

COMPANY REGISTRATION NUMBER: 1489366
CHARITY REGISTRATION NUMBER: 280688

ST. MICHAEL'S SCHOOL (LEIGH-ON-SEA) LIMITED

Company Limited by Guarantee

Financial Statements

31 August 2021

EDMUND CARR LLP

Chartered Accountants & Statutory Auditor
146 New London Road
Chelmsford
Essex
CM2 0AW

ST. MICHAEL'S SCHOOL (LEIGH-ON-SEA) LIMITED

Company Limited by Guarantee

Financial Statements

Year ended 31 August 2021

	Page
Trustees' annual report (incorporating the director's report)	1
Independent auditor's report to the members	15
Statement of financial activities (including income and expenditure account)	20
Statement of financial position	21
Statement of cash flows	22
Notes to the financial statements	23
The following pages do not form part of the financial statements	
Detailed statement of financial activities	35
Notes to the detailed statement of financial activities	36

ST. MICHAEL'S SCHOOL (LEIGH-ON-SEA) LIMITED

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report)

Year ended 31 August 2021

The trustees, who are also the directors for the purposes of company law, present their report and the financial statements of the charity for the year ended 31 August 2021.

Reference and administrative details

Registered charity name	ST. MICHAEL'S SCHOOL (LEIGH-ON-SEA) LIMITED
Charity registration number	280688
Company registration number	1489366
Principal office and registered office	198 Hadleigh Road Leigh-on-Sea Essex SS9 2LP

The trustees

The trustees who served the charity during the period were as follows:

Mr J Barrett	
Mrs S Bird	
Mrs F Evans	
Mr N Holdcroft	
Mr S Mills	
Mrs S Minnis	
Mrs V Shaw	
Mr M Stennett	
Fr D. Wylie	
Mr F A Macleod	(Appointed 11 October 2021)
Mrs D Harris	(Resigned 12 October 2021)
Mrs J Attwell	(Resigned 11 October 2021)
Ms E Gibbons	(Resigned 11 October 2021)

Company secretary Karen Orwell

Auditor Edmund Carr LLP
Chartered Accountants & Statutory Auditor
146 New London Road
Chelmsford
Essex
CM2 0AW

Bankers HSBC Bank PLC
48 High Street
Rayleigh
Essex
SS6 7JH

ST. MICHAEL'S SCHOOL (LEIGH-ON-SEA) LIMITED

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 August 2021

Structure, Governance and Management

The Governors of St. Michael's School (Leigh-on-Sea) Limited, being a Charity, present their annual report and audited accounts for the year ended 31st August 2021 and confirm they comply with the requirements of the Charities Act 1993, as amended by the Charities Act 2011, the trust deed and the Charities SORP 2019.

Governing Document

Founded as a school and charity in 1922, St Michael's is governed by its Memorandum and Articles of Association dated 31st July 2019.

The School premises and Chapel are the subject of a scheme between The Chelmsford Diocesan Board of Finance Limited and the School, including the appointment of Trustees and vesting, and was registered with the Charity Commissioners on 1st November 1976.

Governing Body

The structure of the Charity consists of not more than four nominated Governors and not more than eight co-opted Governors. Of the four nominated Governors, not more than two shall be appointed by the Diocesan Education Committee for the Diocese of Chelmsford; the Vicar of St Margaret's Church, Leigh-on-Sea, as appointed by the Chelmsford Diocese, shall always be a member of the Governing Body; one shall be the Chairman of the Governing Body, being nominated by the Parochial Church Council of St Margaret's Church, Leigh-on-Sea. Of the co-opted Governors at least three shall be appointed from among persons for the time being on the electoral roll of St. Margaret's Church, Leigh-on-Sea.

Recruitment and Training of Governors

The Charity's elected Governors are appointed at a Meeting of the Governors based on nominations received either from the Diocese, St. Margaret's Church or the Governors themselves. A formal interview with the Nominations Committee ensures that candidates have the necessary skill sets to join the Board. New Governors are inducted into the workings of the Charity and School. When recruiting new trustees, the Governors consider the skills and experience of the individual and what they may bring to complement the existing Governing Body. Of paramount importance is they have a passion for the working of the school and an understanding of education as a holistic and rounded experience of personal growth. The diversity of the current board of governors ensures that all Committees are attended or chaired by people with a knowledge or level of expertise. All Governors receive guidance notes from a range of external services and sources, including The Association of Governing Bodies of Independent Schools (AGBIS), The Independent Schools' Bursars Association (ISBA), The Independent Association of Prep Schools (IAPS.) and the Independent Schools Council (ISC).

Arrangement for setting pay and remuneration of key management personnel

The Personnel Committee of the trustees has overall responsibility (on behalf of the full board) for the salary structure of key personnel.

ST. MICHAEL'S SCHOOL (LEIGH-ON-SEA) LIMITED

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 August 2021

Structure, Governance and Management *(continued)*

Organisational Management

The Governors, as trustees of the Charity, are legally responsible for the overall management and control of the school and meet at least three times per year. The day to day running of the school is delegated to the Headmaster, supported by the Bursar, Deputy Head and Senior Leadership Team. However, key policy and strategic decisions are taken by the Board.

Relationships

St Michael's School is a member of the IAPS, ISC, ISA, AGBIS and ISBA for the promotion, maintenance and the delivery of excellence in education. We are also members of the Southend Primary Schools Sports Partnership (SPSSA), an organisation dedicated to the promotion of sports in primary schools across the borough, together with Energize Essex, a high-quality sports and fitness programme for out of school hours and in school holidays. The School actively contributes to the local community in several different ways as detailed below under Public Benefit.

Risk Management

The Governors and the Senior Management Team continue to keep the School's activities under review, particularly about any major risks that may arise from time to time, as well as systems and procedures established to manage them. They monitor the effectiveness of the system of internal controls, including the extent of insurance cover, by which those risks already identified can best be mitigated. The key risks are reviewed regularly and will be re-evaluated in detail once the current pandemic comes to an end.

