

ST LUKE ACADEMIES TRUST
(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2015

ST LUKE ACADEMIES TRUST
(A company limited by guarantee)

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ST LUKE ACADEMIES TRUST
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY TRUST, ITS MEMBERS/ TRUSTEES
AND ADVISERS
FOR THE PERIOD ENDED 31 AUGUST 2015**

Members	Monsignor K McGinnell (appointed 12 February 2015) J H Davies (appointed 12 February 2015) J Rodgers (appointed 12 February 2015) P Reynolds (appointed 12 February 2015) S Imbiano (appointed 12 February 2015)
Trustees	R Hill, Chair (appointed 12 February 2015) E McAuley, Vice Chair (appointed 12 February 2015) D Lally (appointed 12 February 2015) A Kilsby (appointed 12 February 2015) C Smith (appointed 12 February 2015) A Fletton (appointed 12 February 2015) Mt Mitford-Barberton (appointed 12 February 2015) N Vaughan, School Improvement Director (appointed 1 April 2015) P Cuddihy, Headteacher (appointed 12 February 2015) M Hayes, Headteacher and Accounting Officer (appointed 12 February 2015)
Company registered number	09436283
Principal and registered office	Our Lady of Walsingham Catholic Primary School Occupation Road Corby Northamptonshire NN17 1EE
Senior management team	N Vaughan, School Improvement Director M Hayes, Headteacher P Cuddihy, Headteacher L Brydon, Headteacher J Rutherford-Bate, Headteacher N Young, Trust Business Manager
Independent auditor	MHA MacIntyre Hudson Chartered Accountants Statutory Auditors Peterbridge House The Lakes Northampton NN4 7HB
Bankers	Lloyds Bank Plc 26 New Post Office Square Corby Northants NN17 1PB

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY TRUST, ITS MEMBERS/ TRUSTEES
AND ADVISERS
FOR THE PERIOD ENDED 31 AUGUST 2015**

Administrative details (continued)

Solicitors	Howes Percival Bell House Seebeck Place Milton Keynes MK5 8FR
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ST LUKE ACADEMIES TRUST
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE PERIOD ENDED 31 AUGUST 2015

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 12 February 2015 to 31 August 2015. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

During the period to 31 August 2015, St Luke Academies Trust operated 3 primary schools in Kettering and Corby. The Trust's schools had a combined pupil capacity of 792 and had a roll of 732 in the school census in Summer 2015.

Structure, governance and management

CONSTITUTION

The Academy Trust is a company limited by guarantee and an exempt charity. It was incorporated on 12 February 2015 and opened as a multi Academy Trust on 1 March 2015. 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

The Academy Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. Details of the costs can be found in note 11 of the accounts..

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 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.

TRUSTEES' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2015

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.

ORGANISATIONAL STRUCTURE

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

The Board also appoints sub-committees to support the Board in a range of delegated and preparatory duties. The membership, terms of reference, delegated responsibilities and proceedings of local governing bodies and sub-committees are determined by the Directors in a Governance and Delegation 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. The Trust have also recently appointed a Trust Business Manager to lead development of good financial management and administration 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.

CONNECTED ORGANISATIONS, INCLUDING RELATED PARTY RELATIONSHIPS

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

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

ST LUKE ACADEMIES TRUST
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TRUSTEES' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2015

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
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TRUSTEES' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2015

OBJECTIVES, STRATEGIES AND ACTIVITIES

St Luke Academies Trust is a new Trust, which has combined the activities of three schools since conversion on 1st March 2015. Since conversion, the Board of Directors have been working through a process to develop a vision and strategy for the Trust by achieving the following:

- Establishing vision and aims;
- Establishing a clear operational structure and clear accountabilities through the development of governance and delegation arrangements;
- Establishing a strategic plan, particularly in relation to the Catholic life in schools, school improvement and business strategy;
- Establishing a culture of trust and collaboration to enable all members of the Trust to contribute to its success.

The Directors have developed sound processes and procedures which will benefit the Academy Trust in the future. A school improvement strategy has been agreed to support robust procedures for sustaining improvements in teaching and learning and pupil achievement. Governance arrangements have been organised to ensure that there are robust systems in place to support, challenge and hold schools to account.

St Luke Academies Trust school improvement strategy aims to develop:

- The Catholic life and partnership of schools across the Trust;
- Genuine collaboration, based on shared values, trust and respect;
- Effective leadership at all levels;
- Quality in the classroom;
- Rich curriculum and extra-curricular activities, promoting a culture of vocation;
- Pastoral support systems to maximise pupils' wellbeing, self-esteem and confidence;
- Systematic monitoring and intervention;
- Clear systems and policies in place to ensure consistency is achieved;
- Targeted professional development;
- A culture of celebration of achievement for pupils, staff and governors.

PUBLIC BENEFIT

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

TRUSTEES' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2015

Strategic report

ACHIEVEMENTS AND PERFORMANCE

Since forming the Trust and converting in March, many achievements have been made.

- All schools now have substantive headteachers in place. A Chaplaincy group, including directors, governors, senior leadership, teachers and support staff has been set up to develop Catholic life and partnership across schools. This group have planned activities for the year, the first one being a launch day for the Trust which was successful in bringing staff and governors together and sharing the vision and aims of the Trust;
- A school improvement strategy has been agreed which includes headteachers working together with the School improvement Director to review teaching and learning in each other's schools. It also includes systems for staff to work collaboratively and learn from each other in network groups at different levels to work on school improvement projects and to develop good practice;
- Opportunities for moderation of work have taken place termly;
- A system to track the wellbeing of pupils has been developed and is being implemented across schools;
- An agreed schedule for policy review is in place, indicating which sit at Trust and which at local level and numerous policies have been agreed and adopted;
- 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 Pupil Outcome meetings at Local Governing Body and Director committee level.

