

St Luke's Church of England School

(A Company Limited by Guarantee)

Annual Report and Financial Statements
For the year ended 31 August 2018

St Luke's Church of England School

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St Luke's Church of England School

Year ended 31 August 2018

Reference and Administrative Information

Members
Mr Adrian R Barrett
Mrs Jana Mercereau
Mr Christopher Somorjoy (from July 2018)
Mrs Penny Roberts (until March 2018)
Rev Alistair C Tresidder
Mr Inigo R Woolf
London Diocesan Board for Schools

Governors
Mr Christopher Somorjoy (Chair) (from July 2018)
Mrs Penny C Roberts (until March 2018)
Mr Adrian R Barrett (Vice-Chair)
Mrs Tanya Berridge-Burley
Ms Monica Duncan
Mr Phillip Taylor (until Sept 2017)
Miss Julia Martin
Mr Allan McLean (from January 2018)
Mr Ian Mackie
Mrs Jana Mercereau
Mrs Helen McGovern (until Dec 2017)
Rev Alistair C Tresidder
Mr Jonathan Armstrong
Mrs Dagmar Davidson
Mr Nick Gross
Ms Bonnie Farlow (from July 2018)

Company Secretary Mr Inigo R Woolf (from 15/03/17)

Senior Leadership Team

Executive Headteacher Mr Allan McLean (from January 2018)
Head Of School Ms Jo Iwanicki (from January 2018)

SENDCo Mrs Julie Galton

Registered Office 12 Kidderpore Avenue
London, NW3 7SU

Company registration number 07451568 (England & Wales)

Auditors Kingston Smith LLP
Devonshire House
60 Goswell Road
London, EC1M 7AD

Bankers CAF Bank Limited
25 Kings Hill Avenue
West Malling
Kent, ME19 4JQ

Solicitors Winckworth Sherwood LLP
Minerva House
5 Montague Close
London, SE1 9BB

St Luke's Church of England School

Year ended 31 August 2018

Governors' Report

The governors of St Luke's Church of England School ("the School") present their annual report together with the financial statements and auditor's report of the charitable company for the year to 31 August 2018. The annual report serves the purposes of both a governors' report and a directors' report under company law.

The school has an open admissions policy and applicants are prioritised on the basis of the distance that they live from the school. For a number of years the school has been more than 6 times oversubscribed and the published cut-off distance on the offer date has been less than 0.2 miles. This means that the school has been successful in its aspiration to create a distinctively Christian Church school that serves the local community.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The School is a company limited by guarantee with no share capital (Company Registration No. 07451568) and was incorporated on 25 November 2010. It became an exempt charity from 1 August 2011. The charitable company's memorandum & articles of association are the primary governing document of the School. The trustees of St Luke's Church of England School are also the directors of the charitable company for the purposes of company law.

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 cease to be a member.

Governors' indemnities

In accordance with normal commercial practice, the School has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on School business. The insurance provided cover up to £5m for fraud and dishonesty and £5m for employment practices on any one claim and the cost for the period ended 31 August 2018 was £78 (2017 - £78).

Method of recruiting and appointing governors

The articles of association provide for the appointment or election of governors as follows:

- ◆ 7 'foundation governors', nominated by The Parochial Church Council of the Parish of St Luke West Hampstead, including the Vicar;
- ◆ 1 LDBS representative;
- ◆ 2 elected parent governors;
- ◆ the Headteacher;
- ◆ 1 elected staff representative; and
- ◆ up to 3 co-opted governors.

As at 31 August 2018 the governing body is complete.

Policies and procedures adopted for the induction and training of governors

Together the governors are a committed group with wide ranging experienced and a balance of essential skills. Nearly half of the governing body have been involved with the school since before it opened in 2011 and all the governors have a strong shared vision for the school and fully support the school's mission statement and aims.

St Luke's Church of England School

Year ended 31 August 2018

Governors' Report (continued)

Organisational structure

The structure is documented in the school's statement of delegated authority. It outlines which decisions require governor review or their active involvement, and which decisions the Exec Head teacher can make on his own.