COVID-19 – Coronavirus

The worldwide pandemic continued to impact on the workings of the school during the final stages of 2020 with a resurgence of the virus heralding another countrywide lockdown. Only key worker and vulnerable children returned to school at the start of the Lent Term 2021, with the remainder of the children returning later in the term. The Governing body, SMT and staff worked closely and formulated a response to the lockdown that was both reflective and dynamic. The school was better prepared for this second lockdown and, following a school consultation and time spent on development the term before, more provision was in place. Staff and children again showed their resilience to the challenges faced during this period, and coped well with the mixture of face-to-face and online learning strategies.

As a direct result of the pandemic and to ease the financial burden that remained on parents' finances, the school held its fees for a fourth term, with the advertised fee increase being delayed until January 2021.

ST. MICHAEL'S SCHOOL (LEIGH-ON-SEA) LIMITED

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 August 2021

PUBLIC BENEFIT AIMS, OBJECTIVES AND PRINCIPAL ACTIVITIES

Charitable Objects, Aims and Intended Impact

The object for which the Charity is established is to advance the education of the public and to provide for the education of pupils based on Christian principles.

The School's strategic aims are:

- to provide the highest standards of teaching and learning;
- to fulfil each pupil's potential;
- to provide the best preparation for each pupil's transition to secondary school; and
- to provide a secure foundation for their future life in a caring atmosphere within a Christian ethos

In pursuit of these aims the School provides a broad yet balanced curriculum, with a wide provision of extra activities that reflect a strong emphasis on music, drama, languages and sport. Pupils are encouraged to match their performance to their potential, whilst raising self-awareness and confidence. As a non-selective school, children from all backgrounds are welcome.

Aims and Vision

Our vision is to have a school of happy and successful children all of whom are encouraged and supported to achieve their potential in learning, achievement and personal development. In so doing, our aim is to sustain and increase individual and collective knowledge of understanding in areas of study, skills and expertise.

Underpinned through our Christian community we acknowledge and value that:

- Every child is unique
- Children learn best when they are happy, safe and secure
- Our school community is enriched by diversity
- It is not who a child is by birth that matters but rather what they make of their life (Non Quis Sed Quid)
- Personal, social, moral and spiritual development are equally important as academic success

Our Objectives

The school's objectives are closely linked to our aims and strategic planning. They are:

- To provide all children with the highest standards of teaching and learning and to instil in them a thirst for knowledge and a love of learning.
 - A commitment to provide a broad and stimulating curriculum in order to develop the whole child to identify and celebrate their individual talents
 - To create strong partnerships between home and school to enable effective learning
 - Through strong pastoral support that pervades everyday school life, children learn the value of empathy and care.
 - Develop in children their spiritual awareness and an understanding of the beliefs of others.
 - Develop each child's confidence, self-esteem, independence and integrity.
 - To equip children with strategies to enable them to achieve a healthy and balanced approach to their wellbeing.
 - For all children to be happy and successful
-

ST. MICHAEL'S SCHOOL (LEIGH-ON-SEA) LIMITED

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 August 2021

Our Objectives *(continued)*

- To promote a culture of care, respect and traditional values within our school family and the wider community. Our strong and effective leadership and governance will help ensure that the above aims are met.

In setting our objectives and planning our activities, we have considered the Charity Commission's general guidance on the advancement of education. This includes their guidance on the supplementary public benefit for charities.

Principal Activities

The principal activity of St. Michael's School continues to be the provision of an Independent Preparatory Day School for Boys and Girls aged 3-11 years old. We seek to provide a structured educational environment that develops our pupils' capabilities, competences and skills. We promote the academic, moral and physical development of our pupils through our academic curriculum, pastoral care, sporting and other activities. We provide an educational environment where each student can develop and fulfil his or her potential, build their self-confidence and instil a desire to contribute to the wider community.

The average number of children in school for the year was 262. Pupil numbers at the start of the new academic year grew from 244 to 268 by the end of the year. Despite the challenging conditions the school has faced, interest in the school remains high.

Our Ethos, Strategy and Policies

Our school motto "Non quis, sed quid" - not who (you are), but what (you are) - underlies our basic Christian ethos, which pervades school life. Who you are by birth is not important, what you make of your life is. Our commitment is to encourage the children to fulfil their potential and make a positive contribution to our local community and society.

Our Headmaster and Governing body are responsible for setting a strategy to achieve the School's objectives. Our strategy is focused on the 'all-round' care and development of our pupils, including their attainment of high levels of academic and extra-curricular achievement, and is summarised in our School Development Plan.

St. Michael's School is a charitable trust which seeks to benefit the public through the pursuit of its stated aims. Our fees are set at a level designed to ensure the on-going financial viability of the School and are consistent with our aim to provide the highest levels of education. Our School welcomes pupils from all backgrounds. To admit a prospective pupil, we need to be satisfied that our School will be able to educate and develop them to the best of their potential and in line with our Admissions Policy. An individual's economic status, gender, ethnicity, race, religion or disability do not form part of our assessment processes.

Parents are given regular information about their children's social and academic progress through parent evenings and end of term and year reports. We maintain regular contact with parents throughout the year through informal contacts, our termly newsletters and our social media accounts. Further information about their child's attendance, achievement, timetable, school reports and letters home can be accessed via 'Engage', the school's new information management system.

St. Michael's School is committed to safeguarding and promoting the welfare of our pupils and expects all staff and volunteers to share this commitment.

ST. MICHAEL'S SCHOOL (LEIGH-ON-SEA) LIMITED

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 August 2021

Fees

When setting fees, Governors consider many factors that could affect the performance of the School. Where possible, these increases are restricted to a level that will ensure the School is able to fulfil its main objective of providing a first class education to pupils, the continued financial viability of the School and investment for continued growth and improvement in the main fabric of the building. In setting fees, the Governors are also mindful of their obligations under the Charities Act of widening the access to the education we offer.

A full revision of the fee structure took place in February 2020. From January 2021 all extra subjects, residential visits, day visits and school meals are included in the school fees. Music lessons and LAMDA drama will continue to be charged as an optional extra.

The School continues to accept the Government's 15-30 hrs of free childcare. This supportive funding has been greatly appreciated by our early year's parents.