Below is a summary of achievements and performance for each school.

Our Lady of Walsingham Catholic Primary

- The overall effectiveness of the school is good. Despite challenging circumstances, children achieve well during their time at the school. Progress is good and levels of attainment are rising. Those children who have been in the school since the start of their primary school education, achieve well, their progress is good and in some cases outstanding. However, due to very high levels of mobility, rapid expansion and the high numbers of children with EAL and with pastoral needs, attainment levels have varied since 2012 and are below National;
- EYFS, Y1 phonics and KS1 data has been rising for the last two years. From very low starting points, pupils make good or outstanding progress. All results were improved in 2015. Children generally achieve well by the end of KS2. The high number of children joining the school within KS2 has impacted upon the overall achievement data since 2013. Progress and attainment of original pupils is generally good, with 100% original pupils making 2 levels progress in Writing and Maths and 86% in Reading in 2015;
- Teaching, learning and assessment is consistently good and often outstanding. In the academic year 2014/15 85% of teaching over time was judged good or better with 38% judged outstanding;
- There is very strong leadership and management at all levels – governors, senior staff and middle leaders. This has been strategically developed and has been very effective in meeting the vastly changing needs of the school in recent years. The knowledgeable local governing body provide significant challenge and support;
- Pastoral care for children and families is good and often outstanding– it is this strength that ensures that children, many of whom have challenging home circumstances, are able to learn and make good progress. Financial resources have been used effectively to ensure that children are safe.

TRUSTEES' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2015

St Edward's Catholic Primary

- The overall effectiveness of the school is good. Despite several changes leadership and staff in the last two years, attainment and progress has been maintained or improved in many areas;
- Achievement in Foundation Stage has been consistently in line with national benchmarks in all areas of the FS curriculum. Performance in Y1 phonics has improved year on year and is now above National figures;
- KS1 results show Level 2+ attainment to be in line with or above national average in Reading, Writing and Maths and APS gains across KS1 are good;
- KS2 results in 2015 show L4+ in both Reading and Writing significantly improved and both above national. 93% of pupils achieved level 4B+ in Reading. 2L progress data is in line with Na in Reading and Writing. Progress of most vulnerable groups is in line with whole cohort. Maths is an area identified by the school for development;
- Quality of teaching at the school is good. 90% of teaching was good or better in 2014/2015. Key basic skills are successfully developed through all subjects;
- The senior leadership team is evolving successfully and is taking a strong lead in the development of the quality of teaching and learning, monitoring and evaluation of performance and providing feedback and support. Experienced governors provide appropriate challenge and support;
- Safeguarding procedures are robust and there are good systems in place to support pupils' wellbeing and personal development. Behaviour in the school is good.

St Thomas More Catholic Primary

- The overall effectiveness of the school is good and children generally achieve at or above expected levels;
- Achievement in EYFS is above National and this is also the case in KS1 phonics; KS1 data improved in 2015 in L2B+ in all subjects and is above National in Reading and Maths and in line in Writing. Level 3 data is in line with National in all subjects;
- KS2 data shows that combined L4+ is in line with National figures. Level 4+ is above National in Reading and Maths and in line in Writing. 2L progress is above National in Reading, below in Writing and in line in Maths;
- Teaching at the school is good. Monitoring during the summer term showed that 75% of teachers were 'good' and 38% 'outstanding';
- Despite the Headteacher being new to the school, the new leadership team has quickly established a structure and monitoring pattern which distributes leadership across the school. Middle leaders are being empowered to contribute to school improvement. The leadership and governors are aware of the areas for development;
- Personal development and welfare of pupils is good. Monitoring demonstrates at least good and sometimes outstanding behaviour across the school.

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TRUSTEES' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2015

KEY PERFORMANCE INDICATORS

Key Stage One

	St Thomas More	Our Lady of Walsingham	St Edward's
KEY STAGE 1			
Reading L2	97%	85%	97%
Reading L2B+	90%	67%	80%
Reading L3	28%	2%	27%
Reading APS	17.1	15.6	16.3
Writing L2	90%	74%	93%
Writing L2B+	73%	46%	80%
Writing L3	17%	0%	7%
Writing APS	15.8	14.4	15.3
Maths L2	100%	96%	93%
Maths L2B	97%	67%	77%
Maths L3	24%	0%	20%
Maths APS	17.2	15.2	16.2
Phonics			
% at expected level and above Y1	80%	65%	85%

Key Stage Two

	St Thomas More	Our Lady of Walsingham	St Edward's
KEY STAGE 2			
% Combined L4 R Wr and Ma	85%	63%	76%
L4+ Reading	100%	74%	93%
L4+ Writing	81%	85%	93%
L4+ Maths	96%	70%	79%
L4+ GPS	81%	59%	86%
% Combined L5 R Wr and Ma	19%	11%	14%
L5+ Reading	52%	26%	45%
L5+ Writing	26%	36%	27%
L5+ Maths	22%	19%	31%
L5+ GPS	52%	37%	38%
2 Levels Progress Reading	96%	83%	92%
2 Level Progress Writing	81%	100%	92%
2 Level Progress Maths	88%	83%	76%

ST LUKE ACADEMIES TRUST
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TRUSTEES' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2015

GOING CONCERN

After making appropriate enquiries, the Board of Directors 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 Accounting Policies.

