

MICHAEL HOUSE ASSOCIATION LIMITED  
a STEINER WALDORF SCHOOL  
a company limited by guarantee  
TRUSTEES' REPORT AND  
FINANCIAL STATEMENTS FOR THE YEAR ENDED  
31ST AUGUST 2012

Company Number 515882  
Charity Number 527187

SLANEY & CO  
CHARTERED ACCOUNTANTS  
26 ST JOHN STREET  
MANSFIELD  
NG18 1QJ

WEDNESDAY



A19 \*A2JKQT08\* 23/10/2013 #328  
COMPANIES HOUSE

**MICHAEL HOUSE ASSOCIATION LIMITED**  
**a company limited by guarantee**

**FINANCIAL STATEMENTS FOR THE YEAR ENDED**  
**31ST AUGUST 2012**

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**MICHAEL HOUSE ASSOCIATION LIMITED**  
**a company limited by guarantee**

**FINANCIAL STATEMENTS FOR THE YEAR ENDED**  
**31ST AUGUST 2012**

**TRUSTEES ANNUAL REPORT**

The trustees who are also directors for the purposes of company law, present their report and the audited financial statement of the charity for the year ended 31st August 2012

**REFERENCE AND ADMINISTRATIVE DETAILS**

Registered charity name	Michael House Association Limited
Charity registration number	527187
Company Registration number	515882
Principal & Registered Office	The Field, Shipley Derbyshire DE75 7JH

**THE TRUSTEES**

The trustees who served the company during the year were as follows -

L Bayley	(appointed 1st June 2012) (resigned 7th May 2013)
P Chambers	(appointed 1st May 2012) (resigned 20 March 2013)
N Gamble	(appointed 17 June 2013)
Baron L George	(resigned 24th May 2012)
M Gregory	(appointed 17 June 2013)
S Holland	(resigned 7th August 2013)
C Hollywell	(resigned 16th December 2011)
M Turner	(appointed 17 June 2013)
G Peel	(resigned 1st June 2012)
J Roberts	(resigned 4th June 2012)

**Independent Auditors** Slaney & Co., Chartered Accountants  
26 St John Street, Mansfield  
Notts NG18 1QJ

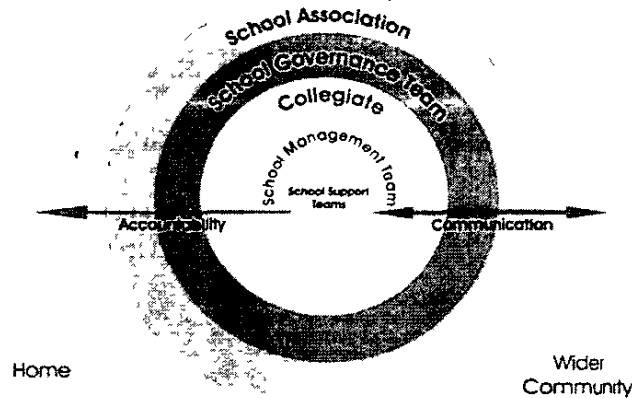
**Bankers**

HSBC Bank PLC  
63 Bath Street Ilkeston  
Derbyshire DE7 8DD

Co-operative Bank  
PO Box 250  
Delf House  
Southway,  
Skelmersdale  
WN8 6WT

## STRUCTURE, GOVERNANCE & MANAGEMENT

The School is managed and governing following an Associative Leadership management mode, which is clearly set out in The Michael House School constitution (Version 2.0 dated 9<sup>th</sup> January 2012). The organisational diagram is reproduced here.



Management of the School is vested in the School Management Team (SMT), responsibility being delegated from the School Governance Team (Trustees). The SMT is accountable to the School Governance Team. School Support Teams are accountable to the SMT, with responsibility for specific areas of operation. All decisions are made and major risks are reviewed and managed by these teams or passed towards the School Governance Team through the SMT. Final responsibility rests with the School Governance Team.

The Board of Trustees (the Board) is an elected body responsible for the legal and financial workings of the Michael House Association Limited, and hence the school, in accordance with the principles set out by the Charity Commission. It is responsible for ensuring effective governance is applied in the operation of the school. It has responsibility for finance, development and management of assets and is also responsible for ensuring that the operation of Michael House Association Limited complies with legislative requirements.