Fundraising

The charity does not use any external fundraisers. All fundraising undertaken during the year was monitored by the Trustees

Public Benefit

It is important to us that access to the education we offer is not restricted to those who can afford our fees. We believe our pupils benefit from learning within a diverse community, where learning occurs through social interaction, conversation and shared experiences. This in turn will help our pupils develop an understanding of the perspective of other people and learn the injustices of intolerance, which will help them grow into well rounded and responsible adults. Through developing our links in the local community, including partnership activities with other local schools, providing part or fully funded bursaries to eligible families, and keeping school fees affordable, we want more children in the local community to access and benefit from the school's charitable activities.

(i) Bursaries

The Governors view our bursary awards as important in helping children from families who would otherwise not be able to afford the fees to access the education we offer. Our bursary awards are available to all who meet our general entry requirements and are made based on parental financial means, or to relieve hardship where a pupil's education would otherwise be at risk. In assessing financial means, we take several factors into consideration including net household income, investments, savings and family circumstances. However, our School does not have a large endowment and, in funding our awards, we must be mindful that we need to ensure a balance between fee-paying parents, many of whom make considerable personal sacrifices to fund their child's education, and those benefiting from the awards

Throughout the year two children benefited from either a fully funded or partial bursary. As a result of the pandemic two emergency bursaries were also awarded. An additional six pupils benefited from a partial reduction of fees as part of the school's Public Benefit awards. Public Benefit awards differ from means tested bursaries and are primarily offered on a business premise where there is a compelling reason to admit pupils.

Having reviewed use of the Public Benefit Designated Fund over several years, it was agreed by the Governors that the balance held on the Fund should be reduced from £100,000 to £75,000. We

ST. MICHAEL'S SCHOOL (LEIGH-ON-SEA) LIMITED

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 August 2021

(i) Bursaries *(continued)*

remain committed to our bursary policy and this reduction in the Designated Fund in no way diminishes the School's commitment to providing bursaries. The Public Benefit charge for the year amounted to £49,517. We have therefore allocated £24,517 from General Reserves to top-up the Designated Fund, bringing the year-end fund balance to £75,000.

(ii) Teaching Links and Community Partnerships

Due to the pandemic we were unable to offer the School's community partnership programme with Hunter Outdoor Training this year. It is planned to reinstate this programme of outdoor education in the forthcoming year. Mrs Joanne Walpole, Head of Achievements, set up and developed this successful programme, the entire costs of which are funded by St. Michael's School.

Although restricted this year because of the pandemic, Energize Essex continued to hire the school's facilities to run a programme of high quality sports and fitness provision for all ages to have fun, broaden existing talents, develop new talents and to enhance futures. These holiday clubs are opened to local community schools as well as St Michael's School's own pupils.

St Michael's School is fully committed to supporting our local parish church St Margaret's, and regularly sends the senior choir and orchestra into the wider community to perform.

(iii) Charities

The school continued its support of various local and national charities in 2020-2021. Proceeds from the children's efforts were donated to Golden Geese, a local cancer Charity, the Royal British Legion, the Children's Society, Captain Tom Fundraiser and Place2B, a charity that provides mental health support in schools through one-to-one and group counselling. The proceeds of our Harvest Festival were donated to Southend Foodbank who again were overwhelmed with the generosity of our parents.

(iv) Other Policies on Assistance

Family discounts policy

To underline the value we place on continuity for families, we offer a sibling discount where parents have more than one child at the School.

Termly Instalment Scheme

A monthly payment plan to pay the term's fees is available to assist parents with their financial planning.

Assistance for staff

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

ST. MICHAEL'S SCHOOL (LEIGH-ON-SEA) LIMITED

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 August 2021

REVIEW OF THE YEAR

Although the school faced another extremely challenging year, a number of new initiatives and enhancements to the fabric of the school building took place during 2020 – 2021.

The introduction of school meals was a very welcome 'return to school' for key worker and vulnerable children as well as staff in January 2021. This initiative necessitated a complete overhaul of the kitchen amenities to facilitate the new service, together with a further upgrade to its utilities. Pupils were welcomed back to school by our new Chef and his team from Harrison, the company we have partnered with to deliver this highly anticipated new service. Harrison has been creating nutritious food for schools and businesses since 1994. Their beliefs are founded on the recognition that the best meals should be both delicious and nutritious and all the ingredients should come from trusted sources.

Early Year's classrooms were altered to provide safe and hygienic food preparation areas to receive classroom snacks from the kitchen.

A new Music Room was created by reconfiguring an area on the first floor, which benefited from having new acoustic flooring, with the classroom below also receiving a semi makeover, with a new ceiling helping reduce the noise transmission.

Over the summer break a significant building programme was approved by the Governors to improve the class base for a Year 1 classroom, the SEN room, medical room and dry storeroom. By the end of the summer, a new classroom had been repurposed for a Year 1 class, a new medical room, reassuringly named the 'Rainbow Room', manned by our new School Nurse, and a new SEN class base with separate SEN Office had been configured. In addition, the old medical room was handed over to the catering team to improve their dry store area. The alterations have completely transformed the areas on the ground floor and given a much-needed upgrade to the provision in Year 1.

To add to its facilities, the school installed a temporary modular classroom base for our new Pre-Nursery children. This new classroom will allow up to eight children, four more than previously permitted, to attend our Nursery and Pre-Nursery setting.

The freehold land adjacent to the school has had new security fencing erected, with the land cleared to enable a more child friendly outdoor learning area. The children have already benefited from this resource, as have the Parents' Association who were able to use this facility for their Summer Fete, with more events planned next year.

To complement our status as a Google School, all interactive white boards were replaced with new interactive flat panel high resolution boards that work independently from a computer, and which are brighter and less reflective than the previous models. Pupil devices were also replaced with upgraded Chromebooks. From the start of the Trinity term, all Prep pupils were provided with one-to-one devices, with Pre-Prep and EYFS having access to a classroom set of tablets/iPads/Chromebooks.