Financial Review

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

As the schools converted to Academy status on 1st March 2015, each school received £25,000 start-up grant and the Academy Trust received £100,000 Primary Chain Grant. These grants have been used thus far for the following purposes:

- Obtaining legal advice in respect of the conversion process;
- The costs of software licences transfer and set up of financial management systems;
- Re-branding costs;
- Appointment of School Improvement Director to lead Strategic School Improvement;
- Advice from financial consultants and accountants.

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

In the period 12 February 2015 to 31st August 2015 total expenditure was £1,951,379 and total income £2,782,985. At 31st August 2015 the value of net assets was £858,606. The assets were used exclusively for providing education and the associated support services to pupils of St Luke Academies Trust.

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

St Edwards - 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

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.

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TRUSTEES' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2015

The following financial management policies have been adopted by the Trust during the period 12th February to 31st August 2015:

- a) Governance and Delegation Arrangements;
- b) Finance Scheme of Delegation;
- c) Financial Procedures;
- d) Asset Control;
- e) Members' Code of Conduct;
- f) School Complaints;
- g) Anti-fraud, hospitality and gifts;
- h) Business Charge Card;
- i) Charging and Letting;
- j) Pay Policy for Support Staff;
- k) Retention Guidelines;
- l) Teachers' Pay Policy;
- m) Tendering;
- n) Whistleblowing.

The deficit on the pension reserve of £790,000 as recorded in the Balance Sheet at 31 August 2015, relates to the non-teaching staff pension scheme where, unlike the teachers scheme, separate assets are held to fund future liabilities. The deficit can be met in the longer term from any combination of increased employer or employee contributions, increased government funding or changes to scheme benefits.

RESERVES POLICY

Due to a delay in the Local Authority returning reserves on conversion in the summer term 2015, there was limited spending in the period 12 February to 31st August 2015, resulting in larger reserves than schools would normally maintain. Within these reserves, however, there are committed projects for work to be completed in 2015/16. Our Lady of Walsingham have plans to improve the Foundation Stage Outside Area and upgrade the school halls. St Edward's have a large upgrade of ICT equipment planned and are re-furbishing and improving their library. St Thomas More also have plans to re-furbish areas of the school.

The policy of the Academy Trust is to carry forward a prudent level of resources designed to meet the long-term cyclical needs of renewal and any other unforeseen contingencies, subject to the constraint that the level of resources does not exceed the levels recommended by the Education Funding Agency. Moving forward, the Directors will review the reserve levels of each member school and monitor the overall reserves under the control of the Trust. This review will examine income and expenditure streams against the forecasts to match commitments and to identify or forecast any potential shortfall.

The Directors understand that the Academy 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 will review the level of reserves and policy for reserves annually.

The level of general revenue reserves held on 31st August 2015:

Unrestricted		42,580
Restricted:	Fixed asset funds	1,042,773
	GAG	39,350
	Pension reserve	(790,000)
	Other	523,903
		<u>858,606</u>

TRUSTEES' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2015

INVESTMENT POLICY AND PERFORMANCE

The Trust and its schools manage its cash by reviewing short and medium term requirements for funds. As a new Multi-Academy Trust, no investments have been made this year. In the future, surplus funds will be invested into bank accounts to give the best possible returns for the period of time the funds are to be invested. Apart from our main bankers (Lloyds) we will restrict amounts invested in one institution to reduce risk.

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;
- the procurement of adequate insurance cover;
- investing in staff training and continuing professional development;
- a clear school improvement strategy to ensure schools within the Trust secure good outcomes for pupils, resulting in a reputation that will attract pupils and achieve high pupil numbers in schools;
- all schools maintain a large number of policies and procedures which protect staff, students and the Trust, and reduce the risk of safeguarding failures.

Principal risks identified by directors in the risk review were:

- *Compliance with Academies Financial Handbook in relation to monthly accounting procedures and risk management.*
As a recently converted Trust, with a change in accounting procedures, directors are keen to ensure that accounting procedures and internal controls are robust.
Actions agreed to address this:
 - Appointment of Trust Business Manager to monitor and develop robust processes and procedures in each school.;
 - Training for school business managers, headteachers and directors/governors;
 - Audit committee meeting termly to further develop programme of risk strategy and monitor internal controls.
 - External audit
- *Failure to ensure that an adequate disaster recovery plan is in place*
This has now been addressed and there is a plan in place.
- *Potential reduction in funding*
The Trust is reliant on public funding and there can be no assurance that government policy or practice will remain the same or that public funding will remain at the same level or on the same terms. To mitigate this risk:
 - Reserves are in place to ensure funds are held in the event of a decrease in funding;
 - Robust policies, procedures are in place to ensure funds are spent appropriately;
 - Regular budget monitoring is in place;
 - Regular and timely reconciliations are operated by all schools;
 - Regular monitoring of school performance to maintain standards, with the result of schools being well subscribed.

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 LGPS 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.

TRUSTEES' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2015

Plans for future periods

FUTURE DEVELOPMENTS

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

In the short term:

- Continue to strengthen and enhance the Catholic Life across schools and develop excellent pastoral care;
- Support improvements at the school sponsored by the Trust in September 2015 and improve outcomes at this school;
- Continued development of the school improvement strategy, with agreed model for teaching and learning reviews in place;
- Continue to develop focused school improvement projects through network groups, including succession management and moderation opportunities;
- Improved outcomes in identified areas across the Trust - Maths, EYFS, Progress in KS2, HA pupils;
- Continue to support the development of an effective business model for the Trust, to include the development of a business plan, an office base for Trust staff and training for staff and governors;
- Set up an Academy Trust website page.

