

EC

COMPANY REGISTRATION NUMBER: 1489366
CHARITY REGISTRATION NUMBER: 280688

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

Company Limited by Guarantee

Financial Statements

31 August 2023

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 2023

	Page
Trustees' annual report (incorporating the director's report)	1
Independent auditor's report to the members	18
Statement of financial activities (including income and expenditure account)	24
Statement of financial position	25
Statement of cash flows	27
Notes to the financial statements	28
The following pages do not form part of the financial statements	
Detailed statement of financial activities	41
Notes to the detailed statement of financial activities	42

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

Company Limited by Guarantee

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

Year ended 31 August 2023

The trustees, who are also directors for the purposes of company law, present their report and the financial statements of the charity for the year ended 31 August 2023.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered charity name	ST. MICHAEL'S SCHOOL (LEIGH-ON-SEA) LIMITED
Charity registration number	280688
Company registration number	1489366
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 F Macleod	
Mrs S Minnis	
Mr S Mills	
Dr V Shaw	
Mr M Stennett	Chair of Governors
Mrs H Tetchner	Appointed 28 November 2022
Fr D. Wylie	

Secretary	Karen Orwell
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Auditor	Edmund Carr LLP Chartered Accountants & Statutory Auditor 146 New London Road Chelmsford Essex CM2 0AW
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Bankers	HSBC Bank PLC 48 High Street Rayleigh Essex SS6 7JH
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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 2023

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 2023 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), the Independent School's Association (ISA) and the Independent Schools Council (ISC).

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 2023

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.

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.

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

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 2023

Charitable Objects, Aims and Intended Impact *(continued)*

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 and 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 and 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
- 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.

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 2023

Our Objectives (continued)

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 is 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 self-confidence and instil a desire to contribute to the wider community.

The average number of children in school for the year was 250 (2022: 254) Pupil numbers at the start of the new academic year grew from 244 to 254 by the end of the year.

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. 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 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 2023

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, to widen the access to the education we offer.

The School continues to accept the Government's 15-20 hrs of free childcare. This supportive funding is greatly appreciated by the parents of children in our Early Years.

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 three children benefited from partial bursaries. An additional four 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 premis where there is a compelling reason to admit pupils. In addition, 15 pupils who were children of staff were eligible for a reduction in school fees.

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 2023

(i) Bursaries *(continued)*

We remain committed to our bursary policy and this year the Public Benefit charge amounted to £39,586 (2022: £52,346). We have therefore allocated £39,586 from General Reserves to top-up the Designated Fund, bringing the year-end fund balance to £75,000.

(ii) Teaching Links and Community Partnerships

For the past hundred years, St. Michael's has prided itself on its strong links between the school and local communities.

In April 2022, we partnered with a local creative arts company on an exciting new project. Kim Davies, a local artist, was commissioned to design and paint a mural for our library wall. The children were all involved with the painting and we are very grateful to Create 98 for their generous support on this project. The mural was unveiled on St Michael's Day, 29th September 2022 by Mrs Rebecca Cottrell, wife of the Archbishop of York, which also marked the beginning of our year-long Centenary celebrations.

As part of our community partnerships our children have the opportunity to worship alongside members of the local Parish by attending services at St. Margaret's Church in Leigh. They also learn about other religions from children's family members visiting the school to talk about their own traditions and beliefs. Our senior choir also perform at a number of church services, most notably at the Remembrance Services.

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.

(iii) Charities

The school's focus on charitable giving and making a difference encourages children to think of others. Charitable events supported by the school include its Harvest Festival celebrations with parents donating food to the local Foodbanks, British Legion for Remembrance, Children's Society at Christingle and local charities, which are decided upon by the school council. Children take the lead on charitable opportunities they feel passionate about and our school council enjoys the responsibility of suggesting charities and how the school undertakes fundraising.

(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.

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 2023

(iv) Other Policies on Assistance *(continued)*

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.

