

St Michael's Fellowship

Report and Financial Statements

Year ended 31 March 2024

Company Registration Number 02914273 (England and Wales)

Charity Number: 1035820

Contents

Reports

Reference and administrative information	1
Trustees' report	3
Independent auditor's report	22

Financial statements

Statement of financial activities	27
Balance sheet	28
Statement of cash flows	29
Principal accounting policies	30
Notes to the financial statements	34

Reference and administrative details of the company and its advisors

Trustees	Sally Prentice (Chair) Oretha Wofford (Deputy Chair) William Anderson (Treasurer, resigned 31 December 2023) Jonathan Bannister (interim Treasurer from 1 January 2024 to 14 July 2024) Samantha da Soller (Treasurer, appointed 15 July 2024) Annie Brough (resigned 31 March 2024) Yasmin Garcia-Sterling Jasmine Kaur Assi Juline Sinclair Valerie Wass OBE
Director	Sue Pettigrew OBE
Registered office	136 Streatham High Road London SW16 1BW
Registered number	02914273 (England and Wales)
Charity number	1035820
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL

Reference and administrative details of the company and its advisors

Bankers National Westminster Bank Plc
145 Clapham High Street
Clapham
London
S4 7TH

COIF Charity Funds
80 Cheapside
London
EC2V 6DZ

Virgin Money Plc
Jubilee House, Gosforth
Newcastle on Tyne
NE3 4PL

Solicitors The Charity Team at Russell-Cooke
2 Putney Hill
London
SW15 6AB

Trustees' report 31 March 2024

The Trustees, who are the directors for the purposes of company law, present their statutory report together with the audited financial statements for the year ended 31 March 2024.

The financial statements have been prepared in accordance with the accounting policies set out on pages 30 to 33. They comply with the charitable company's Memorandum and Articles of Association, applicable laws and the requirements of 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).

OBJECTIVES AND ACTIVITIES

Working together to keep families together

Parenting is the biggest single factor affecting children's well-being and development

Purposes and aims

The objects of the charity are: "the relief of poverty, sickness and emotional and physical hardship by the provision of accommodation, assistance and support, counselling, training and rehabilitation for children and their parents, whether in accommodation provided by the charity or in the wider community, who are in need of such relief so that they may become responsible and independent parents and members of society".

The prime aim of the charity is to give a child the best possible start in life by working with parents to develop their parenting skills. Allied to this is the aim to help and encourage the members of a family to become fully integrated into the mainstream of society.

The principal activity of the charity is offering support to vulnerable families including very young parents through residential family assessment centres and working in the community.

St Michael's provides accommodation, help and training in residential family assessment centres in the boroughs of Lambeth and Wandsworth, for families where children are at risk or where there is other emotional, mental or physical hardship. Such support includes an assessment of parenting skills. Each of these projects is in a converted Victorian family house, non-institutional in feel and each is staffed by a professional team. We also offer follow-up support to families when they leave the residential centre through our Securing Change programme, regardless of whether the parents leave with their child or children.

Through partnerships with children's centres and further charitable funding, St Michael's offers a number of Community projects. These provide some of the same services to mums and dads and their children who are living in their own homes, but who, for whatever reason, are in difficulty.

St Michael's also provides a contact centre, Jigsaw, which helps separated children and their parents build a stronger and healthier relationship.

We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning future activities and are satisfied that we meet the guidance.

Trustees' report 31 March 2024

OBJECTIVES AND ACTIVITIES (continued)

The 2023-24 financial year has been a busy one for the whole staff team and the Board of Trustees.

Earlier this year, Sue Pettigrew announced her plans to retire as Director after 35 years in post, and over 50 years with St Michael's. Sue's contribution to St Michael's has been immense. Under her leadership, St Michael's has enabled thousands of children to thrive by working intensively with their parents at a critical point in their lives. The benefits to these children and wider society are considerable.

Sue has innovated throughout her time as Director, developing new services, with a particular interest and focus on supporting young fathers. She has also been exemplary in building relationships with trusts and foundations to support our work and in 2023 St Michael's was a named charity in The Evening Standard's Christmas Appeal.

In recognition of her indefatigable leadership of St Michael's, the Trustees have agreed to make Sue a Patron of St Michael's. We wish her all the very best for a long and happy retirement.

We also bid farewell to Will Anderson, our Treasurer for nine years, who stood down as a Trustee in December 2023. St Michael's has been incredibly fortunate to have benefitted from Will's diligence, financial expertise and acumen. Annie Brough also finished her tenure as a Trustee after seven years of service. We are particularly indebted to Annie for the active interest she showed in our services, regularly undertaking inspections of our residential assessment centres and attending some of our outreach services, plus her understanding of governance and the wider voluntary sector.

The major focus for Trustees in 2024 has been planning the recruitment of a new Chief Executive and a new Treasurer. We are delighted that Samantha da Soller has become the first female Treasurer in St Michael's 121-year history! Samantha brings her experience of being a finance director for two national charities.

The recruitment of a new CEO is the most important duty undertaken by Trustees. The preparation for this has been intensive, and has involved all members of the Board in shaping the recruitment process. The Trustees hope to be able to confirm a new appointment by the end of December 2024.

Strategic plan and objectives

The Trustees reviewed and updated the strategic plan in March 2023 for the next year. The strategic priorities are continued focus on:

- ◆ Maintaining the quality of our residential assessments
- ◆ Widening and embedding our outreach and community services

Trustees' report 31 March 2024

In 2023-2024 our key objectives were:

1. Increasing occupancy and service levels and building financial resilience
2. Building on key capabilities of staffing and infrastructure to support ongoing activities
3. Continued focus on staff retention, including staff training and development with an emphasis on "one service approach"
4. Continuing the implementation of an effective EDI strategy

Our key objectives for 2024-25 are:

1. Recruitment and induction of a new CEO following the retirement of our longstanding Director in the coming year
2. Reviewing the scope and reach of our outreach and community services to ensure they continue to meet the changing needs of beneficiaries
3. Continued emphasis on staff training and development to achieve a "one service approach"
4. Recruitment to the Board of Trustees to replace trustees who have completed their terms of office, and to further strengthen diversity and skills

ACHIEVEMENTS AND PERFORMANCE

During 2023-2024 over 225 parents were helped through all our services, as further detailed below. (2023: over 200 parents)

As in previous years, the parents we worked with have complex backgrounds. By working alongside parents to address pressing difficulties and past trauma we have given them the opportunity to improve their parenting skills so children stay with their parents and do not go into care wherever possible.

Increasing occupancy and service levels and building financial resilience

The last year has continued to present challenges in recruiting staff, which has been a sector-wide issue within social care. We have also faced periods of lower occupancy during essential repairs and maintenance works in the residential centres. Nonetheless, we have continued to offer consistent and high quality support through our range of services to an increased number of families this year.

Residential Centres

Whilst local authorities continue to be faced with financial constraints, residential assessments are still regarded as effective and assist the family courts in making a decision that secures the best future for the child or children. Our 3 residential centres are accredited with Ofsted and all assessed as Good.

“The work in the residential centres has a 100% success rate from the perspective of the child. Whatever the outcome of the assessment, we always focus on and prioritise the needs of the child” Service Manager

We worked with 22 families including 24 children (2023: 19 families), residentially from 11 different local authorities.

“Without this place I think we would have lost our baby girl. They are here to help you” Parent

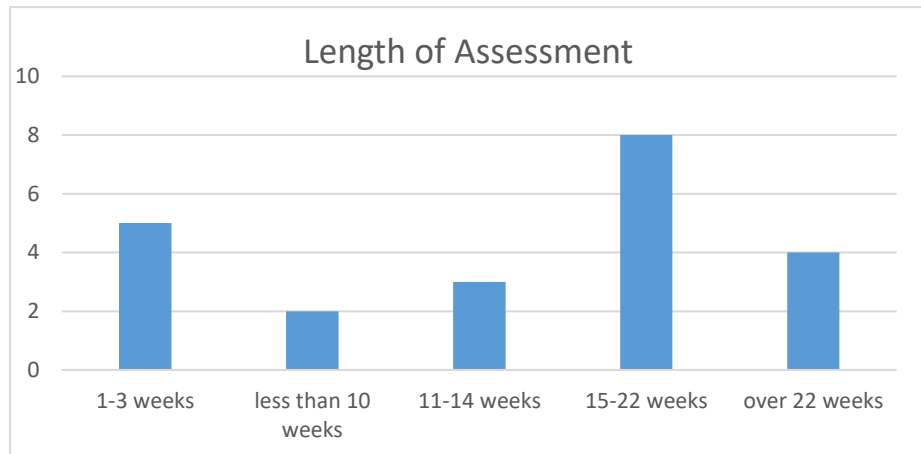
“I can honestly say coming to St Michael's was the best thing that could have happened to me.” Parent

Where assessment involves a young baby, the intervention is timely: 19 (80%) of the 24 children worked with were less than one-year-old, and 73% of this group were new born on admission.

