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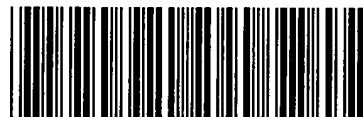
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ST LUKE ACADEMIES TRUST (A company limited by guarantee)

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

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ST LUKE ACADEMIES TRUST
(A company limited by guarantee)

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ST LUKE ACADEMIES TRUST
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY TRUST, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2016

Members	Monsignor K McGinnell J H Davies J Rodgers P Reynolds (resigned 21 September 2015) S Imbiano (resigned 19 May 2016) Maxine Clewlow (appointed 28 January 2016)
Trustees	R Hill, Chair ¹ E McAuley, Vice Chair ¹ D Lally ² A Kilsby ² C Smith A Fletton ² M T Mitford-Barberton (resigned 31 July 2016) N Vaughan, School Improvement Director and Accounting Officer ¹ P Cuddihy, Headteacher (resigned 6 September 2016) M Hayes, Headteacher ¹ Finance and Resources committee ² Audit committee
Senior management team	N Vaughan, School Improvement Director M Hayes, Headteacher P Cuddihy, Headteacher L Brydon, Headteacher J Rutherford-Bate, Headteacher N Young, Trust Business Manager
Company name	St Luke Academies Trust
Principal and registered office	Our Lady of Walsingham Catholic Primary School Occupation Road Corby Northamptonshire NN17 1EE
Company registered number	09436283
Independent auditor	MHA MacIntyre Hudson Chartered Accountants Statutory Auditors Peterbridge House The Lakes Northampton NN4 7HB

ST LUKE ACADEMIES TRUST
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REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY TRUST, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2016

Advisers (continued)

Bankers	Lloyds Bank Plc 26 New Post Office Square Corby Northants NN17 1PB
Solicitors	Howes Percival Bell House Seebeck Place Milton Keynes MK5 8FR

ST LUKE ACADEMIES TRUST
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2016

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year 1 September 2015 to 31 August 2016. The Annual report serves the purposes of both a Trustees' report, and a Directors' report under company law.

During the year to 31 August 2016, St Luke Academies Trust operated four primary schools for pupils aged 4 to 11 serving a catchment area in Kettering and Corby. It had a combined pupil capacity of 1172 and had a roll of 1114 in the school census on 25 May 2016.

Structure, governance and management

CONSTITUTION

The Academy Trust is a charitable company limited by guarantee and an exempt charity.

The charitable company's memorandum and Articles of Association are the primary governing document of the academy trust.

The Trustees of St Luke Academies Trust are also the directors of the charitable company for the purpose of company law.

The charitable company is known as St Luke Academies Trust.

Details of the Trustees who served during the year are included in the Reference and administrative details on page 1.

MEMBERS' LIABILITY

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

TRUSTEES' INDEMNITIES

Trustees benefit from indemnity insurance to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy Trust. The cost of this insurance in the year was £640.

METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF TRUSTEES

The management of the Academy Trust is the responsibility of the Trustees (Directors) who are appointed by the Duns Scotus Trust, or elected or co-opted under the terms of the Articles of Association and in accordance with the requirements of the Duns Scotus Trust which is the sole member of the charitable company.

As part of the procedures for the recruitment of new Trustees, the completion of the Academy Foundation Application Form and Skills Audit is compulsory and these are submitted to the Diocese for approval. Any new Foundation director must also sign an Undertaking to the Founder Member, acknowledging that they have read, understood and will comply with the terms of the Articles, Funding Agreements, Scheme of Delegation and lease entered into by the Company as tenant with the diocese as landlord and, where applicable, with Northamptonshire County Council as landlord.

ST LUKE ACADEMIES TRUST
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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

POLICIES AND PROCEDURES ADOPTED FOR THE INDUCTION AND TRAINING OF TRUSTEES

All new Trustees are provided with and must sign to confirm that they have read and understood the Articles of Association and Funding Agreements. All Trustees are provided with electronic access to copies of the policies, procedures, minutes, accounts and other documents they need to undertake their role as Trustees. The clerk to the Board of Directors ensures that new Trustees are provided with up-to-date information to support them in their role. The Trustees ensure that new Directors have access to training relevant to their role and training of Directors is an item on Director Committee's agendas. The Directors have adopted an induction policy outlining expectations in relation to induction of Academy representatives.

ORGANISATIONAL STRUCTURE

St Luke Academies Trust is governed by Directors constituted under a Memorandum of Understanding and Articles of Association. This Board of Directors is responsible for ensuring that high standards of governance are maintained. It exercises its powers and functions with a view to fulfilling a largely strategic leadership role in the running of the schools, promoting collaboration in leadership, teaching and business management of each school. The Directors have appointed separate committees known as Local Governing Bodies for each Academy. The delegation of functions to the Local Governing Body is set out in the Scheme of Delegation.

The Board also appoints sub-committees to support the Board in a range of delegated and preparatory duties. The membership, terms of reference, delegated responsibilities and proceedings of local governing bodies and sub-committees are determined by the Directors in a Governance and Delegation Arrangements document and reviewed every 12 months. Where any power or function of the Directors has been exercised by any committee, the committee reports to the Directors at the meeting immediately following the action or decision. Each individual school within the Trust has their own Headteacher and the Trust have appointed a School Improvement Director to lead on school improvement and the development of Trust vision, policies and procedures. As the Trust does not have a Chief Executive Officer within their model, to comply with the Academies Financial Handbook 2016 that the accounting officer must be a senior executive leader, the Directors appointed the School Improvement Director to this role in September 2016. The Trust have also appointed a Trust Business Manager to lead development of good financial management, administration and control across the Trust.

ARRANGEMENTS FOR SETTING PAY AND REMUNERATION OF KEY MANAGEMENT PERSONNEL

Foundation Directors are volunteers and receive no pay and remuneration.

In setting pay for Trust senior staff, the Trustees have developed job descriptions and person specifications and consulted with HR advisors to evaluate roles and have taken advice from HR in setting their pay scales.

Pay scales for senior staff in schools are set and reviewed in accordance with the Pay Policy for Teachers, which follows Local Authority HR guidance, taking into consideration guidance in the Teachers Pay and Conditions Document. The Local Authority Pay Policy for Support Staff has also been adopted.

ST LUKE ACADEMIES TRUST
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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

RELATED PARTIES AND OTHER CONNECTED CHARITIES AND ORGANISATIONS

The Directors are appointed with approval by the Duns Scotus Trust and the Northampton Catholic Diocese Trustee in accordance with the Articles of Association. Otherwise there are no related parties which either control or significantly influence the decisions and operations of the St Luke Academies Trust. The schools within the Trust are part of North Northamptonshire Catholic School Partnership and individually are involved in different charitable activities, but neither of these activities influences decisions or operations. The schools are also members of the Teaching Schools Alliance. This provides support and training to sustain school improvement, but has no influence on any Trust decisions or procedures.

The Trust sponsors St Brendan's Catholic Primary School. The School Improvement Director co-ordinates support for this school, which includes collaborative work with other schools within the Trust and support with training. The progress of the school is monitored at both local governing body and Trust board level.

Objectives and Activities

OBJECTS AND AIMS

The Articles state that the Object of St Luke Academies Trust is to advance Catholic religion for pupils of primary school age in the diocese and that all schools within St Luke Academies Trust must conduct themselves in accordance with the teachings of the Catholic Church, Canon law and any advice offered by the diocesan bishop. All Academies will offer a broad and balanced curriculum.

The Mission Statement for St Luke Academies Trust is 'Many parts; one body in Christ'. The vision of the Trust is to develop each of its schools as welcoming and inclusive communities, where faith is nurtured, excellence in learning is achieved and pupils are inspired to serve others, following the example of Jesus.