The Exec Head teacher has overall responsibility for the running of the school. The Exec Head is supported by the Senior Leadership Team (SLT) which includes himself, the Head of school, SENDCO and a senior leader. In terms of financial control the Exec Head teacher is responsible for the budget. In terms of big projects the Resources Committee is consulted. In terms of paying for individual items – the Finance Officer and Head teacher must both authorise a payment, unless it is greater than £5K in which case the Chair of Governor signs the cheque too.

Arrangements for setting pay and remuneration of key management personnel (KMP)

In line with FRS 102, St Luke's School's KMP are the Senior Leadership team and the School Finance Officer as she monitors the school's finances. All pay rises are based on prior year's performance and ensuring their objectives are met as set out in the School's Appraisal and Pay Policies.

Related Parties and other Connected Charities and Organisations

In order to pursue its objects, the School has entered into a formal agreement with the Secretary of State for Education regarding the funding of the School and the management of affairs of the School. The School and St Luke's Church have signed a Licence under Faculty which sets out the parameters for the use of the School and that which is still a Church-owned building.

The School will purchase some Service Level Agreement (SLA) support from LDBS where that represents best value.

The School retains a close relationship with both the LDBS and St Luke's Church.

Objectives and activities

St Luke's School was the first Church of England free school in the country. It opened in September 2011, to help meet a local shortage of primary school places. For this reason, children are admitted to the school by geography, so St Luke's School is fully inclusive, welcoming families of all faiths and none.

Objectives and Aims

Our vision is to develop an excellent school for the local community where the Christian values of faith, hope and love are evident in everything that happens. Through nurturing our children, both academically and spiritually, we aim to provide them with secure foundations for life, so that they leave St Luke's with an excellent all round education and a love of learning.

Objectives, Strategies and Activities

There were significant leadership changes for the school in 2017-18. The principal activities in the year ended 31 August 2018 were to continue to grow the school in a way that builds on the secure foundations already laid and to ensure a smooth leadership transition. This has been achieved through a successful partnership that has been established with Hampstead Parochial School. This provides St Luke's with a new structure of Exec Headteacher and Head of School. This structure provides increased stability at a senior leader level for St Luke's moving forwards.

The Chair of Governors wrote to the parents of the School in January 2018 to summarise the active role that the governors had played over the year and to capture some of the key elements of the school's developing journey.

St Luke's Church of England School

Year ended 31 August 2018

Governors' Report (continued)

Public Benefit

The governors have considered the advice published by the Charity Commission in relation to Public Benefit and are satisfied that the School meets the requirements through the provision of state-funded education for local children.

Strategic report

ACHIEVEMENT AND PERFORMANCE

The school continues to be oversubscribed with 7 times the applications for Reception places. Each year group maintains an in year admission list which ensures we quickly fill any unexpected vacancies.

Reception - Early Learning Goals

Year of Assessment	SLS 2018	SLS 2017	SLS 2016	SLS 2015	National 2018
Good level of development	80%	73%	82%	73%	72%

Children achieve a "Good Level of Development" if they are assessed at or above the "expected" standard against all of the Early Learning Goals for Communication & Language, Physical Development, Personal, Social & Emotional Development, Literacy and Mathematics.

Year 1 – Statutory Phonics Screening Test

	SLS 2018	SLS 2017	SLS 2016	SLS 2015	SLS 2014	National 2018
Meet test standard	92.3	93%	87%	93%	80%	81%

The phonics screening test is intended to identify children who may need extra help to improve their reading skills.

Year 2 – Statutory Phonics Re-take

100% of children re-taking their Phonics Screening Check met the test standard this year.