In all cases, we focus on the needs of the child. We do not prolong assessments where it is clear that the parent is unable to meet the child's needs and it is therefore not in the child's best interests to continue; for 7 families (32%) length of stay was 10 weeks or less.

Trustees' report 31 March 2024

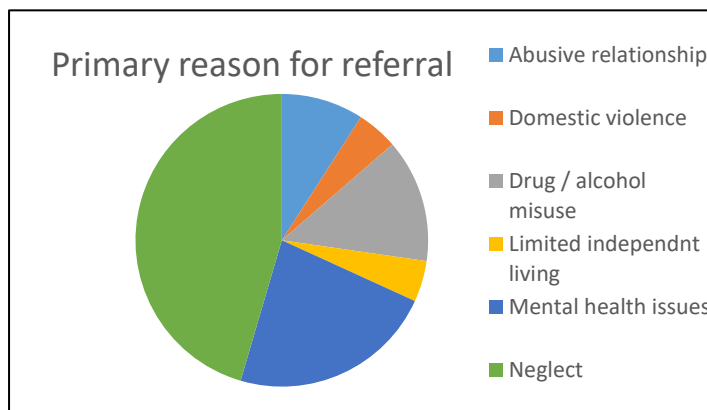
However we also acknowledge a trend from local authorities asking us to extend placements until a court hearing has taken place, even though this may exceed the 26 week rule. This allows the court to make the decision about the child's future or it enables the local authority to find a suitable alternative placement or accommodation for the family. As a result of extended placements, 8 families (36% of the total) stayed between 15 and 22 weeks, with 4 further families staying for over 25 weeks. A further 2 families were continuing their assessment at the year end.



This year 41% of families returned to the community with their children. For a further 18% of families the final outcome is not known – this reflects the extended period between placements ending and the final court hearing.

This year 5 families (22%) had had a total of 15 children removed from their care prior to being placed with us, and 2 of them returned home with their subsequent child. The lack of support for parents following removal of a child is an issue we are endeavouring to address through our Securing Change programme.

Primary reasons for referral are neglect, mental ill health, domestic violence and abusive relationships, and drug or alcohol misuse. Typically, families present with seven or more issues leading to referral.



Ongoing building works are being resolved, and there is an agreement with the housing provider to have much better oversight and management of contractors on future works.

Securing Change

This service has continued to be offered to all parents who undergo a residential assessment, to offer both practical and emotional support that embeds positive change, and to step in during periods when parents may be struggling. We are helping to reduce cases of mothers having children removed over and over again through repeat care proceedings.

Our Securing Change practitioner offers a bespoke service to each family she works with, introducing herself to the family whilst they are in residence and then agreeing next steps as they are ready to move on. Moving from a very supportive environment to independence can be daunting and our practitioner helps the family to prioritise their needs to try and smooth the transition. Often basic furniture is required for their home, new claims need to be made and new links established with services such as a GP, nursery, playgroup or community projects. There are ongoing meetings with social services where the practitioner can advocate on behalf of the family. We also encourage and enable participants to enrol on open training courses and take up volunteering opportunities. We may also discuss planned pregnancies and personal development plans to sustain parenting.

"She's so proactive and quick to help, not everyone is lucky enough to get the help she's given me". Parent

"I couldn't have understood a lot of the forms and different processes without Ann-Marie" Parent

"I have not come across a service which has offered so much outreach support". Social Worker

It's nice to watch someone succeed, particularly a young father, who professionals had previously questioned as being capable". Securing Change Practitioner

Our dedicated practitioner has worked intensively with 15 parents (with 21 children) in the year (2023:11). Typically, she will work with a family for between six and twelve months. We endeavour to offer the service in the family's home travelling to many parts of South East England and further afield.

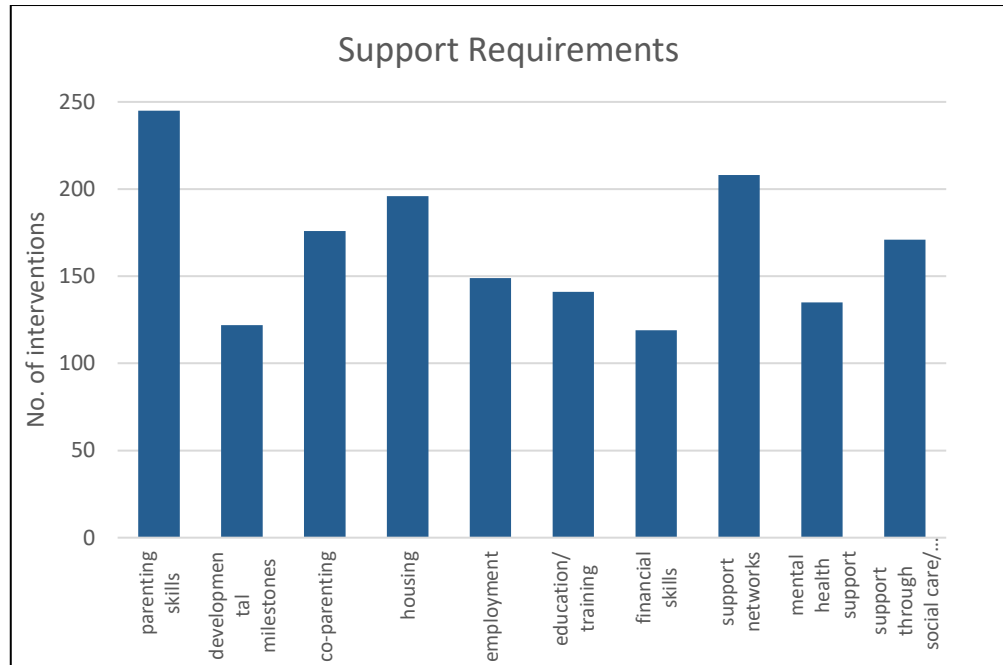
Community Projects

We have continued with our outreach services for pregnant teenagers and young mums and dads up to 25 years. Our work is delivered through a combination of one-to-one bespoke support and group work. By successfully securing additional funding, we have expanded our work to cover a wider area of South London.

We have supported 50 young mums and 22 young fathers (2023: 36 and 26), with 78 children, through our one-to-one work. A further 31 parents have attended our support groups (2023: 24). We often work with parents over extended periods, in response to their ongoing needs.

Trustees' report 31 March 2024

The lives of the young parents we work with remain complex with many issues that need addressing: from support with housing and benefits, basic equipment for their home, debt advice, domestic violence, mental health issues, the child being subject to a child protection plan or a child in need plan, to name but a few.



Our work is focussed on both young mothers and fathers to meet their individual needs. Young fathers are a marginalised group and the importance of offering a dedicated service to address their needs cannot be underestimated. A number of services see young fathers as the problem rather than the solution, and we are working with individual fathers, courts and local authorities to try to redress this issue.

We are the delivery partner for Lambeth for the Caring Dads programme. Through our accredited trainer, we have delivered the Caring Dads programme to 34 Dads from both Lambeth and other referrers. We have also delivered training to other professionals wishing to become Caring Dads facilitators across 6 other boroughs.

Nine of our parents have benefited from the generosity of Housing the Homeless through our Residents' Grants scheme, which has assisted families purchasing essential items for their new accommodation. We have also supported 5 parents through our in-house Hardship Fund, thanks to the generosity of one of our donors.

In addition, 14 of the families attended our summer trips programme offering opportunities that would not otherwise be available and helping them to build confidence to explore other activities in their neighbourhood.

Through legacy funding from Lambeth Public Health we continue to prevent unintentional injuries in children 0-5 by supplying home safety equipment such as safety gates, safety locks for cupboards and windows, non-slip bath mats, water thermometers and smoke alarms.

Jigsaw

Our 'Jigsaw' contact centre is a child-friendly, self-contained family space in South London. This service helps separated children and parents build stronger and healthier relationships. We aim to ensure both the child and parents have a good experience during contact and to make it as easy as possible for everyone.

Families use the contact centre for lots of different reasons. Jigsaw gives children and parents a safe and welcoming space to meet. Some parents who are separated use this service to see their children if their relationships are strained, or a court has ordered it. Children who are in care come to contact centres to see their parents or other family members.

We provided contact to 52 families including 75 children (2023: 48 families, 75 children). This year, we have increased our service by extending our opening hours to seven days a week and offering opportunities for extended sessions, to meet the demand of parents wanting weekend contact.