St Michael's School has always prided itself on providing a broad and balanced curriculum as well as having a recognised academic reputation. We have a vibrant outdoor learning program, school council, music and singing and clubs and activities. In addition, through the use of zones of regulation, time given to mental health through mental health week and PSHE, social skills groups and a strong supportive Christian ethos, pupils are encouraged to regulate their feelings, energy and sensory needs in order to meet the demands of their day to day life. In recognition of this work it was very pleasing to be awarded the title of a 'Healthy School' during the summer of 2021 by the Healthy Schools

ST. MICHAEL'S SCHOOL (LEIGH-ON-SEA) LIMITED

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 August 2021

Review of the year *(continued)*

Programme in partnership with Southend Borough Council. The Healthy School Programme was set up more than twenty years ago, the main aims of the programme are:

- to support children and young people in developing healthy behaviours
- to help raise pupil achievement
- to help reduce health inequalities
- to help promote social inclusion.

Given the potential challenges to pupil wellbeing as a result of the pandemic, this was a very timely accolade and demonstrated the school's understanding of the importance of children's mental health.

REVIEW OF THE ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR

Selection test information for 2021 entry

11+ information

As in previous years, a statistical test was used to assess whether age adjustment was necessary to take account of any apparent bias against younger candidates. This year, the test was statistically significant for both English and Maths and the corresponding age adjustments were made.

29 pupils, 74% of the cohort, opted to take the 11+ examination. Based on historical data, of those pupils we thought would gain a score to apply for a selective place, all but one pupil was successful (93%). Of those we deemed borderline, 100% were successful.

16 pupils gained above the mean in English, 16 gained above the mean in Maths, and 13 gained above the mean in both subjects.

Other selection tests

In addition, 8 pupils, 21% of the cohort, applied to other schools where selection tests were required. 100% of these pupils were successful in their test and one gained an academic scholarship.

Destination Schools

School	No. of pupils	School	No. of pupils
Southend High School for Girls	11	Southend High School for Boys	1
Westcliff High School for Boys	5	Eastwood	1

ST. MICHAEL'S SCHOOL (LEIGH-ON-SEA) LIMITED

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 August 2021

Westcliff High School for Girls	4	Sweyne Park	1
Thorpe Hall	9	King Edmund	1
Brentwood	1	KJS	1
New Hall	2	FitzWimarc	1
Coopers Company and Coborn School	1		

Academic Results for Years 3 and 6

Form 3

Over the past two years we have had 2 new pupils join the year group.

Maths

All pupils:

In 2019 93% of pupils scored 97 or above - 33% above national average.

In 2021 73% of pupils scored 97 or above - 13% above national average.

In 2019 there were no pupils scoring less than 88.

In 2021 12% of pupils scored below 88

This will account for the 20% drop in overall pupils scoring 97 or above as these children scoring 88 or below joined the school after 2019.

Gender:

In 2019 97% of boys scored 97 or above - 37% above national average.

In 2021 66% of boys scored 97 or above - 6% above national average.

In 2019 100% of girls scored 97 or above - 40% national average.

In 2021 86% of girls scored 97 or above - 26% above national average.

Overall the percentages of children reaching a score of 97 or above dropped in 2021. This is because the new pupils who joined the year group during the course of the year, scored less than 97, and therefore brought down the overall percentage.

ST. MICHAEL'S SCHOOL (LEIGH-ON-SEA) LIMITED

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 August 2021

Review of the achievements and performance for the year *(continued)*

Form 3 *(continued)*

English

All pupils:

In 2019 90% of all pupils scored 97 or above - 37% above national average.
In 2021 88% of all pupils scored 97 or above - 28% above national average.

Gender:

In 2019 81% of boys scored 97 or above - 21% above national average.
In 2021 82% of boys scored 97 or above - 22% above national average.

In 2019 100% of girls scored 97 or above - 40% above national average.
In 2021 93% of girls scored 97 or above - 37% above national average.

This shows the children maintained their progress over the past two years and were not affected by Covid or the new pupils.

Form 6

Maths

All pupils:

In 2019 86% of all pupils scored 97 or more - 26% above national average.
In 2021 84% of all pupils scored 97 or above - 24% above national average.

Gender:

In 2019 88% of boys scored 97 or above - 28% above national average.
In 2021 80% of boys scored 97 or more - 20% above national average.

In 2019 85% of girls scored 97 or above - 25% above national average.
In 2021 88% of girls scored 97 or above - 25% above national average.

English

All pupils:

In 2019 77% of all pupils scored 97 or above - 17% above national average.
In 2021 81% of all pupils scored 97 or more 21% above national average.

Gender:

In 2019 64% of boys scored 97 or more - 4% above national average.
In 2021 67% of boys scored 97 or above - 7% above national average.

In 2019 86% of girls scored 97 or above - 26% above national average.

ST. MICHAEL'S SCHOOL (LEIGH-ON-SEA) LIMITED

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 August 2021

Review of the achievements and performance for the year *(continued)*

In 2021 92% of girls scored 97 or above - 32% above national average.

Overall Form 6 have maintained their progress over the last two years.

The above data reflects that children were not affected academically by the pandemic, where working from home was mandatory, and that the teaching provided during lockdown was of a consistently high standard that allowed children to maintain their learning and progress.

ISI Inspections

The School underwent a Compliance Inspection in June 2018 with the next Inspection now overdue. The School was found to be fully compliant with all regulations.

FINANCIAL REVIEW AND RESULTS FOR THE YEAR

Operational performance of the school

The financial statements show incoming resources for the year on School activities of £2,595,271 against total expenditure of £2,711,325. The principal source of income for the School is from our fees.

As a charity, the parents of our pupils have the assurance that all the income of the School must be applied for educational purposes.

Results for the Year

The school strives to achieve an annual minimum surplus of 2.5% of total income and, as a not-for-profit organisation, reinvests all surplus back into the school. As a result of our continued investment in the school, with improvements both to the facilities and resources, together with the fee variance to the Trinity Term fees and the delay in implementing the new fees at the beginning of the school year, the school reported a loss for the year ended 31 August 2021 of £116,054 (2020: £15,626 profit).

Reserves policy and risk management

Reserves Policy: The school's overall reserves decreased during the year by £116,054 as a result of the net loss. General Reserves now stand at £411,513, in line with the reserves policy, of which £75,000 has been designated for the purpose of fulfilling public benefit. The Governors aim to establish and maintain General Reserves at approximately £750k, this being roughly just under one term's operating costs. They recognise that the level of reserves will fluctuate during periods of investment in the school, but aim to ensure that it should not fall below £300k, which is the amount deemed necessary as a financial buffer to protect against times of economic uncertainty and to be called upon in times of emergency.

