for new fathers' work.

Income from donations has shown a significant increase since last year as we have continued to seek other sources of funding, especially emergency funding to support our ongoing services. Donations include grants from a number of trusts and foundations plus our individual donor base.

We made a 6% increase in fees charged to Local Authorities to cover the additional costs and new ways of working as a result of the pandemic. We have also continued with tight financial controls over all areas of expenditure.

Due to financial constraints, we did not make a salary increase during the year.

Principal risks and uncertainties

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

1. The Covid-19 pandemic has had a major impact on the ways we work and the services we offer. This is expected to continue for much of 2021-2022. Specific risk and the mitigation steps are:
 - ◆ Loss of income due to reduced number of families in residential centres: This is mitigated by changes in staff rotas and a reduction in the use of sessional staff whilst maintaining appropriate staff levels for safeguarding and assessments.
 - ◆ Additional costs for health and safety and personal protection for both families and staff: We have made a small increase to fees for new admissions to cover the additional costs incurred.
 - ◆ Impact on staff morale and well-being: All staff continue to receive regular supervision and support from their line manager. We have also introduced a new support package "WeCare" and a facility for regular virtual catch ups. We are encouraging staff to take a break using annual leave.
 - ◆ Changes in policies and compliance: We are closely monitoring advice given by Government and Ofsted and adapting our ways of working accordingly. We are seeking to utilise support schemes and training wherever possible.

Trustees' report 31 March 2021

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

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

Investment policy

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

Trustees' report 31 March 2021

Reserves policy

St Michael's reserves stand at £911,283 at 31 March 2021 (2020: £1,140,200) and are in two forms: restricted and unrestricted.

Restricted reserves

Restricted funds will be expended in due course in accordance with their restricted purposes. Restricted funds are £253,937 (2020: £135,594).

Unrestricted reserves

Unrestricted funds are retained to meet a number of needs:

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

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

The General Fund stands at £614,066 at March 2021 and is equivalent to 4.4 months operating costs (2020 – £259,642 plus £672,174 Operational Contingency fund, equivalent to 5.5 months) as described in previous paragraph.

The second need is to fund initiatives to develop the work of St Michael's or specific initiatives which cannot be funded by existing revenue streams, via a designated Development Fund. During 2020/21 designated expenditure from the Development Fund totalled £29,510 (2020 – £73,606) comprising £22,082 staff investment, £390 for subsidised contact work, £70 for security equipment in Jigsaw, and £6,968 depreciation charges in respect of assets purchased through this Fund.

The Development Fund stands at £43,280 at March 2021 (2020 – £72,790) comprising:

- ♦ £338 for ongoing support of Vardens Road
- ♦ £1,930 to purchase security equipment for Jigsaw
- ♦ £991 to support supervised contact work
- ♦ £5,225 for expenditure on IT equipment, being charged over 3 years
- ♦ £34,796 for staff development and investment

The reserves policy is reviewed annually by the trustees.

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

GOING CONCERN

As set out in the Going Concern section of the Principal Accounting Policies on page 25 of the Financial Statements, the trustees have considered the impact of the pandemic on the charity and have concluded that although there have been and may continue to be some negative consequences, it is appropriate for the charity to continue to prepare its financial statements on the going concern basis.

FUTURE PLANS

The future plans are defined by the strategic plan and key objectives for the year. The immediate priority is continuing to respond to the Covid-19 pandemic and establish new ways of working, with the aim of continuing to provide an effective service for our beneficiaries whilst managing the financial impact on the organisation.

In June 2021, we made the difficult decision to close one of our residential centres that had previously been mothballed (during renovation work and then the pandemic). We recognised that this would be a very difficult time to re-open the centre. A provision has been made for the closure costs. This decision will enable us to focus on rebuilding our core services in the remaining 3 houses, together with our ongoing community work as we move through the pandemic.

FUNDRAISING

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

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

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

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

We have been assessed as complying with the IASME Governance Standard v4 published April 2016, which includes an assessment of Cyber Essentials and GDPR Requirements.

STRUCTURE, GOVERNANCE AND MANAGEMENT

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

Trustees' report 31 March 2021

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

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

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

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

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

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

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

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

Trustees' report 31 March 2021

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

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

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 31 March 2021 was 12 (2020 – 12). The trustees are members of the charity but this entitles them only to voting rights. The trustees have no beneficial interest in the charity.