St Luke Academies Trust's aims:

For All:

- Christian values at the heart of all activities;
- faithfulness and integrity;
- dignity and compassion;
- humility and gentleness;
- truth and justice;
- forgiveness and mercy;
- purity and holiness;
- tolerance and peace

ST LUKE ACADEMIES TRUST
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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

For Learners

- Schools where children come first and all activities reflect this;
- Inclusive schools that promote the highest expectations for every individual;
- Every lesson good or better;
- Every child enabled to make progress and fulfil their God-given potential;
- Every individual nurtured emotionally and spiritually and encouraged to learn independently;
- Celebration of diversity;

For Staff

- A working environment strengthened and nurtured by our Catholic faith;
- Mutual support linked to priorities;
- Collaborative work in a system of self-improving schools;
- A community of peer led professional learning, reflection, challenge and support;

For Communities

- Schools assisting parents in the education and religious formation of their children;
- Schools to be proud of, rooted in partnership with and service to our Catholic communities;
- Catholic schools that look outwards and work towards achieving community cohesion and to be of service to society.

OBJECTIVES, STRATEGIES AND ACTIVITIES

St Luke Academies Trust was incorporated with three schools on March 1st 2015. The Trust sponsored St Brendan's Catholic Primary School in Corby in September 2015.

Priorities identified in the Trust Improvement Plan 2015/16 were:

Priority 1 – Catholic Identity and Formation

- 1.1 Develop clear vision, aims and core principles for the Trust, with stakeholders, and ensure these are communicated and understood;
- 1.2 Develop a Trust Chaplaincy Team to ensure Catholic ethos and identity are at the centre of the Trust's work and all schools are working together to promote Catholic life partnership work across the Trust;
- 1.3. Develop a consistent website for the Trust and its schools with links between each to further promote partnership and Catholic identity;
- 1.4. Develop opportunities for religious formation for senior leaders and RE Subject leaders.

Priority 2 – Effective School Improvement and Academic Excellence

- 2.1 Implement school improvement strategy to provide challenge and support to schools to enable them to raise standards, deliver good teaching and learning and achieve progress against their priorities;
- 2.2 Develop consistent school development planning across schools, with clear actions, milestones and impact measures;
- 2.3 Implement plan to address achievement in Maths across schools;
- 2.4. Develop a consistent and effective assessment framework and data reporting system which supports review and challenge on data;
- 2.5 Develop CPD and joint professional development opportunities to ensure staff, governors and Directors have the skills to further raise standards, deliver good teaching and disseminate good practice to ensure rapid improvement;
- 2.6. Develop and implement a leadership succession plan.

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

Priority 3 – Effective Governance

- 3.1 Develop, document and communicate organisational structure and scope of responsibility for the Trust Board and its committees which has clear accountability;
- 3.2 Complete governance review to ensure Board and Committee members have/develop the appropriate skills to fulfil their roles;
- 3.3 Develop a clear structure for the review of policies at Board and Local Governing Body Level, with review in place at end of first year.

Priority 4 – Financial Stability and Risk Control

- 4.1 Ensure all policies and procedures are in place to meet the requirements of the Academies Financial handbook;
- 4.2 Develop efficient and effective business arrangements so the Trust and its schools achieve its objectives and provide value for money;
- 4.3 Ensure a programme of control is developed to minimise risks to the Trust and its schools.

Priority 5 - Personal Development, Behaviour and Welfare

- 5.1 Ensure all schools have effective Safeguarding, Behaviour Policies and Health and Safety Policies and procedures in place;
- 5.2 Develop pastoral systems to support wellbeing and attendance of pupils in schools across the Trust.

The Trust Improvement Plan contained clear targets for improvement in line with school targets and priorities. Progress towards achievement of priorities was evaluated three times during the year at Directors Pupil Outcomes Committee, where Directors received reports on each schools' progress and rag rated progress against activities on the Trust Improvement Plan.

During its first full year of operation, The Trust Directors have continued to develop and strengthen operational systems, governance information and accountability to ensure that schools receive the support and challenge required to meet their objectives. The Directors have developed sound processes and procedures which will benefit the Academy Trust in the future. The school improvement strategy has been further developed to include robust teaching and learning reviews, which provide schools with clear next steps for improvement.

PUBLIC BENEFIT

The Directors of the Academy Trust have complied with the duty to have high regard for the guidance on public benefit, published by the Charity Commission. They believe that the activities of their member schools support the aims and objectives of the Trust and have a positive impact on pupils in their schools and on the wider community. In addition to the benefit to pupils and parents, each school within St Luke Academies Trust contributes to their own local community, through such initiatives as letting areas of their school to local community groups, supporting local community initiatives and work with local parishes to develop community involvement in the school and church.

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

ACHIEVEMENTS AND PERFORMANCE

In relation to the priorities identified in the Trust Improvement Plan 2015/16, the Trust has been successful in achieving its aims.

Priority 1 – Catholic Identity and Formation

- Clear vision, aims and core principles for the Trust have been communicated to all stakeholders. Staff new to the Trust are invited to attend a presentation at the beginning of each academic year;
- The Trust Chaplaincy team are active in promoting Catholic life across schools. In 2015/16, a Trust charity initiative has taken place; events such as a celebration of Art and Poetry across schools to celebrate the Year of Mercy have been planned; joint sporting and liturgical events have also taken place;
- A consistent website has been developed for the Trust and its schools with links between each to further promote partnership and Catholic identity;
- The Trust has organised CCRS training for senior leaders to take place.

Priority 2 – Effective School Improvement and Academic Excellence

- The school improvement strategy has been implemented successfully and ensured that schools are being provided with support and challenge to improve. Network meetings between subject leaders and other groups have resulted in improvements in practice across schools e.g in SEN practice, development of Reading, Maths reasoning. Teaching staff and TAs have had the opportunity to visit schools to observe good practice. All schools have received teaching and learning reviews. Headteachers have regular visits to review progress against school priorities and opportunities to meet together to develop strategy and good practice. Improvements in quality of teaching have been noted in three of the four schools;
- Consistent school development planning is in place across schools, with clear actions, milestones and impact measures;
- Teaching staff across schools have received training on the Maths Specialist programme organised by the Trust to develop teaching in Maths. Senior leaders have received training on Finance, HR and aspects of leadership to support increased leadership capacity. The Trust have also funded Senior leadership training for the coming year;
- Agendas of Pupil Outcome meetings to review standards and progress have been standardised across schools and data formats agreed to enable comparison of achievement across schools;
- Opportunities for moderation of work have taken place termly;
- An agreed schedule for policy review is in place, indicating which sit at Trust and which at local level and numerous policies have been agreed and adopted.

Priority 3 – Effective Governance

- The governance delegation document has been further developed with set agendas for committee meetings at director and local governing body level across schools so that all Directors and governors are clear on expectations and are supported in being effective in their role;
- A self-review of skills and governance audit has been completed, the results of which will inform improvements;
- A clear structure for the review of policies at Board and Local Governing Body Level has been put in place.

Priority 4 – Financial Stability and Risk Control

- All policies and procedures have been developed to meet the requirements of the Academies Financial handbook;
- Business and financial management processes have been further developed to ensure that schools are efficient and provide value for money. The Trust intend to further improve in this area with the appointment of a Finance Director in December;
- A programme of control has been developed to minimise risks to the Trust and its schools, including external and internal financial audits.

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

Priority 5 - Personal Development, Behaviour and Welfare

- Trust Safeguarding, Behaviour and Health and Safety Policies and procedures are in place. All schools have received an external Safeguarding Audit.

Each of the schools within St Luke Acadmies Trust serves a different community, with different challenges. Detailed information on performance and achievement is shared regularly at Pupil Outcome meetings at Local Governing Body and Director committee level.

Below is a summary of some key achievements this year in each school.

Our Lady of Walsingham Catholic Primary

- External and internal reviews of teaching and learning have judged all teaching to be good and better and recognised the school's drive to improve pastoral care and attainment;
- There is strong leadership and management– governors, senior staff and middle leaders- which has been effective in meeting the vastly changing needs of the school in recent years;
- The school is now in a good position to show sustained improvement as it reaches its final year in becoming a 2 form entry school and is able to reduce its in-year intake of pupils across the school;
- EYFS good level of development has been rising for the last three years and the school has been successful in improving Y1 phonics from 36% in 2014 to 88% in 2016;
- The school has worked hard to improve attendance levels with an increase from 93.0 in 2014/15 to 95.1 in 2015/16;
- The school received an RE inspection this year and was judged to be good overall, and good or outstanding in all areas.

