

Registered number: 3095116  
Charity number: 1062584

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**ST MICHAEL ASSOCIATES**  
(A company limited by guarantee)

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**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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**ST MICHAEL ASSOCIATES**  
**(A company limited by guarantee)**

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**ST MICHAEL ASSOCIATES**  
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITABLE COMPANY, ITS TRUSTEES AND  
ADVISERS  
FOR THE YEAR ENDED 31 AUGUST 2016**

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<b>Patron</b>	Mr J Fashanu
<b>President</b>	Dr A Bing
<b>Trustees</b>	Mrs T O Bamidele, Chair Mr O Akindayini Mr F A Adepoju Ms S Alli, Treasurer Mrs A Peat, Vice Chair Mr C Ebie Mrs G Okonkwo Mr A Dike
<b>Company registered number</b>	3095116
<b>Charity registered number</b>	1062584
<b>Registered office</b>	368 Old Kent Road London SE1 5AA
<b>Company secretary</b>	Benn Omotayo
<b>Chief executive officer</b>	Benn Omotayo
<b>Independent auditors</b>	Stephen Michael Associates Chartered Certified Accountants Statutory Auditors 3 More London Riverside London SE1 2RE
<b>Bankers</b>	Natwest Bank Plc P O Box 3753 65 Peckham High Street Peckham London SE15 5RZ

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**ST MICHAEL ASSOCIATES**  
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**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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The Trustees present their annual report together with the audited financial statements for the year 1 September 2015 to 31 August 2016.

Since the charitable company qualifies as small company under section 383, the strategic report required of medium and large companies under The Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013 is not required.

The charitable company also trades under the name SMA.

**Objectives and Activities**

**a. POLICIES AND OBJECTIVES**

SMA's object and its principal activity continue to be the promotion and the advancement of education of the public in general. We have laid out our objectives under three themes:

1. **EDUCATION:** to promote the advancement of education of the public in general in the understanding of all aspects of education and training in schools and colleges and at all levels of the education system.
2. **QUALITY OF LIFE:** to improve the quality of life of disadvantaged pupils, young people and families in need, thus providing them with tools with which to become a useful and responsible citizen in their adult life.
3. **INVOLVEMENT:** to improve parental involvement and commitment in educational opportunities and for parents and carers to become involved in supporting extra curriculum activities through advice and training.

Our policies is about potential never explored; lost talent, the inability to live a full life free from the charity of others; to expand opportunities so that nobody whatever their background or circumstance should be left behind; raising achievement; improving the life chances of children; young people and families through our 'Learning Beyond the Classroom', 'Family Support', and 'Prevention and Intervention Services'. Our work with the community revealed that the most socially excluded are the 'hard to reach', families, i.e. families living with vulnerable children, young people, and adults. These groups' problems are multiple, entrenched and often passed down the generation.

In setting out our objectives and planning our activities we have given careful consideration to the Charity Commission's general guidance on public benefit and in particular its supplementary public benefit guidance on advancing education, fee charging, and Safeguarding Children and Vulnerable Adults policy.

**b. ACTIVITIES FOR ACHIEVING OBJECTIVES**

On receiving the Big Lottery Fund on the 17 June 2013, and in view of the funding difficulties voluntary sector faces, particularly in the area of supplementary education, St Michael Associates adopted the "Pivoting Strategy" focusing mainly on supporting families living with autism and at risk of mental health challenges.

Our goal is to focus on improving social outcomes and better life chances for our target group. We help them have access to more family training, workshop, home visit and provide them with support and help they need to succeed in living a fulfilled life, which they don't get in a 1 on 1 basis elsewhere. By 31 August 2016, the third year of the project, SMA has worked with over 1,170 users and organisations with different needs. Over 30% (354) are male and 53% (619) are female. Over 40% of them are aged 0-24 years; while 60% are aged 25-64 years; 3% are aged 65+ years. 13% of our service users are disabled; while over 87% did not record any form of disability

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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Everything we do is geared to increasing better life chances for our beneficiaries. We achieve this through the following projects:

- Supporting self-esteem and confidence and well-being through adult learning and parenting classes
- Meeting autism specific needs of families living with autism through training, workshops, autism specific lending library, and outreach.
- Exploring local and national options, including resources.
- Home visit for advice and information to explore issues and explain what intervention is required for families and siblings.
- Creating individual support plan strategy to improve family dynamics and parenting.
- Train volunteers in understanding autism issues as is related to BME groups.