In the medium/long term

- All Catholic primary schools in North Northamptonshire are part of St Luke Academies Trust;
- Robust school improvement, challenge and support procedures are embedded and successful to ensure all schools within the Trust judged to be good or better in Section 5 and Section 48 inspections;
- Develop a marketing strategy to ensure numbers of Catholic pupils in Trust schools are increased;
- Effective training to ensure all schools well led and governed;
- Further development of collaborative professional development and school improvement projects;
- Succession management in place to secure good leaders in the future;
- Effective procedures in place to ensure maximisation of funding opportunities available, in particular in relation to capital projects;
- Development of highly effective strategic business and financial management and efficiency at Trust and school level, ensuring value for money;
- Success in all schools, resulting in offer of support to schools outside the Trust.

CIF projects and Capital building works planned

Our Lady of Walsingham School

KS1 building re-roofed and additional learning and administration buildings to be erected

St Thomas More

Perimeter security fencing

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TRUSTEES' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2015

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

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

DISCLOSURE OF INFORMATION TO AUDITOR

Insofar as the trustees are aware:

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

Trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 24 November 2015 and signed on the board's behalf by:

.....
R Hill
Chair of Trustees

ST LUKE ACADEMIES TRUST
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GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

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

The board of trustees has delegated the day-to-day responsibility to the Headteacher 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 Trustees' responsibilities statement. The board of trustees has formally met 3 times during the period. Attendance during the period at meetings of the board of trustees was as follows:

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

There have been no changes to the Board of Directors since conversion in March.

As part of the procedures for the recruitment of the new Trustees, all Directors completed a skills audit which was submitted to the Diocese for approval. The Board is aware that all new Academy Trusts must carry out a review of governance in their first year and a review of governance is planned for the Spring term 2016.

The Finance and Resources Committee is a sub-committee of the main board of trustees. Its purpose is to monitor, evaluate and review policies, procedures and performance in relation to financial management, to comply with reporting and regulatory requirements, to prepare the draft budget for approval by the full board of directors, to receive reports from internal audit, 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 period was as follows:

Trustee	Meetings attended	Out of a possible
E McAuley (Chair)	2	2
R Hill	2	2
N Vaughan	2	2
M Hayes (in attendance)	1	2

ST LUKE ACADEMIES TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)

During the first term of the Trust's existence, The Finance and Resources Committee have taken on audit responsibility in relation to review the risks to internal financial control of the Academy Trust and establishing a programme of work to address these risks, inform the statement of internal control and, so far as is possible, provide assurance to external auditors.

A separate audit committee has now been established, but did not meet in the period considered for this report.

REVIEW OF VALUE FOR MONEY

As accounting officer, the Headteacher Director has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The accounting officer considers how the 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:

- Governance and delegation arrangements have been set up to include regular monitoring of financial management and procedures by relevant committees. Their work is further informed by a process of independent checking of financial controls which is fulfilled by the external auditors;
- Best value principles are applied across schools in relation to the allocation and targeting of resources to improve standards and quality of provision. Schools within the Trust have achieved better value through, for example, commissioning educational services collaboratively to support the educational needs of pupils;
- A financial software package to monitor the Trust's finances has been purchased. By working together schools have been able to make savings in this. A service level agreement with a provider for health and safety audits, school visits, etc. has also been negotiated collaboratively;
- Joint professional development across schools and use of staff expertise within the Trust has taken place, which is cost effective and effective in developing teaching and learning and improving pupil outcomes;
- All schools have developed a complete asset register to ensure assets are managed and monitored appropriately.

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 12 February to 31 August 2015 and up to the date of approval of the annual report and financial statements.

ST LUKE ACADEMIES TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)

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 12 February 2015 to 31 August 2015 and up to the date of approval of the annual report and financial statements. 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, and Local Governing Body Finance and Resources Committees 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 Nathalie Young, who has been appointed as Trust Business Manager from November 2015 as internal auditor. This will be supported by an external review annually on Trust procedures by the appointed auditors, MHA MacIntyre Hudson.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. As a newly converted Academy, these checks were not completed by the internal auditor in the first term, but will be completed termly in the future and will include:

- 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.

Reports to the board of trustees in the Trust's first term of operation have been provided by the school business managers, supported by the School Improvement Director, through the Finance and Resources Committee, on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities. Moving forward, the Trust Business Manager will provide these reports.

GOVERNANCE STATEMENT (continued)

REVIEW OF EFFECTIVENESS

As accounting officer, the Headteacher Director has responsibility for reviewing the effectiveness of the system of internal control. During the period in question the review has been informed by:

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

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

Approved by order of the members of the board of trustees on 24 November 2015 and signed on its behalf, by:

.....
E McAuley
Chair of Finance and Resource Committee

.....
M Hayes
Accounting Officer

ST LUKE ACADEMIES TRUST
(A company limited by guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of St Luke Academies Trust I have considered my responsibility to notify the Academy Trust board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the Academy Trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook (2014).

I confirm that I and the Academy Trust board of trustees are able to identify any material, irregular or improper use of funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook (2014).