REVIEW OF THE YEAR

1922-2022 – St Michael's Centenary Year

The School began its Centenary year celebrations on Thursday 29th, September, St Michael's Day when we were joined by our guest of honour Mrs Rebecca Cottrell, a former Deputy Head Girl. Mrs Cottrell was joined by her husband the Most Reverend Stephen Cottrell, the Archbishop of York, together with Southend's Mayor and Mayoress, our local MP Anna Firth, and other dignitaries including Governors past and present as well as former Heads. The mural painted by a local artist, Kim Davey, in collaboration with Christine Wyatt, founder of Create 98 (an organisation who engage with artists to offer a wide and diverse range of classes and courses for children across Essex), was officially opened following our morning parade and Mass. Kim and Christine were with us as Mrs Cottrell cut the ribbon.

September saw the launch of the 100 Book Challenge and 100 Personal Challenges. Children were tasked with reading up to 100 books as well as completing 100 challenges where a sense of achievement or helpfulness was met.

In October children travelled back in time for a day to the 1920's. Teachers donned robes and children were each given a mini blackboard and chalk to use. A number of other events were carried out during the course of the year, a Hundred-day maths challenge, a Centenary concert, a theatre visit, together with a very special visit from Sister Grace who taught at St Michael's before the Sisters of the Order of the Holy Paraclete moved to Whitby in 1976.

We were also extremely proud of one of our Year 6 pupils who was selected to represent St Michael's in the first in-person Children's Parliament. An initiative that was started by the late MP for Southend, Sir David Amess. Our pupil subsequently went on to be elected as the first ever Prime Minister of the Children's Parliament.

As well as academic success, our children excelled in art, dance, drama, music and sport. In art, one Year 6 pupil was selected to feature in a special episode of Sky Arts Portrait Artist of the Year. This particular pupil also went on to win funds for the school when she entered a Carbon Monoxide (CO) safety competition organised by Cadent, who were calling for young people to help spread the word on the dangers of carbon monoxide. Pupils in the upper Prep school have been awarded places at the Royal Ballet as well as at Tring Park School for the Performing Arts, whilst other pupils have been performing on the West End Stage. All Year 3-6 pupils in the LAMDA extra-curricular drama club took their examinations in the school's drama studio in the Trinity Term, with all of them achieving a Distinction. In music, children have taken part in the Young Voices concerts at the O2 in London as well as local music festivals. In sport, we have been awarded the most improved school of the year out the whole of Southend Borough.

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 2023

REVIEW OF THE YEAR *(continued)*

The curriculum at St. Michael's is broad and varied. It aligns with the national curriculum for key subjects to ensure consistent development and experience in line with those in different settings. However, we utilise our freedom to further develop and enrich this provision, ensuring children are offered a curriculum which surpasses that required by the national curriculum. The specialist teachers, teaching rooms and range of subjects covered ensures that our learners are provided with a vast range of learning experiences. Children develop skills for life, along with subject knowledge, and the structure of our Prep department ensures that children are well prepared for their next step into secondary education. As a school, we have continued to invest in technology for the children to access and promote effective teaching and learning.

Our curriculum offers stretch and challenge to learners at all levels. Planning is regularly monitored and reviewed to ensure that lesson content is up to date, engaging and inspiring.

Our extra-curricular provision, which is included within our school fees, provides children with opportunities to identify, nurture and extend their talents further.

Pupils' progress is regularly monitored through informal and formal assessments. Pupils' attainment of curriculum objectives (Reception - Y6) is collectively assessed as either target, working towards, met or exceeding, half termly. This assessment closely mirrors the EYFS scale with Working Towards and Met being the equivalent of lower and upper levels of the Expected grade in EYFS. Mid-year GL Assessments (externally marked) allow children's progress to be tracked year on year. Participation in End of Key Stage 2 SATS also provides opportunity for pupil performance to be evaluated in relation to national norms.

We feel that children are successful in their learning when they can demonstrate that they are 'active learners', therefore all teaching staff received 'Active Learning' training in January 2023.

Children who are able to concentrate, persevere and enjoy learning are successful learners. Similarly, children who are confident to play, explore, investigate and 'have a go' are successful learners.

Children who are able to make links in their learning and are able to use strategies and ideas of their own are successful learners. Children who are engaged, keen and able to share their learning with others can be deemed as successful learners. Whilst these skills may play some part in formal examinations, these successes are best measured through observation and discussion with the children themselves. We measure success through children's independence and through their critical thinking.