As a Steiner Waldorf School, Michael House also has a Collegiate which has delegated responsibility for pedagogical matters and direct responsibility for the appointment of members to the SMT. Within this method, Collegiate would in normal practice make recommendations to the Board through SMT which is responsible for managing the school. Any proposals will be considered by the Board in consultation and with regard for development plans and Ethos & Culture. The Governance Team holds the SMT accountable for teaching and learning outcomes.

The revised Governance Team worked closely with the SMT acting as a single integrated Council of Management throughout the year, supported by the school's Business & Operations Manager.

Michael House Association is a company limited by guarantee and a registered charity governed by its memorandum and articles of association.

## OBJECTIVES & ACTIVITIES

In line with the Memorandum of Association, the principal activity during the year continued to be to provide for and conduct the education of children in line with the principles and methods enunciated by Rudolf Steiner

## SCHOOL ACTIVITIES

As scheduled, the School opened for its Seventy-Seventh year of serving the community on 5<sup>th</sup> September, after extensive effort by staff and parents to prepare the school for another academic year. As always, the school received strong support from the Steiner Waldorf Schools Fellowship whose advice and guidance proved invaluable

The popular Michaelmas festival at the end of September was celebrated throughout the school

The annual Martinmas Lantern Walk for children up to Class 5 took place during November, attended by many pupils, parents and staff. On 19<sup>th</sup> November the usual Festival of Work was held at which parents and visitors celebrated the diverse talents of pupils in all classes in the school

November ended with the Staff Advent Festival, where staff had a short reading and decorated the classrooms for Advent as well as preparing for the School Advent Festival and the Kindergarten Advent Spiral

The Advent Fair, held this year on 3<sup>rd</sup> December remains one of the main events in the school calendar. The Fair raised substantial funds and welcomed many visitors from the local community. The Christmas term ended on 16<sup>th</sup> December

Easter term began on 9<sup>th</sup> January. The Spring fair was held on 17<sup>th</sup> March as was a sponsored run. This was followed by the Festival of Work on 24<sup>th</sup> March and Kindergarten Festival on 29<sup>th</sup> March. Term ended on 30<sup>th</sup> March

At the end of March the After School Club was well and truly up and running, starting at 3pm and offering a variety of activities and crafts

The summer term began on 23<sup>rd</sup> April followed soon after by a quiz night on 29<sup>th</sup> April put together by Class 8

On 23<sup>rd</sup> June the Summer Fair was a great success with many new families coming to see what the school has to offer. The last Festival of Work for the year on 14<sup>th</sup> July was a great success, celebrating the achievements of pupils across the school and bringing the whole community together. Term ended on 20<sup>th</sup> July

GCSE examinations were taken by Class 10 pupils in a range of subject areas

Winter saw some low temperatures and snow, resulting in high heating costs

There was an increase in staff from 38 to 43.

There were many trips for pupils during the year, some of which are mentioned below

- Classes 6 – 10 Theatre trip,
- Classes 4&5 trip to Cromford,
- Classes 8&9 trip to see Romeo and Juliet,
- Class 9 Geological field trip,
- Classes 2&3 visit to Hungary Lane farm,
- Whole school outing on 25<sup>th</sup> June,
- Class 5 away at Michael Hall Olympics 27<sup>th</sup> June to 30<sup>th</sup> June

Community work days continued throughout the year at which repairs, improvements and enhancements were made to the school. These days continue to provide valuable support to the school.

## DEVELOPMENT ACTIVITIES

Work continued over the year, implementing the new management structure for the school (Associative Leadership), increasing accountability and operational effectiveness. The school was grateful for the invaluable guidance of Jonathan Wolf-Phillips from the Steiner Waldorf Schools Fellowship.

The newly-constituted Collegiate, a whole staff body, ensures that the Steiner Waldorf ethos remains at the heart of all school activity. Effective running of the school cannot be achieved without the active support of other groups being established across the school, including parents from the wider community.

The Council of Management has welcomed this new way of running the school.