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

.....
M Hayes
Accounting Officer

Date: 24 November 2015

ST LUKE ACADEMIES TRUST
(A company limited by guarantee)

TRUSTEES' RESPONSIBILITIES STATEMENT
FOR THE PERIOD ENDED 31 AUGUST 2015

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015;
- make judgments 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 financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of trustees on 24 November 2015 and signed on its behalf by:

.....
R Hill
Chair of Trustees

ST LUKE ACADEMIES TRUST
(A company limited by guarantee)

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

We have audited the financial statements of St Luke Academies Trust for the period ended 31 August 2015 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

This report is made solely to the Academy Trust'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 Academy Trust'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 Academy Trust and its members, as a body, for our audit work, for this report, or for the opinion we have formed.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITOR

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

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

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

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

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 2015 and of its incoming resources and application of resources, including its income and expenditure, for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

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

ST LUKE ACADEMIES TRUST
(A company limited by guarantee)

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Elaine Olson-Williams FCCA (Senior statutory auditor)

for and on behalf of

MHA MacIntyre Hudson

Chartered Accountants
Statutory Auditors

Peterbridge House
The Lakes
Northampton
NN4 7HB
18 December 2015

ST LUKE ACADEMIES TRUST
(A company limited by guarantee)

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

In accordance with the terms of our engagement letter dated 8 June 2015 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2014 to 2015, 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 12 February 2015 to 31 August 2015 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 EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to St Luke Academies Trust and EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than St Luke Academies Trust and EFA, for our work, for this report, or for the conclusion we have formed.

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

The accounting officer is responsible, under the requirements of St Luke Academies Trust's funding agreement with the Secretary of State for Education dated 26 February 2015, and the Academies Financial Handbook extant from 1 September 2014, 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 2014 to 2015. 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 12 February 2015 to 31 August 2015 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 2014 to 2015 issued by EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

ST LUKE ACADEMIES TRUST
(A company limited by guarantee)

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

The work undertaken to draw to our conclusion includes:

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

CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 12 February 2015 to 31 August 2015 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

MHA MacIntyre Hudson

Chartered Accountants
Statutory Auditors

Peterbridge House
The Lakes
Northampton
NN4 7HB

18 December 2015

ST LUKE ACADEMIES TRUST
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES
(incorporating income and expenditure account and statement of total recognised gains and losses)
FOR THE PERIOD ENDED 31 AUGUST 2015

	Note	Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed assets funds 2015 £	Total funds 2015 £
INCOME AND ENDOWMENTS FROM:					
Transfer from Local Authority on conversion	2	33,609	(165,955)	1,112,130	979,784
Donations and capital grants	2	-	1,183	-	1,183
Other trading activities	3	24,545	243	-	24,788
Investments	4	275	-	-	275
Charitable activities:	5				
Funding for the academy trust's educational operations		-	1,756,990	19,965	1,776,955
TOTAL		58,429	1,592,461	1,132,095	2,782,985
EXPENDITURE ON:					
Raising funds:					
Costs of generating voluntary income		-	42,024	-	42,024
Fundraising expenses and other costs		15,785	672	-	16,457
Charitable activities:	7				
Academy trust educational operations		-	1,755,740	137,158	1,892,898
TOTAL	6	15,785	1,798,436	137,158	1,951,379
NET INCOME / (EXPENDITURE)		42,644	(205,975)	994,937	831,606
Transfers between Funds	15	(64)	(47,772)	47,836	-
NET INCOME/(EXPENDITURE) FOR THE PERIOD		42,580	(253,747)	1,042,773	831,606
Actuarial gains on defined benefit pension schemes		-	27,000	-	27,000
NET MOVEMENT IN FUNDS		42,580	(226,747)	1,042,773	858,606
		-	-	-	-
TOTAL FUNDS CARRIED FORWARD		42,580	(226,747)	1,042,773	858,606

All activities relate to continuing operations.

The Statement of Financial Activities includes all gains and losses recognised in the period.

The notes on pages 28 to 51 form part of these financial statements.

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

BALANCE SHEET
AS AT 31 AUGUST 2015

	Note	£	2015 £
FIXED ASSETS			
Tangible assets	12		1,029,204
CURRENT ASSETS			
Debtors	13	139,188	
Cash at bank		855,431	
		<u>994,619</u>	
CREDITORS: amounts falling due within one year	14	<u>(375,217)</u>	
NET CURRENT ASSETS			<u>619,402</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>1,648,606</u>
Defined benefit pension scheme liability	20		<u>(790,000)</u>
NET ASSETS INCLUDING PENSION SCHEME LIABILITY			<u><u>858,606</u></u>
FUNDS OF THE ACADEMY			
Restricted funds:			
Restricted funds	15	563,253	
Restricted fixed assets funds	15	1,042,773	
		<u>1,606,026</u>	
Restricted funds excluding pension liability		1,606,026	
Pension reserve		<u>(790,000)</u>	
Total restricted funds			<u>816,026</u>
Unrestricted funds	15		<u>42,580</u>
TOTAL FUNDS			<u><u>858,606</u></u>

The financial statements were approved by the Trustees, and authorised for issue, on 24 November 2015 and are signed on their behalf, by:

.....
R Hill
Chair of Trustees

The notes on pages 28 to 51 form part of these financial statements.

ST LUKE ACADEMIES TRUST
(A company limited by guarantee)

CASH FLOW STATEMENT
FOR THE PERIOD ENDED 31 AUGUST 2015

	Note	2015 £
Net cash provided by (used in) operating activities	17	374,741
Cash flows from investing activities	18	275
Cash flows from financing activities	18	(54,232)
Cash transferred on conversion to an academy trust		534,647
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		855,431

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS
FOR THE PERIOD ENDED 31 AUGUST 2015

	2015 £
Increase in cash in the period	855,431
MOVEMENT IN NET FUNDS IN THE PERIOD	855,431
NET FUNDS AT 31 AUGUST 2015	855,431

The notes on pages 28 to 51 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2015

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS102), 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 (FRS102)), the Academies Accounts Direction 2014 to 2015 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

These financial statements have been prepared for the period 12 February 2015 to 31 August 2015 which is a period of less than twelve months. This is because academy trusts are required by EFA to report annually to 31 August and because of the date of incorporation the Academy Trust is not permitted under the Companies Act 2006 to extend its accounting reference date to more than eighteen months but it may shorten it.