**PUBLIC BENEFIT**

Our programme seeks to widen access to education and education resources. And also to fill the current gap in provision that have put families living with autism; vulnerable children; school children at risk of Not in Education; Employment and Training (NEET); at risk of exclusion; and better life chances, for BME groups. Also to ensure that siblings are not NEET too. Yearly, the government spend over £760m in providing financial support and various intervention strategies for families, 16-18 year olds, and those at risk of mental challenges, most of which were NEET.

There is a clear social, economic and a moral imperative to prevent their difficulties becomes entrenched. We also bear in mind recommendations from Sandy Leitch's report (2006) which set out the importance of developing high skills for 2020.

The positive feedback we have received from the regular meetings held with the parents/carers, children, schools and communities we have worked with support our view of the success of our programme.

Overall the projects broaden the career and educational prospects for the target groups and lessen the negative impact and increased demands that they place on teachers and other children when they do attend school as well as crime and public finance. Youth services analysis points to a clear correlation between truancy and those young people who end needing intervention from the Youth Offending Team so the projects reduce the numbers going through the care or correctional services.

We will continue to liaise closely with our beneficiaries so that the projects continue to meet the needs of those who participate and to deliver success and many other benefits besides, both to our parents/carers, pupils, schools and those in the community or state sector.

**c. VOLUNTEERS**

We developed and approved volunteering policy covering both volunteering opportunities at SMA and opportunities for our staff to volunteer. The charity is grateful for the unstinting efforts of its volunteers who are involved in service provision, events management, office work and administration. It is estimated that over 1,078 volunteer hours were provided during 2015-16. If this is valued at £10.00 an hour the volunteer effort amounts to over £10,780.

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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**Achievements and performance**

**a. KEY FINANCIAL PERFORMANCE INDICATORS**

Currently, 90% of St Michael Associates' income is for providing support services to families living with autism in seven London boroughs (Southwark, Lewisham, Greenwich, Wandsworth, Croydon, Lambeth, and Bromley).

The main financial objective is to ensure that these services break even and ideally make a surplus which can be used to meet the budget targets needed to provide other softer community support services in line with SMA's objectives.

At the beginning of the year an estimated 122½ hours per week would have to be provided to break even with the current staffing structure. This target was met notwithstanding paying the London Living Wage for all support staff.

The budget for Family Support and Independent Living Activities was set earmarking free reserves and any surplus made by the voluntary donations to meet any shortfall in grants funding for these services. The actual shortfall due to higher expenditure than income was within agreed budgeted limits and met by free reserves.

**b. REVIEW OF ACTIVITIES**

At the start of the year in September 2015 we aimed to inspire our users to develop their talents, self esteem and self confidence and promote community cohesion. We aim to provide the much needed supports to children, young people and parents living with autism and challenges both socially, academically and mentally. We aim to work with as many agents and organisations to recognise the issues facing our target beneficiaries. The team began working on the referral process and the publicity needed to inform and announce our projects. By the end of August 2016, the third year after pivoting, more than 1,170 (an increase of over 297) users (children, young people, and parents) and more than 327 organisations (schools, health centres, GPs, Social Services) had accessed our project. Anyone referred to us were contacted within a week of referral.

By 31 August 2016, 297 people, (including people with carer responsibilities), reported improved self-esteem and confidence; 95 family members reported improved self-esteem, confidence and engagement in social activities; 285 family members have reported improved self-esteem, confidence and engagement in social activities; 63 mothers living with autism reported reduced isolation and improved communication with family members; 27 siblings have reported improved social interaction and reduced embarrassment in schools and other social settings; 189 family members have reported less isolated, improved social interaction, less intimidation, more self-worth, motivated and happier; 62 parents reported increased awareness of available options; 113 parents have reported increased awareness of available options and service take up; 30 volunteers recruited and demonstrated improved autism/autism related skills and confidence through facilitating activity sessions; and 37 volunteers have taken up new training, educating and/or employment opportunities.

While 29% of total referrals were lone parent families, 51% of referrals involved families containing two children or fewer. The large majority are black African (46%) followed by Caribbean (20%) and those described as Black British (15%). The gender: male (31%); female (69%). Over 40% of them are aged 0 – 24 years; while 57% are aged 25-64 years, 3% are aged 65+ years. 13% of our service users are disabled; while over 87% did not record any form of disability.

Staff development takes place as planned and is delivered in four main ways.

- Courses/seminars organised by Local Authorities, organisations or companies.
- Training, seminars and workshops.
- Volunteering and shadowing both internally and externally.
- The active use of CPD days for employees and volunteers.