## PERFORMANCE

Once again, the school achieved a higher proportion of GCSE Grades A\* - C than the average across England and this year achieved one of the highest proportions in Derbyshire.

Year	Nº of Eligible Students	% achieving 5 or more GCSE Grades A*-C (including Maths & English)	All England % achieving 5 or more GCSE Grades A*-C (including Maths & English)
2007	7	86%	47%
2008	9	44%	48%
2009	13	69%	50%
2010	6	83%	53%
2011	9	67%	58%
2012	11	91%	59.4%

## FINANCIAL REVIEW

The financial position of the Association is shown in the accompanying Statement of Accounts and Notes.

The £ 19,308 increase in 2011-12 income over the previous year is attributable to an increase in income from charitable activity (school fees & nursery) and an increase from fund raising.

activity of approximately 45%. A decrease in charitable donation (approximately 55%) was experienced

In summary, operation of charitable activity resulted in a shortfall of £74,500 which was offset through income from fund raising and charitable donation totalling £41,000. The remaining deficit of £33,500 comprises depreciation (£16,259), loan interest (£11,459) and a deficit through operation of charitable activity just under £6,000

The finances of the school continue to be tightly managed against an agreed budget with regular revenue and cash forecasts, and control of potential parental debt arising from the challenging financial climate felt by all. The scholarship scheme was repeated, enabling a small number of children to attend the school who would not otherwise have been able to

## **PUBLIC BENEFIT**

The Trustees of Michael House Association Limited confirm that due regard has been paid to the Charity Commission's guidance on public benefit in deciding to undertake the above and all other activities this year. These activities support the Association's stated aim of providing Steiner education for children

Throughout the year, the Association has sought to provide a Steiner education to as wide a range of children as possible regardless of their family's financial circumstances so providing as much benefit as possible within the constraints of the resources available. This is strongly illustrated by the number of children for whom the full fees are not paid and the consequent financial support provided by the school (this has continued at a similar level to previous years, being in the region of 20% of the fully invoiceable fees)

The end of year deficit (before application of depreciation & loan interest) demonstrates that it would be unsustainable for the school to provide a greater number of assisted places or reduce its standard fees from the current levels, which are already less than half of other typical fee-paying schools in the area

The Trustees support the active promotion of use of the school's facilities for public benefit, which has resulted in some hires of the school hall

A Steiner education is felt to be especially beneficial to children with un-stated special needs and the information provided in the GCSE results table above illustrates the benefit that the school has provided in this area

The Trustees consider that these factors demonstrate that the opportunity to benefit from the education provided under the aims of the Association is not unreasonably restricted, given the financial resources available to the Association

## **PLANS FOR FUTURE PERIODS**

The main foci for the academic year 2012 - 2013 include the items below

- Continuation of the programme of control of fees debt,
- Continuing the extension of the under 12` after school provision, in line with the business plan wrap-around care philosophy,
- Continuation of the extension of professional development opportunities for all staff,
- Implementation and further development of the Associative Leadership model of school governance enabling the School Management Team and Support Teams to operate

effectively, and including the recruitment of additional suitably qualified Trustees to oversee the new model

At the time of writing, this period has passed and further plans for future periods will be addressed in the Trustees Report for the academic year 2012 – 2013

## RESERVES POLICIES

The Trustees have considered the reserves position as at 31<sup>st</sup> August 2012. The Association requires reserves to provide a contingency ensuring continuation of current activities together with enabling development towards medium and long term aims (current operation taking priority)

Total unrestricted reserves at the year end stood at £242,148 with total reserves being £243,173. Both these figures represent the value of tangible assets, cash held and cash owed to the Association. Approximately £200,000 of the above reserve figures relates to tangible assets, £33,000 being cash owed leaving £10,000 cash available in the bank.

The Trustees consider that this does not provide an adequate contingency to ensure the ongoing level of operation or development of medium and long term aims. Cash reserves should, ideally, provide for supporting the operation of the school over one whole term. Effort is currently being applied to lift these reserves to an adequate level.

## RESPONSIBILITIES OF TRUSTEES

The Trustees (who are also directors of Michael House Association Limited for the purposes of company law) are responsible for preparing the Trustees Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year which are 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 apply them consistently,
- Observe the methods and principles of the Charities SORP,
- Make judgements and 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 operation,
- Comply with the duty of Section 4 of the Charities Act 2006 to have due regard to public benefit guidance published by the Charity Commission.

