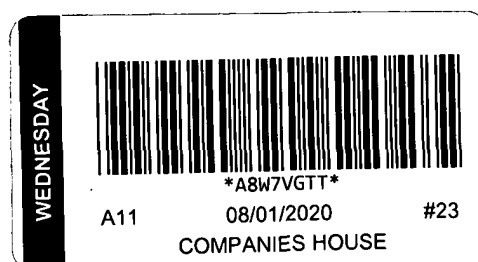


Company Registration No. 09436283 (England and Wales)

ST LUKE ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2019



ST LUKE ACADEMIES TRUST

CONTENTS

	Page
Reference and administrative details	1 - 2
Trustees' report	3 - 20
Governance statement	21 - 24
Statement on regularity, propriety and compliance	25
Statement of trustees' responsibilities	26
Independent auditor's report on the accounts	27 - 29
Independent reporting accountant's report on regularity	30 - 31
Statement of financial activities including income and expenditure account	32
Balance sheet	33
Statement of cash flows	34
Notes to the accounts including accounting policies	35 - 56

ST LUKE ACADEMIES TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Members

J Crow
C Curtis
Monsignor K McGinnell
A McLaughlin
J Rogers
P Teague

Trustees

Ms A Fletton (Resigned 19 December 2018)
Ms M Hayes (Headteacher) (Resigned 28 February 2019)
Mr R A Hill (Vice Chair)
Ms A C Kilsby
Mr D T Lally
Mr E B McAuley (Chair)
Ms C Smith
Mr B Sweeney (Appointed 1 September 2018)
Ms N A Vaughan (School Improvement Director and Accounting Officer) (Resigned 31 August 2019)
Dr P Neeson (Appointed 16 July 2019)
Mrs D Gallagher (Appointed 16 July 2019)
Dr L A Cullen (School Improvement Director and Accounting Officer) (Appointed 1 September 2019 and resigned 1 September 2019)
Mr J Burns (Appointed 5 September 2019)

Senior management team

- School Improvement Director	L Cullen (from 1 September 2019) (N Vaughan to 31 August 2019)
- Headteacher	L Brydon
- Headteacher	P Cuddihy
- Headteacher	F Donald
- Headteacher	M Hayes
- Trust Business Manager	N Young
- Finance Director	S Robinson

Company registration number

09436283 (England and Wales)

Principal and registered office

Our Lady of Walsingham Catholic Primary School
Occupation Road
Corby
NN17 1EE

Academies operated

Location

Headteacher

Our Lady of Walsingham Catholic Primary School	Corby
St Brendan's Catholic Primary School	Corby
St Edward's Catholic Primary School	Kettering
St Thomas More Catholic Primary School	Kettering

M Hayes

L Brydon

P Cuddihy

F Donald

ST LUKE ACADEMIES TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Independent auditor

Baldwins Audit Services
Thorpe House
93 Headlands
Kettering
Northamptonshire
NN15 6BL

Bankers

Lloyds Bank plc
26 New Post Office Square
Corby
NN17 1PB

Solicitors

Howes Percival
Bell House
Seebeck Place
DX 84750
Milton Keynes

ST LUKE ACADEMIES TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2019

The trustees present their annual report together with the accounts and auditor's report of the charitable company for the year 1 September 2018 to 31 August 2019. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

During the period 1 September 2018 to 31 August 2019, 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 1,246 and had a roll of 1,126 in the Summer School Census 2019.

Structure, governance and management

Constitution

St Luke Academies Trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and Articles of Association are the primary governing documents of the Academy Trust.

The Trustees of St Luke Academies Trust are also the Directors of the charitable company for the purposes 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.

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.

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 Committees' agendas. The directors have adopted an induction policy outlining expectations in relation to induction of academy representatives.

ST LUKE ACADEMIES TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

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 it in a range of delegated and preparatory duties. The membership, terms of reference, delegated responsibilities and proceedings of committees, and local governing bodies and sub-committees, are determined by the Directors in a Scheme of Delegation for Governance Functions 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 Finance Director and 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 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.

Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the relevant period

-

Full-time equivalent employee number

-

Percentage of time spent on facility time

Percentage of time

Number of employees

0%

-

1%-50%

-

51%-99%

-

100%

-

Percentage of pay bill spent on facility time

Total cost of facility time

-

Total pay bill

2,960,000

Percentage of the total pay bill spent on facility time

-

Paid trade union activities

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

-

ST LUKE ACADEMIES TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

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.

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

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.

ST LUKE ACADEMIES TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Objectives, strategies and activities

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

Priorities identified in the Trust Improvement Plan 2018/19 were:

Priority 1 – Catholic identity and formation

1.1 Improve communication between Trust and parents across schools so that parents are informed and have an affiliation with the Trust.

1.2 Continue to market and promote schools so that collective efficacy is developed and the reputation of the Trust is improved to secure a higher proportion of Catholic families make applications for place within Trust schools.

1.3 Continue to strengthen partnership links with parishes, other catholic MATs and the diocese so that Catholic Life is central to strategic school development and links across other MATs has a positive impact on business efficiency and performance outcomes.

1.4 Implement an effective RSE/PSHE curriculum in line with diocesan/CES guidelines.

1.5 Ensure effective leadership in R.E. with an identified focus on assessment so that there are robust systems in place to support pupils' progress.

Develop an effective strategy for the recruitment of high quality teaching staff.

Priority 2 - Higher quality teaching across schools, resulting in improvements in pupil outcomes

2.1 Initiate a focused school improvement strategy to tackle Trust and school achievement priorities and further refine assessment and reporting procedures to ensure monitoring of achievement of all groups, including vulnerable groups, so that it is highly effective.

2.2 Create CDP, coaching and joint professional development opportunities to ensure leaders, teachers and TAs have the skills to further raise standards, deliver good teaching and disseminate good practice to ensure rapid improvement.

2.3 To enhance the capacity to close gaps in attainment within vulnerable groups so that attainment for Disadvantaged, SEND and EAL pupils across schools meets targets set.

2.4 Develop an ICT plan ensuring that technology is available and is used effectively to support pupils' learning into the future.

2.5 Develop an effective strategy for the recruitment of high quality teaching staff.

Priority 3 - Strong leadership and governance across schools

3.1 Increase the skills and capacity of Directors and Governors through training and coaching.

3.2 Improve the leadership capacity with the Trust as a result of training, networking and coaching for Senior leaders and MAT leads.

3.3 Create opportunities for Senior Leaders to provide support to schools within and outside the MAT to Support leadership development.

ST LUKE ACADEMIES TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Priority 4 – Strong business and financial capacity across schools

4.1 Develop an effective business strategy, with clear timelines in place to support effective premises, administration, HR and financial leadership management in schools.

4.2 Develop consistent reporting to governors across schools and to Directors in relation to finance and resources, HR and premises.

4.3 Enhance skills and capacity of Headteachers and School Business Managers through training, coaching and targeted support.

4.4 Improve efficiencies and best value through liaison with MATs and outside procurement organisations.

Priority 5 - Improved attendance of pupils and wellbeing of staff and pupils across schools

5.1 Initiate CPD to secure effective procedures and strategies are in place to support good attendance of pupils across Initial.

5.2 Initiate a key focus on supporting staff and pupil wellbeing/mental health at senior leadership and board level.

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 fourth 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 continued to develop sound processes and procedures which will benefit the Academy Trust in the future.

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 working with local parishes to develop community involvement in the school and church.

ST LUKE ACADEMIES TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Strategic report

Achievements and performance

In relation to the priorities identified in the Trust Improvement Plan 2017/18, the Trust has been successful in achieving its aims.