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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SMA placed particular emphasis on children and young people educational achievement, safety and life chances. The Chief Executive has played an outstanding leadership role in representing the interest of the organisation. Even though operating within a tight budget, the trustees consider that the performance of SMA this year has been most satisfactory than the year ended 31 August 2015.

However challenging the year under review was in terms of the level of income received, service delivery for the Year 2015/16 is another excellent year for SMA, a year of development and progress. Our efforts to improve the life of disadvantaged families, young people and children have resulted in a general recognition nationwide (trusts, companies, Local Authorities communities, schools and parents at large, with some future partnership working with schools and other volunteering organisations e.g Community Child Health.

We continue to work with our partners and hubs of expertise to develop our services and promote and make it more accessible to our users through website, HelpDesk services, free training, workshops and printed materials

**c. FUNDRAISING ACTIVITIES/INCOME GENERATION**

SMA continues to look into ways to grow earned income and provide quality value for money services to our users.

We continue to broaden our fundraising activities to enable us explore ways of expanding our portfolio of services and at the same time extend our current services to enable us address and tackle issues of employment, training, development, participation and involvement, self-esteem, self-confidence, the prevention of crime and, reducing the proportion of children and young people at risk of becoming NEET, meeting the needs of families living with autism as well as expanding our fundraising base.

**d. INVESTMENT POLICY AND PERFORMANCE**

The trustees have decided that at present, funds should be retained in Banks and Building Societies. Any change in such banking arrangements should be agreed by the board. As far as possible, funds will be retained in interest bearing accounts.

**e. FACTORS RELEVANT TO ACHIEVE OBJECTIVES**

We have learned that the needs of our target beneficiaries evolve as that person ages. Consequently, the immediate changes achieved by the projects are time expired to the extent that they relate to the needs of the beneficiary. Our plans is to continue exploring and working with that person, organisations and government to actualise our vision. Our key strategic aim therefore, is to encourage the relevant statutory local agencies to recognise and respond to the project's achievements. Our commitment to equal opportunities dates back to our inception (1994).

Over these years, we have learned, gained, and acquired the skills, tools, experience contacts, style resources reputation, work in partnership, encouragement and support, determination and persistence, enthusiasm, re-direction, re-allocation and prioritisation, commitment, mistakes and disasters (mistake and disasters that are very useful enablers of achievement) which are some of the key factors to enabling objective achievement.

Where you already possess an identified enabling factor, then re-direct and prioritize it 'upwards' towards your aim and the next relevant causal factor(s) in your plan. This can even apply for factors like money and time, where such enablers are often possessed but are currently misdirected or wasted. The decision and commitment to re-direct and prioritize become the enabling factor.

Conversely (and perhaps more commonly) where we do not possess a factor and cannot attain it easily, then we identify what will cause it to happen, through research and training.

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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**Financial review**

**a. RESERVES POLICY**

The trustees have established a policy whereby the unrestricted funds not committed or invested in tangible fixed assets ('the free reserves') held by SMA should be 3 months of annual running costs. At this level, the trustees feel that they would be able to continue the current activities of the charity in the event of a significant drop in funding. The trustees recognise that the current level of free reserve does not reach the above target and are considering ways in which additional funds will be raised.

**b. DEFICIT**

We have suffered a significant unsuccessful income generation during the year under review. Nevertheless, the management have setup a fundraising programme so as to reduce/eliminate the unrestricted deficit balance in the financial year. In order to have the most impact and addressing the unmet needs of our service users, we will continue to develop new activities for children, young people, parents, and families. We recognise that funding at the current level will not give SMA the opportunity to respond to the other development on hand. At present, we intend to intensify our local fundraising events including charity voluntary donations. We believe by the year ending 31 August 2017, our efforts would have yielded corresponding income to wipe out the deficit. We believe by the year ending 31 August 2017, our efforts would have yielded corresponding income to enable us develop other projects needed by the users.

**c. PRINCIPAL FUNDING**

Our projects have been very successful and have attracted funds from trust, companies and government. Our grateful thanks to Big Lottery Fund who, on the 06 June 2016, awarded us a continuation grant of £496,283 over three year, effective 02 September 2016, over three years, to continue the NEMFLA (Meeting the Needs of Ethnic Minority Families Living with Autism). Also we are grateful to all those who voluntarily contributed to our unrestricted fund. These incomes have helped us bring smiles on the face of children, young people, and families, most of who are living incredible tough lives. Your financial support have helped preventing them from social exclusion and releasing their potentials in most cases.