St Edward's Catholic Primary

- Outcomes in Key Stage 1 were above National for age related expectations and phonics was also above National levels;
- Attainment in Reading at age expected levels at Key Stage 2 was above National;
- Attainment in Writing and EGPS at Key Stage 2 was above National, both at age related and above age related levels;
- The leadership has worked successfully to improve teaching over the last year and to develop middle and senior leadership in the school. Quality of teaching improved from 80% to 92% good or better through the year;
- The school received an RE inspection this year and was judged to be good in all areas;
- Improvements have been made to the school environment.

St Thomas More Catholic Primary

- Achievement in EYFS was above National;
- Key Stage One outcomes were good. Percentages of pupils at age related expectations were above National in Reading Writing, Maths and Science;
- Cumulative Y2 phonics was above National at 97%;
- Reading and Maths in Key Stage 2 at age related were in line with National figures and EGPS above National;
- The school as successful in attaining a CIF bid to replace the perimeter fence around the grounds of the school, improving safety of the school site.

St Brendan's Catholic Primary

The school was sponsored by the Trust in September 2015 and have benefitted from the School Improvement Grant to support training and supply for professional development.

- There were good improvements in EYFS data which was in line with National average this year at 70% GLD;
- Y1 Phonics has shown very good improvements and is above National figures at 94%, with Y2 cumulative figures at 100%;

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

- Key Stage 1 data is strong, with percentages of pupils achieving age related expectations above National in all areas;
- The leadership has worked successfully to improve the quality of teaching over the last year;
- The headteacher has succeeded in developing middle and senior leaders and improved their capacity to have impact on teaching and achievement;
- Pastoral provision has also been improved with new staff appointed and clear systems put in place to monitor vulnerable children and keep pupils safe;
- Good systems are in place in all areas to sustain improvements in the future.

KEY PERFORMANCE INDICATORS

In 2015/16, all schools within the Trust set a balanced budget and carried forward varying levels of surplus into 2016/17.

During the year, the following improvements were made:

St Thomas More: Perimeter fence replaced and IT hardware updated

St Edward's: New intervention room and school library

St Brendan's: New library and improvements to EYFS outdoor provision

Our Lady's: Office built to lease to Trust

EYFS

	St Thomas More	Our Lady of Walsingham	St Edward's	St Brendan's
EYFS				
% at Good Level of Development	71%	45%	56%	70%

Key Stage One

	St Thomas More	Our Lady of Walsingham	St Edward's	St Brendan's
KEY STAGE 1				
Reading - % at expected standard (TA) and above	83%	56%	80%	89%
Reading - % working at greater depth (TA)	13%	9%	23%	38%
Writing - % at expected standard (TA) and above	77%	27%	77%	85%
Writing - % working at greater depth	10%	4%	23%	22%
Maths - % at expected standard (TA) and above	87%	62%	83%	87%
Maths - % working at greater depth (TA)	13%	11%	23%	16%
Science - % at expected standard	90%	53%	86%	93%
Phonics				
% at expected level and above - Y1	76%	88%	85%	94%
Y2 cumulative % at expected level	97%	90%	97%	100%

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

Key Stage Two

	St Thomas More	Our Lady of Walsingham	St Edward's	St Brendan's
KEY STAGE 2				
% achieving expected standard in R (100+), Wr (expected TA) and Ma (100+)	50%	25%	50%	38%
% achieving at a higher standard in R, Wr (deeper TA) and Ma (higher level in test to be determined in summer)	7%	0%	0%	2%
Reading test - % at 100 (expected) and above	68%	39%	70%	59%
Reading test - % at 'higher level'	14%	4%	16%	10%
Reading test - school progress score	-2.5	-3.6	-2.0	-3.2
Writing - % at expected standard and above	61%	39%	84%	56%
Writing - % working at deeper level	11%	33%	23%	8%
Writing - school progress score	-5.0	-2.7	0.4	-4.1
Maths test - % at 100 (expected) and above	68%	39%	63%	54%
Maths test - % at 'higher level'	7%	0%	3%	7%
Maths test - school progress score	-4.0	-5.5	-4.3	-3.1
GPS - % at expected level (100)	79%	44%	83%	60%
GPS - % at higher level	14%	18%	32%	14%

Quality of teaching: Trust Averages

	Autumn term	Spring term	Summer term
% Good and better overall	81%	84%	84%
% Outstanding overall	24%	30%	29%

Pupil Numbers

	July 2014	July 2015	July 2016
Our Lady of Walsingham	285	316	369
St Brendan's	315	330	360
St Edward's	212	214	210
St Thomas More	208	204	201

GOING CONCERN

After making appropriate enquiries, the board of Trustees has a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

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

Financial Review

The majority of the Academy Trust's income is obtained from the DFE via the Education Funding Agency in the form of recurrent grants, the use of which is restricted for particular purposes.

When the schools converted to academies in March 2015, they received a start-up grant of £25,000 and the Trust received a Primary Academy Chain Grant of £100,000. Approximately £38,000 of the Primary Chain grant remained at the end of 2014/15 period and this has been used this year for:

- Part funding of School Improvement Director;
- Re-branding costs;
- Training costs;
- Professional services.

The Trust received a School improvement Grant when it sponsored St Brendan's Catholic Primary in September 2015 of £45,000. This funding has been used for training and supply costs to release staff for training and professional development throughout 2015/16. £19,751 remains of this grant at the end of 2015/16.

St Brendan's also received a start-up grant of £25,000 which the school used to fund:

- Obtaining legal advice in respect of the conversion process;
- The costs of software licences transfer and set up of financial management systems;
- Re-branding costs.

Pupil premium funding and Sports Funding is also received from the EFA and other grants, such as Special Educational Needs Top Up funding is received from the local authority. In accordance with SORP (Statement of Recommended Practice), these sources of funding are shown in the Statement of Financial Activities (SOFA) as Restricted Funds. Any other items of funding have been assigned in the financial statements in accordance with the guidelines set down by SORP.

In the year to 31 August 2016 total expenditure was £5,247,013 and total income was £4,495,659. At 31 August 2016 the value of net assets was £(497,748). The assets were used exclusively for providing education and the associated support services to pupils of St Luke Academies Trust.

The premises used by St Luke Academies Trust schools are leased under the following arrangements:

St Brendan's - 125 year lease for the playing fields

- Church Supplemental Agreement for the land and buildings

Our Lady of Walsingham - Church Supplemental Agreement for the land and buildings

St Thomas More - Church Supplemental Agreement for the land and buildings

St Edwards - 125 year lease for the playing fields

- Church Supplemental Agreement for the land and buildings

The terms of the lease do not transfer the benefits of ownership to the Trust, and as a consequence, the land and buildings are not recognised in the financial statements. Other assets have been included in the financial statements at cost or estimated market value on conversion, taking into account purchase price and remaining useful life.

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

The following financial management policies have been adopted or reviewed by the Trust during the period September 2015 to 31st August 2016:

- a) Governance and Delegation Arrangements
- b) Financial Scheme of Delegation
- c) Financial Procedures
- d) School Complaints
- e) Anti-fraud, hospitality and gifts
- f) Charging and Letting
- g) Pay Policy for Support Staff
- h) Retention Guidelines
- i) Teachers' Pay Policy
- j) Tendering
- k) Whistleblowing
- l) Staff expenses
- m) Business Continuity Plan
- n) Investment
- o) Director and Governor allowances
- p) E-Safety and acceptable use
- q) Critical Incidents
- r) Freedom of Information
- s) Reserves
- t) Data protection

Business Charge Card, Asset Control and Members Code of Conduct were adopted in 14/15.

The deficit on the pension reserve relates to the non-teaching staff pension scheme where, unlike the teachers scheme, separate assets are held to fund future liabilities. The deficit can be met in the longer term from any combination of increased employer or employee contributions, increased government funding or changes to scheme benefits.

RESERVES POLICY

The Directors understand that the Trust needs to maintain an appropriate level of reserves to provide sufficient capital to cover delays between spending and receipt of income from the available funding streams, to fund capital projects or to provide for unexpected expenditure and emergencies.