About 45% of the contact offered is to families involved in care proceedings where our detailed contact notes contribute to the social workers' assessments.

"You truly run an effective and efficient service" NACCC assessor

Families using our service are often at a difficult and emotional time in their lives.

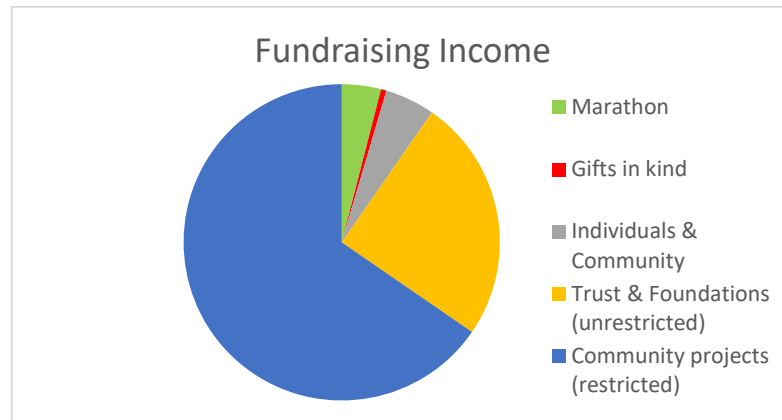
"We only spent two hours there in total but it will forever be the place we started getting to be father and son again. I may not see you again but I will forever be thankful." Contact centre Dad

Whilst face-face contact is the preferred option for families we do recognise that online contact should form part of our service. For example, for parents visiting from much further afield, during bad weather and travel disruption, and we have continued to offer this option.

Trustees' report 31 March 2024

Fundraising

Fundraising for 2023-24 was in line with St Michael's strategy, and focused on securing multi-year grants to ensure the continuation of programmes in the community.



Following on from our current Fathers' Work programme funded through Comic Relief, we were delighted to be invited to take part in their Winter Appeal campaign. The campaign was promoted via the London Evening Standard and has generated additional unrestricted funding to support all our ongoing services with families.

We welcome the current mood in the charitable sector to move away from short-term project-based funding towards more opportunities for longer term funding that support the charity's overall aims and objectives

We continue to build relationships with funders in order to build a confidence and belief in St Michael's work of support and interventions with families. We believe that closer collaboration and partnership will help to secure longer term funding for our work.

During the year, we have also developed our marketing strategy to ensure it supports fundraising. We have expanded our presence across a range of social media platforms in order to raise the profile of the charity, broaden engagement with supporters and build partnerships with other similar charities.

This year we have partnered with "For Baby's Sake" during our Mothers' Day campaign, and promoted the importance of the early relationship between parent and child using the Emotional Safety Plan.

We are grateful to all our partners, donors and marathon runners who support the ongoing delivery of our work.

The growth across each of our services has been supported by a 40% increase in charitable income. This has enabled us to generate a surplus this year and we are now in a stronger financial position.

Trustees' report 31 March 2024

Building on key capabilities of staffing and infrastructure to support ongoing activities

We recognise the importance of recruiting and investing in staff who are central to the delivery capacity and quality of our services.

Like many other organisations in the sector, we have been faced with staff shortages and difficulties in recruiting. Last year, we reviewed the key worker and support roles within our residential centres to enable us to recruit from a potentially wider pool of applicants, and bring in a wider range of skills. We have seen good progress in the year with most roles now filled.

We have continued to focus on training and development to promote staff skills and retention, as further detailed below.

We have made further improvements in our IT infrastructure during the year in order to improve efficiencies and effective working.

We have also been working closely with service managers at the Housing Associations who own the residential properties, to facilitate more timely repairs and maintenance.

We have reviewed the usage of space at Head Office. In particular, the Jigsaw contact centre is now open seven days a week, and we are exploring options for hiring out the meeting room.

We are currently preparing for the retirement of our Director, who has been with the organisation for over 50 years. This will be a significant change for the charity. Sue has immense detailed knowledge of the services we offer and the family social work sector. We are planning a detailed handover to her successor which will be supported by the leadership team, with the additional support of the Chair and Trustees.

Continued focus on staff retention, including staff training and development with an emphasis on "one service approach"

In recognition for the ongoing commitment of our teams, we were pleased to be able to reward staff with a 5% pay increase in October 2023, and then a further 2½% increase in January 2024 towards the increased costs of living.

We held a thank-you celebration in December for all permanent and regular sessional staff. We also held a social event in the summer of 2023 to encourage team-building across the different services. We are planning to embed these events in our annual calendar.

Following recruitment to leadership roles in the year, the management team has continued to focus on improving cross-team working.

The introduction of a broader induction process to include an introduction to all of St Michael's services has been well received, and lead to broader integration across services. This has been supported by increased opportunities for whole team training and knowledge sharing through the wider training programme.

Continuing the implementation of an effective EDI strategy

St Michael's is committed to putting Equity, Diversity and Inclusion (EDI) firmly at the heart of all we do. Our commitment to EDI is deeply embedded in our core values and directly informs the compassionate, honest, and expert work we undertake with each family. We recognise that every individual – whether a child, parent, staff member, Trustee, volunteer, or partner – brings unique experiences, perspectives, and backgrounds to our organisation.

Our commitment to EDI begins with us creating a culture of inclusion and allyship within the organisation. Initiatives that have been put in place include:

- Monthly meeting of EDI working group (made up of staff from across the organisation) to drive EDI initiatives and monitor progress
- Quarterly meeting of an EDI sub-committee led by Trustees to act as a critical friend to the organisation providing guidance and oversight on EDI matters
- Anonymization has been introduced into the recruiting process to reduce unconscious bias
- Including EDI goals as part of the probation and performance appraisal process
- Developing a zero tolerance to racism and micro-aggressions procedure and a clear process for reporting, recording and addressing incidents and concerns
- Undertaking anti-racism training and micro-aggression training for all staff and Trustees in the year
- Raising awareness of and celebrating diversity and inclusion, through campaigns and cultural and religious events across the year
- Continuing to diversify our Board of Trustees

We continuously strive to ensure our policies, practices, and procedures reflect our commitment to EDI, and this will remain firmly at the centre of all we do.

FINANCIAL REVIEW

Results for the year

The overall surplus for the year was £227,791 (overall deficit for 2022/23: £179,062) following a growth in income generated through charitable activities in the year.

The £13,281 surplus generated on restricted funds activities contributed to the increase in restricted funds carried forward to £89,897. Meanwhile the £214,510 surplus on unrestricted funds activities, less the transfer of £30,794 to cover unfunded restricted funds activities, increased unrestricted reserves carried forward to £788,555.

This is the first year of surplus, following three previous years of losses following the pandemic, which had impacted on the level of our unrestricted reserves.

Income from our residential services has grown by over 50% this year. This includes other income for reimbursement for repair period, which was a contributing factor to the loss arising in the last financial year. This growth is encouraging given the continuing challenges of recruiting staff in the social care sector.

Income from our outreach and community work with young parents has also grown by 30% this year. This growth has been supported by additional funded projects focused on fathers' work and Securing Change, plus delivery of the Caring Dads programmes and the contact centre service.

Income from donations has decreased by 12% following a reduction in gifts-in-kind in the year. Income raised through marathon sponsorship and individual donors has been maintained at a similar level.

During the year we increased charges to Local Authorities to ensure that the impact of inflation on costs is covered. Fees charged by St Michael's are on a fully costed recovery basis and are in line with market.

Principal risks and uncertainties

The principal risks faced by St Michael's and the measures put in place to manage these risks are:

1. General Reserves have been depleted through the losses incurred in the previous three financial years, although this has been partly mitigated by the surplus generated this financial year. Our strategic priority to build on key capabilities of staffing and infrastructure is integral to securing ongoing financial stability and rebuilding reserves.

Trustees' report 31 March 2024

2. St Michael's continues to be largely reliant on income from Local Authorities through spot purchasing contracts for placements in our residential assessment centres. We have seen a steady level of demand for our Residential Assessments, as a result of the charity's continued focus on providing a high quality and effective service, and an acknowledgement of the continuing levels of need. The risk of a fall in placements and income is mitigated by the fact that St Michael's provides services to a broad base of Local Authorities and continues to develop additional services to meet the varied demands of supporting families. In addition, fundraising activities have been expanded to reduce the dependency on single sources of income.
3. The work of St Michael's is focussed on ensuring the safeguarding of children in their parents' care and the safeguarding of the parents, many of whom are 'adults at risk'. St Michael's mitigates this risk through its operational procedures including careful planning, setting clear expectations of families and staff, close monitoring within the centres, risk identification, training and supervision of staff and monthly inspections. Our residential centres are also inspected by Ofsted. All are rated as Good.
4. Staff recruitment and retention is a risk because without full teams we are unable to meet our occupancy targets. St Michael's seeks to mitigate this risk through investment in its staff. Specific measures include annual salary benchmarking, investment in training and supervision, and career development and succession planning.
5. The quality of the property is also critical to meeting occupancy targets. St Michael's mitigate this risk through close relationships with the Housing Associations to ensure timely delivery of routine repairs and to plan and schedule major works.