Having reviewed the strategic risks facing the school, the budget and plans for the period through to the end of the current academic year, and the overall cash levels held, the Governors consider that sufficient reserves are held at 31 August 2021 to manage those risks successfully.

ST. MICHAEL'S SCHOOL (LEIGH-ON-SEA) LIMITED

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 August 2021

Reserves policy and risk management *(continued)*

Investment Policy: The Governing Body remains vigilant and continues to review the Charity's investment strategy, taking an integrated approach to risk management. One key aim is to repay the mortgage facility and the bounce back loan, once General Funds allow, to protect the Charity against any future interest rate rises. Investments are regularly monitored against policy guidelines.

Risk Management: The Governors are responsible for ensuring the risks faced by the School are appropriately managed. Risk Matrices have been drawn up by the Governing Body which are reviewed annually to ensure the management procedures in place are as robust as possible, and take into account the new challenges faced by the pandemic.

Future Plans

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

Our future plans are financed primarily from fee income and from our reserves. The Governors need to maintain an equitable balance between ongoing investment in the school, day-to-day operational expenditure and maintenance of a sound financial base.

Trustees' responsibilities statement

The trustees, who are also directors 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 charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and the incoming resources and application of resources, including the income and expenditure, 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 the applicable Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and 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.

ST. MICHAEL'S SCHOOL (LEIGH-ON-SEA) LIMITED

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 August 2021

Auditor

Each of the persons who is a trustee at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the charity's auditor is unaware; and
- they have taken all steps that they ought to have taken as a trustee to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

Small company provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

The trustees' annual report was approved on 06/12/2021 and signed on behalf of the board of trustees by:



Karen Orwell
Charity Secretary

Registered office:
198 Hadleigh Road
Leigh-on-Sea
Essex
SS9 2LP

ST. MICHAEL'S SCHOOL (LEIGH-ON-SEA) LIMITED

Company Limited by Guarantee

Independent Auditor's Report to the Members of ST. MICHAEL'S SCHOOL (LEIGH-ON-SEA) LIMITED

Year ended 31 August 2021

Opinion

We have audited the financial statements of ST. MICHAEL'S SCHOOL (LEIGH-ON-SEA) LIMITED (the 'charity') for the year ended 31 August 2021 which comprise the statement of financial activities (including income and expenditure account), statement of financial position, statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 August 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 charity 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 charity'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.

ST. MICHAEL'S SCHOOL (LEIGH-ON-SEA) LIMITED

Company Limited by Guarantee

Independent Auditor's Report to the Members of ST. MICHAEL'S SCHOOL (LEIGH-ON-SEA) LIMITED *(continued)*

Year ended 31 August 2021

Other information

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

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 for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' 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 charity 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 directors' report and from the requirement to prepare a strategic report.

ST. MICHAEL'S SCHOOL (LEIGH-ON-SEA) LIMITED

Company Limited by Guarantee

Independent Auditor's Report to the Members of ST. MICHAEL'S SCHOOL (LEIGH-ON-SEA) LIMITED *(continued)*

Year ended 31 August 2021

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors 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 charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity 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:

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 engagement partner 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 assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence

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.
- Considering the internal controls in place to mitigate the risks of fraud and non-compliance with laws and regulations.

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

- Tested journal entries to identify unusual transactions.
 - Assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias.
-

ST. MICHAEL'S SCHOOL (LEIGH-ON-SEA) LIMITED

Company Limited by Guarantee

Independent Auditor's Report to the Members of ST. MICHAEL'S SCHOOL (LEIGH-ON-SEA) LIMITED *(continued)*

Year ended 31 August 2021

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

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. - Enquiring of management as to actual and potential litigation and claims.
- Reading the minutes of meetings of those charged with governance.
- Enquiring of management as to actual and potential litigation and claims.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

ST. MICHAEL'S SCHOOL (LEIGH-ON-SEA) LIMITED

Company Limited by Guarantee

Independent Auditor's Report to the Members of ST. MICHAEL'S SCHOOL (LEIGH-ON-SEA) LIMITED *(continued)*

Year ended 31 August 2021

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the charity'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 charity'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 charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

Edmund Carr LLP 15.12.2021

Sandra Morrell (Senior Statutory Auditor)

For and on behalf of
Edmund Carr LLP
Chartered Accountants & Statutory Auditor
146 New London Road
Chelmsford
Essex
CM2 0AW

ST. MICHAEL'S SCHOOL (LEIGH-ON-SEA) LIMITED

Company Limited by Guarantee

Statement of Financial Activities (including income and expenditure account)

Year ended 31 August 2021

		2021	2020
		Unrestricted funds	Total funds
	Note	£	£
Income and endowments			
Donations and grants	5	29,738	123,015
Charitable activities	6	2,565,474	2,276,617
Investment income	7	59	624
Total income		<u>2,595,271</u>	<u>2,400,256</u>
Expenditure			
Expenditure on charitable activities	8,9	2,711,325	2,384,630
Total expenditure		<u>2,711,325</u>	<u>2,384,630</u>
Net (expenditure)/income and net movement in funds		<u>(116,054)</u>	<u>15,626</u>
Reconciliation of funds			
Total funds brought forward		527,567	511,941
Total funds carried forward		<u>411,513</u>	<u>527,567</u>

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing activities.

The notes on pages 23 to 33 form part of these financial statements.