**Structure, governance and management**

**a. CONSTITUTION**

The charitable company is a charitable company limited by guarantee and was set up by a Memorandum of Association on 24 August 1995 and is a registered charity - number 1062584.

**b. METHOD OF APPOINTMENT OR ELECTION OF TRUSTEES**

The management of the charitable company is the responsibility of the Trustees who are elected and co-opted under the terms of the Articles of Association.

**c. PAY POLICY FOR SENIOR STAFF**

St Michael Associates' vision is for a world in which disadvantaged families and those living with autism have a better life chances. It is therefore essential for St Michael Associates (SMA) to have credible leaders who bring professional expertise, significant leadership experience and strong capability to develop and grow the organisation to be world class. Having a competitive reward offering is one of the many ways in which the SMA can secure the very best people to deliver our ambitious targets.

SMA has a clear and transparent pay policy that not only ensures the selection and retention of high calibre leaders but also ensures our donors, supporters, staff, volunteers, beneficiaries and public recognise the



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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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importance of accountability in all aspects of our work including the determination of pay and benefits of the senior team.

The Board of Trustees is responsible for defining SMA's Executive Pay Policy and deciding on the salaries of the Chief Executive and the Senior Service Leaders, a fair salary to attract and retain skilled and expert senior leaders for SMA and competitive within the charity sector, proportionate to the complexity of each role and responsible in line with our charitable objectives and in line with the National Joint Council recommendations.

At present, there are no additional payments made to senior officers which specifically relate to performance such as performance bonuses - neither is there an element of pay which can be enhanced for performance.

In introducing this policy we will ensure that the process for setting pay at a senior level is transparent. This policy will be reviewed annually to track the relationship of chief officer pay with the rest of the workforce. Annual monitoring of this policy will take place in March each year.

**d. ORGANISATIONAL STRUCTURE AND DECISION MAKING**

The charitable company is organised so that the Trustees meet to consider organisational and financial issues relating to the running of the charity. The day-to-day management is delegated to the Chief Executive. The Chief Executive co-ordinates the day-to-day issues of project and the professional support and guidance of all other staff and services users.

**e. RISK MANAGEMENT**

The trustees and partners have been mindful of the risks and contingencies throughout. The risks identified include the loss of key staff and slippage of projects, for example, with practical measures defined to ensure that there is an adequate plan in place to overcome them. The trustees actively review the risks that the charity faces, on annual basis, in six key areas: strategic direction; finance; reputation; legal and statutory, human resources; and, information and communication technologies (ICT). All identified risks are assessed for both likelihood of occurrence and potential impact, in addition to SMA's attitude to the individual risks being ascertained.

This information is then used to develop a risk management strategy for the organisation, including the identification of existing controls in operation and any new controls the trustees considered necessary. This risk management strategy forms part of the annual planning process, against which the trustees review progress formally every three months. The trustees not only review annual plans but also seek to anticipate future risks by undertaking a regular three year planning programme.

In respect of financial risk, the trustees are satisfied that systems are in place to mitigate our exposure to unplanned adverse conditions.

**Plans for future periods**

**a. FUTURE DEVELOPMENTS**

SMA is dedicated to improving life chances, educational standards and extending opportunities through its educational and family support initiatives. Our initiatives are designed to engage and motivate, whilst maximising achievement with learners who are unable to access mainstream education or services at first contact or at risk of disengagement / NEET most of which are living in incredible tough lives.

The future plan of St Michael Associates is to continue creating ambition and aspiration in people of all ages. We intend to combine aspect of cognitive behavioural therapy, counselling, anger management counselling and mentoring to understand the needs and barriers for each individual. This will be fused with life experiences themed around each individual's needs and their potential employment, enterprise, education and training

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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opportunities. When delivered in the right environment, by our team of experts, having the 4 outcomes of Every Child Matters (ECM) outcomes and better life chances for parents, the result will be amazing.

In 2015-16, we planned to increase the number of beneficiaries of our project by 35%. This we hope will reduce exclusion, disaffection, under achievement and reduce the number of children at risk of NEET and families at risk of mental health, stress, isolation and being ostracised. Supporting Boys Left Behind and at risk of NEET; and at the same time source for funding to start: Educational Internet Resource Centre/Basic Skills Training. 2) Financial Literacy. This was not achieved due to lack of fund.