The Trustees are responsible for keeping proper accounting records that 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. The Trustees 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.

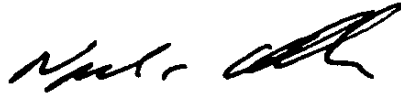


**INDEPENDENT AUDITORS**

Messrs Slaney & Co will continue in office as independent auditors for the ensuing year

**SMALL COMPANY PROVISIONS**

This report has been prepared in accordance with the special provisions relating to companies subject to the small companies regime within part 15 of the Companies Act 2006



**Registered Office:**

The Field  
Shipley  
Derbyshire  
DE75 7JH

Signed on behalf of the Trustees

Nigel R Gamble (Trustee)

9<sup>th</sup> October 2013

## **MICHAEL HOUSE ASSOCIATION LIMITED**

### **A company limited by guarantee**

#### **Independent Auditor's Report to the Trustees of Michael House Association Limited**

We have audited the financial statements of Michael House Association Limited for the year ended 31st August 2012, which comprise the Statement of Financial Activities, (Incorporating the Summary Income and Expenditure Account), the Balance Sheet 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 auditor**

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 Auditing Practices Board's Ethical Standards for Auditors

#### **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 a 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. If we become aware of any apparent material 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 31st August 2012 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 Practices and
- have been prepared in accordance with the requirements of the Company Act 2006

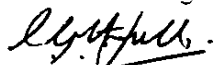
#### **Opinion on other matter prescribed by the Companies Act 2006**

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

#### **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 trustee remuneration specified by law are not made or
- we have not received all the information and explanations we require for our audit
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the directors' report



Christopher Jubb FCA (Senior statutory auditor)

For and on behalf of Slaney & Co Statutory Auditor

Date 15<sup>th</sup> October 2013

Slaney & Co Chartered Accountants

26 St John Street

Mansfield, Notts NG18 1QJ

**MICHAEL HOUSE ASSOCIATION LIMITED**

a company limited by guarantee

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING THE  
INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED  
31ST AUGUST 2012**

	Notes	Unrestricted <u>Funds</u> £	Restricted <u>Funds</u> £	Total <u>Funds 2012</u> £	Total <u>Funds 2011</u> £
<b>INCOMING RESOURCES</b>					
Incoming resources from generating funds					
Voluntary income	2	25473	250	25723	58646
Activities for generating funds	3	15242	-	15242	10628
Investment Income	4	122	-	122	122
Incoming resources from charitable activities	5	<u>476438</u>	-	<u>476438</u>	<u>428821</u>
<b>TOTAL INCOMING RESOURCES</b>		<u>517275</u>	<u>250</u>	<u>517525</u>	<u>498217</u>
<b>RESOURCES EXPENDED</b>					
Charitable activities	6	( 536131 )	-	( 536131 )	( 488335 )
Governance costs	8	( 14955 )	-	( 14955 )	( 13838 )
<b>TOTAL RESOURCES EXPENDED</b>		<u>( 551086 )</u>	<u>-</u>	<u>( 551086 )</u>	<u>( 502173 )</u>
<b>NET INCOMING / (OUTGOING) RESOURCES FOR THE YEAR /</b>					
<b>NET INCOME / EXPENDITURE FOR THE YEAR</b>		( 33811 )	250	( 33561 )	( 3956 )
<b>RECONCILIATION OF FUNDS</b>					
Total funds brought forward		<u>275959</u>	<u>775</u>	<u>276734</u>	<u>280690</u>
<b>TOTAL FUNDS CARRIED FORWARD</b>		<u>242148</u>	<u>1025</u>	<u>243173</u>	<u>276734</u>

All of the above amounts relate to continuing activities

The Statement of Financial Activities includes all gains and losses in the year and therefore a statement of total recognised gains and losses has not been prepared

The notes on pages 11 to 16 form part of these financial statements.