St Michael's maintains a detailed risk register and reviews the most significant risks at every Board meeting. Measures have been put in place, to the extent possible, to manage these risks in order to reduce both their likelihood and impact, whether to St Michael's service users or its reputation and financial position. Significant risks are brought to the attention of the Board as they arise.

Investment policy

The trustees' investment policy is to ensure that all reserves are held in a form in which their capital value is secure. An amount of reserves equivalent to at least three months of working capital should remain readily available in a current account, or a deposit or savings account with instant access. Reserves over and above three months of working capital can be held in deposit or savings accounts as long as access is available (without penalty costs) within a notice period enabling the Charity to meet its cash flow requirements above three-months of working capital.

Trustees' report 31 March 2024

Reserves policy

The Trustees aim to maintain sufficient reserves to support the day-to-day expenditures and cash-flow demands, plus a sufficient buffer to cover the ongoing operating expenses of the services at times when demand may slacken.

To meet this need, the Trustees aim to maintain a General Fund (within unrestricted reserves) which is not less than one third of the current year's budgeted operating expenses for core services.

The reserves policy is reviewed annually by the Trustees.

Reserves as of 31 March 2024

St Michael's reserves stand at £878,452 at 31 March 2024 (2023: £650,661) and are in two forms: restricted and unrestricted.

Restricted reserves

Restricted funds will be expended in due course in accordance with their restricted purposes. Restricted funds are £89,897 (2023: £45,822).

Unrestricted reserves

Unrestricted funds are retained to meet a number of needs:

The General Fund stands at £678,601 at March 2024 and covers 4.5 months' operating costs (2023 – £603,885, equivalent to 4.0 months) in line with the reserves policy-

The Trustees have also decided to set aside funding for the development of St Michael's work, via a Designated development fund.

The existing Designated fund brought forward (£954 at March 2023) is earmarked for the purchase of security equipment for Jigsaw, and has not yet been utilised. The trustees have designated further funds of £100,000 for strategic development and impact measurement; governance, leadership and management development; and upgrading furniture and equipment across services. The total Designated fund stands at £100,954 at 31 March 2024 (2023 – £954).

The Trustees consider that the current level of reserves will provide sufficient cover to allow the business to continue to operate, including sufficient cover for any changes in the operation of the services, as set out in the earlier sections of this report.

GOING CONCERN

As set out in the Going Concern section of the Principal Accounting Policies on page 30 of the Financial Statements, the Trustees have considered the current status of recovery following the pandemic, including increasing occupancy levels. The Trustees have also taken into account the operational actions taken, liquidity and reserves, current levels of activity and operating forecasts.

The Trustees consider that despite some continuing challenges, there are no material uncertainties about the charitable company's ability to continue as a going concern.

FUTURE PLANS

The future plans are defined by the strategic objectives for the year. The immediate priority is building on key capabilities of staffing, including recruitment and induction for the new CEO, whilst maintaining good governance and financial management.

FUNDRAISING

St Michael's Fellowship is committed to its charitable aims, and fundraises in order to improve the lives and futures of families and to secure the best possible future for their children.

St Michael's employs an in-house fundraiser. Our fundraising activities aim to raise funds from trusts, foundations and businesses, from appeals to supporters and the local community, and from participating in challenge events. We do not carry out door-to-door or street fundraising.

Our fundraising, in all its forms, is legal, open, honest and respectful. We clearly state how donations are used to fulfil our mission. We are respectful of the wishes, preferences, personal information and circumstances of the people we interact with and who choose to donate to us, and we will take all steps necessary to comply with the law and fundraising practice standards.

Our fundraising is compliant with the Fundraising Regulator as well as Charity Commission guidance. Our approach has been informed by the Institute of Fundraising's guidance on treating donors fairly and General Data Protection Regulation (GDPR). We do not use third party fundraisers, commercial participators or their representatives to raise funds for us.

Volunteers who fundraise for us as part of challenge events are provided with support and guidance by the Head of Fundraising. Support includes providing fundraising materials, an overview of relevant policies and clear explanations of how their fundraising supports our work.

As an organisation working with vulnerable families, we are acutely aware of our safeguarding responsibilities. All staff and volunteers receive safeguarding training. Should we receive a donation that we suspect was not made in good faith, the Head of Finance and Head of Fundraising will follow up to ensure the donor's wishes are respected.

We have a robust fundraising complaints policy and have not received any complaints in relation to our fundraising activities.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The organisation is a charitable company limited by guarantee, incorporated on 23 March 1994 and registered as a charity on 31 March 1994. The company was established under a memorandum of association which established the objects and powers of the charitable company and is governed under its articles of association.

All Trustees give their time voluntarily and receive no benefits from the charity. Any expenses reclaimed from the charity are set out in Note 6 to the accounts.

St Michael's Board of Trustees is also the Board of directors under company law. The Board meets formally six times a year. The Board of Trustees delegates to the Chief Executive the responsibility for managing all the day-to-day affairs of the organisation that fall within the scope of an annually agreed budget and operating plan. The Treasurer maintains contact with the Chief Executive and the Head of Finance to provide oversight of financial management, systems and procedures, under authority delegated by the full Board of Trustees and in accordance with the Board's financial procedures.

To support the work of the Board there are three sub-committees chaired by Trustees and reporting to the Board:

- ◆ The Treasurer chairs the Finance Committee and oversees budgetary control with the Chief Executive. This committee considers financial matters, proposals and issues of risk before presentation to the Board.
- ◆ The Fundraising Committee advises on fundraising strategy and meets as necessary to review strategy and to support the organisation of events.
- ◆ The EDI Committee provides guidance and oversight on all EDI matters.

In addition, 2 Trustees are assigned to the residential centres, a role they share, with responsibility for bi-monthly inspection visits. Reports from inspection visits are provided to the Board.

The organisation's occupancy of the houses in which it provides its residential assessment services is governed by management agreements with London and Quadrant Housing Trust and Southern Housing.

The Board of Trustees has worked to apply the recommended practice of the Charity Governance Code. It has produced and adopted a Governance Manual to provide guidance to Trustees and staff involved in the governance and management of the organisation.

The Trustees believe that the diversity of the service users and staff should be reflected in the makeup of the Board. It recognises that diversity in all its forms leads to a more effective Board. The Board regularly reviews skills, experience and diversity of its members to inform Trustee recruitment, and shall consider plans to recruit to vacant positions to further enhance this diversity.

The Board annually reviews and assesses its own performance and the performance of its sub-committees. The appraisal of the Chair is carried out by the Deputy Chair having gathered the views of other Trustees.

Trustees' report 31 March 2024

The Board ensures conflicts of interest and duties are properly addressed and has drawn up a conflicts of interest policy and maintains a register of interests. At the start of each Board meeting all Trustees are asked to confirm that they have no conflicts of interest in respect of St Michael's business.

Under company law we are required to identify the people with significant control (PSC) over the company and confirm their information, maintain a record and provide this information to Companies House annually. We, as a Board, have considered this requirement and do not believe that any Board member or member of staff has significant control over the organisation. Our PSC register reflects this position.

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 31 March 2024 was 8 (2023 – 9). The Trustees are members of the charity but this entitles them only to voting rights. The Trustees have no beneficial interest in the charity.

Appointment and departure of Trustees

The Trustees give their time voluntarily. Trustees have been recruited by advertisement as and when new appointments need to be made in accordance with a matrix of skills and experience that the Board has agreed to be required. New Trustees are inducted by way of personal briefings, an induction pack and the support of a more experienced Trustee. All Trustees are required to complete 'an introduction to safeguarding' and are given further opportunities for Trustee training by attending relevant conferences and seminars. Trustees are appointed to the Board by the existing Trustees. The Trustees are the members of the charitable company.

During the year we said goodbye to Will Anderson (Trustee and Treasurer) and Anne Brough (Trustee). Both gave their time generously and we are indebted to them for their invaluable support.

Through advertising we have recruited a new Treasurer, Samantha da Soller from July 2024. Samantha has led the Finance and Operations team of two national charities, and brings a wealth of experience. We would like to express our appreciation to Jonathan Bannister who acted as interim Treasurer in the intervening period.