Within the curriculum, much emphasis is placed upon providing information about different cultures and encouraging a positive attitude and high level of respect for different people's views. Staff utilise our school diversity calendar to further ensure that our curriculum takes our children beyond their own personal experiences.

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 2023

REVIEW OF THE ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR

Selection test information for 2023 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 English and the corresponding age adjustments were made.

74% of pupils sitting a selection test were successful in gaining a selective place. This equates to 23 pupils, out of 31 who chose to sit a selection test for secondary school entry, gaining selective places.

Destination Schools September 2023

School	No. of pupils	School	No. of pupils
Southend High School for Girls	5	Southend High School for Boys	5
Westcliff High School for Girls	8	Shoeburyness High School	1
St Thomas More High School for Boys	1	King Edward VI Grammar School	2
Belfairs Academy	2	Chelmsford High School for Girls	1
The King John School	4	Thorpe Hall School	10

Academic Results for Year 6

Mathematics

Reaching 100 + (expected level)	National	Difference	Reaching 110+ (Greater depth)	National	Difference	Average point score	National	Difference
85%	73%	+ 12	44%	24%	+20	108	104	+4

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 2023

REVIEW OF THE ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR *(continued)*

85% of pupils met the expected level compared to 73% nationally.
44% of pupils met the greater depth compared to 24% nationally.
The average scaled score of pupils was 4 marks higher than the national average.

Reading

Reaching 100 + (expected level)	National	Difference	Reaching 110+ (Greater depth)	National	Difference	Average point score	National	Difference
87%	73%	+14	44%	29%	+15	108.6	105	+3.6

87% of pupils met the expected level compared to 73% nationally.
44% of pupils met the greater depth compared to 29% nationally.
The average scaled score of pupils was 3.6 marks higher than the national average.

Spelling, Punctuation and Grammar

Reaching 100 + (expected level)	National	Difference	Reaching 110+ (Greater depth)	National	Difference	Average point score	National	Difference
92%	72%	+20	54%	30%	+24	109.5	105	+4.5

92% of pupils met the national average compared to 72% nationally.
54% of pupils met the greater depth compared to 30% nationally.
The average scaled score of pupils was 4.5 marks higher than the national average.

Writing

Writing levels are based on externally moderated teacher assessment, not a test, so therefore no average point score is available.

Reaching expected level	National	Difference	Reaching Greater depth	National	Difference
92%	71%	+21	28%	13%	+15

92% of pupils met the national average compared to 71% nationally.
28% of pupils met the greater depth compared to 13% nationally.

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 2023

REVIEW OF THE ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR *(continued)*

Combined Mathematics, Reading and Writing Scores

Reaching expected level in all three areas:	National	Difference	Reaching Greater depth in all three areas:	National	Difference
79%	59%	+20	23%	8%	15%

79% of pupils reached the expected level in all three areas of reading, writing and maths, compared to 59% nationally.

23% of pupils met the greater depth in all three areas of reading, writing and maths, compared to 8% nationally

Other Key Achievements of 2022/2023:

- Continued listing in The Times **Top 50** Independent Preparatory Schools (Ranked 26 – 2023).
- **Shortlisted** for the Independent Schools of the Year Awards 2023 for Outstanding Fundraising.
- **Highly Commended** in the Muddy Stiletto School Awards 2023 in the Giving Something Back Category.
- A Year 6 pupil became the first **Junior Prime Minister** of the Children's Parliament created by the late Sir David Ames.
- **28** pupils across Years 3-6 who took their 2023 LAMDA exams passed with **Distinction**.
- A Year 4 pupil won **Gold** at the Dance World Cup 2023 in Portugal and is the new ballet soloist world champion.
- The same ballet champion appeared in the **Royal Ballet's** production of Cinderella at the Royal Opera House.
- A Year 6 pupil was only one of six pupils nationwide selected to take part in **Sky Arts Portrait Artist of the Year**.
- The School won an impressive **12 medals** in total, with a Year 4 pupil achieving the **highest number** of points across all gymnastic elements at the SPSSA Borough Gymnastics Competition.
- Achieved **Gold** (U10 Girls) and **Bronze** (U10 Mixed) in the ERS School Ski Race 2023.
- Head of Art, Mrs Hankey was chosen to exhibit at the **prestigious** Wells Cathedral Art Contemporary Exhibition 2023.
- A group of Year 5 pupils won a **coveted place** in the River of Hope competition with our design for a commemorative flag to celebrate the Queen's Platinum Jubilee.