Priority 1 – Continued development and promotion of the Catholic Life of the Trust

- A third newsletter was sent out in April with input from all schools and Trust and including a review of the work of the Maths subject leader network. Information on the intention of the diocese to form a larger MAT was also included
- HTs are actively supporting Trust and promoting Trust events.
- All stakeholders clear on Trust's vision and aims.
- 'Staff New to Trust' and 'Governor Forum' took place in September, promoting vision and aims.
- Performing Arts Event took place on 2nd July at the Lighthouse Theatre in Kettering, was well attended and a great success.
- HTs have been set Trust PM objective including promotion of Trust.
- Schools have been involved in marketing and developing before and after school provision. Current numbers before late applicants in each school in EYFS for Sept 2019:
STM: 30 (full) STE: 26 STB: 38 OLW: 60 (full)
- Catholic Life Group actions and planned events have taken place – see Catholic Life and RE report. Catholic Life is central to strategy.
- Trust training day planned for Sept 2019 and initial discussion on theme and events for 2019/20,
- Catechesis Training completed by teachers in April
- *SID has been fully involved with meetings with Diocesan representatives and other MATs since the start of the academic year to discuss next steps in diocesan policy. Links with other MATs have been formed and plans made for collaborative work moving forward. A clear plan is in place to ensure the future sustainability of the Trust.*
- Catholic Life Group actions and planned events have taken place – see Catholic Life and RE report. Catholic Life is central to strategy.
- PSHE Lead group have met and completed linking Jigsaw, RSE Policy and 'Journey of Love' resource to ensure all elements are in line with CES/diocesan guidance and school contexts. PSHE Leads have also shared examples of good practice.
- HTs have agreed on elements that will be covered outside the Schemes of Work and agreed where particular RSE elements will be covered.
- RSE Policy recently reviewed and presented at Pupil Outcomes Committee Meeting in June 2019.
- RE SLs have met each long term and attended NORES training on the new assessment approach. An approach has been agreed for implementation and RE statements have been uploaded onto Target Tracker. RE SLs have worked collaboratively to devise assessment tasks to support the approach.
- Y2, Y4 and Y6 books have been moderated against new assessment statements at RE SL meeting. RE moderation across year groups has been scheduled for October 2019.
- Staff have attended RE and Chaplaincy training.
- Our Lady's received a very positive Section 48 interim visit letter in the Spring term.
- St Edward's received a very positive interim visit in July.

Priority 2 – High quality teaching across schools, resulting in improvements in pupils outcomes

- Trust Action Plan in place, including targets across schools, in addition to overview of priorities and actions for each school.
- Agreed SDPs and SEFs are in place and reviewed, targeted to priorities of each school. A new on-line format for SEF and SDP is being explored for 2019/20.
- Outstanding practitioners have been used to support development of teaching and leadership – see St Edward's action plan for details. There is evidence of improvements in teaching and learning at:
- St Edward's. External review in Spring term and SID monitoring notes strengths in books and improvements in teaching.
- Y6 teachers have met to discuss strategies/ interventions to support teachers new to Y6.
- Initial KS2 headline data:

ST LUKE ACADEMIES TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Priority 2 – High quality teaching across schools, resulting in improvements in pupils outcomes (Continued)

- All schools have achieved improvements in Combined Reading Writing and Maths at KS2, with significant increases in 3 schools.
- Areas targeted this year have shown good improvement;
- St Brendan's: Y1 phonics, (+ 17%)
- KS2 GPS (+11%)
- KS2 Reading (+14%)
- St Edward's:
- Maths (+23%)
- Combined at expected (+27%)
- Our Lady's:
- Attainment at higher levels Combined (+9%)
- Reading (+19%)
- Writing (+8%)
- Maths (+20%)
- St Thomas More are well above expected in all areas.
- There have been improvements at and above expected in Maths across schools.
- Further analysis of data and performance of groups will be presented at the first meeting of the Autumn term.
- KS1 data has been improved at Our Lady's, generally maintained at St Edward's and St Thomas More and dipped at St Brendan's. The dip at St Brendan's is due to a very weak cohort in year 2 this year.
- All schools are in line or above National in Y1 phonics
- EYFS data has improved at St Edward's, maintained at ST Thomas More, dipped slightly at St Brendan's and dipped significantly at Our Lady's. The HT at Our Lady's is clear on the reasons for this dip.
- Reading, Maths and Writing moderation meetings for all year groups have taken place to agree judgements and share good practice.
- Teaching and Learning Visits from SID to this point have focused on:
- Our Lady's - Joint observation of Y5/6 teachers; Y3/4 teachers and EYFS;
- St Brendan's - Focused review of Reading across school, focused visit on SEND and joint monitoring with the headteacher.
- St Thomas More – joint learning walk with focus on quality of teaching, focused review of Reading across the school with the English SL and a review of SEND.
- St Edward's – regular visits to complete monitoring, review progress on priorities, support leadership and facilitate school to school support. E.g observations in EYFS, learning walks with HT, pupil voice, subject leader interviews.
- MAT leads continue to be developed and are successfully leading in their areas.
- Assessment procedures and assessment reporting formats have been discussed and agreed at SSIG meetings.
- SID has been involved in writing an SI Strategy for the Our Lady Immaculate Trust.
- MAT Leads have received support/training from SID and led meetings with subject leads in the Autumn, Spring and Summer terms. They have developed in their roles and have fed back to the MAT Leads group, identifying impact of actions. SID has met individually with each Lead to provide support and discuss impact of meetings/ actions.
- SID and DHTs/SENCOs have completed TA Enable Training and met to plan training programme for TAs, which is being implemented across schools over Spring and Summer terms. This is being well received and initial feedback is that it is having impact on maximising use of TAs.
- Quality of teaching has improved as a result of subject leader support/coaching in schools.
- Subject Leaders are accessing training to support their development e.g. Maths Subject Leader training, Leading Reading, Jane Considine training, English Subject Leader training, Curriculum Development Training.
- English and Maths Subject leaders have completed joint monitoring. English Subject leaders have developed guidance for TAs in effective support in 1:1 Reading this term. Maths Subject leaders have completed 2 activity days for more able Y6 girls to promote and develop reasoning skills and are currently focusing on mastery in EYFS and Y1.

ST LUKE ACADEMIES TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Priority 2 – High quality teaching across schools, resulting in improvements in pupils outcomes (Continued)

- It was decided not to start a research group this year, but research boards have been set up in schools and the SENCOs are considering research and evidence-based practice in their meetings.
- PE Leads have continued to organise Trust sports competitions, each school has achieved Gold awards, develop actions in relation to Healthy Living and reviewed website PE information.
- Science subject leads have reviewed and share practice in Science teaching, recording and assessment. They have been involved in a range of Ogden Trust events, collectively planned activities for British Science Week and planned a Trust Science Day held on June 2019.
- SID has continued to participate in East Midlands MAT Partnership and attended associated training to ensure effective improvement strategies used in other MATs inform Trust development.
- PSHE leads have shared good practice in relation to the Jigsaw Scheme of Work which is now in place across schools, shared pupil recording, useful resources and discussed communication with parents around RSE.
- Focuses have been identified for Subject leader groups for 2019/20.
- SID and HTs attended training in Leading Provision for Pupil Premium in November and agreed PP strategy report. Pupil Premium Policy has been reviewed.
- PP is a focus at HT meetings - informed by visits to schools with a proven record of achievement for PP pupils and National training - fed back for discussion with heads to inform strategy.
- EAL Lead meetings have taken place in October, January and May. Staff training has taken place across schools in effective strategies to support EAL pupils. Data has been reviewed and approaches to supporting staff discussed. Resources are also being shared. EAL leads have worked on different actions to support parental engagement.
- SENCOs have worked collaboratively to complete visits to each other's' schools to share resources, observe interventions, support new SENCOs and further develop use of Edukey. They plan to hold a day to review SEND provision at St Thomas More in June.
- Although EAL pupils are sometimes behind in attainment, and there is some variation between year groups/schools, EAL pupils are generally making good progress.
- Although PP pupils in some year groups/schools/subjects are performing well, PP pupils remain a vulnerable group for the Trust.
- SEND pupils are making good progress in relation to individual targets set, and in interventions, although in relation to National Curriculum, attainment and progress is generally below expected.
- Analysis of statutory data Summer 2019 for performance of groups will be presented at the first meeting of the Autumn term.
- SID has met with lead governors for vulnerable groups each term and provided information to support them in their roles.
- PP review did not take place at St Thomas More. The reviewer visited and felt that it was too soon after the Ofsted to complete a review. The headteacher has implemented a range of actions and PP pupils are making good progress overall in the school. All schools have received IT recommendations from IT provider to inform IT plans.
- Schools have completed initial IT plans and submitted to governors and directors. IT hardware and software has been purchased to support use of technology in the classroom across schools.
- Office 365 training has taken place for Trust staff.
- Computing Leads have met each long term to review curriculum and opportunities to develop pupils' understanding of on-line safety. They have reviewed software to support delivery of the Computing curriculum effectively and this has been purchased in 3 schools. On-line ambassadors have been set up in schools. 2 schools have completed a self-audit to inform next steps.
- School, focused visit on SEND and joint monitoring with the headteacher.
- Written feedback provided.
- MAT leads continue to be developed and are successfully leading in their areas.
- Assessment procedures and assessment reporting formats have been discussed and agreed at SSIG meetings.
- A Trust recruitment pack has been developed, including job descriptions and person specifications to be presented to HR Committee. In view of the merge with other MATs, this will not necessarily be utilised.
- Admin. Assistant regularly contacts schools to ensure vacancies are advertised on Trust website.
- The stability of staff is improving, with all teachers on fixed or permanent contracts in September 2019.