Remuneration policy for key management personnel

To deliver its charitable aims, St Michael's employs sufficient staff with the necessary skills and qualifications. We are committed to ensuring that we pay our staff a fair and appropriate salary that is within our means. This is so we can attract and retain people with the right skills and therefore have the greatest impact in delivering our objectives. We recognise that our rates of pay are generally less than in the private or public sector, but we believe that this is balanced by the training and development we offer, along with a shared commitment to our charitable purpose. We monitor against the National Joint Council pay scales for all staff and any overall changes to the rates of pay or to the salaries of senior staff are approved by the Board. The pension provisions for all staff regardless of seniority are the same. The remuneration ratio (highest paid versus the median salary) is 2.1:1 (2023 – 1.98:1). We are committed to paying the London Living wage and above, and are seeking accreditation with the Living Wage Foundation.

Trustees' responsibilities statement

The Trustees (who are also directors of St Michael's Fellowship 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 which give a true and fair view of the state of affairs of the charity and of the income and expenditure of the charity for that period.

In preparing these financial statements, the Trustees are required to:

- ◆ Select suitable accounting policies and then apply them consistently
- ◆ Observe the methods and principles in 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)
- ◆ Make judgements and estimates that are reasonable and prudent
- ◆ State whether applicable United Kingdom 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 charity will continue in operation

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Trustees' report 31 March 2024

Each of the Trustees confirms that:

- ◆ So far as the Trustee is aware, there is no relevant audit information of which the charity's auditor is unaware
- ◆ The Trustee has taken all the steps that he/she ought to have taken as a Trustee in order to make himself/herself aware of any relevant audit information and to establish that the charity's auditor is aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

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

The Trustees' report has been approved by the Trustees on 29 November 2024 and signed on their behalf by:

A handwritten signature in black ink that reads "Sally Prentice". The signature is written in a cursive, flowing style.

Chair - Sally Prentice

Independent auditor's report Year to 31 March 2024

Independent auditor's report to the members of St Michael's Fellowship

Opinion

We have audited the financial statements of St Michael's Fellowship (the 'charitable company') for the year ended 31 March 2024 which comprise the statement of financial activities, the balance sheet, and statement of cash flows, the principal accounting policies and the notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- ◆ give a true and fair view of the state of the charitable company's affairs as at [date] and of 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.

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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

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

Independent auditor's report Year to 31 March 2024

Other information (continued)

trustees 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- ◆ the information given in the trustees' report, which is also the directors' report for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ◆ the trustees' report, which is also the directors' report for the purposes of company law, has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

Independent auditor's report Year to 31 March 2024

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 20, 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, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

How the audit was considered capable of detecting irregularities including fraud

Our approach in identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- ◆ the Senior Statutory Auditor ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- ◆ we identified the laws and regulations applicable to the charitable company through discussions with management, and from our knowledge and experience of the sector;
- ◆ we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charitable company, including the Charities Act 2011, Companies Act 2006, data protection legislation, anti-bribery, safeguarding, employment, health and safety legislation;
- ◆ we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and

Independent auditor's report Year to 31 March 2024

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

- ◆ identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- ◆ making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- ◆ considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

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

- ◆ performed analytical procedures to identify any unusual or unexpected relationships;
- ◆ tested journal entries to identify unusual transactions;
- ◆ assessed whether judgements and assumptions made in determining the accounting estimates set out in the accounting policies were indicative of potential bias; and
- ◆ used data analytics to identify any significant or unusual transactions and identify the rationale for them.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- ◆ agreeing financial statement disclosures to underlying supporting documentation;
- ◆ reading the minutes of trustee meetings;
- ◆ enquiring of management as to actual and potential litigation and claims; and
- ◆ reviewing any available correspondence with HMRC and the company's legal advisors (although none was noted as being received by the charitable company).

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Independent auditor's report Year to 31 March 2024

Use of our report

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



Hugh Swainson (Senior Statutory Auditor)
For and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

05 December 2024

Statement of financial activities Year to 31 March 2024
(including income and expenditure account)

	Notes	Restricted fund £	Unrestricted funds £	Total funds 2024 £	Restricted fund £	Unrestricted funds £	Total funds 2023 £
Income from:							
Donations	1	--	127,179	127,179	6,064	138,088	144,152
Interest receivable		--	19,190	19,190	--	7,018	7,018
Charitable activities:							
. Residential and community assessment	2a	1,000	2,124,951	2,125,951	--	1,394,402	1,394,402
. Community projects	2b	514,752	41,879	556,631	374,728	51,852	426,580
. Residents grants fund	13	2,700	--	2,700	1,700	--	1,700
Total income		518,452	2,313,199	2,831,651	382,492	1,591,360	1,973,852
Expenditure on:							
Raising funds		468	62,953	63,421	5,425	101,254	106,679
Charitable activities							
. Residential and community assessment		5,606	1,956,861	1,962,467	2,981	1,527,725	1,530,706
. Community projects		496,430	78,875	575,305	507,075	7,052	514,127
. Residents grants fund	13	2,667	--	2,667	1,402	--	1,402
Total expenditure	3	505,171	2,098,689	2,603,860	516,883	1,636,031	2,152,914
Net income (expenditure) before transfer	5	13,281	214,510	227,791	(134,391)	(44,671)	(179,062)
Transfers between funds	13	30,794	(30,794)	--	4,424	(4,424)	--
Net income (expenditure) and net movement in funds		44,075	183,716	227,791	(129,967)	(49,095)	(179,062)
Reconciliation of funds							
Fund balances brought forward at 1 April 2023		45,822	604,839	650,661	175,789	653,934	829,723
Fund balances carried forward at 31 March 2024	13	89,897	788,555	878,452	45,822	604,839	650,661

All of the above results are derived from material continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in note 13 to the financial statements.

Balance sheet 31 March 2024

	Notes	2024 £	2024 £	2023 £	2023 £
Fixed assets					
Tangible assets	9		11,810		4,239
Current assets					
Debtors	10	572,135		318,841	
Cash at bank and in hand		537,254		553,356	
		1,109,389		872,197	
Creditors: amounts falling due within one year	11	242,747		225,775	
Net current assets			866,642		646,422
Total net assets	12		878,452		650,661
Funds					
Restricted funds			89,897		45,822
Unrestricted funds					
. Designated fund			100,954		954
. General fund			687,601		603,885
Total funds	13		878,452		650,661

Approved by the Trustees of St Michael's Fellowship, Company Registration Number 02914273 (England and Wales), 29 November 2024, and signed on their behalf by:

Sally Prentice

Chair – Sally Prentice

Statement of cash flows 31 March 2024

	Notes	2024 £	2023 £
Cash flows from operating activities:			
Net income (expenditure) for the year (as per the financial statements)		227,791	(179,062)
Depreciation charges		6,974	6,479
Interest receivable		(19,190)	(7,018)
(Increase) in debtors		(253,294)	(61,124)
Increase (decrease) in creditors		16,972	(11,652)
Net cash (used in) operating activities		(20,747)	(252,377)
Cash flows from investing activities:			
Interest received		19,190	7,018
Purchase of fixed assets		(14,545)	(150)
Net cash provided by investing activities		4,645	6,868
Change in cash and cash equivalents in the year		(16,102)	(245,509)
Cash and cash equivalents at the beginning of the year	A	553,356	798,865
Cash and cash equivalents at the end of the year	A	537,254	553,356

A Analysis of cash and cash equivalents

	2024 £	2023 £
Cash at bank and in hand	89,781	122,896
Notice deposits (less than three months)	447,473	430,460
Total cash and cash equivalents	537,254	553,356

Principal accounting policies 31 March 2024

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are laid out below.

Basis of preparation

These financial statements have been prepared for the year to 31 March 2024 with comparative information presented in respect of the year to 31 March 2023.

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these 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 financial statements in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (Charities SORP FRS 102) issued on 16 July 2014, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Companies Act 2006 and the Charities Act 2011.

The financial statements are presented in sterling and are rounded to the nearest pound.

Public benefit entity

The charitable company meets the definition of a public benefit entity under FRS 102.

Critical accounting estimates and areas of judgement

Preparation of the financial statements requires the Trustees to make significant judgements and estimates.

The items in the financial statements where these judgements and estimates have been made include the estimation of the useful economic life of tangible fixed assets and the basis on which the support costs are allocated across the various categories of charitable expenditure.

Going concern

The Trustees have considered the current status of recovery following the pandemic, including increasing occupancy levels. The Trustees have also taken into account the operational actions taken, liquidity and reserves, current levels of activity and operating forecasts.