In 2015-16, we planned to improve on our projects: Supporting Families living with autism. This was more than 100% achieved.

Research confirmed the strategic importance of family in the society and has identified five pathways to poverty as family breakdown, educational failure, economic dependence, indebtedness and addictions. Research also confirmed that children growing up in fatherless family are more likely to suffer from stress, depression, and other emotional, mental and psychological problems including health problem and engaging in high risk behaviour. Better support for families on the edge will increase mental, physical and emotional well being of young people and parents. Studies also confirmed that personal debt is the most serious social problem facing UK. A Bank of England survey estimated that nearly 6 million adult felt they were currently struggling with their finances. Another studies indicated that the actual figure may be higher at between 7 and 9 million. If we include the children of these adults then these numbers rise to between 9 and 12 million. We aim to reduce the impact of debt on families through financial education to enable families manage their finances well. This was less than 6% achieved due to lack of fund.

In 2015-16 we intended also to introduce "Parent Support Adviser" project. This project will focus on the 'three Es: empowering parents to become more effective parents; establishing relationships through agency working; and encouraging parents to take an active part in their children learning'. The main focus here is to give strong effective relationships between learners, school, community and parents, whatever their circumstances, thus creating effective parental engagement. This was less than 21% achieved due to lack of fund.

For 2016-17 we will continue to actively source for fund enabling the operation of the above projects to nearing 100%.

#### **MEMBERS' LIABILITY**

The Trustees of the charitable company guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up.

#### **TRUSTEES' RESPONSIBILITIES STATEMENT**

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

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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- 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 operation.

The Trustees 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 Trustees 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.

**DISCLOSURE OF INFORMATION TO AUDITOR**

So far as each of the Trustees is aware at the time the report is approved:

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

**AUDITOR**

The charitable company's auditors, Stephen Michael Associates have indicated their willingness to continue in office and offer themselves for re-appointment at the next Annual General Meeting.

This report was approved by the Trustees on 19/04/2017 and signed on their behalf by:

  
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Mrs A Peat, Vice Chair

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**ST MICHAEL ASSOCIATES**  
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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ST MICHAEL ASSOCIATES**

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We have audited the financial statements of St Michael Associates for the year ended 31 August 2016 which comprise the Statement of financial activities incorporating income and expenditure account, the Balance sheet, the Cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

**RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS**

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

We have undertaken the audit in accordance with the requirements of APB Ethical Standards including APB Ethical Standards - Provisions Available for Small Entities, in the following circumstances:

- In common with many other businesses of this size and nature, the charitable company uses our firm to prepare and submit returns to the tax authorities and assist with the preparation of the financial statements.

**SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

**OPINION ON FINANCIAL STATEMENTS**

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2016 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.

**OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006**

In our opinion the information given in the Trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ST MICHAEL ASSOCIATES**

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**MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

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

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



Mr Stephen Oladapo Odeleye  
Senior Statutory Auditor

For and on behalf of:

**Stephen Michael Associates**  
Chartered Certified Accountants  
Statutory Auditors  
3 More London Riverside  
London  
SE1 2RE  
Date: *20 April 2017*

Stephen Michael Associates are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

**ST MICHAEL ASSOCIATES**  
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**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 31 AUGUST 2016**

	Note	Restricted funds 2016 £	Unrestricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
<b>INCOME FROM:</b>					
Donations and legacies	2	145,311	2,950	148,261	157,774
<b>TOTAL INCOME</b>		<b>145,311</b>	<b>2,950</b>	<b>148,261</b>	<b>157,774</b>
<b>EXPENDITURE ON:</b>					
Charitable activities:					
Other charitable activities		142,021	2,140	144,161	146,711
Governance	5	7,960	-	7,960	5,119
<b>TOTAL EXPENDITURE</b>		<b>149,981</b>	<b>2,140</b>	<b>152,121</b>	<b>151,830</b>
<b>NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES</b>					
		(4,670)	810	(3,860)	5,944
<b>NET MOVEMENT IN FUNDS</b>		<b>(4,670)</b>	<b>810</b>	<b>(3,860)</b>	<b>5,944</b>
<b>RECONCILIATION OF FUNDS:</b>					
Total funds brought forward		14,177	(8,223)	5,954	10
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>9,507</b>	<b>(7,413)</b>	<b>2,094</b>	<b>5,954</b>

All activities relate to continuing operations.

The notes on pages 15 to 23 form part of these financial statements.