ST LUKE ACADEMIES TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Priority 3 – Strong leadership and governance across schools

- Lead governors have met with each other and Trust staff each term, receiving information, sharing ideas, discussing information reported to LGBs and having the opportunity to ask questions. Feedback from governors is that they find the meetings helpful and from headteachers that questions are more focused in meetings.
- TFD has attended Our Lady's Finance section of LGB meetings to report back on financial issues.
- Skills audits have been analysed to inform next steps in training. Exclusions training took place in Autumn. Finance training took place in March. A MAT Self-review has not taken place in light of the changes planned to merge MATs. Due diligence information on finance, standards, HR and buildings has been completed in preparation for the DfE MAT application.
- Minutes evidence that directors and governors are providing effective support and challenge to senior leaders across schools.
- Leaders have provided support to schools e.g. English/Maths SLs – support to RQTs and teachers requiring improvement
- EYFS Leads providing opportunity for teachers and TAs to observe practice.
- English SL provided Book Talk training to another school.
- Inclusion/SENCo Lead providing support to other SENCos, joint monitoring and providing advice on behaviour management to class teacher.
- HT support to Maths SL in another school.
- Joint monitoring to inform practice – Maths, RE and English subject leaders.
- Trained moderators providing support at moderation meetings.
- HT PM objective linked to Trust improvement has been set where appropriate.
- Stronger leadership is impacting on quality of teaching and pupil outcomes

Priority 4 – Strong business and financial capacity across schools

- Business calendar developed and shared with HTs and SBMs, so there is clarity in expectations. Meetings have taken place with HTs and SBMs to ensure all clear on expectations.
- A clear cycle is in place for business procedures and processes.
- Business reports for each LGB developed and explored with HTs and SBMs. Presented at LGBs. Feedback has been positive from heads/governors and the format allows more effective consolidation reports for directors.
- Headline finance reports developed and presented to directors with KPIs to allow them to make effective strategic decisions. (This will be further developed moving forward)
- Consistent reporting to governors on Finance, HR, Health and Safety and Premises now provides necessary information to directors/governors allowing them to provide good strategic leadership.
- Planned meetings have been completed to provide training and support to HTs and SBMs from TFD. These are ensuring that skills are being developed.
- Additional training and support has been provided as needed.
- HR audits completed and reported by TBM. Procedures are mostly good.
- Review of Health and Safety Action Plans has taken place in all schools.
- Finance Audit has been updated to reflect the requirements of the Academies Financial Handbook and all schools have been completed. 2 received good assurance and 2 moderate (1 due to unplanned change in staffing)
- SID (AO), TBM and FD have attended Lead Governor meetings to provide advice to governors in relation to Finance, Premises and HR.
- Senior leaders are more secure in financial leadership, and business efficiency and capacity has improved.
- Next steps is for GDPR audit format to be developed.
- Postponed external audit of Trust to take place in July
- Several meetings have taken place with Diocesan representatives, CEOS and Chairs to explore models for improved business and financial sustainability. A business model has been agreed for the new MAT and a plan to ensure future sustainability has been agreed by the Regional Commissioner.
- TBM has worked with external procurement groups and has achieved savings and quality providers across schools:
- Broadband provider secured for 3 schools.
- Payroll/HR provider secured.

ST LUKE ACADEMIES TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Priority 4 – Strong business and financial capacity across schools (continued)

- Energy procured for all schools.
- Contract cleaners secured in two schools.
- A contracts register has been developed outlining all contracts across schools to inform next steps in procurement.
- Further procurement to achieve savings has been put on hold until the merging of the MATs takes place as part of the new diocesan model.

Priority 5 – Improved attendance of pupils and wellbeing of staff and pupils across schools

- Attendance regularly reviewed at SID School Visit meetings and discussed at HT meetings. Strategies shared at HT meetings.
- Discover training completed for HTs and Office staff – 10th December.
- Most recent attendance figures – Summer 1 : Attendance at or above National in all schools.
- Summer 1 persistent absenteeism is better than National in 3 schools and line with National in 1 school. This is an improvement on 2018 data.
- DfE Workload Reduction Toolkit issued to HTs. Communication, Marking/Feedback, Data Management, Supporting teachers in early stages of their career discussed at HT meetings with strategies shared.
- SID and senior leaders from 2 schools have attended training on Leading a Mentally Healthy School.
- Staff Wellbeing Policy has been completed and discussed at HR Lead Governor meeting and headteacher meetings. Audit and staff questionnaire developed also to support this. For adoption in July 2019.
- SENCOs are also WELL Leads and have a focus on pupil wellbeing and mental health in meetings. Wellbeing tracker has been reviewed, recapping the 7 areas of wellbeing that schools track.
- Family Support Workers have met twice to share good practice and provide mutual support in their roles.
- Pupil welfare is reported on regularly to governors/directors.
- In meetings with the School Improvement Director who is taking up position in September, it has been agreed that she will develop a Pupil Wellbeing Policy when she takes up the role, as this is an area in which she has particular expertise.

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 Local Governing Body and Director committee level. Below is a summary of some key achievements this year in each school.

ST LUKE ACADEMIES TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Key performance indicators

Each of the schools within St Luke Academies Trust serves a different community, with different challenges. Detailed information on performance and achievement is shared regularly at Local Governing Body and Director committee level. Below is a summary of some key achievements this year in each school.

	St Thomas More	Our Lady of Walsingham	St Edward's	St Brendan's
EYFS				
% at Good Level of Development	76%	46%	75%	68%

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	77%	73%	82%	69%
Reading - % working at greater depth (TA)	23%	26%	15%	14%
Writing - % at expected standard (TA) and above	83%	57%	78%	57%
Writing - % working at greater depth	17%	12%	11%	7%
Maths - % at expected standard (TA) and above	80%	82%	85%	71%
Maths - % working at greater depth (TA)	20%	20%	22%	10%
Science - % at expected standard	83%	86%	85%	76%
Phonics				
% at expected level and above - Y1	90%	82%	86%	88%
Y2 cumulative % at expected level	100%	93%	88%	90%

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+)	88%	55%	72%	76%
% achieving at a higher standard in R, Wr (deeper TA) and Ma (higher level in test to be determined in summer)	25%	15%	9%	7%
Reading test - % at 100 (expected) and above	97%	66%	72%	83%
Reading test - % at 'higher level'	53%	31%	31%	28%
Reading test - school progress score	3.1	0.58	-0.1	-1.3
Writing - % at expected standard and above	91%	66%	84%	78%
Writing - % working at deeper level	34%	22%	19%	20%
Writing - school progress score	1.8	0.24	1.2	-1.89
Maths test - % at 100 (expected) and above	100%	81%	81%	76%
Maths test - % at 'higher level'	56%	32%	31%	24%
Maths test - school progress score	4.8	3.08	2.0	-1.53
GPS - % at expected level (100)	100%	75%	81%	78%
GPS - % at higher level	72%	37%	59%	34%

ST LUKE ACADEMIES TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Quality of teaching:

% Good and better overall	3 out of 4 schools had 85% + teaching good or better in Summer 2019
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Pupil Numbers:

	<u>Summer 2016</u>	<u>Summer 2017</u>	<u>Summer 2018</u>	<u>Summer 2019</u>
Our Lady of Walsingham	369	379	389	381
St Brendan's	333	329	342	329
St Edward's	210	211	206	198
St Thomas More	201	215	217	218

Key Financial Performance indicators

In 2018/19, all schools within the Trust set a balanced budget and carried forward varying levels of surplus into 2019/2020.

During the year 2018/19, the following improvements were made:

St Thomas More: replacement of aging laptops. Increase quantity of shared ICT resources. 5 new pupil laptops.

8 new programming devices to support curriculum. New KS2 doors and blinds. New carpets entrance, offices and staffroom. Development of play areas. Cycle storage facilities. New door on stock cupboard. New drain cover in car park. Wall - gabions to reinforce and stabilise wall movement. New window and cabinet following break in. EYFS Outdoor Area flooring. Coping stones cemented. Maintenance on classroom heaters. Handrails on ramp access and the main entrance. Review sockets. Step nosings painted/repainted. Repair slow closing functions KS2. Cracked glass window - YR5 Boiler & Heater servicing. Fire extinguisher service and 3 replacements.

St Edward's: Rolling programme of teacher laptop replacement. Staffroom machine upgrade. Pupil tablets replacement on a rolling programme. Classroom flooring and blinds on a rolling programme. Pupil toilets on a rolling programme. Office reconfiguration. New outdoor equipment. Office partition reinstated to staff room. New furniture for breakfast club. Remedial works to external pathways. Finger trap fitting. Warning signs for stairs outside 3 & 4 and staffroom hob. Remove high deadbolt on PTA fire exit. Repairs to steps in playground. Drains flushing. Full tree surgery.