The Trustees consider that despite some continuing challenges, there are no material uncertainties about the charitable company's ability to continue as a going concern.

The Trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

Income

Income is recognised in the period in which the charity has entitlement to the income, the amount of income can be measured reliably and it is probable that the income will be received. Income is deferred only when the charity has to fulfil conditions before becoming entitled to it or where the donor or funder has specified that the income is to be expended in a future accounting period.

Donations are received by way of donations and gifts and is usually included in full in the statement of financial activities when received. Donations received in respect of the London Marathon event are deferred until the Marathon has taken place.

Revenue grants are credited to the statement of financial activities when received or receivable whichever is earlier. Grants received that relate to a specific time period are deferred if it is outside the accounting period.

Fee and contract income is credited to the statement of financial activities in the period in which it is receivable and where any performance conditions attached to the income have been met. Any fee income received in advance of the financial period to which it relates is deferred and recognised in line with the period over which the related activity will be undertaken.

Donations of gifts, services and facilities

Donated professional services and donated facilities are recognised as income when the charity has received the service, any conditions associated with the donation have been met, and the economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), volunteer time is not recognised. Trustees give their time voluntarily.

On receipt, donated gifts, professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Interest receivable

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

Expenditure and irrecoverable VAT

Expenditure is recognised in the period in which it is incurred. Expenditure includes attributable VAT which cannot be recovered.

Expenditure on raising funds relates to the costs incurred by the charitable company in raising funds for the charitable work, as well as the cost of any activities with a fundraising purpose. Specifically, this includes the Bonds payable for the runners in the London Marathon.

Principal accounting policies 31 March 2024

Expenditure and irrecoverable VAT (continued)

Where information about the aims, objectives and projects of the charity is provided to potential beneficiaries, the costs associated with this publicity are allocated to charitable expenditure.

Where such information about the aims, objectives and projects of the charity is also provided to potential donors, activity costs are apportioned between fundraising and charitable activities on the basis of the area of literature occupied by each activity.

Expenditure is allocated to a particular activity where the cost relates directly to that activity.

Support costs for the overall direction and administration of each activity, comprising the salary and overhead cost of the central function, are apportioned on the following basis:

- ◆ Support costs are allocated to community projects on the basis of the funding agreement which is based on a full cost recovery model.
- ◆ Remaining support costs are apportioned to the residential assessment centres based on the number of rooms available for residents in each house, which is an estimate of the amount attributable to each activity.

Note 4 shows how support costs have been re-allocated to the residential assessment centres and community projects.

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities. Governance costs have been apportioned across residential assessment centres and community projects based on the income ratios of each activity.

Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £2,000. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

House fixtures and fittings	10 years	(10%)
House equipment	4 years	(25%)
Head office leasehold	10 years	(10%)
Head office equipment – telephone system	10 years	(10%)
Head office equipment – equipment	4 years	(25%)

Debtors

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

Cash at bank and in hand

Cash at bank and cash 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.

Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Financial instruments

The charity 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.

Fund accounting

Restricted funds are to be used for specific purposes within the charitable objects as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are maintenance fees, grants, charges, donations and other incoming resources receivable or generated for the objects of the charity.

Designated funds are unrestricted funds earmarked by the Trustees for particular purposes.

The charity transfers funds from unrestricted funds to restricted funds where there has been higher expenditure in running a project than the funds provided. Transfers of funds also are made from the general fund to designated funds in order to reach the specified target balances of the designated funds. No transfers are made out of restricted funds without written authority from the original funder.

Operating leases

Rentals payable under operating leases, where substantially all the risks and rewards of ownership remain with the lessor, are charged to the statement of financial activities in the year in which they fall due.

Pensions

The charitable company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charitable company in an independently administered fund. The pension cost charge represents contributions payable under the scheme by the charitable company to the fund. The charitable company has no liability under the scheme other than for the payment of those contributions.

Notes to the financial statements Year to 31 March 2024

1 Income from donations

	Restricted funds £	Unrestricted funds £	2024 Total funds £
London Marathon	--	14,746	14,746
Baring Foundation	--	16,397	16,397
Beatrice Laing Trust	--	5,000	5,000
Comic Relief	--	50,000	50,000
Dyers Company	--	1,000	1,000
Elizabeth & Prince Zaiger Trust	--	5,000	5,000
Howberry Trust	--	2,000	2,000
Humble Trust	--	200	200
Jet Charitable Trust	--	500	500
Paget Charitable Trust	--	2,000	2,000
Rathbone Redfern	--	2,000	2,000
Worshipful company of Fanmakers	--	2,500	2,500
29 th May Trust	--	3,000	3,000
Gift in kind	--	2,057	2,057
Other donations	--	20,779	20,779
	--	127,179	127,179

	Restricted funds £	Unrestricted funds £	2023 Total funds £
London Marathon	--	19,341	19,341
Baring Foundation	--	3,500	3,500
BNP Paribas	--	1,000	1,000
Comic Relief	--	15,000	15,000
Denton Charitable Trust	--	1,000	1,000
Dyers Company	--	2,000	2,000
Elizabeth & Prince Zaiger Trust	--	5,000	5,000
Howberry Trust	--	1,000	1,000
Jet Charitable Trust	--	500	500
Rathbone Redfern	--	1,000	1,000
Rest Harrow Trust	--	100	100
Sir Walter St John's Educational Charity	1,476	--	1,476
Small trust appeal	--	4,350	4,350
University of Sussex Graduate Internship	3,400	--	3,400
Uxbridge Foundation	--	1,000	1,000
William Allen Young Trust	--	2,000	2,000
Gift in kind	1,188	65,226	66,414
Other donations	--	16,071	16,071
	6,064	138,088	144,152

Notes to the financial statements Year to 31 March 2024

2 Income from charitable activities

a. Residential and community assessment

	Restricted funds £	Unrestricted funds £	2024 Total funds £
General fees	--	1,802,513	1,802,513
Parental support	--	79,433	79,433
Supporting people	--	10,388	10,388
Charges	--	5,117	5,117
Other – Reimbursement for repair period		227,500	227,500
Other - grant	1,000	--	1,000
	1,000	2,124,951	2,125,951

	Restricted funds £	Unrestricted funds £	2023 Total funds £
General fees	—	1,315,553	1,315,553
Parental support	—	59,060	59,060
Supporting people	—	13,036	13,036
Charges	—	5,176	5,176
Other – rates relief	—	1,577	1,577
	—	1,394,402	1,394,402

b. Community projects

	Restricted funds £	Unrestricted funds £	2024 Total funds £
Lambeth Outreach Young Parents	157,500		157,500
Lambeth other	60,888		60,888
Lambeth Start for Life	50,000		50,000
Basketmakers Charitable Trust	1,000		1,000
Caring Dads Programmes		31,486	31,486
Charles Hayward	15,000		15,000
City Bridge Trust	56,725		56,725
Comic Relief	81,448		81,448
Ironmongers	9,116		9,116
John Coates Charitable Trust	5,000		5,000
L&Q Placemakers Fund	6,250		6,250
Lambeth Summer HAP	75		75
National Children's Bureau	100		100
Segelman Trust	35,000		35,000
St James Place Foundation	30,000		30,000
1485 Hardship fund	1,000		1,000
Other	5,650	10,393	16,043
	514,752	41,879	556,631

Notes to the financial statements Year to 31 March 2024

2 Income from charitable activities (continued)

b. Community projects (continued)

	Restricted funds £	Unrestricted funds £	2023 Total funds £
Lambeth Outreach Young Parents	150,000	--	150,000
Lambeth other	31,668	--	31,668
National Children's Bureau	100	--	100
City Bridge Trust	39,525	--	39,525
Segelman Trust	37,000	--	37,000
Caring Dads Programmes	--	39,499	39,499
Garfield Weston	30,000	--	30,000
L&Q Placemakers Fund	18,750	--	18,750
Comic Relief	59,099	--	59,099
Dep't of Health and Social Care	3,586	--	3,586
1485 Hardship fund	2,000	--	2,000
Other	3,000	12,353	15,353
	374,728	51,852	426,580