Year 2 - Key Stage 1 Statutory Assessment Tests (SATs)

	Meeting end of year expectations		Working at greater depth	
Reading	SLS 88%	National 76%	SLS 59%	National 26%
Writing	SLS 88%	National 70%	SLS 35%	National 16%
Maths	SLS 82%	National 76%	SLS 35%	National 22%

St Luke's Church of England School

Year ended 31 August 2018

Governors' Report (continued)

Year 6 - Key Stage 2 Statutory Assessment Tests (SATs)

	Meeting end of year expectations		Working at greater depth	
Reading Test	SLS 85%	National 75%	SLS 69%	National 20%
Writing SPaG	SLS 92%	National 78%	SLS 35%	National 16%
Maths Test	SLS 85%	National 76%	SLS 69%	National 24%

PROGRESS

Subject	Level	St Luke's (2000)	Local Authority - Camden	Gap
		Value	Value	
Reading	Avg. Prog. Score	3.6	1.8	+1.8
	Conf. Int.	±3.40 +0.20 to +7.00	±0.30 +1.50 to +2.10	n/a
Writing	Avg. Prog. Score	4.5	1.2	+3.3
	Conf. Int.	±3.20 +1.30 to +7.70	±0.30 +0.90 to +1.50	n/a
Maths	Avg. Prog. Score	3.9	1.8	+2.1
	Conf. Int.	±3.10 +0.80 to +7.00	±0.30 +1.50 to +2.10	n/a

BACKGROUND AND CONTEXT

St Luke's School (SLS) is a free school, which opened in September 2011 to help meet a local shortage of primary places - families are admitted on proximity. SLS is 7 times oversubscribed for September 2017.

Since opening, the school has based all its policies, procedures and practice, on the values adopted by the school community - "secure foundations ♦ excellent practice ♦ faith, hope and love".

WHAT PEOPLE TOLD US ABOUT OUR SCHOOL OVER 2017-18

Stakeholders are very positive (April 18 survey): Parents note their child's wellbeing, the nurturing ethos and range of opportunities and teaching. Children enjoy school and are taught well. Children feel safe, they know who to go to if worried and have an age appropriate approach to e-safety.

Governors' Report (continued)

Senior leaders secure in school self-evaluation and strategic planning. All staff are accountable in ensuring that all pupils, including all groups including the disadvantaged and the more able, are identified, monitored, tracked and supported in order that they achieve the best possible outcomes. Senior leaders monitor teaching and learning through structured monitoring and assessment cycle, through regular and on-going support, checks and challenge. Individualised teacher support plans in place and good use of partnerships developed with local clusters, focused on teaching and learning.

Internal monitoring, regular visits to the classroom and deep analysis of data means the Exec Headteacher has a very good understanding of where the school is.

St Luke's Church of England School

Year ended 31 August 2018

Governors' Report (continued)

EFFECTIVENESS OF LEADERSHIP AND MANAGEMENT

- A key success over 2017-18 has been the sustaining of standards during significant changes in staffing at senior leadership.
- "The Exec Headteacher and Head of School structure has brought stability and experience to the school during a period of change, ensuring focus on school improvement and maintaining standards. Leaders are focused on developing consistent Quality First Teaching and learning across a relatively new team, so that previous high standards can be maintained; by having clear expectations and consistency in following school policy, and a relevant programme of individual and school CPD. The Exec Headteacher and SLT carry out regular checks, challenge and support visits to classes focused on teachers' individual targets and to follow up on school policy.
- Leaders, including governors, drive improvement very effectively and are highly ambitious for all pupils; they plan for improvement based on clearly identified priorities.

QUALITY OF TEACHING, LEARNING AND ASSESSMENT

- Teaching is solidly good. Teachers' subject knowledge is very secure and they were both very knowledgeable about the individual pupils, their abilities and next steps for learning.
- Teachers are confidently able to discuss in detail their assessments and evidently know pupils' achievements very well. Leaders have a very good knowledge and understanding of teachers and support staff strengths and areas for development. Through their constructive feedback adults are demonstrating increased confidence, skills and understanding

PERSONAL DEVELOPMENT, BEHAVIOUR AND WELFARE

Children enjoy a very good relationship with all adults in the school. Staff know the children and their families well and there is a great emphasis on the promotion of personal and social development of children.