ST. MICHAEL'S SCHOOL (LEIGH-ON-SEA) LIMITED

Company Limited by Guarantee

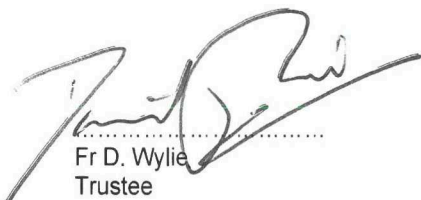
Statement of Financial Position


31 August 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible fixed assets	14	639,385	643,677
Current assets			
Stocks	15	4,055	4,539
Debtors	16	129,061	86,103
Cash at bank and in hand		288,920	405,062
		422,036	495,704
Creditors: amounts falling due within one year	17	438,185	368,959
Net current liabilities		(16,149)	126,745
Total assets less current liabilities		623,236	770,422
Creditors: amounts falling due after more than one year	18	211,723	242,855
Net assets		411,513	527,567
Funds of the charity			
Unrestricted funds		411,513	527,567
Total charity funds	20	411,513	527,567

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

These financial statements were approved by the board of trustees and authorised for issue on 06/12/2021, and are signed on behalf of the board by:


Fr D. Wylie
Trustee


Mr M Stennett
Trustee

Company Registration Number: 1489366

The notes on pages 23 to 33 form part of these financial statements.

ST. MICHAEL'S SCHOOL (LEIGH-ON-SEA) LIMITED

Company Limited by Guarantee

Statement of Cash Flows

Year ended 31 August 2021

	2021 £	2020 £
Cash flows from operating activities		
Net (expenditure)/income	(116,054)	15,626
<i>Adjustments for:</i>		
Depreciation of tangible fixed assets	28,314	35,059
Other interest receivable and similar income	(59)	(624)
Interest payable and similar charges	65,977	51,831
Accrued expenses	50,622	4,019
<i>Changes in:</i>		
Stocks	484	(2,635)
Trade and other debtors	(42,958)	(1,937)
Trade and other creditors	10,079	(62,650)
Cash generated from operations	(3,595)	36,689
Interest paid	(65,977)	(51,831)
Interest received	59	624
Net cash used in operating activities	(69,513)	(12,518)
Cash flows from investing activities		
Purchase of tangible assets	(24,022)	(3,179)
Net cash used in investing activities	(24,022)	(3,179)
Cash flows from financing activities		
Proceeds from borrowings	(22,607)	37,220
Net cash (used in)/from financing activities	(22,607)	37,220
Net (decrease)/increase in cash and cash equivalents	(116,142)	21,523
Cash and cash equivalents at beginning of year	405,062	383,539
Cash and cash equivalents at end of year	288,920	405,062

The notes on pages 23 to 33 form part of these financial statements.

ST. MICHAEL'S SCHOOL (LEIGH-ON-SEA) LIMITED

Company Limited by Guarantee

Notes to the Financial Statements

Year ended 31 August 2021

1. General information

The charity is a public benefit entity and a private company limited by guarantee, registered in England and Wales and a registered charity in England and Wales. The address of the registered office is 198 Hadleigh Road, Leigh-on-Sea, Essex, SS9 2LP.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the 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) (Charities SORP (FRS 102)) and the Companies Act 2006.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through income or expenditure.

The financial statements are prepared in sterling, which is the functional currency of the entity.

St. Michael's School (Leigh-On-Sea) Limited meets the definition of a public benefit entity under FRS102.

Going concern

The trustees have considered the impact of the covid-19 pandemic in their assessment of the company's ability to prepare accounts as a going concern. Because of the uncertainties surrounding the longer term effects of COVID on the economy it is difficult to predict the impact on the company, but having taken all the factors into account, the trustees are of the opinion that the company has sufficient resources to continue trading for the next 12 months from the date of signing these accounts.

ST. MICHAEL'S SCHOOL (LEIGH-ON-SEA) LIMITED

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 August 2021

3. Accounting policies *(continued)*

Fund accounting

Funds held by the charity are either:

Unrestricted general funds - these are funds which can be used in accordance with the charitable objectives at the discretion of the trustees.

Designated funds - these are funds set aside by the trustees out of unrestricted funds for specific future purposes or projects. These are detailed in the financial statements.

Restricted funds - these are funds that can only be used for particular restricted purposes within the objectives of the charity. There are no such funds within this charity.

Incoming resources

All income is included in the statement of financial activities when entitlement has passed to the charity, it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.

- income from donated goods is measured at the fair value of the goods unless this is impractical to measure reliably, in which case the value is derived from the cost to the donor or the estimated resale value. Donated facilities and services are recognised in the accounts when received if the value can be reliably measured. No amounts are included for the contribution of general volunteers.

- income for the supply of educational services is recognised as delivered and is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

Resources expended

All expenditure on the running of the school is considered by the trustees to be either directly related to its one charitable activity and is accounted for on an accruals basis, or related to general costs relating to the administering of the charity which are included under governance costs. The irrecoverable element of VAT is included with the related item of expense.

ST. MICHAEL'S SCHOOL (LEIGH-ON-SEA) LIMITED

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 August 2021

3. Accounting policies *(continued)*

Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other recognised gains and losses, unless it reverses a charge for impairment that has previously been recognised as expenditure within the statement of financial activities. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other recognised gains and losses, except to which it offsets any previous revaluation gain, in which case the loss is shown within other recognised gains and losses on the statement of financial activities.

Depreciation

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

Fixtures & Fittings	- 20% straight line
Other Equipment	- 33% straight line
Computer Equipment	- 33% straight line
Library Demountable	- 10% straight line

Freehold property

Freehold property is initially recorded at cost, which includes purchase price and any directly attributable expenditure. Freehold property is revalued to its fair value at each reporting date and any changes in fair value are recognised in profit or loss.

If a reliable measure of fair value is no longer available without undue cost or effort for an item of freehold property, it shall be transferred to tangible assets and treated as such until it is expected that fair value will be reliably measurable on an on-going basis.

Debtors

Trade and other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid.

ST. MICHAEL'S SCHOOL (LEIGH-ON-SEA) LIMITED

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 August 2021

3. Accounting policies *(continued)*

Creditors

Creditors 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 are normally recognised at their settlement amount.

Cash

Cash at bank consists of cash held in bank accounts and cash in hand.

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

Stocks

Stocks are measured at the lower of cost and estimated selling price and relate to sundry items and stationery.

Financial instruments

The charitable company 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.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as an expense in the period in which it arises.