Appointment of trustees

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

Remuneration policy for key management personnel

To deliver our charitable aims, St Michael's employs sufficient staff with the necessary skills and qualifications. We are committed to ensuring that we pay our staff a fair and appropriate salary that is within our means. This is so we can attract and retain people with the right skills and therefore have the greatest impact in delivering our objectives. We recognise that our rates of pay are generally less than in the private or public sector but we believe that the training and development we offer compensates along with a shared commitment to our charitable purpose. We utilise the National Joint Council pay scales for all staff and any overall change to the rates of pay or to the salaries of senior staff is made by the Board. The pension provisions for all staff regardless of seniority are the same. The remuneration ratio (highest paid versus the median salary) is 2.13:1 (2020 – 2.16:1). We do not pay less than the London Living wage.

Trustees' responsibilities statement

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

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

Trustees' report 31 March 2021

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

- ◆ Select suitable accounting policies and then apply them consistently;
- ◆ Observe the methods and principles in Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102);
- ◆ Make judgements and estimates that are reasonable and prudent;
- ◆ State whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- ◆ Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

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

Each of the trustees confirms that:

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

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

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

The trustees' report has been approved by the trustees on 9 September 2021 and signed on their behalf by:



Loucia Kyprianou

Chair

Independent auditor's report Year to 31 March 2021

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

Opinion

We have audited the financial statements of St Michael's Fellowship (the 'charitable company') for the year ended 31 March 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies, and the notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- ◆ give a true and fair view of the state of the charitable company's affairs as at 31 March 2021 and of its income and expenditure for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ◆ have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

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

Independent auditor's report Year to 31 March 2021

Other information (continued)

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- ◆ the information given in the trustees' report, which is the directors' report for the purposes of company law, including the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ◆ the trustees' report, which is the directors' report for the purposes of company law, including the strategic report, has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report, including the strategic report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- ◆ adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- ◆ the financial statements are not in agreement with the accounting records and returns; or
- ◆ certain disclosures of trustees' remuneration specified by law are not made; or
- ◆ we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

How the audit was considered capable of detecting irregularities including fraud

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

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

Independent auditor's report Year to 31 March 2021

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

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

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

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

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

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

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

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

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

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

Independent auditor's report Year to 31 March 2021

Use of our report

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

A handwritten signature in dark ink that reads "Buzzacott LLP". The signature is written in a cursive, flowing style.

28.9.2021

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

Statement of financial activities Year to 31 March 2021
(including income and expenditure account)

	Notes	Restricted fund £	Unrestricted funds £	Total funds 2021 £	Restricted fund £	Unrestricted funds £	Total funds 2020 £
Income from:							
Donations	1	18,980	248,818	267,798	8,198	117,762	125,960
Interest receivable		—	1,032	1,032	—	3,093	3,093
Charitable activities:							
. Residential and community assessment	2a	2,000	1,253,193	1,255,193	4,805	1,909,110	1,913,915
. Community projects	2b	506,883	21,456	528,339	368,886	43,096	411,982
. Residents grants fund	13	4,000	—	4,000	2,160	—	2,160
Total income		531,863	1,524,499	2,056,362	384,049	2,073,061	2,457,110
Expenditure on:							
Raising funds		7,000	109,474	116,474	3,400	86,915	90,315
Charitable activities							
. Residential and community assessment		14,164	1,703,462	1,717,626	8,208	1,872,131	1,880,339
. Community projects		388,680	58,364	447,044	406,266	61,559	467,825
. Residents grants fund	13	4,135	—	4,135	2,014	—	2,014
Total expenditure	3	413,979	1,871,300	2,285,279	419,888	2,020,605	2,440,493
Net income (expenditure)	5	117,884	(346,801)	(228,917)	(35,839)	52,456	16,617
Transfers between funds	13	459	(459)	—	22,957	(22,957)	—
Net movement in funds		118,343	(347,260)	(228,917)	(12,882)	29,499	16,617
Reconciliation of funds							
Fund balances brought forward at 1 April 2020		135,594	1,004,606	1,140,200	148,476	975,107	1,123,583
Fund balances carried forward at 31 March 2021	13	253,937	657,346	911,283	135,594	1,004,606	1,140,200