- Staff lead by example and have consistent, high expectations of behaviour.
- Attendance is good at 96%.

OUTCOMES FOR CHILDREN AND LEARNERS

- Children enter SLS below age expectations, but by the end of Reception, pupils' attainment is above the national figure, with 80% gaining a 'Good Level of Development', compared to 72% nationally.
- Attainment measures at the end of KS1 are consistently above the national average in Reading, Writing and Maths, with Reading attainment 12% above the national figure in 2018. Using the greater depth measure, St. Luke's children are consistently above the national average in Reading, Writing and Maths, with Reading attainment 33% above the national, Writing attainment 19% above and Maths 13% above national averages.
- High quality teaching of phonics (and interventions in Y2) results in above national, with 93% Year 1 and 100% Year 2s reaching the phonics threshold.
- Interventions and targeted support ensure vulnerable children make very good progress.
- The school reported its first KS2 results which demonstrated outstanding levels of progress and attainment.

Going concern

The 7-year revenue budget is set on the basis of income that is anticipated under the funding agreement and using the 'income calculator' provided by the DfE for this purpose. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

Financial review

The School's income in the year ended 31 August 2018 was obtained from the ESFA and the DfE in the form of revenue, capital and other grants. The grants received during the year and the associated expenditure are shown as restricted funds in the statement of financial activities.

St Luke's Church of England School

Year ended 31 August 2018

Governors' Report (continued)

We are reliant on our per pupil contribution; given we are a small school with 15 in an academic year it makes funding tight. With careful cost controls imposed by the Exec Head teacher and additional income generated through renting out hall space the school generated a surplus.

Reserves policy

St Luke's School has built up a modest reserve, in line with the school's Reserves Policy. At 31 August 2018 the school had general unrestricted funds of £156,678. As a small school located within a listed building St Luke's School is vulnerable both to small changes in funding and to unexpected expenditure items, so it is considered essential for the school to maintain reserves.

The reserves policy is monitored by the Resources Committee and in particular the lead governor for finance and his deputy. Risk is monitored termly by the whole Governing Body.

Investment policy

The governors' investment powers are governed by the articles of association, which permits the School's funds, not immediately required, to be invested in furtherance of its objects after obtaining expert financial advice. The School did not engage in any investment of surplus funds during the year under review.

PRINCIPAL RISKS AND UNCERTAINTIES

The school's risk register has been embedded within the School Evaluation and Development Report. This is an active document which captures the school's self-evaluation and the school's development plan. Embedding the risk register within this document has meant that each committee and the full governing body is aware of the risks at each meeting when the SEDR is reviewed, and the school's priority actions are set according to the risks.

A significant risk that governors will monitor in 2018/19 is long term financial stability in the light of the national funding formula. To ameliorate the risk there is a regular update of both the management accounts and three year forecast so that informed decisions can be made on a timely basis.

PLANS FOR FUTURE PERIODS

The objectives for future years at St Luke's School are:

- Leaders and governors plan for and lead on the long-term strategic direction of the school organisation
- Leaders and governors will ensure that the Christian vision has an impact on achievement, the Christian character of the school and the well-being of the whole school community
- Leaders and those responsible for governance will ensure that the monitoring of standards in teaching and learning across all subjects is developed, particularly by middle leaders
- Leaders and those responsible for governance should ensure that assessment procedures to monitor pupils' progress and attainment in subjects other than English and Mathematics are further developed

AUDITOR

In so far as the governors are aware:

there is no relevant audit information of which the charitable company's auditor is unaware; and

The governors have taken all steps that they ought to have taken to make them aware of any relevant audit information and to establish that the auditor is aware of that information.