ST. MICHAEL'S SCHOOL (LEIGH-ON-SEA) LIMITED

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 August 2021

3. Accounting policies *(continued)*

Defined benefit plan

The TPS is an unfunded scheme and contributions are calculated to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary based on quadrennial valuations using a prospective unit credit method. TPS is an unfunded multiemployer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

4. Limited by guarantee

In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity whilst he or she is a member or within one year thereafter.

5. Donations and grants

	Unrestricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Total Funds 2020 £
Donations				
Donations	500	500	—	—
Grants				
Job Retention Scheme	29,238	29,238	123,015	123,015
	<u>29,738</u>	<u>29,738</u>	<u>123,015</u>	<u>123,015</u>

6. Charitable activities

	Unrestricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Total Funds 2020 £
School tuition fees	2,554,038	2,554,038	2,270,090	2,270,090
Registration fees	2,990	2,990	2,350	2,350
Miscellaneous school income	8,446	8,446	4,177	4,177
	<u>2,565,474</u>	<u>2,565,474</u>	<u>2,276,617</u>	<u>2,276,617</u>

7. Investment income

	Unrestricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Total Funds 2020 £
Bank interest receivable	59	59	624	624

ST. MICHAEL'S SCHOOL (LEIGH-ON-SEA) LIMITED

Company Limited by Guarantee

Notes to the Financial Statements (continued)

Year ended 31 August 2021

8. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Total Funds 2020 £
School running costs	2,393,031	2,393,031	2,082,102	2,082,102
Support costs	318,294	318,294	302,528	302,528
	<u>2,711,325</u>	<u>2,711,325</u>	<u>2,384,630</u>	<u>2,384,630</u>

9. Expenditure on charitable activities by activity type

	Activities undertaken directly £	Support costs £	Total funds 2021 £	Total fund 2020 £
School running costs	2,393,031	250,128	2,643,159	2,324,950
Governance costs	—	68,166	68,166	59,680
	<u>2,393,031</u>	<u>318,294</u>	<u>2,711,325</u>	<u>2,384,630</u>

10. Net (expenditure)/income

Net (expenditure)/income is stated after charging/(crediting):

	2021 £	2020 £
Depreciation of tangible fixed assets	<u>28,314</u>	<u>35,059</u>

11. Auditors remuneration

	2021 £	2020 £
Fees payable for the audit of the financial statements	<u>9,355</u>	<u>6,837</u>

12. Staff costs

The total staff costs and employee benefits for the reporting period are analysed as follows:

	2021 £	2020 £
Wages and salaries	1,621,198	1,608,244
Social security costs	144,913	138,825
Employer contributions to pension plans	265,794	258,823
	<u>2,031,905</u>	<u>2,005,892</u>

The average head count of employees during the year was 84 (2020: 88).

ST. MICHAEL'S SCHOOL (LEIGH-ON-SEA) LIMITED

Company Limited by Guarantee

Notes to the Financial Statements (continued)

Year ended 31 August 2021

12. Staff costs (continued)

The number of employees whose remuneration for the year fell within the following bands, were:

	2021 No.	2020 No.
£60,000 to £69,999	2	–
£70,000 to £79,999	1	1
	<u>3</u>	<u>1</u>

Key Management Personnel

Key management personnel include all persons that have authority and responsibility for planning, directing and controlling the activities of the charity. The total compensation paid to key management personnel for services provided to the charity was £255,076 (2020: £236,651).

13. Trustee remuneration and expenses

During the year £950 was gifted to Father David (2020 - £900). No other trustees received any remuneration or reimbursement of expenses during the year.

14. Tangible fixed assets

	Freehold land and property £	Fixtures and fittings £	Other equipment £	Computer equipment £	Library demountable £	Total £
Cost or valuation						
At 1 Sep 2020	558,085	34,051	82,444	105,638	85,728	865,946
Additions	–	8,850	12,000	3,172	–	24,022
Disposals	–	–	(36,688)	(1,541)	–	(38,229)
At 31 Aug 2021	<u>558,085</u>	<u>42,901</u>	<u>57,756</u>	<u>107,269</u>	<u>85,728</u>	<u>851,739</u>
Depreciation						
At 1 Sep 2020	–	30,288	80,957	85,305	25,719	222,269
Charge for the year	–	2,045	2,948	14,749	8,572	28,314
Disposals	–	–	(36,688)	(1,541)	–	(38,229)
At 31 Aug 2021	<u>–</u>	<u>32,333</u>	<u>47,217</u>	<u>98,513</u>	<u>34,291</u>	<u>212,354</u>
Carrying amount						
At 31 Aug 2021	<u>558,085</u>	<u>10,568</u>	<u>10,539</u>	<u>8,756</u>	<u>51,437</u>	<u>639,385</u>
At 31 Aug 2020	<u>558,085</u>	<u>3,763</u>	<u>1,487</u>	<u>20,333</u>	<u>60,009</u>	<u>643,677</u>

Tangible fixed assets held at valuation

Included within freehold land and buildings is land that was revalued to £70,000 on 23rd May 2018 by Bruton Knowles, an independent valuer. The historical cost of the freehold land is £66,727.

ST. MICHAEL'S SCHOOL (LEIGH-ON-SEA) LIMITED

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 August 2021

15. Stocks

	2021	2020
	£	£
Stock	<u>4,055</u>	<u>4,539</u>

16. Debtors

	2021	2020
	£	£
Prepayments and accrued income	53,182	45,712
School fees	<u>75,879</u>	<u>40,391</u>
	<u>129,061</u>	<u>86,103</u>

17. Creditors: amounts falling due within one year

	2021	2020
	£	£
Bank loans and overdrafts	34,782	26,257
Trade creditors	25,699	14,367
Accruals and deferred income	270,905	217,501
Social security and other taxes	37,221	34,520
Returnable deposits	68,000	73,500
Other creditors	<u>1,578</u>	<u>2,814</u>
	<u>438,185</u>	<u>368,959</u>

Included within accruals and deferred income is deferred income relating to school fees received in advance for the next year.

18. Creditors: amounts falling due after more than one year

	2021	2020
	£	£
Bank loans and overdrafts	<u>211,723</u>	<u>242,855</u>

Included within creditors: amounts falling due after more than one year is an amount of £73,809 (2020: £101,047) in respect of liabilities payable or repayable by instalments which fall due for payment after more than five years from the reporting date.