ISI Inspections

In March this year, the School was inspected by the Independent School's Inspectorate. The Focused Compliance inspection was combined with an inspection of Educational Quality.

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 2023

Key Educational Quality Findings:

The Educational Quality inspection reports on the quality of the School's work, and focused on two key outcomes: 1) the achievement of the pupils, including their academic development, and 2) the personal development of the pupils. The results of their assessment were:

- Quality of the pupils' academic and other achievements – EXCELLENT
- Quality of the pupils' personal development – EXCELLENT

Key Compliance Findings:

The School meets all the standards of the Education (Independent School Standards) Regulations 2014 and the relevant framework for the EYFS and associated requirements. The results of their assessment were:

- Quality of education provided – MET
- Spiritual, moral, social and cultural development of pupils – MET
- Welfare, health and safety of pupils – MET
- Suitability of staff, supply staff and proprietors – MET
- Premises of and accommodation at schools – MET
- Provision of information – MET
- Manner in which complaints are handled – MET
- Quality of leadership in and management of schools – MET

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 £2,896,666 against total expenditure of £2,844,906. 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. Following losses incurred in the previous two years due to expenditure on improvements to both the fabric of the building as well as the purchase of significant IT resources, the Governors are pleased to record a surplus of £51,760. This despite an increase in School representation costs due to an increase in the number of sporting fixtures, and an increase in the bad debt provision, as more parents struggle to manage their finances.

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 2023

Reserves policy and risk management

Reserves Policy: The school's overall reserves increased during the year by £163,675 as a result of a £51,760 net surplus and a £111,915 revaluation gain. Total General Reserves now stand at £485,399 (£321,724: 2022) 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 £750,000, 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 2023 to manage those risks successfully.

Investment Policy: The Governing Body remains vigilant and continues to review the Charity's investment strategy, taking an integrated approach to risk management. A majority of the Charity's reserves are tied up in property. Cashflow thus remains a key focus of the Finance Committee, while efforts are also ongoing 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, and are reviewed annually to ensure the management procedures in place are as robust as possible. The principal risks to the School at present are:

1. Significant reduction in pupils due to, for example, the affordability of fees, recession, and the continued decline in birth rates;
2. Potential financial pressure due to increase in costs, such as the removal of charitable relief on business rates, and the imposition of VAT on school fees.

The Governors have assessed the major risks to which the charity is exposed, in particular those relating to the specific operational areas of the charity, its assets, its investments and its finances. The Governors believe that by monitoring borrowing and reserve levels, by ensuring controls exist over key financial systems, and by examining the operational and business risks faced by the charity, they have established effective systems to mitigate those risks. Emphasis has been placed on certain key risks so that the chances of occurrence are minimised at source. For example, action was taken at the beginning of the year to protect the interests of the charity in relation to the April 2024 increase in employers' contribution rate for staff who are members of the Teachers' Pension Scheme.

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.

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 2023

Future Plans *(continued)*

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

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 2023

TRUSTEES' RESPONSIBILITIES STATEMENT

The trustees (who are also the directors of St. Michael's School (Leigh-on-Sea) Limited for the purposes of company law) are responsible for preparing the Trustees Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and 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 the Charities SORP;
- make judgements and accounting estimates that are reasonable and prudent; 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 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.

AUDITOR

Edmund Carr LLP are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

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

- so far as each trustee is aware, there is no relevant audit information of which the charity's auditor is unaware; and
- each trustee has 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.

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 2023

SMALL COMPANY PROVISIONS

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

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

Signed by order of the trustees



Karen Orwell
Charity Secretary

04/12/23

Date

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 2023

Opinion

We have audited the financial statements of ST. MICHAEL'S SCHOOL (LEIGH-ON-SEA) LIMITED (the 'charity') for the year ended 31 August 2023 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 2023 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 2023

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 2023

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.

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 2023

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.

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.