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

Balance sheet 31 March 2021

	Notes	2021 £	2021 £	2020 £	2020 £
Fixed assets					
Tangible assets	9		22,225		18,393
Current assets					
Debtors	10	185,859		308,529	
Cash at bank and in hand		925,805		976,344	
		1,111,664		1,284,873	
Creditors: amounts falling due within one year	11	222,606		163,066	
Net current assets			889,058		1,121,807
Total net assets	12		911,283		1,140,200
Funds					
Restricted funds			253,937		135,594
Unrestricted funds					
. Designated funds			43,280		744,964
. General funds			614,066		259,642
Total funds	13		911,283		1,140,200

Approved by the trustees of St Michael's Fellowship, Company Registration Number 02914273 (England and Wales), 9 September 2021, and signed on their behalf by:


 Loucia Kyprianou
 Chair

Statement of cash flows 31 March 2021

	~~Net~~	2021 £	2020 £
Cash flows from operating activities:			
Net (expenditure)/income for the year (as per the financial statements)		(228,917)	16,617
Depreciation charges		8,542	9,714
Interest receivable		(1,032)	(3,093)
Decrease in debtors		122,670	3,734
Increase in creditors		59,540	46,486
Net cash (used in) provided by operating activities		(39,197)	73,458
Cash flows from investing activities:			
Interest received		1,032	3,093
Purchase of fixed assets		(12,374)	(19,509)
Net cash used in investing activities		(11,342)	(16,416)
Change in cash and cash equivalents in the year		(50,539)	57,042
Cash and cash equivalents at the beginning of the year	A	976,344	919,302
Cash and cash equivalents at the end of the year	A	925,805	976,344
A Analysis of cash and cash equivalents			
		2021 £	2020 £
Cash at bank and in hand		501,758	553,136
Notice deposits (less than three months)		424,047	423,208
Total cash and cash equivalents		925,805	976,344

Principal accounting policies 31 March 2021

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

Basis of preparation

These financial statements have been prepared for the year to 31 March 2021 with comparative information presented in respect of the year to 31 March 2020.

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

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

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

Public benefit entity

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

Critical accounting estimates and areas of judgement

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

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

In addition, the full impact of the current global coronavirus pandemic is still unknown. It is therefore not currently possible to evaluate all the potential implications for the charity's activities.

Going concern

The trustees have considered the impact of the coronavirus pandemic on the charity taking into account: operational actions taken, strength of liquidity and reserves, current levels of activity and operating forecasts.

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

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

Income

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

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

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

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

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

Donations of gifts, services and facilities

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

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

Interest receivable

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

Expenditure and irrecoverable VAT

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

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

Expenditure and irrecoverable VAT (continued)

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

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

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

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

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

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

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

Tangible fixed assets

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

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

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

Debtors

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

Cash at bank and in hand

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

Creditors and provisions

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

Financial instruments

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

Fund accounting

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

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

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

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

Operating leases

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

Pensions

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

Notes to the financial statements Year to 31 March 2021

1 Income from donations

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

	Restricted funds £	Unrestricted funds £	2020 Total funds £
<i>London Marathon</i>	—	20,172	20,172
<i>Ride London</i>	—	6,914	6,914
<i>Channel Swim</i>	—	4,794	4,794
<i>Uxbridge Foundation</i>	—	1,000	1,000
<i>Dyers Company</i>	—	1,000	1,000
<i>Small Trust Appeal</i>	—	15,193	15,193
<i>Elizabeth & Prince Zaiger Trust</i>	—	5,000	5,000
<i>University of Sussex Graduate Internship</i>	3,400	—	3,400
<i>Gibbs Charitable Trust</i>	500	—	500
<i>Sir Walter St John's Educational Charity</i>	1,298	—	1,298
<i>Jet Charitable Trust</i>	—	500	500
<i>29th May Trust</i>	—	5,000	5,000
<i>Sir Jules Thorn Trust</i>	—	750	750
<i>S G Rabagliati Charity</i>	3,000	—	3,000
<i>Baring Foundation</i>	—	10,000	10,000
<i>Tessa Baring – in memoriam donation</i>	—	8,500	8,500
<i>Gift in kind</i>	—	22,534	22,534
<i>Other donations</i>	—	16,405	16,405
	8,198	117,762	125,960