St Brendan's: Replaced older laptops. Replaced staff and student ipads. Ipads for all classrooms. Bike shelter. Staffroom refurbish. Staffroom roof and ceiling repairs. Forest school area installed. Replacement of lighting above reception canopy. Installation of lighting at end of KS2 for cleaners.

Our Lady's: Replace older laptops. Ipads purchased for class teachers. Tablet/Laptop for HT. Implementation of the recommendations from H&S audit summer 18. Investing in appearance of the entrance to the school drive and the school itself. Mission statement display in hall. Garden area tidied and bark replaced. Ensuring external pathways are level. Secure goal post. Step nosings to be painted. Removal of tall cupboard in hall. KS2 Stair walls and hall repainting. Replace broken paving slabs. Repairs to wooden gates. KS2 hall repainted. Stairwell in KS2 painted. KS1 staff toilet repainted. Yr 6 stairs repainted.

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

ST LUKE ACADEMIES TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Financial review

The majority of the academy trust's income is obtained from the DFE via the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted for particular purposes.

When the schools converted to academies in 2015 they received a start-up grant of £25,000 and the trust received a Primary Academy Chain Grant of £100,000. These grants were used to fund set up costs and develop secure staffing, structures and processes for the future sustainability of the Trust.

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 and 2016/17. This grant has now been used.

Pupil Premium Funding and Sports Funding are also received from the ESFA 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 period 1st September 2018 to 31st August 2019 total expenditure was £5,482,000 (2018: £5,682,000) and total income £5,111,000 (2018: £5,107,000).

At 31st August 2019 the value of assets was £1,845,000 (2018: £1,988,000). The assets were used exclusively for providing education and the associated support services to pupils of St Luke Academies Trust.

ST LUKE ACADEMIES TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Financial Position

At 31st August 2019 the total fund balances were £(923,000) (2018: £Nil). This is due to the academy trust's restricted pension fund deficit of £2,390,000 being in excess of its other fund balances (comprising other restricted general funds of £908,000, restricted fixed asset funds of £416,000 and unrestricted funds of £143,000) at the year end.

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

However, 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.

Financial and risk management objectives and policies

The following financial management policies have been adopted or reviewed by the Trust during the period 1st September 2018 to 31st August 2019:

- a. Scheme of Delegation for Governance Functions
- b. Financial Scheme of Delegation
- c. Financial Procedures Handbook
- d. Complaints Procedure
- e. Anti-fraud, hospitality and gifts
- f. Charging and Letting
- g. Pay Policy for Support Staff
- h. Teachers' Pay
- i. Retention of records
- j. Whistleblowing
- k. Business Continuity
- l. Critical Incidents
- m. Investment
- n. Reserves
- o. GDPR
- p. Induction
- q. On-line safety

Asset Control, Staff expenses, Tendering, Business Charge Card, Director and Governor Allowances, Freedom of Information and Risk Assessment Policies were adopted in 2016/17.

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.

ST LUKE ACADEMIES TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

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.

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 2019, although these were of varying levels.

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 2019 the total funds totalled £(923,000) (2018: £Nil) comprised Unrestricted reserves £143,000 (2018: £149,000), Restricted fixed asset reserves £416,000 (2018: £550,000), Restricted pension reserves £(2,390,000) (2018: £(1,636,000)), Restricted general reserves £908,000 (2018: £937,000).

ST LUKE ACADEMIES TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Investment policy

The aim of St Luke Academies Trust is to spend the public monies with which it is entrusted for the direct educational 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. Our Lady of Walsingham School holds £101,000 in a fixed term deposit account, at a 0.7% interest rate.

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:

- Regular cash flow reports are to be prepared and monitored to ensure there are adequate liquid funds to meet all payroll related commitments and outstanding creditors that are due for payment.
- 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.

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.

ST LUKE ACADEMIES TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

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

- Continued marketing action to further promote schools, attract staff and increase numbers.
- Prepare staff to manage new financial reporting systems so that SBMs are effective in role and financial procedures and reports meet deadlines.
- Conduct a governance review of all new schools entering the Trust to ensure that control measures remain strong.
- Introduce new management systems to facilitate communication and the collection and dissemination of information to ensure timely and accurate reporting.

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 Trustees of the Local Government Pension Scheme arrange for appropriate contribution rates to be paid by the members and the employer to ensure that the pension scheme is properly funded over time.

Fundraising

St Luke Academies Trust does not take part in any fundraising activities to raise funds to benefit the organisation. The Trust does not work with any professional fundraisers and has no plans in the immediate future to become involved in any fundraising activities from which it would benefit. As no fundraising takes place on its behalf, no monitoring is required.

Plans for future periods

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

- Improved communication between Trust and parents across schools.
- Continued marketing and promotion of schools within the Trust.
- Continued development of collective efficacy within the Trust and strengthening of partnership links with parishes, other Catholic MATs and the diocese.
- Effective RSE/PSHE curriculum in line with diocesan/CES guidelines.
- Effective leadership of RE, with identified focus on assessment.
- Focused school improvement strategy to tackle Trust/schools achievement priorities and further refine assessment reporting procedures to ensure monitoring of achievement of all groups, including vulnerable groups, is highly effective.
- CPD, coaching and joint professional development opportunities to ensure leaders, teachers and TAs have the skills to further raise standards, deliver good teaching and disseminate good practice to ensure rapid improvement.
- Enhanced capacity to close gaps in attainment within vulnerable groups.
- IT plan ensuring that technology is available and is used effectively to support pupils' learning into the future.
- Effective strategy for recruitment of high quality teaching staff.
- Increased skills and capacity of directors and governors through training and coaching.
- Improved leadership capacity within Trust as a result of training, networking and coaching for senior leaders and MAT Leads.
- Opportunities in place for senior leaders to provide support to schools within and outside the MAT to support leadership development.
- Effective business strategy, with clear cycles and timelines in place to support effective premises, administration, HR and financial leadership and management in schools.
- Consistent reports to governors across schools and to directors in relation to finance and resources, HR and premises.
- Enhanced financial skills and capacity of HTs and SBMs through training, coaching and targeted support.
- Improved efficiencies and best value secured through liaison with MATs and outside procurement organisations.
- Potential additional income opportunities secured to support future sustainability.
- CPD, effective procedures and strategies in place to support good attendance of pupils across schools.
- Key focus on supporting staff and pupil wellbeing/mental health at senior leadership and board level.
- Trust Wellbeing Policy developed.

ST LUKE ACADEMIES TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

CIF projects and Capital building works planned

Our Lady of Walsingham School

Boilers replacement at £80,878

St Thomas More

Front entrance gate, fencing and wall replacement at £311,114

Boiler replacement at £131,068

St Edward's

External pathways installed at £29,642

St Brendan's

Fire door replacement at £47,548

Boiler replacement at £89,133

Funds held as custodian trustee on behalf of others

None.

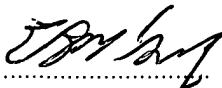
Auditor

In so far 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.

A resolution proposing that Baldwins Audit Services be reappointed as auditor of the charitable company will be put to the members.

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 05/12/19 and signed on its behalf by:



Mr E B McAuley
Chair

ST LUKE ACADEMIES TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2019

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:

Trustees	Meetings attended	Out of possible
Ms A Fletton (Resigned 19 December 2018)	0	2
Ms M Hayes (Headteacher) (Resigned 28 February 2019)	2	2
Mr R A Hill (Vice Chair)	5	5
Ms A C Kilsby	4	5
Mr D T Lally	2	5
Mr E B McAuley (Chair)	5	5
Ms C Smith	3	5
Mr B Sweeney (Appointed 1 September 2018)	4	4
Ms N A Vaughan (School Improvement Director and Accounting Officer) (Resigned 31 August 2019)	5	5
Dr P Neeson (Appointed 16 July 2019)	0	0
Mrs D Gallagher (Appointed 16 July 2019)	1	1
Dr L A Cullen (School Improvement Director and Accounting Officer) (Appointed 1 September 2019 and resigned 1 September 2019)	0	0
Mr J Burns (Appointed 5 September 2019)	0	0

Changes to the board are noted above. The key change in the year was managing the retirement of the Accounting Officer. A handover process was in place with continued support beyond this.

As noted above the board met 5 times during the year and in addition to this the finance and resources committee met 4 times. These meetings, together with the Audit Committee meetings and regular involvement of the Accounting Office and Chairs in day to day academy business (as required) provided effective oversight of funds.

ST LUKE ACADEMIES TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

A self-review of governance and skills audit has taken place, with Directors being sent reviews to complete in July 2018 based on the 20 key questions for MATs. Findings from this was reported to directors in December 2018 and actions taken on the basis of this.

