

ST. MICHAEL'S CATHOLIC COLLEGE

(A Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2022

ST. MICHAEL'S CATHOLIC COLLEGE
(A Company Limited by Guarantee)

CONTENTS

	Page
Reference and Administrative Details	1 - 2
Governors' Report	3 - 10
Governance Statement	11 - 15
Statement on Regularity, Propriety and Compliance	16
Statement of Governors' Responsibilities	17
Independent Auditor's Report on the Financial Statements	18 - 21
Independent Reporting Accountant's Report on Regularity	22 - 23
Statement of Financial Activities Incorporating Income and Expenditure Account	24
Balance Sheet	25
Statement of Cash Flows	26
Notes to the Financial Statements	27 - 55

ST. MICHAEL'S CATHOLIC COLLEGE
(A Company Limited by Guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS

Members	Marjorie Bannister Monsignor Matthew John Dickens Paul McCallum
Governors	Marjorie Bannister, Chair Felicity Corcoran, Principal & Accounting Officer Hannah Awonuga Janice Babb Bassey Bassey Grainne Bellenie Catherine Bryan Ilaria English Benedicte Gercke Marcin Jagodzinski Anne Luckman Peter McCarthy (resigned 31 January 2022) Peter O'Brion Benjamin Ogden Jaston Rodrigues Tania Rughooputh Andrew Hurley (appointed 22 February 2022)
Company registered number	08160034
Company name	St. Michael's Catholic College
Principal and registered office	Llewellyn Street London SE16 4UN
Company secretary	Samantha Dossetter
Senior Management Team	Felicity Corcoran, Principal Charlotte Sayed, Vice Principal Joel Arda, Assistant Principal Lisa Casey, Assistant Principal Allan Daly, Assistant Principal Jo Nottage, Assistant Principal Tania Rughooputh, Assistant Principal Gary Smith, Assistant Principal Stephen Kelly, Assistant Principal Rhianna Horsburgh, Assistant Principal Matthew Ludlow, Assistant Principal

ST. MICHAEL'S CATHOLIC COLLEGE
(A Company Limited by Guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Independent auditor MHA MacIntyre Hudson
6th Floor
2 London Wall Place
London
EC2Y 5AU

ST MICHAEL'S CATHOLIC COLLEGE
(A Company Limited by Guarantee)

GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2022

The Governors present their Annual Report together with the financial statements and Auditor's Report of the charitable company for the 1 September 2021 to 31 August 2022. The Annual Report serves the purposes of both a Governors' Report and a Directors' Report under company law.

The Academy Trust operates an academy for pupils aged 11 to 18 serving catchment area in Southwark. It had a roll of 931 in the school census on 1 October 2022. The capacity was recently increased to 750 in the age range of 11 to 16 years plus a sixth form of 250 - 300 places to reflect the expansion plans.

Structure, governance and management

a. Constitution

The Academy Trust is a charitable company limited by guarantee and an exempt charity. The charitable company's Trust deed is the primary governing document of the academy.

The Governors of St Michael's Catholic College are also the directors of the charitable company for the purposes of company law. The charitable company is known as St Michael's Catholic College.

b. Members' liability

Each Member of the charitable company undertakes to contribute to the assets of the charitable company in the event of it being wound up while they are a Member, or within one year after they cease to be a Member, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before they ceased to be a Member.

c. Method of recruitment and appointment or election of Governors

The management of the Academy Trust is the responsibility of the Governors who are elected and co-opted under the terms of the Academy deed. The Governors are Directors of the charitable company for the purposes of the Companies Act 2006 and Governors for the purposes of charity legislation.

The Governing Body may appoint up to 16 Governors, whose term of office shall be four years, save that this time limit shall not apply to the Principal who shall be treated for all purposes as being an ex officio Governor. Subject to remaining eligible to be a particular type of Governor, any Governor may be re-appointed or re-elected. The Governors who were in office at 31 August 2022 and who served during the year are listed on page 1 of this report.

d. Policies adopted for the induction and training of Governors

The training and induction procedures for new Governors will depend on their existing experience. Where necessary induction will include training on educational, legal and financial and safeguarding matters. All new Governors will be given the opportunity of a tour of the school, have the chance to meet with staff and students and are provided with copies of key documents, such as policies, procedures, accounts, budgets, plans and other documents they need to adequately to fulfil their role as Governors. As there is expected to be only a small number of new Governors each year, induction will be carried out informally and will be tailored specifically to the individual. All Governors are required to have a DBS enhanced disclosure.

GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2022

e. Organisational structure

The Academy Trust's organisational structure consists of three levels: the Members, the Governors, and the Senior Leadership Team (SLT).

The Members meet on an annual basis to receive the annual accounts, note any Governor appointments or re-appointments, and review the overall operation of the Academy Trust.

The Governors are responsible for setting general policy, adopting an annual plan and budget, monitoring its financial and operational performance and making strategic decisions about the direction of the Academy Trust, approving major items of expenditure and making senior staff appointments. There is an extensive committee structure reporting into the main Governing Body. This includes Curriculum, Finance and Resources and Welfare committees, which meet in a cycle normally at least three times a year. All have approved terms of reference set out in the Governing Body Standing Orders.

During the year in question the Full Governing Body met on 5 occasions of which 4 meetings took place remotely and 1 was in person as the COVID-19 pandemic eased.

The SLT controls the Academy at an executive level, implements the policies laid down by the Governors and reports back to them. Members of the SLT are responsible for developing and implementing College plans which seek to deliver the best possible education for its students within the agreed budget and scheme of delegation approved by the Governing Body. They are responsible for managing the day to day operation of the Academy, specifically staff, facilities and students.

f. Arrangements for setting pay and remuneration of key management personnel

The Academy Trust has a pay policy that specifically details Principal and leadership pay scale arrangements. All pay decisions are a reflection of a performance review.

g. Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the year 4

Full-time equivalent employee number 4

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	4
1%-50%	-
51%-99%	-
100%	-

ST MICHAEL'S CATHOLIC COLLEGE
(A Company Limited by Guarantee)

GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2022

Percentage of pay bill spent on facility time	£
Total cost of facility time	£683
Total pay bill	£6,919,782
Percentage of the total pay bill spent on facility time	0.01%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	- %
---	-----

h. Related parties and other connected charities and organisations

The Academy Trust is a strategic partner in the Catholic Schools Partnership and this includes a group of Primary and Secondary Schools, Sixth Form Colleges in South East London and Kent, and St Mary's University College. The Alliance is key in transforming CPD, research, teacher recruitment and initial teacher training. The schools are in Southwark, Lewisham, Kent and London. The College also works in partnership with the Southwark Diocese.

The Academy Trust is part of Southwark Schools Learning Partnership (SSLP), a collaboration between local maintained and independent schools based in the London Borough of Southwark, to exchange ideas and good practice and to bring pupils of different schools together to enhance their learning.

The Academy Trust is also on the board of the Elephant Group which is made up of a group of schools in London and representatives from Oxford, Cambridge and Russell Group universities. The focus is to increase applications and offers of places at these universities to the top 1/3 of students in each school through a widening participation programme.

Objectives and activities

a. Objects and aims

The Academy Trust's objective is set out in its Articles of Association. This is to establish, maintain, manage and develop an Academy Trust offering a broad curriculum with an emphasis on, but in no way limited to, the Humanities. St Michael's Catholic College converted to an Academy Trust on 1 November 2012 and occupies premises formerly owned by the London Borough of Southwark.

In accordance with the Articles of Association the Academy has adopted a Funding Agreement approved by the Secretary of State for Education. The Funding Agreement specifies, amongst other things, the basis for admitting students to the Academy, the catchment area from which students are drawn and that the curriculum should comply with the substance of the National Curriculum.

GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2022

b. Objectives, strategies and activities

At St Michael's Catholic College we recognise that there are no limits to a child's potential and our aim is simple; to facilitate academic and personal success by bringing each person to the fullness of life through education within a culture or environment that embraces Gospel and Salesian values - of serving others, respect, tolerance, consistent discipline, loving kindness, reflection, forgiveness and the celebration of success. It is our belief therefore that students grow into mature and responsible adults through following the Salesian principles of RUAH:

- Respect: Recognising and respecting the presence of Christ in every person
- Understanding: Being committed to learning and striving for academic excellence
- Affection: Sustaining high quality relationships as a result of loving kindness and consistent discipline
- Humour: Developing resilience by maintaining a balanced and optimistic approach to life

Our team of well-qualified, dedicated staff work creatively and professionally to ensure that all students flourish and achieve our goal of academic excellence.

We have a progressive approach to developing and delivering our curriculum while we tailor our learning environment to meet the needs of students; providing extra challenge for those who are intellectually gifted and offering learning support for those in need. St Michael's new build facilitates 21st century learning and has excellent facilities and resources to benefit the whole community.

Priorities for 2022-23:

To ensure that curriculum intent and implementation results in outstanding outcomes for all students and fully embodies the Catholic ethos of the college

To ensure Students highly positive behaviour and attitudes contribute to outstanding outcomes and reflect the values of RUAH

The college consistently promotes the extensive personal and spiritual development of students to provide them with a rich and coherent range of experiences that reflect the Catholic life and mission of the college

The Catholic life and mission of the college is embedded through leadership and management working at every level to achieve outstanding outcomes and to embed consistency.

c. Public benefit

In setting objectives and planning for activities, the Governors have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2022

Achievements and performance

In 2022 students in Year 11 and Year 13 returned to public examinations for the first time since summer 2019. In both Year 11 and Year 13 results placed the college in the top 10% of schools nationally with regard to student progress (ALPS 2 grade)

This year's results analysis should also be treated with additional care, especially when comparing to data from previous years as adjustments were made by Ofqual and exam boards due to the covid pandemic. For 2020 and 2021 the Pupil progression numbers have been replaced by N/A as there are no performance measures for those years.

Students study a broad curriculum and Key Stage 4 results are detailed below and summarise the Academy Trust's achievements.

a. Key performance indicators

Key Stage 4 Performance summary

	Results	National	Results	National
	2018-19	2018-19	2021-22	2021-22
Progress 8	0.52	-0.03	0.4	-0.03
Progress 8 (Disadvantaged pupils)	0.46	-0.03	0.36	-0.55
Attainment 8	53.4	46.7	55.17	48.7
Attainment 8 (Disadvantaged pupils)	52.2	46.7	51.31	37.5
% Eng & Maths (Grade 4 or above)	72%	65%	77%	69%
% Eng & Maths (Grade 5 or above)	54%	43%	61%	50%
% EBACC (Entered)	86%	40%	78%	39%
% EBACC (Achieved – Standard pass)	56%	25%	57%	TBC*
% EBACC (Achieved – Strong pass)	38%	17%	43%	TBC*
EBacc average point score	5.07	4.07	5.1	4.27
% in education or employment after KS4	97%	94%	97%	TBC*

* National details not available at time of reporting

Key Stage 5 Performance summary

	Results	Results 2022	Results	Results
Academic (inc. EPQ & Core Maths)	2019	Overall	2022	2022
			A-Level only	Overall Disadv.
APS per entry	31.29	41.21	41.41	39.04
APS per entry as a grade	C	B	B	B
APS per student (FTE)	76.31	126.11	124.75	121.33
3+ passes (A* - B)	16.44%	56.79%	56.25%	44.44%
3+ passes (A* - E)	91%	93.83%	93.75%	85.19%
2+ passes (A* - E)	98%	98.76%	100%	85.19%

Actual results

	2019	2020	2021	2022
%A*-A (A-level)	16%	26%	44%	39%
%A*-B (A-level)	35%	59%	78%	76%
%A*-C (A-level)	68%	86%	93%	92%
%A*-E (A-level)	99%	100%	99%	100%

ST MICHAEL'S CATHOLIC COLLEGE
(A Company Limited by Guarantee)

GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2022

	Results 2019	Results 2022	Results 2022
Applied general (vocational)		Applied only	Applied only Disadv
APS per entry	41.56	40.12	45
APS per entry as a grade	Distinction*-	Distinction+	Distinction*
3+ passes (D* - P) Ext Dip Pathway	N/A	100%	100%
2+ passes (D* - P) Dip Pathway	100%	N/A	N/A
1+ pass (D* - P) LIBF Pathway	100%	100%	N/A

In addition to the examination results listed above the following statistics are considered to be the Academy Trust's key performance indicators.

School Absence*

	Number of pupils	% Authorised absence	% Unauthorised absence	%Total absence
All pupils	921	3.02	1.9	4.92%

*In autumn and spring terms 21-22 covid isolation requirements impacted attendance and data is not comparable to previous years. The % overall attendance for the college of 95% is significantly above national average for this period.

b. Going concern

After making appropriate enquiries, the Board of Governors has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

Financial review

a. Reserves policy

At 31 August 2022 the total funds comprised restricted funds of £24,843,316 (2021 - £22,910,750) analysed into restricted fixed assets funds £24,259,035 (2021 - £24,816,478), GAG £584,281 (2021 - £832,272) and the pension reserve which has a nil balance (2021 - £2,738,000 deficit). Unrestricted reserves total £127,453 (2021 - £100,340).

The restricted funds will be spent in accordance with the terms of the particular funds. Unrestricted funds are the 'free reserves', for use on the general purposes of the Academy Trust at the discretion of the Governors. The aim of the Governors is to utilise this reserve to meet future capital requirement and to work on identified projects that once implemented are self-sustaining.

The nil balance on the pension reserve relates to the non-teaching staff, where, unlike the teachers' scheme, separate assets are held to fund future liabilities as discussed in Note 24. This nil balance includes an actuarial gain on the defined benefit pension scheme that did produce a surplus at the year-end but which is capped at zero under accounting rules. If the fund moves into deficit it can be met in the longer term from any combination of increased employer and employee contributions, increased government funding or changes to scheme benefits.

b. Investment policy

During the year the Academy Trust held all its liquid funds in an interest-bearing account at a major UK clearing bank with an A1, P1 short-term credit rating. There are no plans to generate a higher return on any future cash balances unless this can be achieved without increasing counterparty credit risk.

GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2022

c. Principal risks and uncertainties

As with all schools/providers of education, the principal risks facing the Academy Trust are:

Reputational risk - mitigated by maintaining good relations with local stakeholders, improving standards in learning and behaviour, and providing a broad-based and relevant curriculum.

Performance risk - mitigated by monitoring each student's progress at each Key Stage and providing additional resources as necessary.

Financial risk - the principal risks here are a reduction in student numbers, reductions in central government funding, unbudgeted increases in teaching or support staff costs or unbudgeted major capital repairs. The risks here are mitigated by careful budget planning and monitoring and by holding sufficient reserves to cover challenging financial circumstances.

Risks associated with personnel - mitigated by ensuring that the school has correct recruitment and performance management procedures, and that all staff are supported, motivated and valued.

Risks associated with COVID-19.

Fundraising

Members of the Senior Leadership Team (SLT) with the Principal's approval organise and coordinate fundraising activities on behalf of selected charities. The Academy Trust does not use professional fundraisers or involve commercial participators. There have been no complaints about fundraising activity this year.

All fundraising activities are overseen by the Senior Leadership Team (SLT) that ensures:

- 1) Fundraising activities for charities are communicated in advance to all parties.
- 2) They brief the fundraisers in advance to ensure compliance with the code of fundraising practice.
- 3) All funds raised for a particular cause will be used for that particular cause.
- 4) Protection of vulnerable people and others from unreasonable intrusion on a person's privacy, unreasonably persistent approaches or undue pressure to give, in the course of or in connection with fundraising.

The Academy Trust also operates a Governors fund which is not part of the Academy Trust budget but it helps towards school trips and educational activities both generally and for individual families. We ask for a contribution of £15 for each single student and £30 for two or more students in the same family within the school each year. The contribution is voluntary and the payments are made electronically and would go directly to the Governors fund account.