**MICHAEL HOUSE ASSOCIATION LIMITED**

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Company Reg'n No

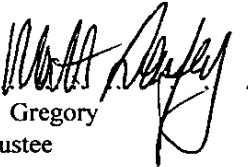
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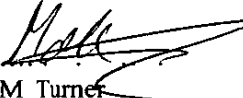
**BALANCE SHEET AS AT  
31ST AUGUST 2012**

	Notes	Unrestricted Funds £	Restricted Funds £	Total Funds 2012 £	Total Funds 2011 £
<b>FIXED ASSETS</b>					
Tangible assets	11	432515	-	432515	446724
Investments	12	<u>3701</u>	<u>-</u>	<u>3701</u>	<u>3701</u>
		<u>436216</u>	<u>-</u>	<u>436216</u>	<u>450425</u>
<b>CURRENT ASSETS</b>					
Debtors	13	37301	-	37301	40723
Cash at bank and in hand		<u>4930</u>	<u>5275</u>	<u>10205</u>	<u>7677</u>
		<u>42231</u>	<u>5275</u>	<u>47506</u>	<u>48400</u>
CREDITORS Amounts falling due within one year	14	( <u>48124</u> )	( <u>250</u> )	( <u>48374</u> )	( <u>24990</u> )
<b>NET CURRENT (LIABILITIES)/ ASSETS</b>		( <u>5893</u> )	<u>5025</u>	( <u>868</u> )	<u>23410</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>430323</u>	<u>5025</u>	<u>435348</u>	<u>473835</u>
CREDITORS amounts falling due after more than one year	15	( <u>188175</u> )	( <u>4000</u> )	( <u>192175</u> )	( <u>197101</u> )
<b>NET ASSETS</b>		<u>242148</u>	<u>1025</u>	<u>243173</u>	<u>276734</u>
<b>FUNDS</b>					
Unrestricted income funds	17	242148	-	242148	275959
Restricted income Funds	17	<u>-</u>	<u>1025</u>	<u>1025</u>	<u>775</u>
<b>TOTAL FUNDS</b>		<u>242148</u>	<u>1025</u>	<u>243173</u>	<u>276734</u>

The financial statements, which have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006, were approved by the Trustees on 9th October 2013 and are signed by them

  
N Gamble  
Trustee

  
M Gregory  
Trustee

  
M Turner  
Trustee

The notes on pages 11 to 16 form part of these financial statements

**MICHAEL HOUSE ASSOCIATION LIMITED**  
a company limited by guarantee

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED**  
**31ST AUGUST 2012**

**1 ACCOUNTING POLICIES**

**Basis of accounting**

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008), the Statement of Recommended Practice "Accounting and Reporting by Charities" (SORP2005) and the Companies Act 2006

**Cash flow statements**

The trustees have taken advantage of the exemption in Financial Reporting Standard No 1 (revised) from including a cash flow statement in the financial statements on the grounds that the company is small

**Fund Accounting**

**Restricted funds** are funds, which are to be used in accordance with specific restrictions imposed by the donor or trust deed. There are currently a number of small restricted funds

**Unrestricted income funds** comprise those funds, which the trustees are free to use for any purpose in furtherance of the charitable objects. Unrestricted funds can include designated funds where the trustees, at their discretion, have created a fund for a specific purpose

Further details of restricted funds are disclosed in note 17

**Incoming Resources**

Donations, legacies and similar incoming resources

These are included in the Statement of Financial Activities (SOFA) when

- a) the charity becomes entitled to the donation, legacy or similar income and any conditions for receipt are met,
- b) the trustees are reasonably certain they will receive it, and
- c) the trustees are reasonably certain that the value can be reliably measured.

Investment Income and any associated Tax Credits are included when receivable

**Expenditure and Liabilities**

Liability Recognition, resources expended

Generally liabilities are recognised as soon as there is a legal or constructive obligation committing the charity to the expenditure. All expenditure is accounted for on an accrual basis and has been classified under headings that aggregate all costs related to the category

Charitable Activities these costs comprise salaries, establishment and school overheads.