**ST MICHAEL ASSOCIATES**  
**(A company limited by guarantee)**  
**REGISTERED NUMBER: 3095116**

**BALANCE SHEET**  
**AS AT 31 AUGUST 2016**

	Note	£	2016 £	£	2015 £
<b>FIXED ASSETS</b>					
Tangible assets	9		13,008		9,656
<b>CURRENT ASSETS</b>					
Debtors	10	5,928		3,377	
Cash at bank and in hand		1,072		8,534	
		<u>7,000</u>		<u>11,911</u>	
<b>CREDITORS: amounts falling due within one year</b>	11	<u>(17,914)</u>		<u>(15,613)</u>	
<b>NET CURRENT LIABILITIES</b>			<u>(10,914)</u>		<u>(3,702)</u>
<b>NET ASSETS</b>			<u>2,094</u>		<u>5,954</u>
<b>CHARITY FUNDS</b>					
Restricted funds	12		9,507		14,177
Unrestricted funds	12		<u>(7,413)</u>		<u>(8,223)</u>
<b>TOTAL FUNDS</b>			<u>2,094</u>		<u>5,954</u>

The financial statements were approved and authorised for issue by the Trustees on 19/04/2017 and signed on their behalf by:

  
 Mrs A Peat, Vice Chair

  
 Ms S Alli, Treasurer

The notes on pages 15 to 23 form part of these financial statements.

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**ST MICHAEL ASSOCIATES**  
(A company limited by guarantee)

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**CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 AUGUST 2016**

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	Note	2016 £	2015 £
<b>Cash flows from operating activities</b>			
Net cash (used in)/provided by operating activities	14	<u>(114)</u>	<u>14,690</u>
<b>Cash flows from investing activities:</b>			
Purchase of tangible fixed assets		<u>(7,348)</u>	<u>(6,349)</u>
<b>Net cash used in investing activities</b>		<u>(7,348)</u>	<u>(6,349)</u>
<b>Change in cash and cash equivalents in the year</b>		<u>(7,462)</u>	<u>8,341</u>
Cash and cash equivalents brought forward		<u>8,534</u>	<u>193</u>
<b>Cash and cash equivalents carried forward</b>	15	<u><u>1,072</u></u>	<u><u>8,534</u></u>



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**ST MICHAEL ASSOCIATES**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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**1. ACCOUNTING POLICIES**

**1.1 Basis of preparation of financial statements**

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006

St Michael Associates meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

**1.2 Reconciliation with previous Generally Accepted Accounting Practice**

In preparing these accounts, the Trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 the restatement of comparative items was required.

No restatements were required.

**1.3 Company status**

The charitable company is a company limited by guarantee. The members of the company are the Trustees named on page 1. In the event of the charitable company being wound up, the liability in respect of the guarantee is limited to £1 per member of the charitable company.

**1.4 Fund accounting**

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charitable company and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charitable company for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

**1.5 Income**

All income is recognised once the charitable company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

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**ST MICHAEL ASSOCIATES**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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**1. ACCOUNTING POLICIES (continued)**

**1.6 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.

Support costs are those costs incurred directly in support of expenditure on the objects of the charitable company and include project management carried out at Headquarters. Governance costs are those incurred in connection with administration of the charitable company and compliance with constitutional and statutory requirements.

**1.7 Tangible fixed assets and depreciation**

All assets costing more than £500 are capitalised.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

S/Term Leasehold Property	-	10% straight line
Office equipment	-	25% straight line
Computer equipment	-	25% straight line

**1.8 Interest receivable**

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

**1.9 Operating leases**

Rentals under operating leases are charged to the Statement of financial activities incorporating income and expenditure account on a straight line basis over the lease term.

**1.10 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.

**1.11 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.

**ST MICHAEL ASSOCIATES**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2016**

**1. ACCOUNTING POLICIES (continued)**

**1.12 Liabilities and provisions**

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 charitable company 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. 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.