The Directors have adopted a Reserves Policy which:

- Assists in strategic planning by considering how new projects or activities will be funded.
- Informs the budget process by considering whether reserves need to be used during the financial year or built up for future projects.
- Informs the budget and risk management process by identifying any uncertainty in future income streams.

The Trustees identify:

- When reserves are drawn on, so that they understand the reasons for this and can consider what corrective action, if any, needs to be taken.
- When reserve levels rise significantly above target so that they understand the reasons and can consider the corrective action, if any that needs to be taken.
- Where the reserves level is below target, and consider whether this is due to short-term circumstance or longer term reasons which might trigger a broader review of finances and reserves.

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

St Luke Academies Trust has set the reserves level for schools for the financial year at not less than one month's payroll costs. The level of reserve is set on an annual basis as part of the budget setting plan.

All schools within the Trust held reserves at the end of August 2016, although these were of varying levels. Within these reserves, however, there are committed projects for work to be completed in 2016/17.

St Edward's have an upgrade of ICT equipment planned. St Thomas More have CIF funds in reserve to pay for work completed in 2015/16 on their perimeter fence. Where schools do not have the level of reserves recommended by the Trust, there is support in place to ensure that effective management of finances take place to build reserves to the recommended levels.

At 31 August 2016 the total funds comprised:

Unrestricted		32,854
Restricted:	Fixed asset funds	986,394
	Pension reserve	(2,085,000)
	Other	568,004
		<u>(497,748)</u>

INVESTMENT POLICY

The aim of St Luke Academies Trust is to spend the public monies with which it is entrusted for the direct education benefit of pupils as soon as is prudent. The Trust does not consider the investment of surplus funds as a primary activity, rather it is the result of good practice as and when circumstances allow.

St Luke Academies Trust does not hold any investments at the current time.

The Directors have adopted an investment policy with guidance to schools. Regular cash flow reports are prepared and monitored to ensure there are adequate liquid funds to meet all payroll related commitments and outstanding creditors that are due for payment.

The following guidelines are in place for any potential future investments:

- Where the cash flow identifies a base level of cash funds that will be surplus to requirements these may be invested following approval from the Finance & Resources Committee. Approval must be signed off and recorded in the committee minutes;
- In making decisions regarding where and how any surplus funds should be invested, due regard will be given to risk;
- The Finance & Resources Committee will receive a report at each meeting as to the performance of the investment;
- The aim is to reach an appropriate level of reserve to allow the management and the Finance & Resources Committee to explore alternative investment possibilities with criteria being:
 - Investment with a different counterparty (in order to reduce counterparty risk);
 - Consideration of whether there should be a maximum level of investment with a single approved counterparty; and
 - A longer term investment with a higher return (but not high risk investments which are not in the best interests of the Trust);
- External advice, if sought will be sourced from recognised bodies e.g. banks, to inform the decision making process and the Trust will always aim to enter in to ethical investments.

ST LUKE ACADEMIES TRUST
(A company limited by guarantee)

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

PRINCIPAL RISKS AND UNCERTAINTIES

An analysis of potential risk has been completed and strategies identified to control and manage risks to the Trust on a risk register.

The majority of risks identified on the risk register are low risks, as a result of:

- policies and procedures put in place by Directors to minimise risks, including budget management and forecasting procedures;
- regular internal and external audits that identify any potential risks and actions to address them;
- the procurement of adequate insurance cover;
- investing in staff training and continuing professional development;
- a clear school improvement strategy to ensure schools within the Trust secure good outcomes for pupils, resulting in a reputation that will attract pupils and achieve high pupil numbers in schools;
- all schools maintain a large number of policies and procedures which protect staff, students and the Trust, and reduce the risk of safeguarding failures.

Principal risks identified by Directors in the risk review and actions to address them:

- *Failure to ensure that schools maintains overall financial control in relation to its budget.*
Several actions have been achieved in 2015/16 to ensure that monthly monitoring of school and Trust budgets take place and that training of senior staff has occurred to ensure that they possess the skills and experience required to manage the school finances. Internal financial audits have also been developed, in addition to external audits already in place. To further strengthen this, the Trust have appointed a Finance Director to lead on Finance across Trust schools.
- *Failure of schools to recruit sufficient learners to make them viable*
The Trust has developed a Marketing Group to work on actions to promote Trust schools to ensure pupil numbers are increased and quality staff are attracted to schools.
- *Failure to ensure that schools have a robust set of procedures in place with regard to stock control.*
This is an area that the Trust Business Manager will be reviewing in 2016/17.
- *Potential reduction in funding.*
The Trust is reliant on public funding and there can be no assurance that government policy or practice will remain the same or that public funding will remain at the same level or on the same terms. To mitigate this risk:
 - Reserves are in place to ensure funds is in place in the event of a decrease in funding;
 - Robust policies, procedures and audits are in place to ensure funds are spent appropriately;
 - Regular budget monitoring is in place;
 - Regular and timely reconciliations are operated by all schools;
 - Regular monitoring of school performance to maintain standards, with the result of schools being well subscribed.

ST LUKE ACADEMIES TRUST
(A company limited by guarantee)

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

Plans for future periods

FUTURE DEVELOPMENTS

The following general priorities have been identified for the future development of the Trust and its schools:

In the short term:

- Further develop marketing / communication strategy to promote schools within the Trust to the wider community;
- In partnership with Catholic schools in North Northants not yet within the Trust, work to develop a timed plan for incorporating all schools;
- Continue to develop opportunities for schools to work together so that Catholic ethos and identity are at the centre of the Trust's work;
- Implement a focused response strategy to address outcomes in Key Stage Two across schools in 2016, clearly targeted on Years 5 and 6, so that Key Stage Two outcomes are significantly improved in 2017;
- Agree consistent data analysis software across the Trust to allow systematic tracking of pupil achievement, including vulnerable groups across schools;
- Further develop school improvement strategy and training opportunities to provide focused challenge and support to individual schools to enable them to raise standards, deliver good teaching and learning and achieve progress against their priorities;
- Create enhanced capacity to close gaps in attainment for pupils in receipt of Pupil Premium, pupils with SEND, boys in Writing and girls in Maths;
- Develop programme to maximise the effect of Teaching Assistants and ensure effective interventions are in place across Trust schools;
- Develop an ICT plan to ensure that technology is available to support pupils' learning into the future;
- Continue to develop efficient business arrangements so that the Trust and its schools achieve their objectives, minimise risk and provide value for money;
- Provide senior leadership training and middle leadership development to staff with potential to be future leaders in Catholic schools;
- Improve attendance, so that Trust average is in line with National figures;
- Further develop pastoral systems to support wellbeing of pupils and monitor the impact on pupil wellbeing and achievement.

CIF projects and Capital building works planned

Our Lady of Walsingham School

Roofing repairs and Nurture group area.

St Thomas More

Water and fire systems upgrade

St Edward's

Upgrade to toilets

St Brendan's

Roofing repairs and upgrade to toilets

ST LUKE ACADEMIES TRUST
(A company limited by guarantee)

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

FUNDS HELD AS CUSTODIAN

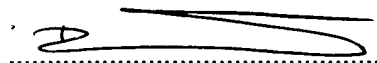
The Trust does not act as custodian trustee on behalf of any others.

DISCLOSURE OF INFORMATION TO AUDITOR

Insofar as the trustees are aware:

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

This report was approved by order of the board of trustees as the company directors, on 14 December 2016 and signed on its behalf by:



R Hill
Chair of Trustees

ST LUKE ACADEMIES TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

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

The board of trustees has delegated the day-to-day responsibility to the School Improvement Director, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between St Luke Academies Trust and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

GOVERNANCE

The information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees' responsibilities. The board of trustees has formally met 5 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
R Hill, Chair	4	5
E McAuley, Vice Chair	5	5
D Lally	2	5
A Kilsby	4	5
C Smith	3	5
A Fletton	3	5
M T Mitford-Barberton	5	5
N Vaughan, School Improvement Director and Accounting Officer	5	5
P Cuddihy, Headteacher	4	5
M Hayes, Headteacher	5	5

There have been two resignations from the Board at the end of 2015/16. N Vaughan was appointed as the Accounting Officer on 1 September 2016.