Governance Costs comprise all separately identifiable cost involving the public accountability of the charity and its compliance with regulation and good practice. The costs include the compilation costs of the Accounts under SORP 2005 and bank loan interest and charges

**Fixed Assets**

All fixed assets are initially recorded at cost, where the individual value exceeds £600, and they have an economic life of more than one year

**Depreciation**

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

Land	-	Not depreciated
Buildings	-	2% straight line basis
School furnishings and equipment	-	15% on reducing balance
Building improvements	-	5% straight line basis
Nursery establishment	-	20% straight line basis
Computer equipment	-	20% straight line basis

**MICHAEL HOUSE ASSOCIATION LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED**  
**31ST AUGUST 2012**

**Operating Lease agreements**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease

**Pension costs**

The company operated a defined contribution pension scheme for employees which was closed to new members from 1st January 2009 (see note 16). The assets of the scheme are held separately from those of the company. The annual contributions payable are charges to the statement of financial activities. A separate defined contribution pension scheme (with Scottish Equitable) commenced in 2010.

**COMPANY LIMITED BY GUARANTEE**

Michael House Association Limited constituted as a company limited by guarantee (Company Registration No 515882) and is a charity registered for charitable purposes with the Charity Commission (Charity Registration No 527187).

**LIABILITY OF MEMBERS**

In the event of the Association being wound up during the period of membership or within the year following, the company members are required to contribute an amount not exceeding £1 each.

**2 VOLUNTARY INCOME**

	Restricted Funds £	Unrestricted Funds £	Total Funds 2012 £	Total Funds 2011 £
Donations				
Gifts and Donations	-	24704	24704	58396
Grants	-	769	769	-
Deferred income - Green grant for lights	250	-	250	250
	250	-	250	250
	250	25473	25723	58646

**3 INCOMING RESOURCES FROM ACTIVITIES FOR GENERATING FUNDS**

	Unrestricted Funds £	Total Funds 2012 £	Total Funds 2011 £
Fundraising events	15242	15242	10628

**4 INVESTMENT INCOME**

	Unrestricted Funds £	Total Funds 2012 £	Total Funds 2011 £
Bank Interest receivable	24	24	15
Other interest receivable	-	-	1
Dividends received on Depository receipts	98	98	106
	122	122	122

**5 INCOMING RESOURCES FROM CHARITABLE ACTIVITIES**

	Unrestricted Funds £	Total Funds 2012 £	Total Funds 2011 £
School fees	476438	476438	428821

**MICHAEL HOUSE ASSOCIATION LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED**  
**31ST AUGUST 2012**

**6 COSTS OF CHARITABLE ACTIVITIES BY FUND TYPE**

	Restricted Funds £	Unrestricted Funds £	Total Funds 2012 £	Total Funds 2011 £
Michael House School	-	536131	536131	488335

**7 COSTS OF CHARITABLE ACTIVITIES BY ACTIVITY TYPE**

	Activites undertaken directly £	Total Funds 2012 £	Total Funds 2011 £
Michael House School	536131	536131	488335

**8 GOVERNANCE COSTS**

	Unrestricted Funds £	Total Funds 2012 £	Total Funds 2011 £
Audit and accountancy fees	3348	3348	2020
Bank Charges	68	68	44
Bank Interest	-	-	1
Loan Acceptance Fee	80	80	80
Loan Interest	11459	11459	11693
	<u>14955</u>	<u>14955</u>	<u>13838</u>

**9 NET OUTGOING RESOURCES FOR THE YEAR**

This is stated after charging	2012 £	2011 £
Staff Pension contributions	29540	25949
Auditors remuneration	2000	-
Depreciation	16259	16338
	<u>16259</u>	<u>16338</u>

**10 STAFF COSTS AND EMOLUMENTS**

Total staff costs were as follows	2012 £	2011 £
Wages and salaries	348927	320738
Social Security Costs	17531	17532
Other pension costs	29540	25949
	<u>395998</u>	<u>364219</u>

Particulars of employees	2012 No	2011 No
	<u>43</u>	<u>38</u>

No employee received emoluments of more than £60,000 during the year (2011 - NIL).