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 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 financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

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 year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

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

• Sponsorship Income

Sponsorship income provided to the academy trust which amounts to a donation is recognised in the Statement of Financial Activities 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2015

1. ACCOUNTING POLICIES (continued)

• **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 in which it is receivable and to the extent the goods have been provided or on completion of the service.

• **Donated goods, facilities and services**

Donated facilities and services provided to the academy trust are recognised at their value to the academy trust in the period when it is probable that the economic benefits associated with the donated items will flow to the academy trust, provided they can be measured reliably. An equivalent amount is included as expenditure under the relevant heading in the Statement of Financial Activities.

Donated goods are recognised at fair value unless it is impractical to measure this reliably in which case a derived value, being the cost of the item to the donor (for example sponsor services), is used. An equivalent amount is included as expenditure under the relevant heading in the Statement of Financial Activities except where the donated good is a fixed asset in which case 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 allocated on the portion of the asset's use.

• **Expenditure on Raising Funds**

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

• **Charitable Activities**

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

All resources expended are inclusive of irrecoverable VAT.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2015

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 requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and are carried forward in the Balance Sheet. Depreciation on such assets is charged 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.

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

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.

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

Plant and machinery	-	20% straight line
Fixtures and fittings	-	20% straight line
Computer equipment	-	25% straight line

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 of services it must provide.

1.7 Provisions

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

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

1.8 Leased assets

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2015

1. ACCOUNTING POLICIES (continued)

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.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 20, the TPS is a multi-employer scheme and the Academy Trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

The LGPS is a funded scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2015**

1. ACCOUNTING POLICIES (continued)

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 funder/donor and include grants from the Department for Education.

Investment income, gains and losses are allocated to the appropriate fund.

1.12 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 20, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2015. 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.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2015

2. DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £
Transfer from local authority on conversion	33,609	1,739,175	1,772,784
Pension deficit transferred on conversion	-	(793,000)	(793,000)
	33,609	946,175	979,784
Donations	-	1,183	1,183
Voluntary income	33,609	947,358	980,967

3. OTHER TRADING ACTIVITIES

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

4. INVESTMENT INCOME

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £
Short term deposits	275	-	275

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2015

5. FUNDING FOR ACADEMY TRUST'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £
DfE/EFA revenue grants			
General annual grant (GAG)	-	1,488,412	1,488,412
Other DfE/EFA grants	-	30,625	30,625
Pupil premium	-	71,799	71,799
Start up grant	-	100,000	100,000
Devolved formula capital	-	19,965	19,965
	<hr/>	<hr/>	<hr/>
	-	1,710,801	1,710,801
Other government grants			
Local authority grants	-	32,223	32,223
	<hr/>	<hr/>	<hr/>
	-	32,223	32,223
Other funding			
Other income	-	33,931	33,931
	<hr/>	<hr/>	<hr/>
	-	33,931	33,931
	<hr/>	<hr/>	<hr/>
	-	1,776,955	1,776,955
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

ST LUKE ACADEMIES TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2015

6. EXPENDITURE

	Staff costs	Non Pay Premises	Expenditure Other costs	Total
	2015	2015	2015	2015
	£	£	£	£
Costs of generating donations and capital grants	-	-	42,024	42,024
Other trading expenses	15,785	-	672	16,457
Expenditure on raising funds	15,785	-	42,696	58,481
Academy's educational operations::				
Direct costs	965,562	-	72,430	1,037,992
Allocated support costs	272,021	308,579	274,306	854,906
	1,237,583	308,579	346,736	1,892,898
	1,253,368	308,579	389,432	1,951,379

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2015

7. CHARITABLE ACTIVITIES

	Total funds 2015 £
DIRECT COSTS - EDUCATIONAL OPERATIONS	
Wages and salaries	794,704
National insurance	52,212
Pension cost	118,646
Educational supplies	71,162
Educational trips	1,268
	<hr/>
	1,037,992
SUPPORT COSTS - EDUCATIONAL OPERATIONS	
Wages and salaries	208,092
National insurance	8,713
Pension cost	55,216
Depreciation	137,158
FRS 17 pension cost	14,000
Staff development	15,616
Recruitment costs	672
Insurance	30,311
Technology costs	40,212
Maintenance of premises and equipment	122,429
Cleaning	6,193
Rent and rates	13,211
Light and heat	29,588
Security and transport	23,443
Catering	53,804
Office overheads	10,260
Legal and professional fees	85,924
Bank charges	64
	<hr/>
	854,906
	<hr/>
	1,892,898
	<hr/> <hr/>

ST LUKE ACADEMIES TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2015

8. NET INCOME/(EXPENDITURE) FOR THE PERIOD

This is stated after charging:

	2015
	£
Depreciation of tangible fixed assets:	
- owned by the charity	137,158
Operating lease rentals:	
- other operating leases	1,038
Audit fees	5,750
	143,946

9. STAFF

a. Staff costs

Staff costs were as follows:

	2015
	£
Wages and salaries	972,895
Social security costs	60,925
Operating costs of defined benefit pension schemes	173,862
	1,207,682
Supply teacher costs	45,686
	1,253,368

b. Staff numbers

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

	2015
	No.
Teachers	31
Administration and support	79
Management	11
	121

c. Higher paid staff

No employee received remuneration amounting to more than £60,000 in the period.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2015

d. 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 £13,110.