An annual self- review of governance indicates that the strength are:

- Understanding roles and responsibilities and serving as a critical friend to schools
- Clarity of vision and positive engagement with schools
- Strong Chairs and a positive impact on outcomes for pupils
- The capacity to hold leaders to account
- A breath of experience and skills to support schools

Area for further development include:

- Increasing the awareness of some governors around internal control and financial procedures
- Policy and practice for succession planning
- Increase governors awareness of the impact of school provision through Pupil Voice

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:

Trustees	Meetings attended	Out of possible
Ms M Hayes (Headteacher) (Resigned 28 February 2019)	1	1
Mr R A Hill (Vice Chair)	4	4
Mr E B McAuley (Chair)	3	4
Mr B Sweeney (Appointed 1 September 2018)	4	4
Ms N A Vaughan (School Improvement Director and Accounting Officer) (Resigned 31 August 2019)	4	4

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:

Trustees	Meetings attended	Out of possible
Ms A C Kilsby	1	2
Mr D T Lally	2	2
Ms C Smith	1	2

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.

ST LUKE ACADEMIES TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

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 available. The accounting officer for the academy trust has delivered improved value for money during the year by:

- Negotiation of Capita licences with a saving of £43,071.00
- Maintaining prices for ITT support so no annual increase
- Moving ITT to a new service provider total saving £19,512.50
- SIMS and FMS support saving £7,238
- Negotiating a MAT purchase of a PSHE scheme saving £700
- LGSS Service agreement for HR saving £10,092.70

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in St Luke Academies Trust for the period 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and accounts.

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 period 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the board of trustees.

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 complete annual finance audit of trust.

ST LUKE ACADEMIES TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

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

- 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 an interim external audit took place in the Summer term and an external audit in the Autumn term in all schools. Internal HR audits of schools took place in the Autumn term and internal finance audits of schools took place in the Spring/Summer terms. Good improvements were noted in most of these audits when compared to the previous year. There were no material control issues arising from these audits.

Review of effectiveness

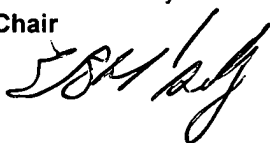
As accounting officer the headteacher has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the internal reviewer;
- the work of the external auditor and an independent external reviewer;
- 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 audit committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the board of trustees on 05/12/17 and signed on its behalf by:

Mr E B McAuley
Chair



Dr LA Cullen
School Improvement Director and Accounting Officer



ST LUKE ACADEMIES TRUST

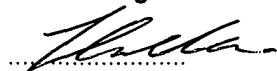
STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE FOR THE YEAR ENDED 31 AUGUST 2019

As accounting officer of St Luke Academies Trust I have considered my responsibility to notify the academy trust board of trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2018.

I confirm that I and the academy trust's 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 2018.

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 ESFA.

Dr LA Cullen
Accounting Officer



ST LUKE ACADEMIES TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2019

The trustees (who are also the directors of St Luke Academies Trust for the purposes of company law) are responsible for preparing the trustees' report and the accounts in accordance with the Academies Accounts Direction 2018 to 2019 published by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the trustees to prepare accounts for each financial year. Under company law, the trustees must not approve the accounts 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 accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts 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 accounts 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 that grants received from ESFA/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 accounts may differ from legislation in other jurisdictions.

Approved by order of the members of the board of trustees on 05/12/19 and signed on its behalf by:



Mr E B McAuley
Chair

ST LUKE ACADEMIES TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2019

Opinion

We have audited the accounts of St Luke Academies Trust for the year ended 31 August 2019 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2019 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;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the accounts' section of our report. We are independent of the academy trust in accordance with the ethical requirements that are relevant to our audit of the accounts in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the accounts is not appropriate; or
- the trustees have not disclosed in the accounts any identified material uncertainties that may cast significant doubt about the academy trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the accounts are authorised for issue.

Other information

The trustees are responsible for the other information, which comprises the information included in the annual report other than the accounts and our auditor's report thereon. Our opinion on the accounts does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the accounts or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

ST LUKE ACADEMIES TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ST LUKE ACADEMIES TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report including the incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts; and
- the trustees' report including the incorporated strategic report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report, including the incorporated strategic report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the accounts 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.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the accounts

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

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

ST LUKE ACADEMIES TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ST LUKE ACADEMIES TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Baldwins

Mrs Caroline Armstrong (Senior Statutory Auditor)
for and on behalf of Baldwins Audit Services

15th December 2019

Statutory Auditor

Thorpe House
93 Headlands
Kettering
Northamptonshire
NN15 6BL

ST LUKE ACADEMIES TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2019

In accordance with the terms of our engagement letter dated 2 September 2019 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, 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 period 1 September 2018 to 31 August 2019 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 ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the St Luke Academies Trust and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than St Luke Academies Trust and ESFA, 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 30 April 2014 and the Academies Financial Handbook, extant from 1 September 2018, 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 2018 to 2019. 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 period 1 September 2018 to 31 August 2019 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 2018 to 2019 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

- Assessment of the internal audit work and reliance placed upon this work for the review of internal control procedures
- Further testing of the internal control procedures has been carried out in the following areas:
 - Sample test of delegated authority procedures
 - Enquiry and review of transactions with connected persons
 - Review of governance procedures including inspection of trustee and relevant Board minutes
 - Sample test of procurement procedures
- Communication with the accounting officer

ST LUKE ACADEMIES TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2019

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 period 1 September 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Baldwins

Reporting Accountant

Baldwins Audit Services

Thorpe House

93 Headlands

Kettering

Northamptonshire

NN15 6BL

Dated: *18th December 2019.*

ST LUKE ACADEMIES TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2019

	Notes	Unrestricted Funds £'000s	Restricted funds: General £'000s	Fixed asset £'000s	Total 2019 £'000s	Total 2018 £'000s
Income and endowments from:						
Donations and capital grants	3	-	172	77	249	173
Charitable activities:						
- Funding for educational operations	4	-	4,811	-	4,811	4,873
Other trading activities	5	50	-	-	50	60
Investments	6	1	-	-	1	1
Total		<u>51</u>	<u>4,983</u>	<u>77</u>	<u>5,111</u>	<u>5,107</u>
Expenditure on:						
Raising funds	7	-	46	-	46	54
Charitable activities:						
- Educational operations	9	-	5,152	284	5,436	5,628
Total	7	<u>-</u>	<u>5,198</u>	<u>284</u>	<u>5,482</u>	<u>5,682</u>
Net income/(expenditure)		51	(215)	(207)	(371)	(575)
Transfers between funds	17	(57)	(16)	73	-	-
Other recognised gains/(losses)						
Actuarial (losses)/gains on defined benefit pension schemes	19	-	(552)	-	(552)	241
Net movement in funds		(6)	(783)	(134)	(923)	(334)
Reconciliation of funds						
Total funds brought forward		149	(699)	550	-	334
Total funds carried forward		<u>143</u>	<u>(1,482)</u>	<u>416</u>	<u>(923)</u>	<u>-</u>

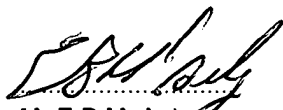
ST LUKE ACADEMIES TRUST

BALANCE SHEET

AS AT 31 AUGUST 2019

	Notes	2019 £'000s	2018 £'000s
Fixed assets			
Tangible assets	13	345	479
Current assets			
Debtors	14	206	198
Cash at bank and in hand		1,294	1,311
		<u>1,500</u>	<u>1,509</u>
Current liabilities			
Creditors: amounts falling due within one year	15	(378)	(352)
Net current assets		<u>1,122</u>	<u>1,157</u>
Net assets excluding pension liability		<u>1,467</u>	<u>1,636</u>
Defined benefit pension scheme liability	19	(2,390)	(1,636)
Total net liabilities		<u>(923)</u>	<u>-</u>
Funds of the academy trust:			
Restricted funds	17		
- Fixed asset funds		416	550
- Restricted income funds		908	937
- Pension reserve		(2,390)	(1,636)
Total restricted funds		<u>(1,066)</u>	<u>(149)</u>
Unrestricted income funds	17	143	149
Total funds		<u>(923)</u>	<u>-</u>

The accounts on pages 32 to 56 were approved by the trustees and authorised for issue on 05/12/19 and are signed on their behalf by:


Mr E B McAuley
Chair

Company Number 09436283

ST LUKE ACADEMIES TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2019

	Notes	2019 £'000s	2018 £'000s
Cash flows from operating activities			
Net cash used in operating activities	20	(29)	(128)
Cash flows from investing activities			
Dividends, interest and rents from investments		1	1
Capital grants from DfE Group		98	164
Purchase of tangible fixed assets		(87)	(45)
Net cash provided by investing activities		12	120
Net decrease in cash and cash equivalents in the reporting period		(17)	(8)
Cash and cash equivalents at beginning of the year		1,311	1,319
Cash and cash equivalents at end of the year		1,294	1,311

ST LUKE ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

St Luke Academies Trust is a charitable company. The address of its principal place of business is given on page 1 and the nature of its operations are set out in the trustees' report.