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 2023

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 2023

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

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

08.12.2023

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 2023

		2023		2022
		Unrestricted funds	Total funds	Total funds
	Note	£	£	£
Income and endowments				
Donations and grants	5	8	8	500
Charitable activities	6	2,886,679	2,886,679	2,821,594
Fundraising activities	7	8,468	8,468	—
Investment income	8	1,511	1,511	14
Total income		<u>2,896,666</u>	<u>2,896,666</u>	<u>2,822,108</u>
Expenditure				
Expenditure on charitable activities	9,10	2,833,307	2,833,307	2,899,937
Other expenditure	11	11,599	11,599	11,960
Total expenditure		<u>2,844,906</u>	<u>2,844,906</u>	<u>2,911,897</u>
Net income/(expenditure)		<u>51,760</u>	<u>51,760</u>	<u>(89,789)</u>
Other recognised gains and losses				
Gains from revaluation of fixed assets		111,915	111,915	—
Net movement in funds		<u>163,675</u>	<u>163,675</u>	<u>(89,789)</u>
Reconciliation of funds				
Total funds brought forward		321,724	321,724	411,513
Total funds carried forward		<u>485,399</u>	<u>485,399</u>	<u>321,724</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 28 to 39 form part of these financial statements.

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

Company Limited by Guarantee

Statement of Financial Position

31 August 2023

	Note	2023 £	£	2022 £	£
Fixed assets					
Tangible fixed assets	16		750,198		664,525
Current assets					
Stocks	17	3,500		4,092	
Debtors	18	72,573		115,963	
Cash at bank and in hand		287,907		189,757	
		<u>363,980</u>		<u>309,812</u>	
Creditors: amounts falling due within one year	19	<u>452,827</u>		<u>438,466</u>	
Net current liabilities			<u>88,847</u>		<u>128,654</u>
Total assets less current liabilities			<u>661,351</u>		<u>535,871</u>
Creditors: amounts falling due after more than one year	20		<u>175,952</u>		<u>214,147</u>
Net assets			<u>485,399</u>		<u>321,724</u>
Funds of the charity					
Unrestricted funds:					
Revaluation reserve		115,188		-	
Other unrestricted income funds		<u>370,211</u>		<u>321,724</u>	
Total unrestricted funds		<u>485,399</u>		<u>321,724</u>	
Total charity funds	22		<u>485,399</u>		<u>321,724</u>

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

The statement of financial position
continues on the following page.

The notes on pages 28 to 39 form part of these financial statements.

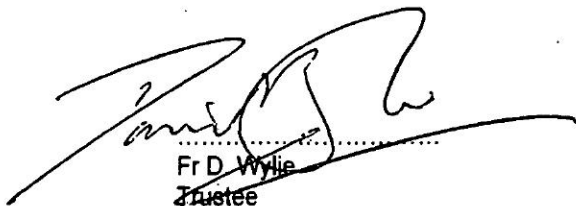
ST. MICHAEL'S SCHOOL (LEIGH-ON-SEA) LIMITED

Company Limited by Guarantee

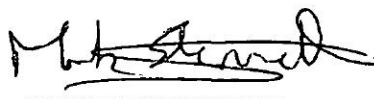
Statement of Financial Position *(continued)*

31 August 2023

These financial statements were approved by the board of trustees and authorised for issue on 4/12/23, 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 28 to 39 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 2023

	2023 £	2022 £
Cash flows from operating activities		
Net income/(expenditure)	51,760	(89,789)
<i>Adjustments for:</i>		
Depreciation of tangible fixed assets	29,323	40,398
Other interest receivable and similar income	(1,511)	(14)
Interest payable and similar charges	10,970	6,894
Accrued expenses/(income)	5,548	(23,163)
<i>Changes in:</i>		
Stocks	592	(37)
Trade and other debtors	43,390	13,098
Trade and other creditors	(295)	54,352
Cash generated from operations	139,777	1,739
Interest paid	(10,970)	(6,894)
Interest received	1,511	14
Net cash from/(used in) operating activities	<u>130,318</u>	<u>(5,141)</u>
Cash flows from investing activities		
Purchase of tangible assets	(3,081)	(65,598)
Proceeds from sale of tangible assets	—	60
Net cash used in investing activities	<u>(3,081)</u>	<u>(65,538)</u>
Cash flows from financing activities		
Proceeds from borrowings	(29,087)	(28,484)
Net cash used in financing activities	<u>(29,087)</u>	<u>(28,484)</u>
Net increase/(decrease) in cash and cash equivalents	98,150	(99,163)
Cash and cash equivalents at beginning of year	189,757	288,920
Cash and cash equivalents at end of year	<u>287,907</u>	<u>189,757</u>

The notes on pages 28 to 39 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 2023

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

There are no material uncertainties about the charity's ability to continue.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Taxation

The company, as a charitable company, is not liable for assessment to taxation on its results to the extent that these are applied to its charitable objects.