Plans for future periods

The key strategic priorities for future years are:

- To maintain outstanding outcomes for all students.
- To sustain excellent results at Ofsted and section 48 Inspection.
- To preserve all that is outstanding and authentically Catholic as we complete the expansion of KS3 and the sixth form growth.
- To explore and agree the Academy Trust response in relation to the Diocese and Department of Education Multi Academy Trust agenda.

ST MICHAEL'S CATHOLIC COLLEGE
(A Company Limited by Guarantee)

GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2022

Funds held as custodian on behalf of others

At the year end the Academy Trust was holding funds of £87,622 (2021 - £97,253) on behalf of the Catholic Schools Partnership. These funds are included within other creditors.

Disclosure of information to auditor

Insofar as the Governors are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware, and
- that Governors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The Governors' Report was approved by order of the Board of Governors, as the company Directors, and signed on its behalf by:



.....
Marjorie Bannister

Chair of Governors

Date: 24th November 2022

ST MICHAEL'S CATHOLIC COLLEGE
(A company limited by guarantee)

GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2022

Scope of responsibility

As Governors, we acknowledge we have overall responsibility for ensuring that St Michael's Catholic College has an effective and appropriate system of control, financial and otherwise. However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can provide only reasonable and not absolute assurance against material misstatement or loss.

As Governors, we have reviewed and taken account of the guidance in DfE's Governance Handbook and competency framework for governance.

The Board of Governors has delegated the day-to-day responsibility to the Principal, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between St Michael's Catholic College and the Secretary of State for Education. They are also responsible for reporting to the Board of Governors any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Governors' Report and in the Statement of Governors' Responsibilities. The Board of Governors has formally met 5 times during the year.

Attendance during the year at meetings of the Board of Governors was as follows:

Governors	Meetings attended	Out of a possible
Hannah Awonuga	3	5
Janice Babb	3	5
Marjorie Bannister	5	5
Bassey Bassey	5	5
Grainne Bellenie	3	5
Catherine Bryan	5	5
Felicity Corcoran	5	5
Ilaria English	2	5
Benedicte Gercke	4	5
Andrew Hurley**	1	1
Marcin Jagodzinski	5	5
Anne Luckman	5	5
Peter McCarthy*	2	2
Peter O'Broin	5	5
Ben Ogden	4	5
Jaston Rodrigues	3	5
Tania Rughooputh	4	5

* End of office 31/01/2022

** Appointed 22/02/2022

ST MICHAEL'S CATHOLIC COLLEGE
(A company limited by guarantee)

GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2022

There was a change to the Governors during the year as the academy staff held an election for a new staff governor at the end of one member's tenure. The Governors had a broad coverage of work during the year which focused in particular on quality and curriculum issues.

The skills audit was last conducted in 2017-18. There has been a stable Governing body and it was felt that there was no need to repeat the skills audit at the current time.

In September 2019 a decision was taken to move from the NGA (National Governance Association) Code of Conduct to the CES (Catholic Education Service) Code of Conduct model to reflect the Catholicity of the School.

The Board has not carried out a self-evaluation. Focus for the year was to support the Academy Trust during the COVID-19 pandemic.

From Sept 21-June Governors had only remote meetings which had been working well and effectively, with high attendance from Governors. A remote governance plan was put into place since the first lockdown in March 2020 to enable Governors to carry out their responsibilities and support the Academy Trust. From June 2022 following the lifting of most Covid-19 restrictions Governors and the success of remote meetings Governors decided to move to a mix of remote and face to face meetings going forward. Therefore, meetings in early autumn and summer have returned to in person and meetings in late autumn and throughout winter will remain as remote.

The Finance and Resources Committee is a sub-committee of the main board of Governors. Its purpose is to ensure that the Academy's finances and resources are managed responsibly, paying particular attention to planning, monitoring and financial probity.

This Committee contributes to the formulation of the School Development Plan through consideration of financial proposals and priorities within the stated and agreed aims and objectives of the Academy. The main agenda items during the year included monitoring and evaluation of the revenue income and expenditure, consideration and approval of spending proposals from other Committees, review of contracts, consideration of audit reports and endorsement of policy and process.

Attendance during the year at meetings was as follows:

Governors	Meetings attended	Out of a possible
Marjorie Bannister	5	5
Felicity Corcoran	5	5
Benedicte Gercke	4	5
Ben Ogden	4	5
Jaston Rodrigues	3	5
Marcin Jagodzinski	4	4

GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2022

Review of value for money

As Accounting Officer, the Principal has responsibility for ensuring that the Academy Trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The Accounting Officer considers how the Academy Trust's use of its resources has provided good value for money during each academic year, and reports to the Board of Governors where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer for the Academy Trust has delivered improved value for money during the year by:

Improving educational results:

- St Michael's Catholic College regularly reviews its staffing structure on an annual basis to meet the needs of both the sixth Form and years 7 to 11. It is heavily involved in capital funding for excellence.
- Overstaffing to meet the needs of curriculum recovery and catch-up.
- The increase of an additional class in years 7 to 10 continues to incur increased staffing costs and all teaching appointments include fully qualified teachers.
- Throughout the year the Academy Trust provides extra support for all students at KS4 and 5 through after school study clubs, all day Saturday Schools and revision classes for every holiday.
- The Academy Trust was awarded the Transforming in Principled Curriculum accreditation by SSAT in November 2020. This recognises the work the college has done to ensure the curriculum is broad, balanced and supports students to raise their potential. The trust is currently undertaking the accreditation process for the SSAT transforming in wellbeing award.
- The Academy Trust has been judged outstanding twice, both in March 2011 and July 2013 and the inspectors thought the Academy Trust provided outstanding value for money.
- To ensure our continued improvement the Academy organises external evaluation through an external School Improvement partner, by working in Partnership with Bonus Pastor and St Ursula's schools and participates and undertakes peer reviews through the London South Teaching School Hub.

New initiatives:

- Pupil premium, recovery and catch-up monies have been allocated to optimal effect. See website.
- Partnerships with Grant Thornton, Bloomberg, PWC, J P Morgan , Learning Performance and Kings College are also used to drive up standards through a collaborative approach to education.
- The Academy Trust's governance arrangements include regular monitoring by the Governing Body and its committees, including Finance and Resources, Curriculum Community and Standards Committee and Welfare Committee.
- Financial controls include the Governing Body approving a Scheme of Financial Delegation which clearly sets out the levels of delegated authority and requirements for the Finance Staff.
- The Finance and Resources Trustees and Accounting Officer meet regularly every half term to discuss financial procedures and protocols and value for money. Each meeting is provided with management accounts for monitoring purposes.
- The Accounting Officer is consistently held to account by the Academy Trust's Governors for financial decisions.
- MHA Macintyre Hudson has just completed a full financial audit and advises the Academy Business Manager on a regular basis.
- The Responsible Officer audit reviews key systems and procedures and presents a report to the Resources Committee.
- An annual budget is agreed by the Resources Committee which sets out clear lines of accountability. Budget holders receive regular budget monitoring reports.
- The Academy Trust has clear budget headings and defined spending amounts. All services and contracts are negotiated and this ensures that fitness for purpose is obtained. We purchase good quality products in order that they have a longer time life but also consider overall value for money.

GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2022

- The Academy Financial Procedures have clear guidelines outlining the way we select goods and services to display good value for money. Each member of staff is aware of the cost of the resources and the budget they are spending against. The Academy Trust also views alternative purchasing options online to find best value for smaller purchases.

- Benchmarking has taken place with other convertor academies that have a similar level of funding to compare Income per pupil, staff cost per pupil, education costs per pupil and premises cost per pupil.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively, and economically. The system of internal control has been in place in St Michael's Catholic College for the year 1 September 2021 to 31 August 2022 and up to the date of approval of the Annual Report and financial statements.

Capacity to handle risk

The Board of Governors has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Governors is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy's significant risks that has been in place for the year 1 September 2021 to 31 August 2022 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Governors.