3 Total expenditure

	Costs of raising funds £	Residential and community assessment £	Community projects £	Residents grants fund £	Governance costs £	Support costs £	2024 Total £
Staff costs (note 6)	14,871	1,440,437	483,689	--	6,297	249,398	2,194,692
Premises costs	--	44,588	--	--	--	74,846	119,434
Maintenance	--	23,788	424	--	--	2,938	27,150
Insurance	--	--	--	--	--	18,068	18,068
Professional fees	216	15,386	2,176	--	3,926	2,965	24,669
Housing association charges	--	80,065	--	--	--	--	80,065
Communications and stationery	4,336	38,119	4,876	--	--	26,979	74,310
Publicity	3,287	--	--	--	--	--	3,287
Residents' welfare	--	6,576	18,069	2,667	--	164	27,476
Depreciation	--	3,508	--	--	--	3,465	6,973
Audit and accountancy	--	--	--	--	13,590	--	13,590
Travel and sundry expenses	2,101	5,416	5,562	--	6	1,061	14,146
Total expenditure	24,811	1,657,883	514,796	2,667	23,819	379,884	2,603,860
Reallocation of support costs (note 4)	36,146	268,616	49,669	--	25,453	(379,884)	--
Reallocation of governance costs	2,464	35,968	10,840	--	(49,272)	--	--
Total expenditure	63,421	1,962,467	575,305	2,667	--	--	2,603,860

Notes to the financial statements Year to 31 March 2024

3 Total expenditure (continued)

	Costs of raising funds £	Residential and community assessment £	Community projects £	Residents grants fund £	Governance costs £	Support costs £	2023 Total £
Staff costs (note 6)	13,349	1,080,865	419,546	--	29	202,614	1,716,403
Premises costs	--	31,625	--	--	--	60,783	92,408
Maintenance	--	23,369	534	--	--	6,160	30,063
Insurance	--	--	--	--	--	16,285	16,285
Professional fees	216	6,689	19,902	--	12,888	5,632	45,327
Housing association charges	--	80,890	--	--	--	--	80,890
Communications and stationery	585	42,220	5,565	--	16	19,619	68,005
Publicity	6,852	--	--	--	--	--	6,852
Residents' welfare	--	3,579	10,431	1,402	--	--	15,412
Depreciation	--	1,771	--	--	--	4,709	6,480
Audit and accountancy	--	--	--	--	14,370	--	14,370
Travel	--	2,642	2,623	--	87	194	5,546
In-kind and sundry expenses	52,456	138	1,348	--	542	389	54,873
Total expenditure	73,458	1,273,788	459,949	1,402	27,932	316,385	2,152,914
Reallocation of support costs (note 4)	29,541	220,124	42,088	--	24,632	(316,385)	--
Reallocation of governance costs	3,680	36,794	12,090	--	(52,564)	--	--
Total expenditure	106,679	1,530,706	514,127	1,402	--	--	2,152,914

4 Support costs

	Costs of raising funds £	Residential and community assessment £	Community projects £	Governance £	2024 Total £
Head office staff	20,346	199,502	6,333	23,217	249,398
Premises costs	9,550	37,749	26,196	1,351	74,846
Maintenance	375	1,482	1,028	53	2,938
Insurance	2,306	9,113	6,323	326	18,068
Professional fees	--	2,965	--	--	2,965
Communications and stationery	3,127	14,832	8,577	443	26,979
Residents' welfare	--	164	--	--	164
Depreciation	442	1,748	1,212	63	3,465
Travel and sundry	--	1,061	--	--	1,061
	36,146	268,616	49,669	25,453	379,884

Notes to the financial statements Year to 31 March 2024

4 Support costs (continued)

	Costs of raising funds £	Residential and community assessment £	Community projects £	Governance £	2023 Total £
Head office staff	16,168	161,421	2,307	22,718	202,614
Premises costs	7,662	29,230	22,794	1,097	60,783
Maintenance	701	3,274	2,085	100	6,160
Insurance	2,053	7,831	6,107	294	16,285
Professional fees	--	5,632	--	--	5,632
Communications and stationery	2,363	9,889	7,029	338	19,619
Depreciation	594	2,264	1,766	85	4,709
Travel and sundry	--	583	--	--	583
	29,541	220,124	42,088	24,632	316,385

5 Net income(expenditure) for the year

Net income (expenditure) is stated after charging:	2024 £	2023 £
Depreciation	6,974	6,479
Auditor's remuneration		
. Audit	12,925	11,975
Operating lease rentals		
. Equipment	7,880	15,803
. Property	128,446	120,178

6 Analysis of staff costs, cost of key management personnel, and Trustee remuneration and expenses

Staff costs were as follows:	2024 £	2023 £
Salaries and wages	1,376,286	1,082,668
Social security costs	181,416	151,353
Employer's contribution to defined contribution pension schemes	84,283	71,304
Sessional staff	452,900	361,453
Agency staff	44,601	15,669
Other staff costs	55,206	33,956
	2,194,692	1,716,403

1 employee earned between £70,000-£80,000 (2023: 1 employee between £70,000-£80,000)

The total employee benefits including employer's pension contributions and national insurance of the key management personnel were £211,263 (2023: £200,307).

Notes to the financial statements Year to 31 March 2024

6 Analysis of staff costs, cost of key management personnel, and Trustee remuneration and expenses (continued)

The charity Trustees were not paid nor received any other benefits from employment with the charity in the year (2023: £nil). No charity Trustee received payment for professional or other services supplied to the charity (2023: £nil).

No Trustees' expenses (2023: none) were incurred by members relating to attendance at meetings of the Trustees.

The average number of employees, including sessional staff, employed during the year was as follows:

	Headcount (number of staff employed)		Full-time equivalent	
	2024	2023	2024	2023
	No.	No.	No.	No.
Social and care workers	54.12	48.82	38.91	31.47
Management	7.28	7.88	6.53	6.53
	61.40	56.70	45.44	38.00

7 Related party transactions

There are no related party transactions to disclose for 2024 (2023: none).

Aggregate donations from related parties were £794 (2023: £1,575), all of which arise in the normal course of business.

8 Taxation

The charitable company is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

9 Tangible fixed assets

	Leasehold improvements £	Head office equipment £	House fixtures and fittings £	House equipment £	Total £
Cost					
At the start of the year	94,687	62,623	11,292	34,061	202,663
Additions during the year	--	1,487	7,110	5,948	14,545
At the end of the year	94,687	64,110	18,402	40,009	217,208
Depreciation					
At the start of the year	94,687	59,529	10,259	33,949	198,424
Charge for the year	--	3,465	1,984	1,525	6,974
At the end of the year	94,687	62,994	12,243	35,474	205,398
Net book value					
At the end of the year	--	1,116	6,159	4,535	11,810
At the start of the year	--	3,094	1,033	112	4,239

All of the above assets are used for charitable purposes.

Notes to the financial statements Year to 31 March 2024

10 Debtors

	2024 £	2023 £
Trade debtors receivable	280,090	284,203
Other debtors	232,497	3,796
Prepayments and accrued income	59,548	30,842
	572,135	318,841

11 Creditors: amounts falling due within one year

	2024 £	2023 £
Trade creditors	66,100	46,530
Taxation and social security	47,543	46,048
Deferred income	19,162	32,193
Accruals	76,115	59,948
Other creditors	33,827	41,056
	242,747	225,775

Deferred income comprises a grant received at the end of the year that relates to 2024-25, plus marathon donations made in advance for the April 2024 event (2023: deferred grant and marathon income).

12 Analysis of net assets between funds

	General unrestricted £	Designated funds £	Restricted funds £	2024 Total funds £
Tangible fixed assets	11,245	--	565	11,810
Net current assets	676,356	100,954	89,332	866,642
Net assets at 31 March 2024	687,601	100,954	89,897	878,452

	General unrestricted £	Designated funds £	Restricted funds £	2023 Total funds £
Tangible fixed assets	3,467	--	772	4,239
Net current assets	600,418	954	45,050	646,422
Net assets at 31 March 2023	603,885	954	45,822	650,661

Restricted Funds: Fixed assets with a net book value of £565 have been purchased with restricted funds (2023: £772). This comprises the balance of the Capital Appeal for replacement carpet at one of the residential units which is being depreciated over 10 years.