10. TRUSTEES' REMUNERATION AND EXPENSES

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

	2015
	£
M Hayes (Headteacher and Accounting Officer):	
Remuneration	25,000 - 30,000
Employer's pension contributions	0 - 5,000
P Cuddihy (Headteacher):	
Remuneration	25,000 - 30,000
Employer's pension contributions	0 - 5,000
N Vaughan (School Improvement Director):	
Remuneration	30,000 - 35,000
Employer's pension contributions	0 - 5,000

During the period, no Trustees received any benefits in kind.

During the period, no Trustees received any reimbursement of expenses.

11. 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 business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the period ended 31 August 2015 was £621. The cost of this insurance is included in the total insurance cost.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2015

12. TANGIBLE FIXED ASSETS

	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Total £
Cost				
Additions	-	-	54,232	54,232
Transfer on conversion	545,313	311,190	255,627	1,112,130
At 31 August 2015	<u>545,313</u>	<u>311,190</u>	<u>309,859</u>	<u>1,166,362</u>
Depreciation				
Charge for the period	42,803	56,361	37,994	137,158
At 31 August 2015	<u>42,803</u>	<u>56,361</u>	<u>37,994</u>	<u>137,158</u>
Net book value				
At 31 August 2015	<u><u>502,510</u></u>	<u><u>254,829</u></u>	<u><u>271,865</u></u>	<u><u>1,029,204</u></u>

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

ST LUKE ACADEMIES TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2015

13. DEBTORS

	2015 £
Trade debtors	7,501
VAT recoverable	75,326
Prepayments and accrued income	56,361
	<hr/>
	139,188
	<hr/> <hr/>

14. CREDITORS:
Amounts falling due within one year

	2015 £
Trade creditors	114,790
Other taxation and social security	95,006
Accruals and deferred income	165,421
	<hr/>
	375,217
	<hr/> <hr/>
	£
Deferred income	
Resources deferred during the year	93,946
	<hr/> <hr/>

At the balance sheet date the academy trust was holding funds received in advance of £45,000 relating to a start up grant and £48,946 relating to Universal Infant Free School Meals (UIFSM).

ST LUKE ACADEMIES TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2015

15. FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Unrestricted funds						
Unrestricted funds	-	58,429	(15,785)	(64)	-	42,580
Restricted funds						
General annual grant (GAG)	-	1,488,412	(1,559,568)	110,506	-	39,350
Pupil premium	-	71,799	(71,799)	-	-	-
Other DfE/EFA grants	-	130,625	(49,051)	-	-	81,574
LA income	-	32,222	(32,222)	-	-	-
Educational visits	-	15,588	(15,013)	-	-	575
School funds	-	90,682	(18,581)	-	-	72,101
Miscellaneous	-	55,095	(28,202)	-	-	26,893
Transfer from LA	-	501,038	-	(158,278)	-	342,760
Pension reserve	-	(793,000)	(24,000)	-	27,000	(790,000)
	-	1,592,461	(1,798,436)	(47,772)	27,000	(226,747)
Restricted fixed assets funds						
Transfer on conversion	-	1,112,130	(135,371)	-	-	976,759
DfE/EFA capital grants	-	19,965	-	-	-	19,965
Capital expenditure from GAG	-	-	(1,787)	47,836	-	46,049
	-	1,132,095	(137,158)	47,836	-	1,042,773
Total restricted funds	-	2,724,556	(1,935,594)	64	27,000	816,026
Total of funds	-	2,782,985	(1,951,379)	-	27,000	858,606

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

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

Restricted fixed asset funds amounting to 1,029,204 will be reserved against future depreciation charges, and the remainder relates to unspent capital grants.

The transfer between the restricted General Annual Grant fund and restricted fixed asset funds represents amounts capitalised during the year.

ST LUKE ACADEMIES TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2015

15. FUNDS (continued)

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2015.

Analysis of academies by fund balance

Fund balances at 31 August 2015 were allocated as follows:

Our Lady of Walsingham Catholic Primary School	171,439
St. Edward's Catholic Primary School	188,228
St. Thomas More Catholic Primary School	139,602
Central services	106,564
	<hr/>
Total before fixed asset fund and pension reserve	605,833
Restricted fixed asset fund	1,042,773
Pension reserve	(790,000)
	<hr/>
Total	<u>858,606</u>

Analysis of academies by cost

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depr'n £	Total £
Our Lady of Walsingham Catholic Primary School	435,647	110,406	43,589	353,202	942,844
St. Edward's Catholic Primary School	251,185	73,054	10,484	111,528	446,251
St. Thomas More Catholic Primary School	225,749	88,561	17,077	99,790	431,177
Central services	34,198	-	12	33,251	67,461
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	<u>946,779</u>	<u>272,021</u>	<u>71,162</u>	<u>597,771</u>	<u>1,887,733</u>

ST LUKE ACADEMIES TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2015

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed assets funds 2015 £	Total funds 2015 £
Tangible fixed assets	-	-	1,029,204	1,029,204
Current assets	42,580	938,470	13,569	994,619
Creditors due within one year	-	(375,217)	-	(375,217)
Pension scheme liability	-	(790,000)	-	(790,000)
	<u>42,580</u>	<u>(226,747)</u>	<u>1,042,773</u>	<u>858,606</u>

17. NET CASH FLOW FROM OPERATING ACTIVITIES

	2015 £
Net incoming resources before revaluations	831,606
Returns on investments and servicing of finance	(275)
Fixed asset transferred on conversion	(1,112,130)
Depreciation of tangible fixed assets	137,158
Cash transferred on conversion	(534,647)
Increase in debtors	(139,188)
Increase in creditors	375,217
Pension deficit transferred on conversion	793,000
FRS 17 adjustments	24,000
Net cash inflow from operations	<u><u>374,741</u></u>

18. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	2015 £
Returns on investments and servicing of finance	
Interest received	<u>275</u>
	2015 £
Capital expenditure and financial investment	
Purchase of tangible fixed assets	<u><u>(54,232)</u></u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2015**

19. 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.