St Luke's Church of England School

Year ended 31 August 2018

Governance Statement

Scope of responsibility

As governors, we acknowledge we have overall responsibility for ensuring that the St Luke's Church of England School 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 governing body have delegated the day-to-day responsibility to the Exec Head teacher and Head of School, 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 the Academy and the Secretary of State for Education. The Exe Head teacher is also responsible for reporting to the governing body any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the governors' report and in the statement of governors' responsibilities. The governing body has formally met six times during the year. Attendance during the year at meetings of the governing body was as follows:

Governor	Number of meetings attended	Out of a possible
Mrs Penny C Roberts (Chair)	5	5
Mr Adrian R Barrett (Vice-Chair)	5	5
Mrs Tanya Berridge-Burley	4	5
Miss Julia Martin	3	3
Mrs Dagmar Davidson	3	5
Ms Monica Duncan	4	5
Mr Oliver Hughes	2	2
Mr Ian Mackie	4	5
Mrs Jana Mercereau	5	5
Mr Phillip Taylor	3	5
Rev Alistair C Tresidder	3	5
Mrs Clare Fall	2	2
Ms Helen McGovern	3	3
Mr Nick Gross	5	5
Mr Jonathan Armstrong	1	3

The governing body has continued to benefit from stability over the year. Governors remain active between meetings, visiting the school, attending training and actively supporting policy review.

Resources Committee

The Resources Committee is a Committee of the main governing body. Its purpose is to exercise responsibility for and oversight over the following:

- The overall finances of St Luke's Church of England School, including:
- The annual budget (for recommendation to the governing body) and monitoring of that budget
- Governors Fund (if any)
- Charging policy; income generation policy; lettings policy
- Financial procedures (including compliance with the DfE Guidance); delegation of spending authority and virement policies

St Luke's Church of England School

Year ended 31 August 2018

Governance Statement (continued)

- Policy and decisions regarding contracts and service level agreements
- Insurance arrangements
- Governors expenses policy
- The Premises of the St Luke's Church of England School, including:
 - Annual Maintenance and Improvement programme
 - Any further capital projects
 - Health & Safety in relation to premises, including site security
 - Access
 - Premises Insurance
 - Issues relating to the co-location with St Luke's Church
 - Issues relating to the licence between St Luke's School and St Luke's Church
- The Personnel of St Luke's Church of England School, including:
 - Staff recruitment procedures
 - Staff Appointments procedures
 - Equal Opportunities
 - Employment contractual matters
 - Pay policy
 - Staff well-being

Key Targets agreed by the governing body for St Luke's Church of England School in respect of any of the above areas:

- Any other matters referred to it by the governing body

The Resources Committee attendance was as follows:

Governor	Number of meetings attended	Out of a possible
Oliver Hughes	1	1
Phillip Taylor	2	3
Penny Roberts	3	3
Dagmar Davidson	2	3
Julia Martin	2	2
Nick Gross	3	3
Clare Fall	1	1
Helen McGovern	2	2
Gail Cawthorne	0	0

There was 92% attendance.

Review of value for Money

As accounting officer the Exec Head teacher 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 the academic year, and reports to the board of trustees where value for money can be improved, including the use on benchmarking data where available.

The purpose of the system of internal control

St Luke's Church of England School

Year ended 31 August 2018

Governance Statement (continued)

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the School's 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 at the School for the year ended 31 August 2018 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The governing body has reviewed the key risks to which the School is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The governing body is of the view that there is an on-going process for identifying, evaluating and managing the School's significant risks that has been in place for the year ended 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the governing body.

The risk and control framework

The School'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 governing body;
- regular reviews by the finance and general purposes committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

The governing body has recognised the need for an independent oversight of the school's financial affairs, to support the external auditors as well as the School Business Manager/ Finance Officer. Geraldine Chadwick was the Responsible Officer during this academic year and the school has noted and acted upon her recommendations. She is independent to the Governing Body.

St Luke's Church of England School

Year ended 31 August 2018

Governance Statement (continued)

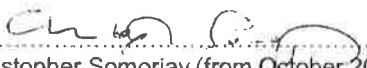
Review of effectiveness


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

- the work of the responsible officer;
- the work of the external auditor;
- the financial management and governance self assessment process;
- the work of the Senior Leadership Team within the School 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 resources committee and a plan to address recommendations and ensure continuous improvement of the system is in place.