Notes to the financial statements Year to 31 March 2021

2 Income from charitable activities

a. Residential and community assessment

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

	Restricted funds £	Unrestricted funds £	2020 Total funds £
General fees	—	1,855,100	1,855,100
Parental support	2,805	35,566	38,371
Supporting people	—	12,718	12,718
Charges	—	5,726	5,726
ASYE Department for Education	2,000	—	2,000
	4,805	1,909,110	1,913,915

b. Community projects

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

Notes to the financial statements Year to 31 March 2021

2 Income from charitable activities (continued)

b. Community projects (continued)

	Restricted funds £	Unrestricted funds £	2020 Total funds £
<i>Lambeth Outreach Young Parents</i>	150,000	—	150,000
<i>Lambeth CLIPS</i>	4,537	—	4,537
<i>National Children's Bureau</i>	24,055	—	24,055
<i>City Bridge Trust</i>	34,500	—	34,500
<i>Segelman Trust</i>	30,000	—	30,000
<i>St James' Place Foundation</i>	63,322	—	63,322
<i>Caring Dads Programmes</i>	500	42,833	43,333
<i>Big Lottery Fund</i>	36,972	—	36,972
<i>Tudor Trust</i>	10,000	—	10,000
<i>Pilgrim Trust</i>	15,000	—	15,000
<i>Other</i>	—	263	263
	368,886	43,096	411,982

3 Total expenditure

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

Notes to the financial statements Year to 31 March 2021

3 Total expenditure (continued)

	Costs of raising funds £	Residential and community assessment £	Community projects £	Residents grants fund £	Governance costs £	Support costs £	2020 Total £
Staff costs (note 6)	22,119	1,378,241	382,818	—	15	250,330	2,033,523
Premises costs	—	22,930	—	—	—	51,979	74,909
Maintenance	—	31,111	422	—	—	2,115	33,648
Insurance	—	—	—	—	—	15,625	15,625
Professional fees	900	9,538	1,000	—	13	1,000	12,451
Housing association charges	—	91,928	—	—	—	—	91,928
Communications and stationery	3,977	45,723	2,598	—	21	26,019	78,338
Publicity	13,364	—	244	—	—	—	13,608
Residents' welfare	—	2,861	26,991	2,014	—	173	32,039
Depreciation	—	3,833	—	—	—	5,881	9,714
Audit and accountancy	—	—	—	—	11,760	—	11,760
Travel	—	3,372	2,161	—	89	140	5,762
Sundry expenses	22,534	3,366	595	—	—	693	27,188
Total expenditure	62,894	1,592,903	416,829	2,014	11,898	353,955	2,440,493
Reallocation of support costs (note 4)	24,859	262,169	46,461	—	20,466	(353,955)	—
Reallocation of governance costs	2,562	25,267	4,535	—	(32,364)	—	—
Total expenditure	90,315	1,880,339	467,825	2,014	—	—	2,440,493

4 Support costs

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

Notes to the financial statements Year to 31 March 2021

4 Support costs (continued)

	Costs of raising funds £	Residential and community assessment £	Community projects £	Governance £	2020 Total £
Head office staff	12,471	216,559	2,401	18,899	250,330
Premises costs	6,415	21,864	22,871	829	51,979
Maintenance	253	927	902	33	2,115
Insurance	1,928	6,573	6,875	249	15,625
Professional fees	—	1,000	—	—	1,000
Communications and stationery	2,978	12,037	10,619	385	26,019
Residents' welfare	—	173	—	—	173
Depreciation	756	2,474	2,587	64	5,881
Travel	—	140	—	—	140
Sundry expenses	58	422	206	7	693
	24,859	262,169	46,461	20,466	353,955

5 Net (expenditure) income for the year

	2021 £	2020 £
Depreciation	8,542	9,714
Auditor's remuneration		
. Audit	9,750	9,800
Operating lease rentals		
. Equipment	35,366	27,330
. Property	136,539	124,418

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

Staff costs were as follows:

	2021 £	2020 £
Salaries and wages	1,257,281	1,308,589
Social security costs	151,127	164,490
Employer's contribution to defined contribution pension schemes	89,292	76,071
Sessional staff	292,342	435,365
Agency staff	20,601	15,066
Other staff costs	24,740	33,942
	1,835,383	2,033,523

1 employee earned between £70,000-£80,000 (2020: 1 employee between £60,000-£70,000)

The total employee benefits including employer's pension contributions and national insurance of the key management personnel were £184,628 (2020: £182,886).