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

The accounts 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 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

St Luke Academies Trust meets the definition of a public benefit entity under 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 charitable company 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 accounts 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 accounts.

The Balance Sheet shows a negative net funds position due to accounting treatment and non recognition of Land and Buildings and recognition of the LGPS pension deficit. Further details of these two entries are shown in the respective notes. Working capital and net current assets continues to serve the Trust's budgets and plans and is unaffected by the two accounting entries mentioned earlier.

1.3 Income

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

Grants

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

General Annual Grant is recognised in full in the statement of financial activities in the period 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 in full when there is an unconditional entitlement to the grant. Unspent amounts of capital grants are reflected in the balance sheet in the restricted fixed asset fund. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

ST LUKE ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

(Continued)

Sponsorship income

Sponsorship income provided to the academy trust which amounts to a donation is recognised in the statement of financial activities in the period in which it is receivable (where there are no performance-related conditions), where the receipt is probable and it can be measured reliably.

Donations

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

Other income

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the academy trust has provided the goods or services.

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 accounts until they are sold. This income is recognised within 'Income from other trading activities'.

Donated fixed assets

Donated fixed assets are measured at fair value unless it is impractical to measure this reliably, in which case the cost of the item to the donor is 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.

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 are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

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.

ST LUKE ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

(Continued)

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 that require 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.

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

Leasehold improvements	2% of cost
Assets under construction	
Computer equipment	25% of cost
Fixtures, fittings & equipment	20% of cost
Plant and machinery	20% of cost

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.

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 Leased assets

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

1.8 Financial instruments

The academy trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the academy trust and their measurement basis are as follows.

Financial assets

Trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

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

ST LUKE ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

(Continued)

Financial liabilities

Trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. Taxation and social security are not included in the financial instruments disclosure definition.

Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.9 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 chapter 3 part 11 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.

1.10 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. The TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate.

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the academy trust in separate 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 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.

1.11 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 funders where the asset acquired or created is held for a specific purpose.

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

ST LUKE ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

2 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 19, 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 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. 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.

3 Donations and capital grants

	Unrestricted funds £'000s	Restricted funds £'000s	Total 2019 £'000s	Total 2018 £'000s
Capital grants	-	77	77	16
Other donations	-	172	172	157
	<u>-</u>	<u>249</u>	<u>249</u>	<u>173</u>

The income from donations and capital grants was £249,000 (2018: £173,000) of which £172,000 was restricted (2018: £157,000) and £77,000 was restricted fixed assets (2018: £16,000).

ST LUKE ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

4 Funding for the academy trust's educational operations

	Unrestricted funds £'000s	Restricted funds £'000s	Total 2019 £'000s	Total 2018 £'000s
DfE / ESFA grants				
General annual grant (GAG)	-	4,200	4,200	4,257
Other DfE group grants	-	478	478	447
	<u>-</u>	<u>4,678</u>	<u>4,678</u>	<u>4,704</u>
Other government grants				
Local authority grants	-	87	87	102
	<u>-</u>	<u>87</u>	<u>87</u>	<u>102</u>
Other funding				
Other incoming resources	-	46	46	67
	<u>-</u>	<u>46</u>	<u>46</u>	<u>67</u>
Total funding	<u>-</u>	<u>4,811</u>	<u>4,811</u>	<u>4,873</u>

The income from funding for educational operations was £4,811,000 (2018: £4,873,000) of which £4,811,000 was restricted (2018: £4,873,000).

5 Other trading activities

	Unrestricted funds £'000s	Restricted funds £'000s	Total 2019 £'000s	Total 2018 £'000s
Hire of facilities	53	-	53	57
Other income	(3)	-	(3)	3
	<u>50</u>	<u>-</u>	<u>50</u>	<u>60</u>

The income from other trading activities was £50,000 (2018: £60,000) of which £50,000 was unrestricted (2018: £60,000).

6 Investment income

	Unrestricted funds £'000s	Restricted funds £'000s	Total 2019 £'000s	Total 2018 £'000s
Short term deposits	1	-	1	1
	<u>1</u>	<u>-</u>	<u>1</u>	<u>1</u>

The income from funding for investment income was £1,000 (2018: £1,000) of which £1,000 was unrestricted (2018: £1,000).

ST LUKE ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

7 Expenditure

	Staff costs £'000s	Non Pay Expenditure Premises £'000s	Other £'000s	Total 2019 £'000s	Total 2018 £'000s
Expenditure on raising funds					
- Direct costs	-	-	46	46	54
Academy's educational operations					
- Direct costs	3,235	-	220	3,455	3,338
- Allocated support costs	837	510	634	1,981	2,290
	<u>4,072</u>	<u>510</u>	<u>900</u>	<u>5,482</u>	<u>5,682</u>

The expenditure on raising funds was £46,000 (2018: £54,000) of which £46,000 was restricted (2018: £54,000).

Net income/(expenditure) for the year includes:	2019 £'000s	2018 £'000s
Fees payable to auditor for:		
- Audit	10	9
- Other services	2	1
Operating lease rentals	2	3
Depreciation of tangible fixed assets	250	268
Loss on disposal of fixed assets	-	15
Net interest on defined benefit pension liability	49	42
	<u>49</u>	<u>42</u>

8 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 amounts charged during the year were as follows:

	2019 £'000s	2018 £'000s
Our Lady of Walsingham Catholic Primary School	74	82
St Brendan's Catholic Primary School	58	55
St Edward's Catholic Primary School	39	39
St Thomas More Catholic Primary School	38	37
	<u>209</u>	<u>213</u>

ST LUKE ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

9 Charitable activities

	2019 £'000s	2018 £'000s
All from restricted funds:		
Direct costs		
Educational operations	3,455	3,338
Support costs		
Educational operations	1,981	2,290
	<u>5,436</u>	<u>5,628</u>

The expenditure on charitable activities was £5,436,000 (2018: £5,628,000) of which £5,152,000 was restricted (2018: £5,020,000) and £284,000 was restricted fixed assets (2018: £608,000).

	2019 £'000s	2018 £'000s
Analysis of support costs		
Support staff costs	837	854
Depreciation	250	283
Technology costs	22	29
Premises costs	260	572
Other support costs	600	542
Governance costs	12	10
	<u>1,981</u>	<u>2,290</u>

ST LUKE ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

10 Staff

Staff costs

Staff costs during the year were:

	2019 £'000s	2018 £'000s
Wages and salaries	2,960	2,922
Social security costs	243	228
Pension costs	694	700
	<hr/>	<hr/>
Amounts paid to employees	3,897	3,850
Agency staff costs	168	112
Staff restructuring costs	7	1
	<hr/>	<hr/>
Total staff expenditure	4,072	3,963
	<hr/>	<hr/>

Staff restructuring costs comprise:

Redundancy payments	1	1
Severance payments	5	-
Other restructuring costs	1	-
	<hr/>	<hr/>
	7	1
	<hr/>	<hr/>

Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £5,230 (2018: £Nil). Individually the payment was £5,230 made in February 2019.

Staff numbers

The average number of persons employed by the academy trust during the year was as follows:

	2019 Number	2018 Number
Teachers	51	56
Administration and support	94	100
Management	7	7
	<hr/>	<hr/>
	152	163
	<hr/>	<hr/>

ST LUKE ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

10 Staff

(Continued)

Higher paid staff

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

	2019 Number	2018 Number
£60,001 - £70,000	1	2
£70,001 - £80,000	1	-
	<u>2</u>	<u>2</u>

Key management personnel

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 £500,510 (2018: £485,814).

11 Trustees' remuneration and expenses

One or more of the 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 staff members under their contracts of employment, and not in respect of their services as trustees.

The value of trustees' remuneration and other benefits was as follows:

N Vaughan (School Improvement Director to 31 August 2019):

- Remuneration £70,000 - £75,000 (2018: £65,000 - £70,000)
- Employer's pension contributions £10,000 - £15,000 (2018: £10,000 - £15,000)

M Hayes (staff - Remuneration to date of resignation as a trustee on 28 February 2019):

- Remuneration £25,000 - £30,000 (2018: £50,000 - £55,000)
- Employer's pension contributions £Nil - £5,000 (2018: £5,000 - £10,000)

S Robinson (staff - Resigned as a trustee on 28 June 2018):

- Remuneration N/A (2018: £20,000-£25,000)
- Employer's pension contributions N/A (2018: £5,000 - £10,000)

During the year, travel and subsistence payments and other expenditure totalling £35 (2018: £208) were reimbursed or paid directly to 1 trustee (2018: 1 trustee).