20. PENSION COMMITMENTS

The Academy Trust's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Northamptonshire County Council. Both are multi-employer defined benefit 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 of the LGPS 31 March 2013.

Contributions amounting to £56,313 were payable to the scheme at 31 August 2015 and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%);
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2015

20. PENSION COMMITMENTS (continued)

- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%

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

The pension costs paid to TPS in the period amounted to £76,597.

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 a 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 assets held in separate trustee-administered funds. The total contribution made for the period ended 31 August 2015 was £94,000, of which employer's contributions totalled £75,000 and employees' contributions totalled £19,000. The agreed contribution rates for future years are between 22.6% and 23.6% for employers and between 5.5% and 12.5% for employees.

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

The amounts recognised in the Balance Sheet are as follows:

	2015
	£
Present value of funded obligations	(1,182,000)
Fair value of scheme assets	392,000
	<hr/>
Net liability	(790,000)
	<hr/> <hr/>

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

	2015
	£
Interest on obligation	(19,000)
Expected return on scheme assets	5,000
Current service cost	(85,000)
	<hr/>
Total	(99,000)
	<hr/> <hr/>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2015

20. PENSION COMMITMENTS (continued)

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

	2015
	£
Upon conversion	1,097,000
Interest cost	19,000
Contributions by scheme participants	19,000
Actuarial (gains) and losses	(38,000)
Current service cost	85,000
	<hr/>
Closing defined benefit obligation	1,182,000
	<hr/> <hr/>

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

	2015
	£
Upon conversion	304,000
Expected return on assets	5,000
Actuarial gains and (losses)	(11,000)
Contributions by employer	75,000
Contributions by employees	19,000
	<hr/>
	392,000
	<hr/> <hr/>

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

	2015
Discount rate for scheme liabilities	3.70 %
Rate of increase in salaries	4.40 %
Rate of increase for pensions in payment / inflation	2.50 %

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

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2015

20. PENSION COMMITMENTS (continued)

Amounts for the current period are as follows:

Defined benefit pension schemes

	2015 £
Defined benefit obligation	(1,182,000)
Scheme assets	392,000
Deficit	<u>(790,000)</u>
Experience adjustments on scheme assets	<u>(11,000)</u>

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

	Fair value at 31 August 2015 £
Equities	274,000
Bonds	75,000
Property	35,000
Cash	8,000
Total market value of assets	<u>392,000</u>

21. OPERATING LEASE COMMITMENTS

At 31 August 2015 the Academy Trust had annual commitments under non-cancellable operating leases as follows:

	Other 2015 £
Expiry date:	
Within 1 year	2,076
Between 2 and 5 years	<u>3,169</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2015

22. RELATED PARTY TRANSACTIONS

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

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

23. CENTRAL SERVICES

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

- Central staff
- Accountancy
- Training

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

5% of GAG funding.

The actual amounts charged during the year were as follows:

	2015
	£
Our Lady of Walsingham Catholic Primary School	35,172
St. Edward's Catholic Primary School	19,500
St. Thomas More Catholic Primary School	18,840
	<hr/>
Total	73,512
	<hr/> <hr/>

ST LUKE ACADEMIES TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2015

24. CONVERSION TO AN ACADEMY TRUST

On 1 March 2015 Our Lady of Walsingham Catholic Primary School converted to academy status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to St Luke Academies Trust from Northamptonshire County Council for £nil consideration.

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

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the SOFA

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total £
Tangible fixed assets				
Leasehold land and buildings	-	-	-	-
Other tangible fixed assets	-	-	291,058	291,058
Budget surplus / (deficit) on LA funds	33,609	287,333	-	320,942
Budget surplus / (surplus) on other school funds	-	-	-	-
LGPS pension surplus / (deficit)	-	(287,000)	-	(287,000)
Other identified assets and liabilities	-	-	-	-
Net assets / (liabilities)	33,609	333	291,058	325,000

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2015

24. CONVERSION TO AN ACADEMY TRUST (continued)

On 1 March 2015 St. Edward's Catholic Primary School converted to academy status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to St Luke Academies Trust from Northamptonshire County Council for £nil consideration.

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

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the SOFA

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total £
Tangible fixed assets				
Leasehold land and buildings	-	-	-	-
Other tangible fixed assets	-	-	423,872	423,872
Budget surplus / (deficit) on LA funds	-	113,967	-	113,967
Budget surplus / (surplus) on other school funds	-	57,479	-	57,479
LGPS pension surplus / (deficit)	-	(194,000)	-	(194,000)
Other identified assets and liabilities	-	11,667	-	11,667
Net assets / (liabilities)	-	(10,887)	423,872	412,985

ST LUKE ACADEMIES TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2015

24. CONVERSION TO AN ACADEMY TRUST (continued)

On 1 March 2015 St. Thomas More Catholic Primary School converted to academy status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to St Luke Academies Trust from Northamptonshire County Council for £nil consideration.

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

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the SOFA

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total £
Tangible fixed assets				
Leasehold land and buildings	-	-	-	-
Other tangible fixed assets	-	-	397,200	397,200
Budget surplus / (deficit) on LA funds	-	99,738	-	99,738
Budget surplus / (surplus) on other school funds	-	23,252	-	23,252
LGPS pension surplus / (deficit)	-	(312,000)	-	(312,000)
Other identified assets and liabilities	-	-	-	-
Net assets / (liabilities)	<u>-</u>	<u>(189,010)</u>	<u>397,200</u>	<u>208,190</u>