Notes to the financial statements Year to 31 March 2021

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

The charity trustees were not paid nor received any other benefits from employment with the charity in the year (2020: £nil). No charity trustee received payment for professional or other services supplied to the charity (2020: £nil).

No trustees' expenses (2020: none) were incurred by members relating to attendance at meetings of the trustees.

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

	Headcount (number of staff employed)		Full-time equivalent	
	2021 No.	2020 No.	2021 No.	2020 No.
Social and care workers	56.60	83.38	35.85	42.62
Management	9.80	7.70	6.48	5.99
	66.40	91.08	42.33	48.61

7 Related party transactions

There are no related party transactions to disclose for 2021 (2020: none).

Aggregate donations from related parties were £563 from donations and £nil for marathon/ride donations (2020: £315 donations and £800 marathon donations), all of which arise in the normal course of business.

8 Taxation

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

9 Tangible fixed assets

	Leasehold improvements £	Head office equipment £	House fixtures and fittings £	House equipment £	Total £
Cost					
At the start of the year	94,687	50,249	23,226	38,282	206,444
Additions during the year	—	12,374	—	—	12,374
At the end of the year	94,687	62,623	23,226	38,282	218,818
Depreciation					
At the start of the year	94,687	45,403	16,337	31,624	188,051
Charge for the year	—	4,709	788	3,045	8,542
At the end of the year	94,687	50,112	17,125	34,669	196,593
Net book value					
At the end of the year	—	12,511	6,101	3,613	22,225
At the start of the year	—	4,846	6,889	6,658	18,393

All of the above assets are used for charitable purposes.

Notes to the financial statements Year to 31 March 2021

10 Debtors

	2021 £	2020 £
Trade debtors receivable	152,927	270,491
Other debtors	30	1,812
Prepayments	32,902	36,226
	185,859	308,529

11 Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	22,606	24,260
Taxation and social security	44,018	46,116
Deferred income	—	3,245
Accruals	95,236	43,342
Other creditors	60,746	46,103
	222,606	163,066

Deferred income related to the 2020 marathon and the full amount brought forward was released into income in 2021. There is no such equivalent in 2021.

12 Analysis of net assets between funds

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

	General unrestricted £	Designated funds £	Restricted funds £	2020 Total funds £
Tangible fixed assets	16,742	—	1,651	18,393
Net current assets	242,900	744,964	133,943	1,121,807
Net assets at 31 March 2020	259,642	744,964	135,594	1,140,200

Restricted Funds: Fixed assets with a net book value of £1,185 have been purchased with restricted funds (2020: £1,651). This comprises the balance of the Capital Appeal for replacement carpet at one of the residential units which is being depreciated over 10 years.

Notes to the financial statements Year to 31 March 2021

13 Movement in funds

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

A transfer has been made from the General fund to the Restricted Lambeth outreach fund, to cover the expenditure incurred in excess of the funding received, during the year.