Other related party transactions involving the trustees are set out within the related parties note.

12 Trustees and officers insurance

In accordance with normal commercial practice, the academy trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2019 was £255 (2018: £394). The cost of this insurance is included in the total insurance cost.

ST LUKE ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

13 Tangible fixed assets

	Leasehold improvements	Assets under construction	Computer equipment	Fixtures, fittings & equipment	Plant and machinery	Total
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s
Cost						
At 1 September 2018	81	-	396	569	386	1,432
Additions	-	52	30	22	13	117
Disposals	-	-	(1)	-	-	(1)
At 31 August 2019	81	52	425	591	399	1,548
Depreciation						
At 1 September 2018	4	-	330	343	276	953
Charge for the year	8	-	54	115	73	250
At 31 August 2019	12	-	384	458	349	1,203
Net book value						
At 31 August 2019	69	52	41	133	50	345
At 31 August 2018	77	-	66	226	110	479

The net book value of land and buildings comprises:

	2019 £'000s	2018 £'000s
Long leaseholds (over 50 years)	69	77

The academy trust's transactions relating to land and buildings included:

- the granting of a leasehold on the nursery building at Our Lady of Walsingham Catholic Primary School for rent of £1,300 per month over a term of 15 years.

Finance leases and hire purchase contracts

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 aspect 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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

13 Tangible fixed assets (Continued)

Assets under construction

Assets under construction comprise the new reception building at Our Lady of Walsingham Catholic Primary School. In accordance with the trust's accounting policy no depreciation will be charged on this asset until it is complete.

14 Debtors	2019 £'000s	2018 £'000s
Trade debtors	7	2
VAT recoverable	68	44
Other debtors	1	1
Prepayments and accrued income	130	151
	<u>206</u>	<u>198</u>

Prepayments and accrued income at 31 August 2019 include £Nil (2018: £21,000) in respect of capital grants due to the academy trust.

15 Creditors: amounts falling due within one year	2019 £'000s	2018 £'000s
Trade creditors	104	77
Other taxation and social security	61	60
Other creditors	3	60
Accruals and deferred income	210	155
	<u>378</u>	<u>352</u>

16 Deferred income	2019 £'000s	2018 £'000s
Deferred income is included within:		
Creditors due within one year	<u>89</u>	<u>93</u>
Deferred income at 1 September 2018	93	99
Released from previous years	(93)	(99)
Resources deferred in the year	<u>89</u>	<u>93</u>
Deferred income at 31 August 2019	<u>89</u>	<u>93</u>

At 31 August 2019 the academy trust was holding funds received in advance relating to UIFSM grants and other income for future academic periods.

ST LUKE ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

17 Funds

	Balance at 1 September 2018 £'000s	Income £'000s	Expenditure £'000s	Gains, losses and transfers £'000s	Balance at 31 August 2019 £'000s
Restricted general funds					
General Annual Grant (GAG)	-	4,200	(4,188)	(12)	-
Other DfE / ESFA grants	17	478	(422)	-	73
Other government grants	10	87	(96)	-	1
Other restricted funds	910	218	(290)	(4)	834
Pension reserve	(1,636)	-	(202)	(552)	(2,390)
	<u>(699)</u>	<u>4,983</u>	<u>(5,198)</u>	<u>(568)</u>	<u>(1,482)</u>
Restricted fixed asset funds					
Transfer on conversion	408	-	(145)	-	263
DfE group capital grants	103	77	(99)	-	81
Capital expenditure from GAG	38	-	(18)	12	32
Other capital grants	1	-	(22)	61	40
	<u>550</u>	<u>77</u>	<u>(284)</u>	<u>73</u>	<u>416</u>
Total restricted funds	<u>(149)</u>	<u>5,060</u>	<u>(5,482)</u>	<u>(495)</u>	<u>(1,066)</u>
Unrestricted funds					
General funds	<u>149</u>	<u>51</u>	<u>-</u>	<u>(57)</u>	<u>143</u>
Total funds	<u>-</u>	<u>5,111</u>	<u>(5,482)</u>	<u>(552)</u>	<u>(923)</u>

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

Restricted General Funds represent unspent General Annual Grant (GAG), which must be used for the normal recurring costs of the Academy Trust together with other restricted general funds. 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 should carry forward at 31 August 2019.

Restricted Fixed Asset Funds represent resources which have been applied to specific capital purposes imposed by the funder together with cash resources still to be expended. During the year £16,000 of restricted general funds and £57,000 of unrestricted funds were transferred to restricted fixed asset funds in respect of GAG funds and own funds, respectively, used to purchase tangible fixed assets.

Restricted Pension Reserve Funds represent the Academy's share of the assets and liabilities of the Local Government Pension Scheme.

ST LUKE ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

17 Funds

(Continued)

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

	Balance at 1 September 2017 £'000s	Income £'000s	Expenditure £'000s	Gains, losses and transfers £'000s	Balance at 31 August 2018 £'000s
Restricted general funds					
General Annual Grant (GAG)	-	4,257	(4,207)	(50)	-
Other DfE / ESFA grants	-	447	(430)	-	17
Other government grants	97	102	(189)	-	10
Other restricted funds	721	224	(35)	-	910
Pension reserve	(1,664)	-	(213)	241	(1,636)
	<u>(846)</u>	<u>5,030</u>	<u>(5,074)</u>	<u>191</u>	<u>(699)</u>
Restricted fixed asset funds					
Transfer on conversion	550	-	(142)	-	408
DfE group capital grants	535	16	(454)	6	103
Capital expenditure from GAG	5	-	(11)	44	38
Other capital grants	2	-	(1)	-	1
	<u>1,092</u>	<u>16</u>	<u>(608)</u>	<u>50</u>	<u>550</u>
Total restricted funds	<u>246</u>	<u>5,046</u>	<u>(5,682)</u>	<u>241</u>	<u>(149)</u>
Unrestricted funds					
General funds	88	61	-	-	149
Total funds	<u>334</u>	<u>5,107</u>	<u>(5,682)</u>	<u>241</u>	<u>-</u>

ST LUKE ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

17 Funds

(Continued)

A current year 12 months and prior year 12 months combined position is as follows:

	Balance at 1 September 2017 £'000s	Income £'000s	Expenditure £'000s	Gains, losses and transfers £'000s	Balance at 31 August 2019 £'000s
Restricted general funds					
General Annual Grant (GAG)	-	8,457	(8,395)	(62)	-
Other DfE / ESFA grants	-	925	(852)	-	73
Other government grants	97	189	(285)	-	1
Other restricted funds	721	442	(325)	(4)	834
Pension reserve	(1,664)	-	(415)	(311)	(2,390)
	<u>(846)</u>	<u>10,013</u>	<u>(10,272)</u>	<u>(377)</u>	<u>(1,482)</u>
Restricted fixed asset funds					
Transfer on conversion	550	-	(287)	-	263
DfE group capital grants	535	93	(553)	6	81
Capital expenditure from GAG	5	-	(29)	56	32
Other capital grants	2	-	(23)	61	40
	<u>1,092</u>	<u>93</u>	<u>(892)</u>	<u>123</u>	<u>416</u>
Total restricted funds	<u>246</u>	<u>10,106</u>	<u>(11,164)</u>	<u>(254)</u>	<u>(1,066)</u>
Unrestricted funds					
General funds	<u>88</u>	<u>112</u>	<u>-</u>	<u>(57)</u>	<u>143</u>
Total funds	<u>334</u>	<u>10,218</u>	<u>(11,164)</u>	<u>(311)</u>	<u>(923)</u>

ST LUKE ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

17 Funds

(Continued)

Total funds analysis by academy

	2019 £'000s	2018 £'000s
Fund balances at 31 August 2019 were allocated as follows:		
Our Lady of Walsingham Catholic Primary School	646	699
St Brendan's Catholic Primary School	73	29
St Edward's Catholic Primary School	180	180
St Thomas More Catholic Primary School	98	107
Central services	54	71
	<u>1,051</u>	<u>1,086</u>
Total before fixed assets fund and pension reserve	1,051	1,086
Restricted fixed asset fund	416	550
Pension reserve	(2,390)	(1,636)
	<u>(923)</u>	<u>-</u>
Total funds	<u>(923)</u>	<u>-</u>

Total cost analysis by academy

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

	Teaching and educational support staff £'000s	Other support staff costs £'000s	Educational supplies £'000s	Other costs excluding depreciation £'000s	Total £'000s
Our Lady of Walsingham Catholic Primary School	1,171	219	52	308	1,750
St Brendan's Catholic Primary School	870	184	28	288	1,370
St Edward's Catholic Primary School	536	157	40	200	933
St Thomas More Catholic Primary School	568	157	30	202	957
Central services	98	104	2	18	222
	<u>3,243</u>	<u>821</u>	<u>152</u>	<u>1,016</u>	<u>5,232</u>

ST LUKE ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

18 Analysis of net assets between funds

	Unrestricted Funds £'000s	Restricted funds: General £'000s	Fixed asset £'000s	Total Funds £'000s
Fund balances at 31 August 2019 are represented by:				
Tangible fixed assets	-	-	345	345
Current assets	143	1,286	71	1,500
Creditors falling due within one year	-	(378)	-	(378)
Defined benefit pension liability	-	(2,390)	-	(2,390)
Total net assets	143	(1,482)	416	(923)
Fund balances at 31 August 2018 are represented by:				
Tangible fixed assets	-	-	479	479
Current assets	149	1,278	82	1,509
Creditors falling due within one year	-	(341)	(11)	(352)
Defined benefit pension liability	-	(1,636)	-	(1,636)
Total net assets	149	(699)	550	-

19 Pension and similar obligations

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012, and that of the LGPS related to the period ended 31 March 2016.