The risk and control framework

The Academy Trust's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it includes:

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Governors
- regular reviews by the Finance and Resources Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes
- setting targets to measure financial and other performance
- clearly defined purchasing (asset purchase or capital investment) guidelines
- identification and management of risks

The Board of Governors has decided to buy-in an internal audit service from Faros Financial Services Ltd to carry on the programme of internal scrutiny.

ST MICHAEL'S CATHOLIC COLLEGE
(A company limited by guarantee)

GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2022

The internal auditor's role includes giving advice on financial and other matters and performing a range of checks on the Academy Trust's financial and other systems. In particular, the checks carried out in the current period included:

- Testing of Financial Governance
- Testing of Banking (bank reconciliations and authorisation levels)
- Testing of Payroll
- Testing of Income
- Testing of Assets
- Testing of Procurement

On a semi-annual basis the auditor reports to the Board of Governors and risk committee on the operation of the systems of control and discharge of the board of trustees' financial responsibilities and annually prepares an annual summary report to the committee outlining the areas reviewed, key findings, recommendations, and conclusions to help the committee consider actions and assess year on year progress.

The auditor has delivered their schedule of work as planned, and no material internal control weaknesses were identified.

Review of effectiveness

As Accounting Officer, the Principal has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the internal auditor;
- the work of the external auditor;
- the financial management and governance self-assessment process or the school resource management self-assessment tool
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the school control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the finance and general purposes committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the Members of the Board of Governors and signed on their behalf by:



.....
Marjorie Bannister
Chair of Governors
Date: 24th November 2022



.....
Felicity Corcoran
Accounting Officer

ST. MICHAEL'S CATHOLIC COLLEGE
(A Company Limited by Guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of St. Michael's Catholic College I have considered my responsibility to notify the Academy Trust's Board of Governors and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy Trust, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2021.

I confirm that I and the Academy Trust's Board of Governors are able to identify any material irregular or improper use of all funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook 2021.

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date. If any instances are identified after the date of this statement, these will be notified to the Board of Governors and ESFA.



.....
Felicity Corcoran
Accounting Officer
Date: 24th November 2022

ST. MICHAEL'S CATHOLIC COLLEGE
(A Company Limited by Guarantee)

STATEMENT OF GOVERNORS' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2022

The Governors (who are also the Directors of the charitable company for the purposes of company law) are responsible for preparing the Governors' Report and the financial statements in accordance with the Academies Accounts Direction published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Governors to prepare financial statements for each financial year. Under company law, the Governors 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 charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Governors are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Governors are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from ESFA/DfE have been applied for the purposes intended.

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

Approved by order of the Members of the Board of Governors and signed on its behalf by:



.....
Marjorie Bannister
Chair of Governors
Date: 24th November 2022

ST. MICHAEL'S CATHOLIC COLLEGE
(A Company Limited by Guarantee)

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF ST. MICHAEL'S CATHOLIC COLLEGE

Opinion

We have audited the financial statements of St. Michael's Catholic College (the 'Academy Trust') for the year ended 31 August 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 2022 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022 issued by the Education and Skills Funding Agency.

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 Academy Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 Governors' 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 Academy Trust'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 Governors with respect to going concern are described in the relevant sections of this report.

ST. MICHAEL'S CATHOLIC COLLEGE
(A Company Limited by Guarantee)

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF ST. MICHAEL'S CATHOLIC COLLEGE (CONTINUED)

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 Governors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion 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 Governors' Report including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Governors' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the Academy Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Governors' Report including the Strategic Report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

ST. MICHAEL'S CATHOLIC COLLEGE
(A Company Limited by Guarantee)

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF ST. MICHAEL'S CATHOLIC COLLEGE (CONTINUED)

Responsibilities of Governors

As explained more fully in the Statement of Governors' Responsibilities, the Governors (who are also the Directors of the Academy Trust 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 Governors 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 Governors are responsible for assessing the Academy Trust'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 Governors either intend to liquidate the Academy Trust or to cease operations, or have no realistic alternative but to do so.

Auditor 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:

- Obtaining an understanding of the legal and regulatory frameworks that the entity operates in, focusing on those laws and regulations that had a direct effect on the financial statements;
- Enquiry of management to identify any instances of known or suspected instances of fraud;
- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Enquiry of management about any instances of non-compliance with laws and regulations;
- Reviewing the control systems in place and testing the effectiveness of the controls;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias;
- Reviewing minutes of meetings of those charged with governance; and
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

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.

ST. MICHAEL'S CATHOLIC COLLEGE
(A Company Limited by Guarantee)

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF ST. MICHAEL'S CATHOLIC COLLEGE (CONTINUED)

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

Use of our report

This report is made solely to the Academy Trust'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 Academy Trust'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 Academy Trust and its Members, as a body, for our audit work, for this report, or for the opinions we have formed.



Rakesh Shaunak FCA (Senior Statutory Auditor)

for and on behalf of

MHA MacIntyre Hudson

Statutory Auditor

London, United Kingdom

Date: 20 December 2022

ST. MICHAEL'S CATHOLIC COLLEGE
(A Company Limited by Guarantee)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO ST. MICHAEL'S CATHOLIC COLLEGE AND THE EDUCATION AND SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 27 September 2022 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2021 to 2022, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by St. Michael's Catholic College during the year 1 September 2021 to 31 August 2022 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to St. Michael's Catholic College and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to St. Michael's Catholic College and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than St. Michael's Catholic College and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of St Michael's Catholic College's Accounting Officer and the Reporting Accountant

The Accounting Officer is responsible, under the requirements of St. Michael's Catholic College's funding agreement with the Secretary of State for Education dated 18 March 2021 and the Academy Trust Handbook, extant from 1 September 2021, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2021 to 2022. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2021 to 31 August 2022 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity.

A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion.

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the Academy Trust's income and expenditure.

ST. MICHAEL'S CATHOLIC COLLEGE
(A Company Limited by Guarantee)

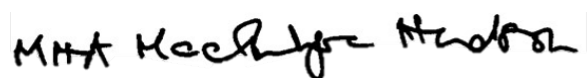
INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO ST. MICHAEL'S CATHOLIC COLLEGE AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)

The work undertaken to draw our conclusions includes:

- reviewing the minutes of meetings of the Governing Body and other evidence made available to us, relevant to our consideration of regularity;
- a review of the objectives and activities of the Academy Trust, with reference to the income streams and other information available to us as auditors of the Academy Trust;
- testing of a sample of payroll payments to staff;
- testing of a sample of payments to suppliers and other third parties;
- testing of a sample of grants received and other income streams;
- consideration of governance issues; and
- evaluating the internal control procedures and reporting lines, and testing as appropriate and making appropriate enquiries of the Internal Reviewer.

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2021 to 31 August 2022 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Reporting Accountant
MHA MacIntyre Hudson
Statutory Auditor
London, United Kingdom

Date: 20 December 2022

ST. MICHAEL'S CATHOLIC COLLEGE
(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2022

	Note	Unrestricted funds 2022 £	Restricted general funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £	Total funds 2021 £
Income from:						
Donations and capital grants	4	12,030	-	44,796	56,826	103,290
Other trading activities	6	1,693	-	-	1,693	-
Investments	7	422	-	-	422	462
Charitable activities	5	26,496	7,903,053	-	7,929,549	7,645,242
Total income		40,641	7,903,053	44,796	7,988,490	7,748,994
Expenditure on:						
Charitable activities	9,10	13,528	8,479,561	679,722	9,172,811	8,729,654
Total expenditure	8	13,528	8,479,561	679,722	9,172,811	8,729,654
Net income/ (expenditure)		27,113	(576,508)	(634,926)	(1,184,321)	(980,660)
Transfers between funds	18	-	(77,483)	77,483	-	-
Net movement in funds before other recognised gains/(losses)		27,113	(653,991)	(557,443)	(1,184,321)	(980,660)
Actuarial gains/(losses) on defined benefit pension schemes	24	-	3,144,000	-	3,144,000	(151,000)
Net movement in funds		27,113	2,490,009	(557,443)	1,959,679	(1,131,660)
Reconciliation of funds:						
Total funds brought forward		100,340	(1,905,728)	24,816,478	23,011,090	24,142,750
Net movement in funds		27,113	2,490,009	(557,443)	1,959,679	(1,131,660)
Total funds carried forward		127,453	584,281	24,259,035	24,970,769	23,011,090

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 27 to 55 form part of these financial statements.