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

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 August 2023

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 2023

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. Assets costing £500 or more are capitalised. 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 is recognised in the revaluation reserve.

If a reliable measure of fair value is not 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 2023

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 2023

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 2023 £	Unrestricted Funds £	Total Funds 2022 £
Donations	8	8	500	500

6. Charitable activities

	Unrestricted Funds £	Total Funds 2023 £	Unrestricted Funds £	Total Funds 2022 £
School tuition fees	2,860,860	2,860,860	2,799,210	2,799,210
Registration fees	3,600	3,600	3,960	3,960
Miscellaneous school income	22,219	22,219	18,424	18,424
	<u>2,886,679</u>	<u>2,886,679</u>	<u>2,821,594</u>	<u>2,821,594</u>

7. Fundraising activities

	Unrestricted Funds £	Total Funds 2023 £	Unrestricted Funds £	Total Funds 2022 £
Fundraising events	8,468	8,468	—	—

8. Investment income

	Unrestricted Funds £	Total Funds 2023 £	Unrestricted Funds £	Total Funds 2022 £
Bank interest receivable	1,511	1,511	14	14

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

Company Limited by Guarantee

Notes to the Financial Statements (continued)

Year ended 31 August 2023

9. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Total Funds 2023 £	Unrestricted Funds £	Total Funds 2022 £
School running costs	2,504,973	2,504,973	2,562,873	2,562,873
Support costs	328,334	328,334	337,064	337,064
	<u>2,833,307</u>	<u>2,833,307</u>	<u>2,899,937</u>	<u>2,899,937</u>

10. Expenditure on charitable activities by activity type

	Activities undertaken directly £	Support costs £	Total funds 2023 £	Total fund 2022 £
School running costs	2,504,973	271,393	2,776,366	2,823,490
Governance costs	—	56,941	56,941	76,447
	<u>2,504,973</u>	<u>328,334</u>	<u>2,833,307</u>	<u>2,899,937</u>

11. Other expenditure

	Unrestricted Funds £	Total Funds 2023 £	Unrestricted Funds £	Total Funds 2022 £
Bank and merchant charges	<u>11,599</u>	<u>11,599</u>	<u>11,960</u>	<u>11,960</u>

12. Net income/(expenditure)

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

	2023 £	2022 £
Depreciation of tangible fixed assets	<u>29,323</u>	<u>40,398</u>

13. Auditors remuneration

	2023 £	2022 £
Fees payable for the audit of the financial statements	8,380	8,500
Other services	<u>2,660</u>	<u>3,122</u>

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

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 August 2023

14. Staff costs

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

	2023	2022
	£	£
Wages and salaries	1,724,976	1,719,973
Social security costs	155,925	158,636
Employer contributions to pension plans	284,827	288,800
	<u>2,165,728</u>	<u>2,167,409</u>

The average head count of employees during the year was 86 (2022: 94).

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

	2023	2022
	No.	No.
£60,000 to £69,999	2	3
£70,000 to £79,999	1	—
	<u>3</u>	<u>3</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 £276,774 (2022: £263,266).

15. Trustee remuneration and expenses

During the year £1,000 was gifted to Father David (2022 - £1,000). No other trustees received any remuneration or reimbursement of expenses during the year.