**MICHAEL HOUSE ASSOCIATION LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED**  
**31ST AUGUST 2012**

**11 TANGIBLE FIXED ASSETS**

	Land and Buildings	Building Improvements	Nursery Establishment	Computer Equipment	School Furnishings and Equipment	Total
	£				£	£
<b>COST</b>						
At 1st September 2011	318307	171320	2668	7410	67737	567442
Additions	-	-	-	-	2050	2050
At 31st August 2012	318307	171320	2668	7410	69787	569492
<b>DEPRECIATION</b>						
At 1st September 2011	47521	16006	1068	2964	53159	120718
Charge for the year	3183	8566	534	1482	2494	16259
At 31st August 2012	50704	24572	1602	4446	55653	136977
<b>NET BOOK VALUE</b>						
At 31st August 2012	267603	146748	1066	2964	14134	432515
At 31st August 2011	270786	155314	1600	4446	14578	446724

The land and buildings are likely to have a market value considerably in excess of their historic cost, as they are unique assets it has not been possible to quantify this value at the year end

**12 INVESTMENTS**

	2012 £	2011 £
Historic cost at 31st August 2012	<u>3701</u>	<u>3701</u>
Analysis of investments at 31st August 2012 between funds		
	Total Funds 2012 £	Total Funds 2011 £
Dutch - Unlisted banking company investment at historic cost	<u>3701</u>	<u>3701</u>

**13 DEBTORS**

	2012 £	2011 £
Trade debtors	19832	22536
Other debtors	2241	306
Prepayments	<u>15228</u>	<u>17881</u>
	<u>37301</u>	<u>40723</u>



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14 CREDITORS Amounts falling due within one year	2012	2011
	£	£
Trade creditors	29120	16700
Accruals and deferred income	15129	4716
Mortgage of freehold premises	4125	3574
	48374	24990

15 CREDITORS amounts falling due after more than one year	2012	2011
	£	£
Deferred income	4000	4250
Mortgage of freehold premises	188175	192851
	192175	197101

16 PENSIONS

The charity provides a pension scheme providing benefits based on final pensionable pay The fund was closed to new members from 1st January 2009

The assets of the scheme are held separately from those of the charity, being invested as part of the Mercury Provident Pension Scheme. This is a Multi Employer Scheme Because of the large number of participating employers and the variety of their financial reporting dates, it is not deemed practicable or financially viable to produce the information necessary to allow participating employees to comply full with the requirements of Financial Reporting Standard 17 Therefore in accordance with FRS17 the contributions are accounted for as a defined contribution scheme

The latest triennial valuation was at 31 March 2007 which indicated a past services deficit of £4.87m for the scheme overall

17 FUNDS

	Balance at 01.09.11	Incoming resources	Outgoing resources	Balance at 31.8.12
	£	£	£	£
Restricted Income Funds (see below)	775	250	-	1025
Unrestricted Income Funds	275959	517275 (	551086 )	242148
	276734	517525 (	551086 )	243173

Restricted Income Funds

Fund Name	Fund Balance Brought forward	Incoming resources	Deferred Income	Outgoing resources	Fund Balance carried forward
	£	£	£	£	£
Green Grant for lights	500	250	-	-	750
Supper for Seats	275	-	-	-	275
	775	250	-	-	1025

The above amounts are a summary of the results of donations made to the school in past years, the income and expenditure this year and the balance carried forward

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**17 FUNDS (CONTINUED)**

The Restricted Income Funds amounts are not regarded as "material" and are therefore not shown separately in the Statement of Financial Activities as to do so would incur costs out of proportion to the benefits to the School and to users of these Accounts. Materiality is set out in the Glossary of SORP 2005 as "the final test of what information should be given in a particular set of accounts. An item of information is material to the accounts if its misstatement or omission might reasonably be expected to influence the economic decisions of users of those accounts, including their assessments of stewardship. Immaterial information will need to be excluded to avoid clutter which impairs the understandability of other information provided"

**18 ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Tangible Fixed Assets	Investments	Net Current Assets (Liabilities)	Total
	£	£	£	£
Restricted Funds	-	-	1025	1025
Unrestricted Income Funds				
Designated Funds	432515	-	( 188175 )	244340
General Funds	-	3701	( 5893 )	( 2192 )
	<u>432515</u>	<u>3701</u>	<u>( 193043 )</u>	<u>243173</u>

The designated funds represent those funds invested into tangible fixed assets and the associated mortgage secured on the freehold premises