ST. MICHAEL'S CATHOLIC COLLEGE
(A Company Limited by Guarantee)
REGISTERED NUMBER: 08160034

BALANCE SHEET
AS AT 31 AUGUST 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	15	24,259,035	24,816,478
Current assets			
Debtors	16	385,577	305,288
Cash at bank and in hand	22	702,971	1,104,631
		<u>1,088,548</u>	<u>1,409,919</u>
Creditors: Amounts falling due within one year	17	(376,814)	(477,307)
Net current assets		<u>711,734</u>	<u>932,612</u>
Total assets less current liabilities		<u>24,970,769</u>	<u>25,749,090</u>
Defined benefit pension scheme liability	24	-	(2,738,000)
Total net assets		<u><u>24,970,769</u></u>	<u><u>23,011,090</u></u>
Funds of the Academy Trust			
Restricted funds:			
Restricted fixed asset funds	18	24,259,035	24,816,478
Restricted general funds	18	584,281	832,272
		<u>24,843,316</u>	<u>25,648,750</u>
Restricted funds excluding pension	18	24,843,316	25,648,750
Restricted general funds - pension reserve	18	-	(2,738,000)
Total restricted funds	18	<u>24,843,316</u>	<u>22,910,750</u>
Unrestricted funds	18	<u>127,453</u>	<u>100,340</u>
Total funds		<u><u>24,970,769</u></u>	<u><u>23,011,090</u></u>

The financial statements on pages 24 to 55 were approved and authorised for issue by the Governors and are signed on their behalf by:


.....
Marjorie Bannister
Chair of Governors
Date: 24th November 2022


.....
Felicity Corcoran
Accounting Officer

The notes on pages form part of these financial statements.

ST. MICHAEL'S CATHOLIC COLLEGE
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2022

	Note	2022 £	2021 £
Cash flows from operating activities			
Net cash (used in)/generated from operating activities	20	(324,599)	10,196
Cash flows generated from investing activities	21	(77,061)	(153,949)
		<hr/>	<hr/>
Change in cash and cash equivalents in the year		(401,660)	(143,753)
Cash and cash equivalents at the beginning of the year		1,104,631	1,248,384
Cash and cash equivalents at the end of the year	22, 23	702,971	1,104,631
		<hr/> <hr/>	<hr/> <hr/>

The notes on pages 27 to 55 form part of these financial statements.

ST. MICHAEL'S CATHOLIC COLLEGE
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

1. General information

St. Michael's Catholic College is a company limited by guarantee, incorporated in England and Wales.

The address of the registered office and principal place of operation are detailed on page 1.

The nature of the Academy Trust's operations and principal activity are detailed in the Governors' Report.

2. Accounting policies

A summary of the principal accounting policies adopted (which have been applied consistently, except where noted), judgements and key sources of estimation uncertainty, is set out below.

2.1 Basis of preparation of financial statements

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared on a going concern basis, under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2021 to 2022 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The financial statements are prepared in Pound Sterling which is the functional currency of the Academy Trust and are rounded to the nearest Pound Sterling.

2.2 Going concern

The Trustees have assessed the going concern status of the Academy Trust. That assessment includes the impact of COVID-19.

The Trustees consider that the Academy Trust has sufficient liquid resources and support to enable the Academy Trust to cover its costs and pay its liabilities as they fall due for a period of at least 12 months from the date of approval of the financial statements.

Consequently, the Trustees have concluded that there are no material uncertainties that may cast significant doubt about the Academy Trust's ability to continue as a going concern for the next 12 months from the date of approval of these financial statements. Accordingly, the going concern basis has been adopted in preparing the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

2. Accounting policies (continued)

2.3 Income

All incoming resources are recognised when the Academy Trust has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

• **Grants**

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the year is deducted from income and recognised as a liability.

Capital grants are recognised in full when there is an unconditional entitlement to the grant. Unspent amounts of capital grants are reflected in the Balance Sheet in the restricted fixed asset fund. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

• **Donations**

Donations are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.

• **Other income**

Other income, including the hire of facilities, is recognised in the year it is receivable and to the extent the Academy Trust has provided the goods or services.

• **Donated fixed assets (excluding transfers on conversion or into the Academy Trust)**

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as 'Income from Donations and Capital Grants' and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Academy Trust's accounting policies.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

2. Accounting policies (continued)

2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

- **Charitable activities**

These are costs incurred on the Academy Trust's educational operations, including support costs and costs relating to the governance of the Academy Trust apportioned to charitable activities.

All resources expended are inclusive of irrecoverable VAT.

2.5 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Academy Trust; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

2.6 Taxation

The Academy Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Accordingly, the Academy Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Part 11, chapter 3 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

2. Accounting policies (continued)

2.7 Tangible fixed assets

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities. Where tangible fixed assets have been acquired with unrestricted or restricted general funds, a transfer is made to the restricted fixed asset fund.

Depreciation is provided on all tangible fixed assets other than freehold land and assets under construction, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Depreciation is provided on the following bases:

Long-term leasehold property	- 40 years straight line
Furniture and equipment	- 10 years straight line
Computer equipment	- 6 years straight line

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

2.8 Debtors

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

2.9 Cash at bank and in hand

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

2.10 Liabilities

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Academy Trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

2. Accounting policies (continued)

2.11 Provisions

Provisions are recognised when the Academy Trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

2.12 Financial instruments

The Academy Trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Academy Trust and their measurement bases are as follows:

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in Note 16. Prepayments are not financial instruments.

Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in Note 17. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

2. Accounting policies (continued)

2.13 Pensions

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme ("TPS") and the Local Government Pension Scheme ("LGPS"). These are defined benefit schemes.

The TPS is an unfunded scheme and contributions are calculated so as 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 on the basis of quadrennial valuations using a prospective unit credit method. TPS is an unfunded multi-employer 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.

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the Academy Trust in separate administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance Sheet date. The amounts charged to net income/ (expenditure) are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

Actuarial gains and losses are recognised immediately in other recognised gains and losses.

2.14 Agency arrangements

The Academy Trust acts as an agent in the administering of 16-19 Bursary Funds from the ESFA. Related payments received from the ESFA and subsequent disbursements to students are excluded from the Statement of Financial Activities to the extent that the Academy does not have a beneficial interest in the individual transactions. The allowance of 5% as a contribution to administration costs is however recognised in the Statement of Financial Activities. Where funds have not been fully applied in the accounting period then an amount will be included as Amounts due to the ESFA, within Creditors: Amounts falling due within one year.

The Academy Trust also acts as an agent for the Catholic Teaching Alliance. The Catholic Teaching Alliance is a group of schools and colleges in South East London and Kent who are committed to offering young people learning opportunities of the highest possible quality, enhanced by a distinctive Catholic ethos.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

2. Accounting policies (continued)

2.15 Fund accounting

Unrestricted funds represent those resources which may be used towards meeting any of the charitable objects of the Academy Trust at the discretion of the Governors.

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the funders where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the Department for Education Group.

Investment income, gains and losses are allocated to the appropriate fund.

3. Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The Academy Trust makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in Note 24, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2022. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement:

The Governors consider there to be no critical areas of judgement that effect the amounts recognised in these financial statements.