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

Company Limited by Guarantee

Notes to the Financial Statements (continued)

Year ended 31 August 2023

16. Tangible fixed assets

	Freehold land and property £	Fixtures and fittings £	Other equipment £	Computer equipment £	Library dismountable £	Total £
Cost or valuation						
At 1 Sep 2022	558,085	108,263	57,756	107,269	85,728	917,101
Additions	—	3,081	—	—	—	3,081
Revaluations	111,915	—	—	—	—	111,915
At 31 Aug 2023	670,000	111,344	57,756	107,269	85,728	1,032,097
Depreciation						
At 1 Sep 2022	—	52,979	51,216	105,517	42,864	252,576
Charge for the year	—	15,435	3,999	1,316	8,573	29,323
At 31 Aug 2023	—	68,414	55,215	106,833	51,437	281,899
Carrying amount						
At 31 Aug 2023	670,000	42,930	2,541	436	34,291	750,198
At 31 Aug 2022	558,085	55,284	6,540	1,752	42,864	664,525

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.

Included within freehold land and buildings is a property that was revalued to £600,000 on 28 July 2023. The property was revalued based on market research undertaken by the trustees. The historical cost of the freehold land is £488,085.

17. Stocks

	2023 £	2022 £
Stock	3,500	4,092

18. Debtors

	2023 £	2022 £
Prepayments and accrued income	44,728	40,653
School fees	27,845	75,310
	72,573	115,963

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

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 August 2023

19. Creditors: amounts falling due within one year

	2023	2022
	£	£
Bank loans and overdrafts	29,791	34,158
Trade creditors	36,272	27,701
Accruals and deferred income	253,289	247,741
Social security and other taxes	36,461	38,023
Returnable deposits	82,250	75,250
Other creditors	14,764	15,593
	<u>452,827</u>	<u>438,466</u>

Included within accruals and deferred income is deferred income totalling £203,342 (2022: £190,275). This relates to school fees received in advance.

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

	2023	2022
	£	£
Bank loans and overdrafts	159,143	183,863
Other creditors	16,809	30,284
	<u>175,952</u>	<u>214,147</u>

Included within creditors: amounts falling due after more than one year is an amount of £17,439 (2022: £36,388) 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 £600,000 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 2023

21. Pensions and other post retirement benefits

The 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 2020, and its results are due to be implemented from 1 April 2024. The valuation report in force during the current year was carried out as at 31 March 2016, and was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

1) employer contribution rates set at 28.6% (2016:23.68%) of pensionable pay (including a 0.08% administration levy)

2) total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £262,000 million (2016:£218,100 million) and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £222,200 million (2016:£196,100 million), giving a notional past service deficit of £39,800 million (2016:£22,000 million).

3) the SCAPE rate, set by HMT, is used to determine the notional investment return. In March 2023 the Government announced a new annual SCAPE discount rate of 1.7% above CPI. This is based on the OBR's latest expected long-term GDP growth figures published in their July 2022 Fiscal Risks and Sustainability report. This discount rate was used for the 2020 valuations of unfunded public service pension schemes, which will set the rates of employer contributions payable from April 2024.

This represents a reduction from the previous annual rate of 2.4% above CPI. All else being equal, this change will lead to higher employer contribution rates. Pension payments paid in the future will be discounted at a lower rate and therefore have a higher value in today's terms.

The 2020 valuation result is due to be implemented from 1 April 2024.

The employer's pension costs paid to TPS in the period amounted to £234,915 (31/08/22: £238,563).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website. Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The school has accounted for its contributions to the scheme as if it were a defined contribution scheme. The school has set out above the information available on the scheme.

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

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 August 2023

Defined contribution schemes

The amount recognised in the statement of financial activities in relation to defined contribution plan was £49,885 (2022: £50,263).

22. Analysis of charitable funds

	Balance at 1 September 2022 £	Income £	Expenditure £	Transfers £	Balance at 31 August 2023 £
Designated Fund					
Public Benefit	75,000	—	(39,586)	39,586	75,000
General Funds	246,724	2,888,198	(2,805,320)	(42,859)	286,743
Chapel Window fund	—	8,468	—	—	8,468
Revaluation reserve	—	111,915	—	3,273	115,188
Total	321,724	3,008,581	(2,844,906)	—	485,399

Designated funds include a sum for the purpose of fulfilling public benefit. The charge in the year amounted to £39,586 and a top up of £39,586 was transferred from general funds.

Designated funds also include the Chapel Window fund. The balance of this fund represents monies raised, through donations and various fund raising initiatives, towards the cost of designing and installing commemorative windows above the Altar in the School Chapel. During the year the funds generated totalled £8,468.