The bank loan is secured by charge over the property dated 29 October 2018 with a carrying amount of £488,085 in the balance sheet.

ST. MICHAEL'S SCHOOL (LEIGH-ON-SEA) LIMITED

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 August 2021

19. Pensions and other post retirement benefits

Teachers Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for teachers. All teachers have the option to opt-out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary - these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016 at which time employer contribution rates were set at 23.68% of pensionable pay (including a 0.08% administration levy) effective from 2019. The valuation report was published by the Department for Education on 5 March 2019. A copy of the valuation report and supporting documentation is on the Teachers Pension website.

The next valuation result is due to be implemented from 1 April 2023.

The employer's pension costs paid to the TPS in the period amounted to £218,428 (2020: £210,266).

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. St Michael's school has accounted for its contributions to the scheme as if it were a defined contribution scheme.

Defined contribution schemes

The amount recognised in the statement of financial activities in relation to defined contribution plan was £47,366 (2020: £48,557).

ST. MICHAEL'S SCHOOL (LEIGH-ON-SEA) LIMITED

Company Limited by Guarantee

Notes to the Financial Statements (continued)

Year ended 31 August 2021

20. Analysis of charitable funds

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers £	Balance at 31 August 2021 £
Designated Fund					
Public Benefit	100,000	—	(49,517)	24,517	75,000
General Funds	427,567	2,595,271	(2,661,808)	(24,517)	336,513
Total	527,567	2,595,271	(2,711,325)	—	411,513

Designated funds include a reserve against which the annual costs of fulfilling public benefit are charged. The charge in the year amounted to £49,517 (2020: £36,111). Following a review of charges against this reserve in prior years, an amount of £24,517 was transferred from general funds to top-up the reserve to £75,000.

21. Analysis of net assets between funds

	Tangible fixed assets £	Other net assets £	Total £
Unrestricted Income Funds:			
Designated funds		75,000	75,000
General funds	639,385	(302,872)	336,513
Total funds	639,385	(227,872)	411,513

22. Analysis of changes in net debt

	At 1 Sep 2020 £	Cash flows £	At 31 Aug 2021 £
Cash at bank and in hand	405,062	(116,142)	288,920
Debt due within one year	(26,257)	(8,525)	(34,782)
Debt due after one year	(242,855)	31,132	(211,723)
	135,950	(93,535)	42,415

23. Operating lease commitments

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2021 £	2020 £
Not later than 1 year	28,273	11,988
Later than 1 year and not later than 5 years	78,726	—
	106,999	11,988

ST. MICHAEL'S SCHOOL (LEIGH-ON-SEA) LIMITED

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 August 2021

24. Related parties

During the year the charity entered into the following transactions with related parties:

	Transaction value		Balance owed by/(owed to)	
	2021 £	2020 £	2021 £	2020 £
Other related parties	—	(2,585)	—	—

ST. MICHAEL'S SCHOOL (LEIGH-ON-SEA) LIMITED

Company Limited by Guarantee

Management Information

Year ended 31 August 2021

The following pages do not form part of the financial statements.

ST. MICHAEL'S SCHOOL (LEIGH-ON-SEA) LIMITED

Company Limited by Guarantee

Detailed Statement of Financial Activities

Year ended 31 August 2021

	2021 £	2020 £
Income and endowments		
Donations and grants		
Donations	500	—
Job Retention Scheme	29,238	123,015
	<u>29,738</u>	<u>123,015</u>
Charitable activities		
School tuition fees	2,554,038	2,270,090
Registration fees	2,990	2,350
Miscellaneous school income	8,446	4,177
	<u>2,565,474</u>	<u>2,276,617</u>
Investment income		
Bank interest receivable	59	624
	<u>59</u>	<u>624</u>
Total income	<u>2,595,271</u>	<u>2,400,256</u>

ST. MICHAEL'S SCHOOL (LEIGH-ON-SEA) LIMITED

Company Limited by Guarantee

Detailed Statement of Financial Activities *(continued)*

Year ended 31 August 2021

	2021 £	2020 £
Expenditure on charitable activities		
<i>Activities undertaken directly</i>		
Education budget	45,155	40,281
Wages and salaries	1,471,398	1,455,383
Employer's NIC	129,826	123,874
Pension costs	244,787	238,133
Sports hire and transport costs	6,735	6,080
Rates and water	11,299	9,948
Light and heat	25,415	14,218
Premises expenditure, repairs and maintenance	43,415	23,154
Insurance	25,997	26,452
Depreciation	28,314	35,059
Discretionary bursaries and public benefit	49,517	36,111
Rentals and licences	2,274	2,717
Computer maintenance and software	46,778	38,156
Equipment and books for resale	996	1,977
Household supplies	8,748	7,541
Catering costs	95,590	—
Sundry school expenses	4,125	3,078
Bad debts	10,495	1,976
Remodelling classrooms	142,167	17,964
	<u>2,393,031</u>	<u>2,082,102</u>
<i>Support costs</i>		
Office wages and salaries	149,800	152,861
Employer's NIC	15,087	14,951
Pension costs	21,007	20,690
Telephone	6,009	6,174
Printing, postage and stationery	30,481	30,006
Subscription fees	8,312	7,899
Recruitment	2,983	2,145
Marketing, advertising and prospectus costs	13,657	7,369
School representation	2,792	753
	<u>250,128</u>	<u>242,848</u>

ST. MICHAEL'S SCHOOL (LEIGH-ON-SEA) LIMITED

Company Limited by Guarantee

Detailed Statement of Financial Activities *(continued)*

Year ended 31 August 2021

	2021 £	2020 £
Governance costs		
Governance costs - accountancy fees	3,037	2,186
Governance costs - audit fees	9,355	6,837
Legal and professional fees	34,191	28,069
Trustees indemnity insurance	748	751
Bank charges and loan interest	16,460	15,720
Sundry administration expenses	4,375	6,117
	<u>68,166</u>	<u>59,680</u>
 Expenditure on charitable activities	 <u>2,711,325</u>	 <u>2,384,630</u>
 Net (expenditure)/income	 <u>(116,054)</u>	 <u>15,626</u>