The Finance and Resources committee is a sub-committee of the main board of Trustees. Its purpose is to monitor, evaluate and review policies, procedures and performance in relation to financial management, to comply with reporting and regulatory requirements, to prepare the draft budget for approval by the full Board of Directors, to lead the development of strategic financial plans and provide leadership on financial issues. This committee also has responsibility for Health and Safety and Safeguarding policies and procedures.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
E McAuley (Chair)	6	6
R Hill	6	6
N Vaughan	6	6
M Hayes (in attendance)	6	6

ST LUKE ACADEMIES TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)

The Audit committee is a sub-committee of the main board of Trustees and has responsibility in relation to reviewing the risks to internal financial control of the Academy Trust and establishing a programme of work to address these risks and, so far as is possible, provide assurance to external auditors.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Dermot Lally (Chair)	4	4
Anna Kilsby	4	4
Nina Fletton	3	4
Nicola Vaughan (in attendance)	4	4
Maire Hayes (in attendance)	4	4

A review of governance following the first full year of the Trust has taken place, with Directors being sent a review to complete in July 2016 based on the 20 key questions for MATs.

Findings were as follows:

Strengths

- A skills audit has been undertaken, based on the 20 key questions for MATs;
- Directors are appointed on the basis of their skills;
- Directors understand their roles and responsibilities;
- The Trust has a professional clerk and meetings are run efficiently;
- The strategic planning cycle drives the Trust's activities and agenda setting;
- Directors understand performance data well enough to properly hold school leaders to account;
- There is effective performance management of the head teachers;
- The Board of Directors' Chair and committee chairs are re-elected each year.

Areas for development

- A regular 360 review of the chair's performance has not been undertaken;
- Two vacancies on the Board of Directors have a potential impact on quorum for meetings so these positions need to be filled;
- A more thorough skills audit needs to be undertaken as the Financial Competences audit completed needs to be added to;
- Directors need to develop the methods by which they listen to and understand pupils, parents and staff;
- Directors need to develop how they report to parents and local community regularly.

Actions

- Find and appoint new Directors with necessary skills;
- Complete 360 review of Chair's performance;
- Complete more thorough skills audit;
- Develop communication strategy for the Trust.

The Trust will conduct its next self-evaluation in July 2017.

An external review of governance will be arranged in the Spring Term 2017.

GOVERNANCE STATEMENT (continued)

REVIEW OF VALUE FOR MONEY

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

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

- Ensuring governance and delegation arrangements have been further developed to include regular monitoring of financial management and procedures by relevant committees. Also, by supporting the development of internal financial audits conducted by the Trust Business Manager across schools. This work is further informed by a process of independent checking of financial controls which is fulfilled by the external auditors;
- Best value principles are applied across schools in relation to the allocation and targeting of resources to improve standards and quality of provision. Schools within the Trust have achieved better value through, for example, commissioning educational services collaboratively to support the educational needs of pupils, commissioning a common Health and Safety provider and entering into a collective energy provider;
- An additional financial budgeting tool to develop accurate budget forecasting and support financial monitoring has been purchased. By working together schools have been able to make savings in this;
- Joint professional development across schools and use of staff expertise within the Trust has taken place, which is cost effective and effective in developing teaching and learning and improving pupil outcomes.

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in St Luke Academies Trust for the year 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The board of trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks, that has been in place for the year 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

ST LUKE ACADEMIES TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)

THE RISK AND CONTROL FRAMEWORK

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the finance and resources committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines.
- delegation of authority and segregation of duties;
- identification and management of risks.

The board of Trustees has considered the need for a specific internal audit function and has decided to appoint the following:

1. Internal audit system – Trust Business Manager to complete school visits to ensure compliance with financial systems, to recommend any improvements to Local Governing Bodies and to provide report to Directors.
2. LA Audit to work with Trust Business Manager to complete annual finance audit of Trust.
3. Supplementary programme of works by external auditor: Interim audit – July. Audit – October.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems.

- testing of payroll systems;
- testing of purchase systems;
- testing of control account/ bank reconciliations;
- testing of audit trail on income received and banked;
- testing of management checks/authorisation;
- testing of recommended practice in pre-employment checks;
- testing of information presented to governors.

Three times a year the Directors Audit committee receive a report on the operation of the systems of control and on the discharge of the board of Trustees' financial responsibilities. This report includes any internal or external audits that have taken place. This year External audit took place in the Autumn term in all schools, internal audits of schools took place in the Spring term and external interim audits in the Summer term. Recommendations predominantly in relation to schools' handling of income were made and procedures put in place to address these.

There were no material control issues arising from these audits.

ST LUKE ACADEMIES TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)

REVIEW OF EFFECTIVENESS

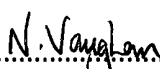
As Accounting Officer, the School Improvement Director has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the internal reviewer;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the board of trustees on 14 December 2016 and signed on their behalf, by:


.....
R Hill
Chair of Trustees


.....
N Vaughan
Accounting Officer

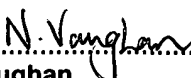
ST LUKE ACADEMIES TRUST
(A company limited by guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of St Luke Academies Trust I have considered my responsibility to notify the academy trust board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2015.

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2015.

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


.....
N Vaughan
Accounting Officer

Date: 14 December 2016

ST LUKE ACADEMIES TRUST
(A company limited by guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2016

The Trustees (who act as governors of St Luke Academies Trust and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

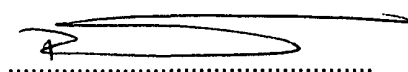
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies' Accounts Direction 2015 to 2016;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

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

Approved by order of the members of the board of trustees on 14 December 2016 and signed on its behalf by:



.....
R Hill
Chair of Trustees

ST LUKE ACADEMIES TRUST
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF ST LUKE ACADEMIES TRUST

We have audited the financial statements of St Luke Academies Trust for the year ended 31 August 2016 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

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 its members, as a body, for our audit work, for this report, or for the opinion we have formed.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITOR

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

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

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

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

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2016 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

ST LUKE ACADEMIES TRUST
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF ST LUKE ACADEMIES TRUST

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Trustees' report, incorporating the Strategic 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 Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to take advantage of the small companies' exemption from the requirement to prepare a Strategic report.



Elaine Olson-Williams FCCA (Senior statutory auditor)

for and on behalf of

MHA MacIntyre Hudson

Chartered Accountants
Statutory Auditors

Peterbridge House
The Lakes
Northampton
NN4 7HB

Date:

16 Dec 2016

ST LUKE ACADEMIES TRUST
(A company limited by guarantee)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO ST LUKE ACADEMIES TRUST AND THE EDUCATION FUNDING AGENCY

In accordance with the terms of our engagement letter dated 8 June 2015 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by St Luke Academies Trust during the year 1 September 2015 to 31 August 2016 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

RESPECTIVE RESPONSIBILITIES OF ST LUKE ACADEMIES TRUST'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT

The accounting officer is responsible, under the requirements of St Luke Academies Trust's funding agreement with the Secretary of State for Education dated 26 February 2015, and the Academies Financial Handbook extant from 1 September 2015, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2015 to 2016. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2015 to 31 August 2016 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

APPROACH

We conducted our engagement in accordance with the Academies Accounts Direction 2015 to 2016 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

ST LUKE ACADEMIES TRUST
(A company limited by guarantee)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO ST LUKE ACADEMIES TRUST AND THE EDUCATION FUNDING AGENCY (continued)

The work undertaken to draw to our conclusion includes:

- reviewing the Minutes of the meetings of the Board of Directors and other evidence made available to us, relevant to our consideration of regularity;
- a review of the objectives and activities of the academy, with reference to the income streams and other information available to us as auditors of the academy;
- testing of a sample of payroll payments to staff;
- testing of a sample of payments to suppliers and other third parties;
- testing of a sample of grants received and other income streams;
- evaluating the internal control procedures and reporting lines; and
- making appropriate enquiries of the Accounting Officer.

CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2015 to 31 August 2016 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



MHA MacIntyre Hudson

Chartered Accountants
Statutory Auditors

Peterbridge House
The Lakes
Northampton
NN4 7HB

Date:

16 Dec 2016

ST LUKE ACADEMIES TRUST
(A company limited by guarantee)

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

	Note	Unrestricted funds 2016 £	Restricted general funds 2016 £	Restricted fixed assets funds 2016 £	Total funds 2016 £	Total funds 2015 £
INCOME FROM:						
Donations & capital grants:						
Transfer from local authority on conversion	2	-	30,721	130,310	161,031	1,772,784
Pension deficit transferred on conversion	2	-	(594,000)	-	(594,000)	(793,000)
Other donations and capital grants	2	23,615	85,261	31,526	140,402	21,148
Charitable activities:	3					
Funding for the academy trust's educational operations		-	4,774,730	-	4,774,730	1,756,990
Other trading activities	4	12,779	-	-	12,779	24,788
Investments	5	717	-	-	717	275
TOTAL INCOME		37,111	4,296,712	161,836	4,495,659	2,782,985
EXPENDITURE ON:						
Raising funds		46,878	93,573	-	140,451	58,481
Charitable activities:						
Academy trust educational operations		-	4,745,505	361,057	5,106,562	1,892,898
TOTAL EXPENDITURE	6	46,878	4,839,078	361,057	5,247,013	1,951,379
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS						
Transfers between Funds	16	(9,767) 41	(542,366) (142,883)	(199,221) 142,842	(751,354) -	831,606 -
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES						
		(9,726)	(685,249)	(56,379)	(751,354)	831,606
Actuarial gains/(losses) on defined benefit pension schemes	18	-	(605,000)	-	(605,000)	27,000
NET MOVEMENT IN FUNDS		(9,726)	(1,290,249)	(56,379)	(1,356,354)	858,606
RECONCILIATION OF FUNDS:						
Total funds brought forward		42,580	(226,747)	1,042,773	858,606	-
TOTAL FUNDS CARRIED FORWARD		32,854	(1,516,996)	986,394	(497,748)	858,606

ST LUKE ACADEMIES TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 09436283

BALANCE SHEET
AS AT 31 AUGUST 2016

	Note	£	2016 £	£	2015 £
FIXED ASSETS					
Tangible assets	13		982,643		1,029,204
CURRENT ASSETS					
Debtors	14	159,886		139,188	
Cash at bank and in hand		796,112		855,431	
		<u>955,998</u>		<u>994,619</u>	
CREDITORS: amounts falling due within one year	15	(351,389)		(375,217)	
NET CURRENT ASSETS			<u>604,609</u>		<u>619,402</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>1,587,252</u>		<u>1,648,606</u>
Defined benefit pension scheme liability	18	(2,085,000)		(790,000)	
NET (LIABILITIES)/ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u>(497,748)</u>		<u>858,606</u>
FUNDS OF THE ACADEMY					
Restricted income funds:					
Restricted income funds	16	568,004		563,253	
Restricted fixed assets funds	16	986,394		1,042,773	
Restricted income funds excluding pension liability		<u>1,554,398</u>		<u>1,606,026</u>	
Pension reserve		(2,085,000)		(790,000)	
Total restricted income funds			<u>(530,602)</u>		<u>816,026</u>
Unrestricted income funds	16		32,854		42,580
TOTAL (DEFICIT)/FUNDS			<u>(497,748)</u>		<u>858,606</u>

The financial statements were approved by the Trustees, and authorised for issue, on 14 December 2016 and are signed on their behalf, by:



R Hill
Chair of Trustees

The notes on pages 32 to 52 form part of these financial statements.

ST LUKE ACADEMIES TRUST
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2016

	Note	2016 £	2015 £
Net cash provided by (used in) operating activities			
Net cash provided by operating activities	20	83,718	889,423
Cash flows from investing activities			
Dividends, interest and rents from investments		717	275
Purchase of tangible fixed assets		(175,630)	(54,232)
Capital grants from DfE/EFA		31,526	19,965
Sales of tangible fixed assets		350	-
Net cash used in investing activities		(143,037)	(33,992)
Change in cash and cash equivalents in the year		(59,319)	855,431
Cash and cash equivalents brought forward		855,431	-
Cash and cash equivalents carried forward	21	796,112	855,431

ST LUKE ACADEMIES TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES

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

1.1 Basis of preparation of financial statements

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2015 to 2016 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

St Luke Academies Trust constitutes a public benefit entity as defined by FRS 102.

1.2 Going concern

The Trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy Trust to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements..

ST LUKE ACADEMIES TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES (continued)

1.3 Income

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

Grants

Grants are included in the Statement of Financial Activities incorporating income and expenditure account on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

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

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

Sponsorship income

Sponsorship income provided to the Academy Trust which amounts to a donation is recognised in the Statement of Financial Activities incorporating income and expenditure account in the period in which it is receivable, where there is certainty of receipt and it is measurable.

Donated goods, facilities and services

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

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

Donations

Donations are recognised on a receivable basis where there is certainty of receipt and the amount can be reliably measured.

Other Income

Other income, including the hire of facilities, is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

ST LUKE ACADEMIES TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES (continued)

1.4 Expenditure

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

Expenditure on raising funds

This includes all expenditure incurred by the academy trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Charitable activities

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

All resources expended are inclusive of irrecoverable VAT.

1.5 Tangible fixed assets and depreciation

Assets costing £500 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

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

Long-term leasehold property	-	10% straight line
Plant and machinery	-	20% straight line
Fixtures and fittings	-	20% straight line
Computer equipment	-	25% straight line

ST LUKE ACADEMIES TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES (continued)

1.6 Liabilities

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

1.7 Provisions

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

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

1.8 Interest receivable

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

1.9 Leased assets

Rentals under operating leases are charged on a straight line basis over the lease term.

1.10 Taxation

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

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

ST LUKE ACADEMIES TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES (continued)

1.11 Pensions benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 18, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

1.12 Fund accounting

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

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

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

ST LUKE ACADEMIES TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

1. ACCOUNTING POLICIES (continued)

1.13 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 18, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2016 £	Restricted general funds 2016 £	Restricted fixed assets funds 2016 £	Total funds 2016 £	Total funds 2015 £
Transfer from local authority on conversion	-	30,721	130,310	161,031	1,772,784
Pension deficit transferred on conversion	-	(594,000)	-	(594,000)	(793,000)
	-	(563,279)	130,310	(432,969)	979,784
Donations	23,615	85,261	-	108,876	1,183
Capital Grants	-	-	31,526	31,526	19,965
	23,615	85,261	31,526	140,402	21,148
Total donations and capital grants	23,615	(478,018)	161,836	(292,567)	1,000,932

In 2015, of the total income from donations and capital grants, £33,609 was to unrestricted funds and £967,323 was to restricted funds.

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

3. FUNDING FOR ACADEMY TRUST'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2016 £	Restricted general funds 2016 £	Total funds 2016 £	Total funds 2015 £
DfE/EFA grants				
General annual grant (GAG)	-	4,181,907	4,181,907	1,488,412
Other DfE/EFA grants	-	180,134	180,134	30,625
Pupil premium	-	209,196	209,196	71,799
Start up grant	-	-	-	100,000
	-	4,571,237	4,571,237	1,690,836
Other government grants				
Local authority grants	-	109,680	109,680	32,223
	-	109,680	109,680	32,223
Other funding				
Other income	-	93,813	93,813	33,931
	-	93,813	93,813	33,931
	-	4,774,730	4,774,730	1,756,990

In 2015, of the total income from charitable activities, £ NIL was to unrestricted funds and £1,756,990 was to restricted funds.

4. OTHER TRADING ACTIVITIES

	Unrestricted funds 2016 £	Restricted general funds 2016 £	Total funds 2016 £	Total funds 2015 £
Hire of facilities	12,779	-	12,779	24,545
Parental contribution	-	-	-	243
	12,779	-	12,779	24,788

In 2015, of the total income from other trading activities, £24,545 was to unrestricted funds and £ 243 was to restricted funds.

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

5. INVESTMENT INCOME

	Unrestricted funds 2016 £	Restricted general funds 2016 £	Total funds 2016 £	Total funds 2015 £
Short term deposits	717	-	717	275

In 2015, of the total investment income, £ 275 was to unrestricted funds and £ NIL was to restricted funds.