**1.13 Financial instruments**

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

**2. INCOME FROM DONATIONS AND LEGACIES**

	<b>Restricted funds 2016 £</b>	<b>Unrestricted funds 2016 £</b>	<b>Total funds 2016 £</b>	<b>Total funds 2015 £</b>
Donations	-	2,950	2,950	5,950
Grants	145,311	-	145,311	151,824
	<hr/>	<hr/>	<hr/>	<hr/>
Total donations and legacies	145,311	2,950	148,261	157,774
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

In 2015, of the total income from donations and legacies, £5,950 was to unrestricted funds and £151,824 was to restricted funds

	<b>2016 £</b>	<b>2015 £</b>
<b>Grants</b>		
Big Lottery Fund - Award for all	4,999	4,999
Big Lottery Fund	140,312	146,825
	<hr/>	<hr/>
Total	145,311	151,824
	<hr/> <hr/>	<hr/> <hr/>

**ST MICHAEL ASSOCIATES**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2016**

**3. DIRECT COSTS**

	<b>Basis of Allocation</b>	<b>Family Support, Social Skills and training £</b>	<b>Total 2016 £</b>	<b>Total 2015 £</b>
Learning / support	Actual	20,426	20,426	27,026
Canteen	Actual	299	299	(299)
Training costs	Actual	7,832	7,832	6,083
Health and safety	Actual	445	445	31
Sustainability appraisal costs	Actual	-	-	4,677
Wages and salaries	Actual	71,410	71,410	72,451
National insurance	Actual	5,563	5,563	6,384
Depreciation	Actual	3,996	3,996	4,113
		<b>109,971</b>	<b>109,971</b>	<b>120,466</b>

In 2015, the charitable company incurred the following Direct costs:

£120,466 in respect of Direct costs - Activities (Family Support, Social Skills and training)

**4. SUPPORT COSTS**

	<b>Basis of Allocation</b>	<b>Family Support, Social Skills and training. £</b>	<b>Total 2016 £</b>	<b>Total 2015 £</b>
Volunteer expenses	Actual	1,302	1,302	151
Other staff expenses	Actual	1,914	1,914	50
Software	Actual	5,740	5,740	4,486
Property repairs and maintenance	Actual	1,186	1,186	1,060
Advertising	Actual	2,975	2,975	-
Telephone	Actual	1,205	1,205	1,675
Rent and rates	Actual	13,561	13,561	12,134
Heat and light	Actual	105	105	673
Sundry expenses	Actual	2,871	2,871	3,654
Printing and stationery	Actual	2,728	2,728	869
Insurance	Actual	403	403	1,360
Parking fines		200	200	-
Bank charges	Actual	-	-	133
		<b>34,190</b>	<b>34,190</b>	<b>26,245</b>

During the year ended 31 August 2016, the charitable company incurred the following Governance costs:

£7,960 (2015 - £5,119) included within the table above in respect of Direct costs - Activities (Family Support, Social Skills and training).

**ST MICHAEL ASSOCIATES**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2016**

**5. GOVERNANCE COSTS**

	Restricted funds 2016 £	Unrestricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Auditors' remuneration	3,358	-	3,358	2,988
Auditors' remuneration non audit costs	2,251	-	2,251	2,009
MC and Staff Meetings	2,351	-	2,351	122
	<u>7,960</u>	<u>-</u>	<u>7,960</u>	<u>5,119</u>

**6. NET INCOMING RESOURCES/(RESOURCES EXPENDED)**

This is stated after charging:

	2016 £	2015 £
Depreciation of tangible fixed assets:		
- owned by the charity	3,996	4,113
Auditors' remuneration - audit	3,358	2,988
Auditors' remuneration - other services	2,239	2,009
	<u>9,593</u>	<u>9,110</u>

During the year, no Trustees received any remuneration (2015 - £NIL).

During the year, no Trustees received any benefits in kind (2015 - £NIL).

During the year, no Trustees received any reimbursement of expenses (2015 - £NIL).

**7. AUDITORS' REMUNERATION**

The Auditor's remuneration amounts to an Audit fee of £3,358 (2015 - £2,988), and statutory accounts preparation of £2,239 (2015 - £2,009).

**ST MICHAEL ASSOCIATES**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2016**

**8. STAFF COSTS**

Staff costs were as follows:

Wages and salaries	71,410	72,451
Social security costs	5,563	6,384
	<u>76,973</u>	<u>78,835</u>

The average number of persons employed by the charitable company during the year was as follows:

	No.	No.
Staff	3	3
Management and administration	1	1
	<u>4</u>	<u>4</u>

No employee received remuneration amounting to more than £60,000 in either year.