Notes to the financial statements Year to 31 March 2024

13 Movement in funds

	At 1 April 2023 £	Income and gains £	Expenditure and losses £	Transfers £	At 31 March 2024 £
Restricted funds:					
Lambeth Outreach Young Parents	--	157,500	(188,294)	30,794	--
Lambeth other	--	13,388	(13,388)	--	--
Lambeth Public Health	11,895	--	(360)	--	11,535
Lambeth Caring Dads	--	47,500	(47,500)	--	--
Lambeth Start for Life	--	50,000	(5,000)	--	45,000
City of London, City Bridge Trust	--	56,725	(56,725)	--	--
National Children's Bureau	--	100	(100)	--	--
CWDC	9,574	--	(4,400)	--	5,174
ASYE Dept. for Education	--	1,000	(1,000)	--	--
Foyle Foundation	8,982	--	(53)	--	8,929
Residents grants fund	3,466	2,700	(2,667)	--	3,499
Elizabeth & Prince Zaiger Trust – Capital	773	--	(206)	--	567
Summer Trips Appeal	427	75	(494)	--	8
Basketmakers Charitable Trust	--	1,000	(1,000)	--	--
John Coates Charitable Trust	--	5,000	(5,000)	--	--
L&Q Placemakers Fund	8,967	6,250	(15,217)	--	--
Invesco Cares Foundation	--	3,150	(3,150)	--	--
Garfield Weston Foundation	572	--	(572)	--	--
Charles Hayward	--	15,000	(15,000)	--	--
Tudor Trust – Wellbeing	468	--	(468)	--	--
Segelman Trust	--	35,000	(35,000)	--	--
1485 Hardship Fund	698	1,000	(1,291)	--	407
St James Place Foundation	--	30,000	(30,000)	--	--
Ironmongers	--	9,116	(9,116)	--	--
Comic Relief	--	81,448	(66,670)	--	14,778
CAFCASS	--	2,500	(2,500)	--	--
Total restricted funds	45,822	518,452	(505,171)	30,794	89,897
Unrestricted funds:					
Designated funds:					
. Development fund	954	--	--	100,000	100,954
Total designated funds	954	--	--	100,000	100,954
General fund	603,885	2,313,199	(2,098,689)	(130,794)	687,601
Total unrestricted funds	604,839	2,313,199	(2,098,689)	(30,794)	788,555
Total funds	650,661	2,831,651	(2,603,860)	--	878,452

The narrative to explain the purpose of each fund is given below.

Notes to the financial statements Year to 31 March 2024

13 Movement in funds (continued)

	At 1 April 2022 £	Income and gains £	Expenditure and losses £	Transfers £	At 31 March 2023 £
Restricted funds:					
Lambeth Outreach Young Parents	—	150,000	(150,760)	760	--
Lambeth Public Health	12,601	--	(706)	--	11,895
Lambeth Caring Dads	—	31,668	(31,868)	--	--
City of London, City Bridge Trust	—	39,525	(39,525)	--	--
National Children's Bureau	645	100	(745)	--	--
CWDC	11,866	--	(2,292)	--	9,574
ASYE Dept. for Education	483	--	(483)	--	--
Foyle Foundation	8,990	--	(8)	--	8,982
Residents grants fund	3,168	1,700	(1,402)	--	3,466
Elizabeth & Prince Zaiger Trust – Capital	861	--	(88)	--	773
Summer Trips Appeal	736	1,476	(1,785)	--	427
University of Sussex Grad. Internship	--	3,400	(3,400)	--	--
L&Q Placemakers Fund	--	18,750	(9,783)	--	8,967
Garfield Weston Foundation	--	30,000	(29,428)	--	572
Capital Appeal	118	--	(118)	--	--
Tudor Trust – Wellbeing	1,305	--	(837)	--	468
Tesco community fund	-	500	(500)	--	--
National Lottery Community Fund	25,786	--	(25,786)	--	--
Securing Change Appeal	424	--	(424)	--	--
Elizabeth & Prince Zaiger Trust	934	--	(934)	--	--
Philip King Charitable Trust	3,777	--	(3,777)	--	--
Segelman Trust	783	37,000	(37,783)	--	--
1485 Hardship Fund	—	2,000	(1,302)	--	698
KPMG Foundation	2,199	--	(2,199)	--	--
Tudor Trust – Securing Change	5,438	--	(5,438)	--	--
Pilgrim Trust	9,007	--	(9,007)	--	--
Comic Relief	13,921	59,099	(73,020)	--	--
Dep't of Health & Social Care	72,747	3,586	(79,997)	3,664	--
CAFCASS	--	2,500	(2,500)	--	--
Other – gift in kind	--	1,188	(1,188)	--	--
Total restricted funds	175,789	382,492	(516,883)	4,424	45,822
Unrestricted funds:					
Designated funds:					
. Development fund	954	--	--	—	954
Total designated funds	954	--	--	—	954
General fund	652,980	1,591,360	(1,636,031)	(4,424)	603,885
Total unrestricted funds	653,934	1,591,360	(1,636,031)	(4,424)	604,839
Total funds	829,723	1,973,852	(2,152,914)	—	650,661

13 Movement in funds (continued)

Purposes of restricted funds

Lambeth Outreach Young Parents

The fund supports delivery of services in the community to young mothers and fathers, up to age of 24 years.

Lambeth – Other

This fund supports group sessions for young parents for advice, support and sporting activities,

Lambeth Public Health

To enable St Michael's to support the prevention of unintentional injuries in children aged 0 - 5 by funding the supply of home safety equipment and education.

Lambeth Caring Dads

This fund supports the delivery of the Caring Dads programme to young fathers living in Lambeth.

Lambeth – Start for Life

To support parenting, parent-infant relationships and infant feeding interventions.

City of London, City Bridge Trust

This fund is to support the delivery of services in the community to young mothers and fathers.

National Children's Bureau (LEAP)

This fund is to support parents' groups in the LEAP (Lambeth Early Action Partnership) areas, through the REAL programme (Raising Early Achievement in Literacy).

The Children's Workforce Development Council (CWDC)

Funds to enable St Michael's to support the development of newly qualified social workers within the organisation.

Assessed and Supported Year in Employment (ASYE) Dept. for Education

To support newly qualified social workers in their first year of employment.

Foyle Foundation

A grant to support and teach literacy and numeracy across all our services.

Residents grants fund

This fund includes amounts received from various organisations including Housing the Homeless, for specific equipment and other purchases for some of the families as they move to new accommodation. The carried forward funds will be spent in the following year. These funds continue to be segregated in a separate bank account.

Elizabeth & Prince Zaiger Trust - Capital

To support the Capital Appeal to replace furniture, carpets, equipment and toys in St Michael's.

13 Movement in funds (continued)

Purposes of restricted funds (continued)

Summer trips Appeal

To fund summer activities for the families with whom we work.

Basketmakers Charitable Trust

To support work with young parents

John Coates Charitable Trust

To support work with young parents

University of Sussex Graduate Internship

Scheme to pay for the employment of a University of Sussex graduate and an undergraduate, to support the fundraising function for 10 weeks.

London & Quadrant Placemakers Fund

This fund is to support the continuation of the Securing Change programme.

Garfield Weston Foundation

This fund is also to support the continuation of the Securing Change programme

Capital Appeal

To support the replacement of furniture, carpets, equipment in the Residential Schemes and at Head Office.

Tudor Trust – Wellbeing

To support the wellbeing of St Michael's staff.

Tesco – young Parents

To support work with young parents in the community

National Lottery Community Fund

This funding supports the Securing Change project to develop an intensive service of support for parents who leave St Michael's with or without their child.

Securing Change Appeal

To contribute to the costs of providing an intensive service of one to one and group support for parents who leave St Michael's with or without their child.

Elizabeth & Prince Zaiger Trust

To support the Securing Change project (as above).

Philip King Charitable Trust

This funding also supports the Securing Change project (as above).

Pilgrim Trust

To support the Securing Change project (as above).

13 Movement in funds (continued)

Purposes of restricted funds (continued)

KPMG Foundation

Funding to support the evaluation of the Securing Change project (as above).

Tudor Trust

To support the Securing Change project (as above).

Segelman Trust

This fund is to support the delivery of community and outreach services for expectant and young parents.

St James Place foundation

This fund is also to support the delivery of community and outreach services for expectant and young parents

Invesco Cares Foundation

To support group work with parents

Charles Hayward

Funding to support work with young fathers in South London

Comic Relief

Funding for a Young Fathers' practitioner, working with young fathers across Lambeth.

Department of Health & Social Care

Funding for work with young fathers in the community, including partnership with other Lambeth agencies, through the Starting Well project.

1485 Hardship Fund

To support parents to provide a safe and secure environment for their children.

Ironmongers

To support group work with young mothers.

CAFCASS

Funding to assist with the provision of supported contact services to children and families.

Purposes of designated funds

Development fund

The development fund was set up to hold monies designated for expenditure on existing and new work subject to the case-by-case approval of the Trustees, as set out in the Trustees' report. Funds have been designated in the year for strategic development and impact measurement; governance, leadership and management development; and upgrading furniture and equipment across all services.

Notes to the financial statements Year to 31 March 2024

14 Operating lease commitments

The charity's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods:

	Equipment		Property	
	2024 £	2023 £	2024 £	2023 £
Less than one year	--	7,880	83,151	87,599
One to five years	--	--	11,250	56,250
	--	7,880	94,401	143,849

15 Contingent assets or liabilities

At the balance sheet date, the charity has no contingent assets or liabilities (2023: £nil).

16 Legal status of the charity

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.