ST. MICHAEL'S CATHOLIC COLLEGE
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

4. Income from donations and capital grants

	Unrestricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £
Donations	12,030	-	12,030
Donated fixed assets	-	24,107	24,107
Capital grants	-	20,689	20,689
Total 2022	<u>12,030</u>	<u>44,796</u>	<u>56,826</u>
	<i>Unrestricted funds 2021 £</i>	<i>Restricted fixed asset funds 2021 £</i>	<i>Total funds 2021 £</i>
Donations	5,320	-	5,320
Donated fixed assets	-	77,863	77,863
Capital grants	-	20,107	20,107
<i>Total 2021</i>	<u>5,320</u>	<u>97,970</u>	<u>103,290</u>

ST. MICHAEL'S CATHOLIC COLLEGE
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

5. Charitable activities - Funding for the Academy Trust's educational operations

	Unrestricted funds 2022 £	Restricted general funds 2022 £	Total funds 2022 £
Educational operations			
DfE/ESFA grants			
General Annual Grant (GAG)	-	7,088,942	7,088,942
Other DfE/ESFA grants			
Pupil Premium	-	332,568	332,568
Teachers' Pay Grant	-	63,962	63,962
	-	7,485,472	7,485,472
Other Government grants			
Local Authority revenue grants	-	234,021	234,021
Other Government revenue grants	-	134,243	134,243
	-	368,264	368,264
Other income from the Academy Trust's educational operations	26,496	49,317	75,813
Total 2022	26,496	7,903,053	7,929,549

There were no unfulfilled conditions or other contingencies attached to the government grants above.

ST. MICHAEL'S CATHOLIC COLLEGE
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

5. Charitable activities - Funding for the Academy Trust's educational operations (continued)

	<i>Unrestricted funds 2021 £</i>	<i>Restricted general funds 2021 £</i>	<i>Total funds 2021 £</i>
Educational operations			
DfE/ESFA grants			
General Annual Grant (GAG)	-	6,548,742	6,548,742
Other DfE/ESFA grants			
Pupil Premium	-	311,793	311,793
Rates Relief	-	63,308	63,308
Free School Meal Supplementary Grant	-	11,250	11,250
Teachers' Pay Grant	-	344,976	344,976
	-	7,280,069	7,280,069
Other Government grants			
Local Authority revenue grants	-	228,253	228,253
Other Government revenue grants	-	108,779	108,779
	-	337,032	337,032
Other income from the Academy Trust's educational operations	13,807	14,334	28,141
<i>Total 2021</i>	<u>13,807</u>	<u>7,631,435</u>	<u>7,645,242</u>

6. Income from other trading activities

	Unrestricted funds 2022 £	Total funds 2022 £	<i>Total funds 2021 £</i>
Hire of facilities	1,693	1,693	-
<i>Total 2021</i>	<u>-</u>	<u>-</u>	

ST. MICHAEL'S CATHOLIC COLLEGE
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

7. Investment income

	Unrestricted funds 2022 £	Total funds 2022 £
Bank interest receivable	422	422

	<i>Unrestricted funds 2021 £</i>	<i>Total funds 2021 £</i>
Bank interest receivable	462	462

8. Total expenditure

	Staff costs 2022 £	Premises costs 2022 £	Other costs 2022 £	Total 2022 £
Educational operations:				
Direct costs	6,166,920	-	465,892	6,632,812
Allocated support costs	1,123,878	307,998	1,108,123	2,539,999
Total 2022	7,290,798	307,998	1,574,015	9,172,811

	<i>Staff costs 2021 £</i>	<i>Premises costs 2021 £</i>	<i>Other costs 2021 £</i>	<i>Total 2021 £</i>
Educational operations:				
Direct costs	5,843,226	-	420,941	6,264,167
Allocated support costs	1,065,111	273,247	1,127,129	2,465,487
<i>Total 2021</i>	<i>6,908,337</i>	<i>273,247</i>	<i>1,548,070</i>	<i>8,729,654</i>

ST. MICHAEL'S CATHOLIC COLLEGE
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

9. Analysis of expenditure on charitable activities - by fund

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
Educational operations	13,528	9,159,283	9,172,811

	<i>Unrestricted funds 2021 £</i>	<i>Restricted funds 2021 £</i>	<i>Total 2021 £</i>
Educational operations	13,254	8,716,400	8,729,654

10. Analysis of expenditure on charitable activities - by type

	Activities undertaken directly 2022 £	Support costs 2022 £	Total funds 2022 £
Educational operations	6,632,812	2,539,999	9,172,811

	<i>Activities undertaken directly 2021 £</i>	<i>Support costs 2021 £</i>	<i>Total funds 2021 £</i>
Educational operations	6,264,167	2,465,487	8,729,654

ST. MICHAEL'S CATHOLIC COLLEGE
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

10. Analysis of expenditure on charitable activities - by type (continued)

Analysis of support costs

	Total funds 2022 £	<i>Total funds 2021 £</i>
Defined benefit pension scheme finance cost	44,000	35,000
Staff costs	1,079,878	1,030,111
Depreciation	679,722	690,849
Technology costs	116,456	118,612
Premises costs	307,998	273,247
Other costs	299,210	289,157
Governance costs	12,735	12,150
Legal costs	-	16,361
	2,539,999	2,465,487

11. Net income/(expenditure)

Net income/(expenditure) for the year is stated after charging:

	2022 £	<i>2021 £</i>
Operating lease rentals	16,209	10,890
Depreciation of tangible fixed assets	679,722	690,849
Fees paid to auditor for:		
- Audit of the financial statements	12,000	7,500
- Other services	1,500	2,950

ST. MICHAEL'S CATHOLIC COLLEGE
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

12. Staff

a. Staff costs

Staff costs during the year were as follows:

	2022	2021
	£	£
Wages and salaries	5,176,691	4,962,384
Social security costs	591,475	548,333
Pension costs	1,442,173	1,342,328
	7,210,339	6,853,045
Agency staff costs	36,459	20,292
Defined benefit pension scheme finance cost	44,000	35,000
	7,290,798	6,908,337

b. Staff numbers

The average number of persons employed by the Academy Trust during the year was as follows:

	2022	2021
	No.	No.
Management	11	10
Teachers	78	74
Administration and support	40	38
	129	122

ST. MICHAEL'S CATHOLIC COLLEGE
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

12. Staff (continued)

c. Higher paid staff

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2022	<i>2021</i>
	No.	<i>No.</i>
In the band £60,001 - £70,000	6	<i>6</i>
In the band £70,001 - £80,000	5	<i>3</i>
In the band £80,001 - £90,000	1	<i>2</i>
In the band £100,001 - £110,000	-	<i>1</i>
In the band £110,001 - £120,000	1	<i>-</i>
	=====	=====

The above employees participated in the Teachers' Pension Scheme and Local Government Pension Scheme. During the year ended 31 August 2022 pension contributions for these staff amounted to £200,454 (*2021 - £160,163*).

d. Key Management Personnel

The Key Management Personnel of the Academy Trust comprise the Governors and the Senior Management Team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by Key Management Personnel for their services to the Academy Trust was £1,125,057 (*2021 - £1,007,862*). The Academy Trust considered 11 (*2021 - 10*) members of staff to be Key Management Personnel.

ST. MICHAEL'S CATHOLIC COLLEGE
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

13. Governors' remuneration and expenses

One or more Governors has been paid remuneration or has received other benefits from an employment with the Academy Trust. The Principal and other staff Governors only receive remuneration in respect of services they provide undertaking the roles of Principal and staff members under their contracts of employment. The value of Governors' remuneration and other benefits was as follows:

		2022	2021
		£	£
Felicity Corcoran, Principal and Accounting Officer	Remuneration	110,000 - 115,000	<i>105,000 - 110,000</i>
	Pension contributions paid	25,000 - 30,000	<i>25,000 - 30,000</i>
Tania Rughooputh, Staff Governor	Remuneration	75,000 - 80,000	<i>70,000 - 75,000</i>
	Pension contributions paid	15,000 - 20,000	<i>15,000 - 20,000</i>
Peter McCarthy, Staff Governor (resigned 31 January 2022)	Remuneration	10,000 - 15,000	<i>25,000 - 30,000</i>
	Pension contributions paid	0 - 5,000	<i>0 - 5,000</i>
Andrew Hurley, Staff Governor (appointed 22 February 2022)	Remuneration	10,000 - 15,000	<i>-</i>
	Pension contributions paid	0 - 5,000	<i>-</i>

During the year ended 31 August 2022, no Governor expenses have been incurred (*2021 - £NIL*).