6. EXPENDITURE

	Staff costs 2016 £	Premises 2016 £	Other costs 2016 £	Total 2016 £	Total 2015 £
Expenditure on raising voluntary income	-	-	115,671	115,671	-
Expenditure on fundraising trading	24,120	-	660	24,780	58,481
Academy's educational operations:					
Direct costs	2,944,380	-	186,434	3,130,814	1,037,992
Allocated support costs	729,994	573,720	672,034	1,975,748	854,906
	<u>3,698,494</u>	<u>573,720</u>	<u>974,799</u>	<u>5,247,013</u>	<u>1,951,379</u>

In 2016, of the total expenditure, £46,878 (2015 - £15,785) was to unrestricted funds and £5,191,135 (2015 - £1,935,594) was to restricted funds.

7. CHARITABLE ACTIVITIES

	Direct costs 2016 £	Support costs 2016 £	Total 2016 £	Total 2015 £
Educational operations	<u>3,130,814</u>	<u>1,975,748</u>	<u>5,106,562</u>	<u>1,892,898</u>

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

Analysis of support costs

	2016 £	2015 £
Support staff costs	729,994	272,021
Depreciation	290,099	137,158
Technology costs	47,205	40,212
Premises costs	283,621	201,732
Other support costs	605,983	191,408
Governance costs	18,846	12,375
Total support costs	1,975,748	854,906

8. NET RESOURCES EXPENDED

This is stated after charging:

	2016 £	2015 £
Depreciation of tangible fixed assets:		
- owned by the charity	290,099	137,158
Fees payable to auditor for - audit	6,000	5,750
Fees payable to auditor for - other services	12,846	6,625
Operating lease rentals	1,542	1,038
Loss on disposal of fixed assets	62,107	-

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

9. STAFF COSTS

Staff costs were as follows:

	2016	2015
	£	£
Wages and salaries	2,849,086	972,895
Social security costs	176,858	60,925
Operating costs of defined benefit pension schemes	542,734	173,862
	3,568,678	1,207,682
Supply teacher costs	129,816	45,686
	3,698,494	1,253,368

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

	2016	2015
	No.	No.
Teachers	49	31
Administration and support	112	79
Management	12	11
	173	121

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

	2016	2015
	No.	No.
In the band £60,001 - £70,000	3	0

The above employees participated in the Teachers' Pension Scheme. During the period ended 31 August 2016 employer's pension contributions for these staff amounted to £26,959 (2015 - £Nil).

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £368,787 (2015 - £118,616).

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

10. CENTRAL SERVICES

The Academy Trust has provided the following central services to its academies during the year:

- Central staff
- Accountancy
- Training

The Academy Trust charges for these services on the following basis:

5% of GAG funding.

The actual amounts charged during the year were as follows:

	2016 £	2015 £
Our Lady of Walsingham Catholic Primary School	78,800	35,172
St. Edward's Catholic Primary School	40,474	19,500
St. Thomas More Catholic Primary School	37,389	18,840
Total	<u>156,663</u>	<u>73,512</u>

11. TRUSTEES' REMUNERATION AND EXPENSES

One or more Trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The Headteacher and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of headteacher and other staff members under their contracts of employment, and not in respect of their role as Trustees. The value of Trustees' remuneration and other benefits was as follows:

		2016 £	2015 £
N Vaughan	Remuneration	60,000-65,000	25,000-30,000
	Pension contributions paid	10,000-15,000	0-5,000
P Cuddihy	Remuneration	50,000-55,000	25,000-30,000
	Pension contributions paid	5,000-10,000	0-5,000
M Hayes	Remuneration	45,000-50,000	25,000-30,000
	Pension contributions paid	5,000-10,000	0-5,000

During the year ended 31 August 2016, expenses totalling £391 (2015 - £NIL) were reimbursed to 1 Trustee (2015 - Nil).

12. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2016 was £640 (2015 - £621).

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

13. TANGIBLE FIXED ASSETS

	Long-term leasehold property £	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Total £
Cost					
At 1 September 2015	-	545,313	311,190	309,859	1,166,362
Additions	80,786	30,307	114,207	80,640	305,940
Disposals	-	(30,900)	(32,503)	(8,071)	(71,474)
Transfer between classes	-	(161,212)	161,212	-	-
At 31 August 2016	80,786	383,508	554,106	382,428	1,400,828
Depreciation					
At 1 September 2015	-	42,803	56,361	37,994	137,158
Charge for the year	2,652	79,729	103,056	104,607	290,044
On disposals	-	(3,728)	(3,980)	(1,309)	(9,017)
Transfer between classes	-	-	(2,267)	2,267	-
At 31 August 2016	2,652	118,804	153,170	143,559	418,185
Net book value					
At 31 August 2016	78,134	264,704	400,936	238,869	982,643
At 31 August 2015	-	502,510	254,829	271,865	1,029,204

The Academy Trust occupies land (including buildings) which are owned by The Northampton Roman Catholic Diocese Trustee. The Northampton Roman Catholic Diocese Trustee are the providers of the land (and buildings) on the same basis as when the academies were maintained schools. The Academy Trust occupies the land (and buildings) under a mere licence. This continuing permission of The Northampton Roman Catholic Diocese Trustee is pursuant to, and subject to, The Northampton Roman Catholic Diocese Trustee's charitable objects, and is part of the Catholic Church's contribution since 1847 to provide State funded education in partnership with the State. The licence delegates aspects of the management of the land (and buildings) to the Academy Trust for the time being, but does not vest any rights over the land in the Academy Trust. The Northampton Roman Catholic Diocese Trustee have given an undertaking to the Secretary of State that they will not give the Academy Trust less than two years notice to terminate the occupation of the land (including buildings). Having considered the factual matrix under which the Academy Trust is occupying the land (and buildings) the Directors have concluded that the value of the land and buildings occupied by the Academy Trust will not be recognised on the balance sheet of the Academy Trust.

ST LUKE ACADEMIES TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

14. DEBTORS

	2016 £	2015 £
Trade debtors	5,742	7,501
VAT recoverable	51,593	75,326
Other debtors	4,061	-
Prepayments and accrued income	98,490	56,361
	<u>159,886</u>	<u>139,188</u>

15. CREDITORS: Amounts falling due within one year

	2016 £	2015 £
Trade creditors	3,218	114,790
Other taxation and social security	112,086	95,006
Other creditors	27,136	-
Accruals and deferred income	208,949	165,421
	<u>351,389</u>	<u>375,217</u>
	2016 £	2015 £
Deferred income		
Deferred income at 1 September 2015	93,946	-
Resources deferred during the year	127,538	93,946
Amounts released from previous years	(93,946)	-
Deferred income at 31 August 2016	<u>127,538</u>	<u>93,946</u>

At the balance sheet date the academy trust was holding funds received in advance relating to Devolved Formula Capital grants, UIFSM grants, Growth Funding, Bursary grants and rates relief for the autumn term 2016.

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

16. STATEMENT OF FUNDS

	Brought Forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Unrestricted funds						
Unrestricted funds	42,580	37,111	(46,878)	41	-	32,854
Restricted funds						
General annual grant (GAG)	39,350	4,181,907	(4,136,593)	(11,680)	-	72,984
Pupil premium	-	209,196	(200,220)	-	-	8,976
Other DfE/EFA grants	81,574	180,134	(149,673)	-	-	112,035
LA income	-	109,680	(48,874)	-	-	60,806
Educational visits	575	63,063	(57,941)	-	-	5,697
School funds	72,101	10,545	(27,021)	-	-	55,625
Miscellaneous	26,893	105,466	(122,756)	334	-	9,937
Transfer from LA	342,760	30,721	-	(131,537)	-	241,944
Pension reserve	(790,000)	(594,000)	(96,000)	-	(605,000)	(2,085,000)
	(226,747)	4,296,712	(4,839,078)	(142,883)	(605,000)	(1,516,996)
Restricted fixed assets funds						
Transfer on conversion	976,759	130,310	(332,801)	-	-	774,268
DfE/EFA capital grants	6,396	-	(2,209)	31,401	-	35,588
Capital expenditure from GAG	46,049	-	(17,196)	142,378	-	171,231
Other capital expenditure	-	1,500	-	-	-	1,500
DfE/EFA capital grants - unspent	13,569	30,026	(8,851)	(30,937)	-	3,807
	1,042,773	161,836	(361,057)	142,842	-	986,394
Total restricted funds	816,026	4,458,548	(5,200,135)	(41)	(605,000)	(530,602)
Total of funds	858,606	4,495,659	(5,247,013)	-	(605,000)	(497,748)

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

16. STATEMENT OF FUNDS (continued)

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

Restricted general funds will be used for educational purposes in line with the Academy Trust's objects and its funding agreement with the EFA.