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

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

Notes to the financial statements Year to 31 March 2021

13 Movement in funds (continued)

	At 1 April 2019 £	Income and gains £	Expenditure and losses £	Transfers £	At 31 March 2020 £
<i>Restricted funds:</i>					
Lambeth Outreach Young Parents	—	150,000	(172,957)	22,957	—
Lambeth CLIPS	—	4,537	(4,537)	—	—
Lambeth Public Health	15,414	—	(1,097)	—	14,317
DWP Caring Dads	1,500	—	—	—	1,500
Caring Dads - other	—	500	(500)	—	—
City of London, City Bridge Trust	—	34,500	(34,500)	—	—
National Children's Bureau	1,217	24,055	(25,272)	—	—
CWDC	19,586	—	(5,032)	—	14,554
ASYE Dept. for Education	157	2,000	(1,859)	—	298
Trusthouse Charitable F'n – Jigsaw	1,112	—	(1,112)	—	—
Foyle Foundation	9,057	—	(6)	—	9,051
Residents grants fund	2,601	2,160	(2,014)	—	2,747
Buttle UK – Chances for Children	1,514	—	(1,514)	—	—
Elizabeth & Prince Zaiger Trust – Capital	1,273	—	—	—	1,273
Santander Foundation	592	—	(592)	—	—
Summer Trips Appeal	1,048	—	(195)	—	853
University of Sussex Grad. Internship	—	3,400	(3,400)	—	—
Capital Appeal	324	—	(206)	—	118
The Fence Club – 5-a-day	170	—	(123)	—	47
Sir Walter St John's Educational Charity	—	1,298	(1,298)	—	—
Gibbs Charitable Trust	—	500	(500)	—	—
Big Lottery Fund	10,553	36,972	(44,821)	—	2,704
Securing Change Appeal	633	—	—	—	633
Elizabeth & Prince Zaiger Trust	4,171	—	(650)	—	3,521
Philip King Charitable Trust	19,105	—	(4,872)	—	14,233
Esmee Fairbairn Foundation	22	—	(22)	—	—
Segelman Trust	—	30,000	(30,000)	—	—
S G Rabagliati Charity	—	3,000	(3,000)	—	—
St James' Place Foundation	46,560	63,322	(62,390)	—	47,492
KPMG Foundation	341	—	—	—	341
Tudor Trust	6,210	10,000	(5,846)	—	10,364
Pilgrim Trust	5,316	15,000	(8,768)	—	11,548
CAFCASS	—	2,805	(2,805)	—	—
Total restricted funds	148,476	384,049	(419,888)	22,957	135,594
<i>Unrestricted funds:</i>					
<i>Designated funds:</i>					
. Operational contingency fund	674,526	—	(2,352)	—	672,174
. Development fund	146,396	—	(73,606)	—	72,790
Total designated funds	820,922	—	(75,958)	—	744,964
General funds	154,185	2,073,061	(1,944,647)	(22,957)	259,642
Total unrestricted funds	975,107	2,073,061	(2,020,605)	(22,957)	1,004,606
Total funds including pension fund	1,123,583	2,457,110	(2,440,493)	—	1,140,200

13 Movement in funds (continued)

Purposes of restricted funds

Lambeth Outreach Young Parents

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

Lambeth Public Health

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

DWP Caring Dads Programme

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

City of London, City Bridge Trust

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

National Children's Bureau (LEAP)

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

The Children's Workforce Development Council (CWDC)

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

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

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

Foyle Foundation

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

Residents grants fund

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

Elizabeth & Prince Zaiger Trust - Capital

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

Summer trips Appeal

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

13 Movement in funds (continued)

Purposes of restricted funds (continued)

University of Sussex Graduate Internship

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

Capital Appeal

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

The Fence Club - 5-a-day

Funding to purchase the tools and materials to support this programme of parent-child engagement.

Tudor Trust – Wellbeing

To support the wellbeing of St Michael's staff.

London & Quadrant Housing Trust

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

National Lottery Community Fund

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

Securing Change Appeal

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

Elizabeth & Prince Zaiger Trust

To support the Securing Change project (as above).

Philip King Charitable Trust

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

Segelman Trust

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

St James Place Foundation

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

KPMG Foundation

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

Tudor Trust

To support the Securing Change project (as above).

Notes to the financial statements Year to 31 March 2021

13 Movement in funds (continued)

Purposes of restricted funds (continued)

Pilgrim Trust

To support the Securing Change project (as above).

Comic Relief

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

Department of Health & Social Care

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

CAFCASS

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

Purposes of designated funds

Operational contingency fund

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

Development fund

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

14 Operating lease commitments

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

	Equipment		Property	
	2021 £	2020 £	2021 £	2020 £
Less than one year	15,761	27,330	93,744	55,517
One to five years	23,641	29,345	146,250	—
	39,402	56,675	239,994	55,517

15 Contingent assets or liabilities

At the balance sheet date, the charity has no contingent assets or liabilities (2020: £nil).

16 Legal status of the charity

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