14. Governors' and Officers' insurance

In accordance with normal commercial practice, the Academy Trust has purchased insurance to protect Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust business. The insurance provides cover up to £1,000,000 on any one claim. The cost of this insurance is included in the total insurance cost.

ST. MICHAEL'S CATHOLIC COLLEGE
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

15. Tangible fixed assets

	Long-term leasehold property £	Furniture and equipment £	Computer equipment £	Total £
Cost or valuation				
At 1 September 2021	28,069,306	584,163	921,855	29,575,324
Additions	25,993	9,694	86,592	122,279
At 31 August 2022	<u>28,095,299</u>	<u>593,857</u>	<u>1,008,447</u>	<u>29,697,603</u>
Depreciation				
At 1 September 2021	3,717,805	402,505	638,536	4,758,846
Charge for the year	530,734	56,981	92,007	679,722
At 31 August 2022	<u>4,248,539</u>	<u>459,486</u>	<u>730,543</u>	<u>5,438,568</u>
Net book value				
At 31 August 2022	<u>23,846,760</u>	<u>134,371</u>	<u>277,904</u>	<u>24,259,035</u>
At 31 August 2021	<u>24,351,501</u>	<u>181,658</u>	<u>283,319</u>	<u>24,816,478</u>

Included in long-term leasehold property is land at valuation of £6,712,000 (2021 - £6,712,000) which is not depreciated.

16. Debtors

	2022 £	2021 £
Due within one year		
Other debtors	71,177	46,606
Prepayments and accrued income	314,400	258,682
	<u>385,577</u>	<u>305,288</u>

ST. MICHAEL'S CATHOLIC COLLEGE
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

17. Creditors: Amounts falling due within one year

	2022	<i>2021</i>
	£	£
Trade creditors	145,064	<i>106,256</i>
Other taxation and social security	-	<i>144,944</i>
Other creditors	105,597	<i>100,505</i>
Accruals and deferred income	126,153	<i>125,602</i>
	<hr/> 376,814 <hr/>	<hr/> <i>477,307</i> <hr/>
	2022	<i>2021</i>
	£	£
Deferred income		
Deferred income at 1 September	59,764	<i>21,764</i>
Resources deferred during the year	60,051	<i>59,764</i>
Amounts released from previous periods	(59,764)	<i>(21,764)</i>
	<hr/> 60,051 <hr/>	<hr/> <i>59,764</i> <hr/>

At the Balance Sheet date, the Academy Trust was holding funds received in advance for:

- Catering;
- Donations;
- Chromebook and locker deposits;
- School trips; and
- Fees for educational materials.

ST. MICHAEL'S CATHOLIC COLLEGE
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

18. Statement of funds

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2022 £
Unrestricted funds						
General funds	100,340	40,641	(13,528)	-	-	127,453
Restricted general funds						
General Annual Grant (GAG)	832,272	7,088,942	(7,259,450)	(77,483)	-	584,281
Pupil Premium	-	332,568	(332,568)	-	-	-
Other DfE / ESFA revenue grants	-	63,962	(63,962)	-	-	-
Local Authority revenue grants	-	234,021	(234,021)	-	-	-
Other Government revenue grants	-	134,243	(134,243)	-	-	-
Other Educational income	-	49,317	(49,317)	-	-	-
Pension reserve	(2,738,000)	-	(406,000)	-	3,144,000	-
	<u>(1,905,728)</u>	<u>7,903,053</u>	<u>(8,479,561)</u>	<u>(77,483)</u>	<u>3,144,000</u>	<u>584,281</u>
Restricted fixed asset funds						
NBV of fixed assets	24,816,478	24,107	(679,722)	98,172	-	24,259,035
DfE / ESFA capital grants	-	20,689	-	(20,689)	-	-
	<u>24,816,478</u>	<u>44,796</u>	<u>(679,722)</u>	<u>77,483</u>	<u>-</u>	<u>24,259,035</u>
Total Restricted funds	<u>22,910,750</u>	<u>7,947,849</u>	<u>(9,159,283)</u>	<u>-</u>	<u>3,144,000</u>	<u>24,843,316</u>
Total funds	<u><u>23,011,090</u></u>	<u><u>7,988,490</u></u>	<u><u>(9,172,811)</u></u>	<u><u>-</u></u>	<u><u>3,144,000</u></u>	<u><u>24,970,769</u></u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

18. Statement of funds (continued)

The specific purposes for which the funds are to be applied are as follows:

The General fund represents the income and expenditure for which no fund restrictions apply.

The General Annual Grant (GAG) represents the core funding for the educational activities of the Academy Trust via the Education and Skills Funding Agency (ESFA) by the Department for Education (DfE). The GAG fund has been set up because the GAG must be used for the normal running costs of the Academy Trust.

The Pupil Premium fund represents the restricted funding from the Education and Skills Funding Agency to raise the attainment of disadvantaged pupils and close the gap between them and their peers.

The Other DfE/ESFA revenue grants fund represents the restricted funding received from the DfE/ESFA for specific purposes.

The Local Authority revenue grants fund has been set up to recognise the income received from the local council as a contribution towards the cost of the Academy Trust's revenue expenditure.

The Other Government revenue grants fund has been set up to recognise the restricted funding received from all other Government bodies which fall outside the scope of core funding.

The Other Educational income fund has been established to recognise all other restricted funding that cannot be classified above but falls inside the scope of its core activities.

The Pension reserve fund has been created to separately identify the pension deficit inherited from the Local Authority upon conversion to Academy Trust status, and through which all the pension scheme movements are recognised.

The NBV of fixed assets fund has been set up to recognise the tangible assets held by the school and is equivalent to the net book value of tangible fixed assets. Depreciation of tangible fixed assets is allocated to this fund.

The DfE / ESFA capital grants fund has been created to recognise capital grants received for the purpose of the acquisition of tangible fixed assets. As tangible fixed assets are purchased, a transfer is made to the NBV of fixed assets fund.

ST. MICHAEL'S CATHOLIC COLLEGE
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

18. Statement of funds (continued)

Comparative information in respect of the preceding year is as follows:

	<i>Balance at 1 September 2020 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2021 £</i>
Unrestricted funds						
General funds	94,005	19,589	(13,254)	-	-	100,340
Restricted general funds						
General Annual Grant (GAG)	868,589	6,548,742	(6,579,858)	(5,201)	-	832,272
Pupil Premium	-	311,793	(311,793)	-	-	-
Other DfE / ESFA revenue grants	-	419,534	(419,534)	-	-	-
Local Authority revenue grants	-	228,253	(228,253)	-	-	-
Other Government revenue grants	-	108,779	(108,779)	-	-	-
Other Educational income	-	14,334	(14,334)	-	-	-
Pension reserve	(2,224,000)	-	(363,000)	-	(151,000)	(2,738,000)
	<u>(1,355,411)</u>	<u>7,631,435</u>	<u>(8,025,551)</u>	<u>(5,201)</u>	<u>(151,000)</u>	<u>(1,905,728)</u>
Restricted fixed asset funds						
NBV of fixed assets	25,255,139	77,863	(690,849)	174,325	-	24,816,478
DfE / ESFA capital grants	149,017	20,107	-	(169,124)	-	-
	<u>25,404,156</u>	<u>97,970</u>	<u>(690,849)</u>	<u>5,201</u>	<u>-</u>	<u>24,816,478</u>
Total Restricted funds	<u>24,048,745</u>	<u>7,729,405</u>	<u>(8,716,400)</u>	<u>-</u>	<u>(151,000)</u>	<u>22,910,750</u>
Total funds	<u><u>24,142,750</u></u>	<u><u>7,748,994</u></u>	<u><u>(8,729,654)</u></u>	<u><u>-</u></u>	<u><u>(151,000)</u></u>	<u><u>23,011,090</u></u>

ST. MICHAEL'S CATHOLIC COLLEGE
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

19. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2022 £	Restricted general funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £
Tangible fixed assets	-	-	24,259,035	24,259,035
Current assets	127,453	961,095	-	1,088,548
Creditors due within one year	-	(376,814)	-	(376,814)
Total	127,453	584,281	24,259,035	24,970,769