Restricted fixed asset funds amounting to £982,643 will be reserved against future depreciation charges, and the remaining £3,751 relates to unspent capital grants.

The transfer between the restricted funds and restricted fixed asset funds represents amounts capitalised during the year.

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2016.

ANALYSIS OF ACADEMIES BY FUND BALANCE

Fund balances at 31 August 2016 were allocated as follows:

	Total 2016 £	Total 2015 £
Our Lady of Walsingham Catholic Primary School	160,957	171,439
St. Edward's Catholic Primary School	222,626	188,228
St. Thomas More Catholic Primary School	40,579	139,602
St. Brendan's Catholic Primary School	55,430	-
Central services	121,266	106,564
	<hr/>	<hr/>
Total before fixed asset fund and pension reserve	600,858	605,833
Restricted fixed asset fund	986,394	1,042,773
Pension reserve	(2,085,000)	(790,000)
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Total	(497,748)	858,606
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ST LUKE ACADEMIES TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

16. STATEMENT OF FUNDS (continued)

ANALYSIS OF ACADEMIES BY COST

Expenditure incurred by each academy during the year was as follows:

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depr'n £	Total 2016 £	Total 2015 £
Our Lady of Walsingham Catholic Primary School	998,594	257,535	74,987	389,931	1,721,047	942,844
St. Edward's Catholic Primary School	509,486	142,601	36,088	209,321	897,496	446,251
St. Thomas More Catholic Primary School	558,221	167,346	39,943	197,852	963,362	431,177
St Brendan's Catholic Primary School	792,161	206,525	34,179	194,345	1,227,210	-
Central services	85,918	33,107	1,087	27,744	147,856	67,461
	<u>2,944,380</u>	<u>807,114</u>	<u>186,284</u>	<u>1,019,193</u>	<u>4,956,971</u>	<u>1,887,733</u>

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2016 £	Restricted general funds 2016 £	Restricted fixed assets funds 2016 £	Total funds 2016 £	Total funds 2015 £
Tangible fixed assets	-	-	982,643	982,643	1,029,204
Current assets	32,854	919,393	3,751	955,998	994,619
Creditors due within one year	-	(351,389)	-	(351,389)	(375,217)
Pension scheme liability	-	(2,085,000)	-	(2,085,000)	(790,000)
	<u>32,854</u>	<u>(1,516,996)</u>	<u>986,394</u>	<u>(497,748)</u>	<u>858,606</u>

18. PENSION COMMITMENTS

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

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

18. PENSION COMMITMENTS (continued)

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2013.

Contributions amounting to £Nil were payable to the schemes at 31 August 2016 (2015 - £56,313) and are included within creditors.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay, including a 0.08% employer administration charge (currently 14.1%)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

During the previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS will be as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £282,904 (2015 - £76,597).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx).

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

18. PENSION COMMITMENTS (continued)

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2016 was £247,000 (2015 - £94,000), of which employer's contributions totalled £199,000 (2015 - £75,000) and employees' contributions totalled £48,000 (2015 - £19,000). The agreed contribution rates for future years are between 22.6% and 23.6% for employers and between 5.5% and 12.5% for employees.

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

Principal actuarial assumptions at the Balance Sheet date (expressed as weighted averages):

	2016	2015
Discount rate for scheme liabilities	2.00 %	3.70 %
Expected return on scheme assets at 31 August	2.00 %	3.70 %
Rate of increase in salaries	4.10 %	4.40 %
Rate of increase for pensions in payment / inflation	2.10 %	2.50 %

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

	2016	2015
Retiring today		
Males	22.3	22.3
Females	24.3	24.3
Retiring in 20 years		
Males	24.0	24.0
Females	26.6	26.6

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

	Fair value at 31 August 2016 £
Equities	726,000
Debt instruments	194,000
Property	82,000
Cash	20,000
Total market value of assets	1,022,000

The actual return on scheme assets was £148,000 (2015 - £6,000).

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

18. PENSION COMMITMENTS (continued)

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

	2016 £	2015 £
Net interest cost	(53,000)	(14,000)
Current service cost	242,000	(85,000)
	<u>189,000</u>	<u>(99,000)</u>
Total	<u>189,000</u>	<u>(99,000)</u>

Movements in the present value of the defined benefit obligation were as follows:

	2016 £	2015 £
Opening defined benefit obligation	1,182,000	1,097,000
Upon conversion	750,000	-
Interest cost	80,000	19,000
Contributions by employees	48,000	19,000
Actuarial losses/(gains)	726,000	(38,000)
Current service cost	242,000	85,000
	<u>3,028,000</u>	<u>1,182,000</u>
Closing defined benefit obligation	<u>3,028,000</u>	<u>1,182,000</u>

Movements in the fair value of the Academy Trust's share of scheme assets:

	2016 £	2015 £
Opening fair value of scheme assets	392,000	304,000
Upon conversion	156,000	-
Return on plan assets (excluding net interest on the net defined pension liability)	27,000	5,000
Actuarial gains and (losses)	121,000	(11,000)
Contributions by employer	199,000	75,000
Contributions by employees	48,000	19,000
	<u>943,000</u>	<u>392,000</u>
Closing fair value of scheme assets	<u>943,000</u>	<u>392,000</u>

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

19. OPERATING LEASE COMMITMENTS

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

	Other 2015 £	2015 £
Amounts payable:		
Within 1 year	1,376	1,542
Between 1 and 5 years	3,024	2,937
Total	<u>4,400</u>	<u>4,479</u>

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

	2016 £	2015 £
Net (expenditure)/income for the year (as per Statement of Financial Activities)	(751,354)	831,606
Adjustment for:		
Depreciation charges	290,044	137,158
Dividends, interest and rents from investments	(717)	(275)
Loss on the sale of fixed assets	62,107	-
Increase in debtors	(20,698)	(139,188)
(Decrease)/increase in creditors	(23,828)	375,217
Capital grants from DfE and other capital income	(31,526)	(19,965)
Defined benefit pension scheme cost less contributions payable	34,000	10,000
Defined benefit pension scheme finance cost	62,000	14,000
Net (loss) on assets and liabilities from Local Authority on conversion	(130,310)	(319,130)
Pension liability transferred on conversion	594,000	-
Net cash provided by operating activities	<u>83,718</u>	<u>889,423</u>

21. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2016 £	2015 £
Cash in hand	796,112	855,431
Total	<u>796,112</u>	<u>855,431</u>

ST LUKE ACADEMIES TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

22. MEMBERS' LIABILITY

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

23. RELATED PARTY TRANSACTIONS

Owing to the nature of the Academy Trust's operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy Trust's financial regulations and normal procurement procedures.

No related party transactions took place in the period of account.

24. CONVERSION TO AN ACADEMY TRUST

On 01 September 2015 St. Bendan's Catholic Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to St Luke Academies Trust from Northamptonshire County Council for £Nil consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the Balance sheet under the appropriate headings with a corresponding net amount recognised as a net gain in the Statement of Financial Activities incorporating income and expenditure account as Donations - transfer from local authority on conversion

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of Financial Activities incorporating income and expenditure account.

	Unrestricted funds £	Restricted general funds £	Restricted fixed assets funds £	Total funds £
Other tangible fixed assets	-	-	130,310	130,310
Budget surplus/(deficit) on LA funds	-	30,721	-	30,721
LGPS pension surplus/(deficit)	-	(594,000)	-	(594,000)
Net assets/(liabilities)	-	(563,279)	130,310	(432,969)