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

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS or scheme) is a statutory, unfunded, defined benefit occupational scheme, governed by the Teachers' Pensions Regulations 2010 (as amended), and the Teachers' Pension Scheme Regulations 2014 (as amended). These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

ST LUKE ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

19 Pension and similar obligations

(Continued)

The Teachers' Pension Budgeting and Valuation Account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and Public Service Pensions Act (2013) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – contributions from members, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Acts.

The Teachers' Pensions Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

Valuation of the Teachers' Pension Scheme

The latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers will pay an increased contribution rate of 23.68% from September 2019 (this includes the administration levy of 0.8%). The timing of the implementation is to align its introduction with employers' budget planning cycles. Until then, employers will pay the current rate of 16.48%.

A copy of the latest valuation report can be found by following this link to [the Teachers' Pension Scheme website](#)

Scheme Changes

The arrangements for a reformed Teachers' Pension Scheme, in line with the recommendations made by Lord Hutton, in particular the introduction of a Career Average Revalued Earnings (CARE) scheme, were implemented from 1 April 2015.

In December 2018, the Court of Appeal held that transitional protection provisions contained in the reformed judicial and firefighter pension schemes, introduced as part of public service pension reforms in 2015, gave rise to direct age discrimination and were therefore unlawful. The Supreme Court, in a decision made in June 2019, have rejected the Government's application for permission to appeal the Court of Appeal's ruling. The case will now be referred to an Employment Tribunal for a decision regarding the remedy which will need to be offered to those members of the two schemes who were subject of the age discrimination.

HM Treasury are clear that the ruling has implications for the other public service schemes, including the Teachers' Pension Scheme. Those implications are currently being considered and any impact on scheme costs is expected to be looked at within the next scheme valuation, which is currently scheduled to be based on April 2020 data and implemented in April 2023.

The employer's pension costs paid to the TPS in the period amounted to £303,000 (2018: £302,000).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

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

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 21.6 to 26.6% for employers and 5.5 to 12.5% for employees.

ST LUKE ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

19 Pension and similar obligations

(Continued)

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.

Total contributions made	2019 £'000s	2018 £'000s
Employer's contributions	235	227
Employees' contributions	56	54
Total contributions	291	281

Principal actuarial assumptions	2019 %	2018 %
Rate of increase in salaries	2.6	2.7
Rate of increase for pensions in payment/inflation	2.3	2.4
Discount rate for scheme liabilities	1.8	2.8
Inflation assumption (CPI)	2.3	2.4
Commutation of pensions to lump sums - Pre April 2008 service	50	50
Commutation of pensions to lump sums - Post April 2008 service	75	75

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

	2019 Years	2018 Years
Retiring today		
- Males	21.2	22.1
- Females	23.3	24.2
Retiring in 20 years		
- Males	22.3	23.9
- Females	24.7	26.1

Scheme liabilities would have been affected by changes in assumptions as follows:

	2019 £'000s	2018 £'000s
Discount rate + 0.1%	(102)	(71)
Discount rate - 0.1%	102	71
Mortality assumption + 1 year	123 to 205	86 to 144
Mortality assumption - 1 year	(123) to (205)	(86) to (144)
CPI rate + 0.1%	92	64
CPI rate - 0.1%	(92)	(64)

ST LUKE ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

19 Pension and similar obligations

(Continued)

The academy trust's share of the assets in the scheme

	2019 Fair value £'000s	2018 Fair value £'000s
Equities	1,163	952
Bonds	275	193
Cash	32	38
Property	145	104
	<u>1,615</u>	<u>1,287</u>
Total market value of assets	<u>1,615</u>	<u>1,287</u>

The actual return on scheme assets was £70,000 (2018: £58,000).

Amount recognised in the Statement of Financial Activities

	2019 £'000s	2018 £'000s
Current service cost	374	398
Past service cost	14	-
Interest income	(39)	(28)
Interest cost	88	70
	<u>437</u>	<u>440</u>
Total operating charge	<u>437</u>	<u>440</u>

Changes in the present value of defined benefit obligations

	2019 £'000s	2018 £'000s
At 1 September 2018	2,923	2,640
Current service cost	374	398
Interest cost	88	70
Employee contributions	56	54
Actuarial loss/(gain)	583	(211)
Benefits paid	(33)	(28)
Past service cost	14	-
	<u>4,005</u>	<u>2,923</u>
At 31 August 2019	<u>4,005</u>	<u>2,923</u>

ST LUKE ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

19 Pension and similar obligations

(Continued)

Changes in the fair value of the academy trust's share of scheme assets

	2019 £'000s	2018 £'000s
At 1 September 2018	1,287	976
Interest income	39	28
Actuarial gain	31	30
Employer contributions	235	227
Employee contributions	56	54
Benefits paid	(33)	(28)
	<u>1,615</u>	<u>1,287</u>
At 31 August 2019	<u>1,615</u>	<u>1,287</u>

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

	2019 £'000s	2018 £'000s
Net expenditure for the reporting period (as per the statement of financial activities)	(371)	(575)
Adjusted for:		
Capital grants from DfE and other capital income	(77)	(16)
Investment income receivable	(1)	(1)
Defined benefit pension costs less contributions payable	153	171
Defined benefit pension scheme finance cost	49	42
Depreciation of tangible fixed assets	250	268
Loss on disposal of fixed assets	-	15
(Increase)/decrease in debtors	(29)	87
(Decrease) in creditors	(3)	(119)
	<u>(29)</u>	<u>(128)</u>
Net cash used in operating activities	<u>(29)</u>	<u>(128)</u>

21 Contingent liabilities

During the period of the Funding Agreement, in the event of the sale or disposal by other means, of any asset for which a Government capital grant was received, the Academy Trust is required, either to re-invest the proceeds, or to repay to the Secretary of State for Education the same proportion of the proceeds of the sale or disposal as equates with the proportion of the original cost met by the Secretary of State.

Upon termination of the Funding Agreement, whether as a result of the Secretary of State or the Academy Trust serving notice, the Academy Trust shall repay to the Secretary of State sums determined by reference to:

- the value at that time of the Academy Trust site and premises and other assets held for the purpose of the Academy Trust; and
- the extent to which expenditure incurred in providing those assets was met by payments by the Secretary of State under the Funding Agreement.

ST LUKE ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

22 Commitments under operating leases

At 31 August 2019 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2019 £'000s	2018 £'000s
Amounts due within one year	2	2
Amounts due in two and five years	1	3
	<u>3</u>	<u>5</u>

23 Capital commitments

	2019 £'000s	2018 £'000s
Expenditure contracted for but not provided in the accounts	395	-
	<u>395</u>	<u>-</u>

24 Related party transactions

Owing to the nature of the academy trust 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 trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH and in accordance with the academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions. The following related party transactions took place in the financial period.

During the year the trust purchased services at a cost of £6,725 from Northampton Religious Education Service (NORES), an organisation controlled by the Diocesan Bishop, who also appoints the directors of the trust through the Duns Scotus Trust. There was no balance due to or from this organisation at the year end. In accordance with the Academies Financial Handbook these transactions are accepted as being 'at cost' and on an arms length basis.

In entering into these transactions, the academy trust has complied with the requirements of the Academies Financial Handbook 2018.

25 Post balance sheet events

St Thomas of Canterbury Catholic Academies Trust, Northampton (one secondary school and three primary schools) and St Francis of Assisi Catholic Academies Trust, Bedford (one secondary & two primary schools) will be merging into St Luke Academies Trust. The proposed conversion date is 1st January 2020, the name of the new trust will be Our Lady Immaculate Catholic Academies Trust.

26 Members' liability

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