During the year £3,273 was transferred from general funds to the revaluation reserve. This amount relates to a revaluation dated 23 May 2018.

23. Analysis of net assets between funds

	Tangible fixed assets £	Other net assets £	Total £
Unrestricted Income Funds:			
Designated funds		83,468	83,468
General funds	750,198	(348,267)	401,931
Total funds	750,198	(264,799)	485,399

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

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 August 2023

24. Analysis of changes in net debt

	At 1 Sep 2022 £	Cash flows £	At 31 Aug 2023 £
Cash at bank and in hand	189,757	98,150	287,907
Debt due within one year	(34,158)	4,367	(29,791)
Debt due after one year	(183,863)	24,720	(159,143)
	<u>(28,264)</u>	<u>127,237</u>	<u>98,973</u>

25. Operating lease commitments

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

	2023 £	2022 £
Not later than 1 year	49,038	56,871
Later than 1 year and not later than 5 years	50,400	99,578
	<u>99,438</u>	<u>156,449</u>

26. Related parties

During the year the school received £14,900 (2022 - £13,000) of rental income from an employee.

Payments totalling £2,323 (2022 - £2,012) were made to a connected person in relation to after school activities and general assistance.

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

Company Limited by Guarantee

Management Information

Year ended 31 August 2023

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 2023

	2023	2022
	£	£
Income and endowments		
Donations and grants		
Donations	<u>8</u>	<u>500</u>
Charitable activities		
School tuition fees	2,860,860	2,799,210
Registration fees	3,600	3,960
Miscellaneous school income	<u>22,219</u>	<u>18,424</u>
	<u>2,886,679</u>	<u>2,821,594</u>
Fundraising activities		
Fundraising events	<u>8,468</u>	<u>—</u>
Investment income		
Bank interest receivable	<u>1,511</u>	<u>14</u>
Total income	<u>2,896,666</u>	<u>2,822,108</u>

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

Company Limited by Guarantee

Notes to the Detailed Statement of Financial Activities

Year ended 31 August 2023

	2023 £	2022 £
Expenditure on charitable activities		
School running costs		
Activities undertaken directly		
Education budget	49,696	51,160
Wages and salaries	1,561,323	1,560,938
Employer's NIC	141,663	143,901
Pension costs	273,690	277,933
Sports hire and transport costs	25,567	25,346
Rates and water	11,679	14,481
Light and heat	24,663	30,293
Premises expenditure, repairs and maintenance	49,653	65,903
Insurance	26,633	24,894
Discretionary bursaries and public benefit	39,586	52,346
Depreciation	29,323	40,399
Rentals and licences	2,571	2,999
Computer maintenance and software	58,208	63,475
Equipment and books for resale	1,820	2,495
Household supplies	8,095	6,539
Catering costs	169,324	149,082
Sundry school expenses	1,071	5,688
Bad debts	25,621	5,516
Remodelling classrooms	4,787	39,485
	<u>2,504,973</u>	<u>2,562,873</u>
Support costs		
Office wages and salaries	163,653	159,035
Employer's NIC	14,262	14,735
Pension costs	11,137	10,867
Telephone	4,935	6,028
Printing, postage and stationery	32,885	34,003
Subscription fees	6,839	6,371
Recruitment	632	96
Marketing, advertising and prospectus costs	7,624	13,377
School representation	29,426	16,105
	<u>271,393</u>	<u>260,617</u>
Governance costs		
Governance costs - accountancy fees	2,660	3,122
Governance costs - audit fees	8,380	8,100
Legal and professional fees	27,602	52,509
Trustees indemnity insurance	749	747
Loan interest	10,970	6,894
Sundry administration expenses	6,580	5,075
	<u>56,941</u>	<u>76,447</u>
Expenditure on charitable activities	<u>2,833,307</u>	<u>2,899,937</u>

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

Company Limited by Guarantee

Notes to the Detailed Statement of Financial Activities *(continued)*

Year ended 31 August 2023

	2023	2022
	£	£
Other expenditure		
Bank and merchant charges	<u>11,599</u>	<u>11,960</u>
Total expenditure	<u><u>2,844,906</u></u>	<u><u>2,911,897</u></u>
Net income/(expenditure)	<u><u>51,760</u></u>	<u><u>(89,789)</u></u>