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2021 £</i>	<i>Restricted general funds 2021 £</i>	<i>Restricted fixed asset funds 2021 £</i>	<i>Total funds 2021 £</i>
Tangible fixed assets	-	-	24,816,478	24,816,478
Current assets	100,340	1,309,579	-	1,409,919
Creditors due within one year	-	(477,307)	-	(477,307)
Defined benefit pension scheme liability	-	(2,738,000)	-	(2,738,000)
Total	100,340	(1,905,728)	24,816,478	23,011,090

ST. MICHAEL'S CATHOLIC COLLEGE
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

20. Reconciliation of net expenditure to net cash flow from operating activities

		2022 £	2021 £
Net expenditure for the year (as per Statement of Financial Activities)		(1,184,321)	(980,660)
Adjustments for:			
Depreciation	15	679,722	690,849
Capital grants from DfE and other capital income	4	(44,796)	(97,970)
Investment income	7	(422)	(462)
Defined benefit pension scheme cost less contributions payable	24	357,000	324,000
Defined benefit pension scheme finance cost	24	44,000	35,000
Defined benefit pension scheme administrative expenses	24	5,000	4,000
Increase in debtors	16	(80,289)	(100,793)
(Decrease)/increase in creditors	17	(100,493)	136,039
Loss on disposal of tangible fixed assets		-	193
Net cash (used in)/generated from operating activities		(324,599)	10,196

21. Cash flows from investing activities

		2022 £	2021 £
Investment income	7	422	462
Purchase of tangible fixed assets	15	(98,172)	(174,518)
Capital grants from DfE Group	4	20,689	20,107
Net cash used in investing activities		(77,061)	(153,949)

22. Analysis of cash and cash equivalents

		2022 £	2021 £
Cash in hand and at bank		702,971	1,104,631
Total cash and cash equivalents		702,971	1,104,631

ST. MICHAEL'S CATHOLIC COLLEGE
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

23. Analysis of changes in net debt

	At 1 September 2021 £	Cash flows £	At 31 August 2022 £
Cash at bank and in hand	1,104,631	(401,660)	702,971
	1,104,631	(401,660)	702,971

24. Pension commitments

The Academy Trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by the London Pension Fund Authority. Both are multi-employer defined benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 March 2019.

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

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 full-time teachers in academies. 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

24. Pension commitments (continued)

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. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million, giving a notional past service deficit of £22,000 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI, assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

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

The employer's pension costs paid to TPS in the year amounted to £924,000 (2021 - £881,650).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>).

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The Academy Trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Academy Trust has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2022 was £222,000 (2021 - £199,000), of which employer's contributions totalled £161,000 (2021 - £137,000) and employees' contributions totalled £61,000 (2021 - £62,000). The agreed contribution rates for future years are 17.6 per cent for employers and 5.5 to 12.5 per cent for employees.

As described in Note 2.13 the LGPS obligation relates to the employees of the Academy Trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Academy Trust at the balance sheet date.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

ST. MICHAEL'S CATHOLIC COLLEGE
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

24. Pension commitments (continued)

Principal actuarial assumptions

	2022	<i>2021</i>
	%	%
Rate of increase in salaries	1.75	<i>2.00</i>
Rate of increase for pensions in payment/inflation	2.95	<i>2.90</i>
Discount rate for scheme liabilities	4.25	<i>1.65</i>
Inflation assumption (CPI)	2.95	<i>2.90</i>

The current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement age 65 are:

	2022	<i>2021</i>
	Years	Years
<i>Retiring today</i>		
Males	21.2	<i>21.1</i>
Females	24.2	<i>24.1</i>
<i>Retiring in 20 years</i>		
Males	22.7	<i>22.6</i>
Females	25.7	<i>25.6</i>

Sensitivity analysis

	2022	<i>2021</i>
	£000	£000
Discount rate +0.1%	(82)	<i>(139)</i>
Discount rate -0.1%	84	<i>142</i>
Mortality assumption - 1 year increase	124	<i>281</i>
Mortality assumption - 1 year decrease	(120)	<i>(268)</i>
CPI rate +0.1%	80	<i>132</i>
CPI rate -0.1%	(79)	<i>(130)</i>

ST. MICHAEL'S CATHOLIC COLLEGE
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

24. Pension commitments (continued)

Share of scheme assets

The Academy Trust's share of the assets in the scheme was:

	At 31 August 2022	<i>At 31 August 2021</i>
	£	£
Equities	2,187,000	1,966,000
Target return portfolio	838,000	757,000
Infrastructure	409,000	307,000
Property	382,000	292,000
Cash and other liquid assets	51,000	181,000
Total market value of assets	3,867,000	<i>3,503,000</i>

The actual return on scheme assets was £239,000 (2021 - £375,000).

The amounts recognised in the Statement of Financial Activities are as follows:

	2022	<i>2021</i>
	£	£
Current service cost	(518,000)	<i>(456,000)</i>
Interest income	59,000	<i>49,000</i>
Interest cost	(103,000)	<i>(84,000)</i>
Administrative expenses	(5,000)	<i>(4,000)</i>
Total amount recognised in the Statement of Financial Activities	(567,000)	<i>(495,000)</i>

Changes in the present value of the defined benefit obligations were as follows:

	2022	<i>2021</i>
	£	£
At 1 September	6,241,000	<i>5,224,000</i>
Current service cost	518,000	<i>456,000</i>
Interest cost	103,000	<i>84,000</i>
Employee contributions	61,000	<i>62,000</i>
Actuarial (gains)/losses	(2,981,000)	<i>477,000</i>
Benefits paid	(75,000)	<i>(62,000)</i>
At 31 August	3,867,000	<i>6,241,000</i>

ST. MICHAEL'S CATHOLIC COLLEGE
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

24. Pension commitments (continued)

Changes in the fair value of the Academy Trust's share of scheme assets were as follows:

	2022 £	2021 £
At 1 September	3,503,000	3,000,000
Interest income	59,000	49,000
Actuarial gains	163,000	326,000
Employer contributions	161,000	132,000
Employee contributions	61,000	62,000
Benefits paid	(75,000)	(62,000)
Administrative expenses	(5,000)	(4,000)
At 31 August	3,867,000	3,503,000

Reconciliation of opening to closing defined benefit pension scheme liability

	2022 £	2021 £
Balance brought forward at 1 September	2,738,000	2,224,000
Defined benefit pension scheme cost less contributions payable	357,000	324,000
Defined benefit pension scheme finance cost	44,000	35,000
Administrative expenses	5,000	4,000
Actuarial (gains)/losses	(3,144,000)	151,000
Balance carried forward at 31 August	-	2,738,000

The amounts recognised in the Balance Sheet are as follows:

	2022 £	2021 £
Present value of the defined benefit obligation	(3,867,000)	(6,241,000)
Fair value of scheme assets	3,867,000	3,503,000
Balance carried forward at 31 August	-	(2,738,000)

ST. MICHAEL'S CATHOLIC COLLEGE
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

25. Operating lease commitments

At 31 August 2022 the Academy Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2022 £	2021 £
Not later than 1 year	18,503	16,209
Later than 1 year and not later than 5 years	30,309	34,136
	<u>48,812</u>	<u>50,345</u>

26. Members' liability

Each Member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a Member, or within one year after he/she ceases to be a Member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he/she ceases to be a Member.

27. Related party transactions

No related party transactions took place in the period of account, other than certain Governors' remuneration and expenses already disclosed in Note 13.

28. Agency arrangements

The Academy Trust administers funds for the Catholic Teaching Alliance. A balance of £87,622 (2021 - £97,253) was held in respect of these funds as at the Balance Sheet date.

The Academy Trust distributes 16-19 bursary funds as an agent for the ESFA. In the year ended 31 August 2022, the Academy Trust received £20,900 (2021 - £21,590) and disbursed £20,409 (2021 - £21,590) from the fund. A balance of £492 (2021 - £NIL) was held in respect of these funds as at the Balance Sheet date.