**9. TANGIBLE FIXED ASSETS**

	S/Term Leasehold Property £	Office equipment £	Computer equipment £	Total £
<b>Cost</b>				
At 1 September 2015	13,414	16,087	45,024	74,525
Additions	4,449	2,899	-	7,348
At 31 August 2016	<u>17,863</u>	<u>18,986</u>	<u>45,024</u>	<u>81,873</u>
<b>Depreciation</b>				
At 1 September 2015	7,598	14,487	42,784	64,869
Charge for the year	1,786	1,090	1,120	3,996
At 31 August 2016	<u>9,384</u>	<u>15,577</u>	<u>43,904</u>	<u>68,865</u>
<b>Net book value</b>				
At 31 August 2016	<u>8,479</u>	<u>3,409</u>	<u>1,120</u>	<u>13,008</u>
At 31 August 2015	<u>5,816</u>	<u>1,600</u>	<u>2,240</u>	<u>9,656</u>

**ST MICHAEL ASSOCIATES**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2016**

**10. DEBTORS**

	2016 £	2015 £
Other debtors	5,162	2,312
Prepayments and accrued income	766	1,065
	<u>5,928</u>	<u>3,377</u>

**11. CREDITORS: Amounts falling due within one year**

	2016 £	2015 £
Trade creditors	1,627	492
Other taxation and social security	9,853	4,826
Accruals and deferred income	6,434	10,295
	<u>17,914</u>	<u>15,613</u>

**12. STATEMENT OF FUNDS**

	Brought Forward £	Income £	Expenditure £	Carried Forward £
<b>Unrestricted funds</b>				
General Funds	(8,223)	2,950	(2,140)	(7,413)
<b>Restricted funds</b>				
Big Lottery Fund - Revenue	6,314	140,312	(146,626)	-
Big Lottery Fund - Capital	3,839	-	(1,920)	1,919
Award for All	4,024	4,999	(1,435)	7,588
	<u>14,177</u>	<u>145,311</u>	<u>(149,981)</u>	<u>9,507</u>
 Total of funds	 <u>5,954</u>	 <u>148,261</u>	 <u>(152,121)</u>	 <u>2,094</u>

Big Lottery Fund (Revenue) represents unexpended grants.

Big Lottery Fund (Capital) represents future depreciation charges on capital expenditure.

Award for All fund (Capital) represents future depreciation charges on capital expenditure.

**ST MICHAEL ASSOCIATES**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2016**

**SUMMARY OF FUNDS**

	Brought Forward £	Income £	Expenditure £	Carried Forward £
General funds	(8,223)	2,950	(2,140)	(7,413)
Restricted funds	14,177	145,311	(149,981)	9,507
	<u>5,954</u>	<u>148,261</u>	<u>(152,121)</u>	<u>2,094</u>

**13. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Restricted funds 2016 £	Unrestricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Tangible fixed assets	9,507	3,501	13,008	9,656
Current assets	-	7,000	7,000	11,911
Creditors due within one year	-	(17,914)	(17,914)	(15,613)
	<u>9,507</u>	<u>(7,413)</u>	<u>2,094</u>	<u>5,954</u>

**14. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW  
FROM OPERATING ACTIVITIES**

	2016 £	2015 £
Net (expenditure)/income for the year (as per Statement of financial activities)	(3,860)	5,944
<b>Adjustment for:</b>		
Depreciation charges	3,996	4,113
Increase in debtors	(2,551)	(1,065)
Increase in creditors	2,301	5,698
<b>Net cash (used in)/provided by operating activities</b>	<u>(114)</u>	<u>14,690</u>

**15. ANALYSIS OF CASH AND CASH EQUIVALENTS**

	2016 £	2015 £
Cash in hand	1,072	8,534
<b>Total</b>	<u>1,072</u>	<u>8,534</u>



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**ST MICHAEL ASSOCIATES**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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**16. OPERATING LEASE COMMITMENTS**

At 31 August 2016 the total of the Charity's future minimum lease payments under non-cancellable operating leases was:

	2016 £	2015 £
<b>Amounts payable:</b>		
Within 1 year	11,880	11,880
Between 1 and 5 years	11,880	11,880
	<u>23,760</u>	<u>23,760</u>
<b>Total</b>	<u><u>23,760</u></u>	<u><u>23,760</u></u>

**17. RELATED PARTY TRANSACTIONS**

**18. FIRST TIME ADOPTION OF FRS 102**

It is the first year that the charitable company has presented its financial statements under SORP 2015 and FRS 102. The following disclosures are required in the year of transition. The last financial statements prepared under previous UK GAAP were for the year ended 31 August 2015 and the date of transition to FRS 102 and SORP 2015 was therefore 1 September 2014. As a consequence of adopting FRS 102 and SORP 2015, a number of accounting policies have changed to comply with those standards.

The policies applied under the charitable company's previous accounting framework are not materially different to FRS 102 and have not impacted on funds or net income/expenditure.