Approved by order of the governing body and signed on their behalf by:


.....
Christopher Somorjay (from October 2018)
(Chair of Governing Body)


.....
Allan McLean
(Exec Headteacher and Accounting Officer)

19 December 2018
.....
Date

St Luke's Church of England School

Year ended 31 August 2018

Statement of Regularity, Propriety & Compliance

As Accounting Officer of St Luke's Church of England School, I have considered my responsibility to notify the School governing body and the ESFA of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the School and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

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

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 governors and ESFA.



Allan McLean
Accounting Officer

13/12/18

St Luke's Church of England School

Year ended 31 August 2018

Statement of Governors' Responsibilities

The governors (who act as trustees of the School and are also the directors of the Academy for the purposes of company law) are responsible for preparing the governors' report and the financial statements in accordance with the Annual Accounts Requirements issued by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the governors to prepare financial statements for each financial year. Under company law, the governors 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 School and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities' Statement of Recommended Practice (the Charities' SORP);
- make judgments and estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the School will continue in operation.

The governors are responsible for keeping proper accounting records that are sufficient to show and explain the School's transactions and disclose with reasonable accuracy at any time the financial position of the School 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 School and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

The governors are responsible for the maintenance and integrity of the charity and financial information included on the School'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 governors on 13 December 2018 and signed on its behalf by:



Christopher Somorjay (from Oct 2018)

Chair of the Governing Body

Independent Auditor's Report on the Financial Statements to the Members of St Luke's Church of England School

Opinion

We have audited the financial statements of St Luke's Church of England School ('the academy trust') for the year ended 31 August 2018 which comprise the Statement of Financial Activities, the Balance Sheet, Statement of Cash Flows and the related notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard Applicable in the UK and Ireland' (United Kingdom Generally Accepted Accounting Practice).

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 2018 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Academies Accounts Direction 2017 to 2018 issued by the ESFA.

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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the charitable company and charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Basis for opinion

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

Conclusions relating to going concern

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

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

Independent Auditor's Report on the Financial Statements to the Members of St Luke's Church of England School (continued)

Other information

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

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

We have nothing to report in this regard.

Opinion on other matter prescribed by the Companies Act 2006

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

- the information given in the strategic report and the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements, and
- the strategic report and the trustees' annual report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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 or trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on page 13, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Independent Auditor's Report on the Financial Statements to the Members of
St Luke's Church of England School
(continued)

Auditor's responsibilities for the audit of the financial statements

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

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the academy trust's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including and significant deficiencies in internal control that we identify during our audit.

Kingston Smith LLP

Date: 20/12/18

Shivani Kothari (Senior Statutory Auditor)
for and on behalf of Kingston Smith LLP, Statutory Auditor

Devonshire House
60 Goswell Road
London
EC1M 7AD

Independent Reporting Accountant's Assurance Report on Regularity to St Luke's Church of England and the Education and Skills Funding Agency

In accordance with the terms of our engagement letter dated 22 July 2016 and further to the requirements of the Education Funding and Skills Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018 we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by St Luke's Church of England School during the period 1 September 2017 to 31 August 2018 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's Church of England School an ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to St Luke's Church of England School and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than St Luke's Church of England School and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of St Luke's Church of England School's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of St Luke's Church of England School's funding agreement with the Secretary of State for Education dated 2 November 2013 and the Academies Financial Handbook, extant from 1 September 2018 for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2017 to 2018 . We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2017 to 31 August 2018 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 2017 to 2018 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

- Enquiry
- Inspection and review
- Observation and reperformance

Independent Reporting Accountant's Assurance Report on Regularity to
St Luke's Church of England and the Education and Skills Funding Agency

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2017 to 31 August 2018 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Kingston Smith LLP

Date: 20/12/18

Shivani Kothari (Senior Statutory Auditor)
for and on behalf of Kingston Smith LLP, Statutory Auditor

Devonshire House
60 Goswell Road
London
EC1M 7AD

St Luke's Church of England School
Statement of Financial Activities for the year ended 31 August 2018
(including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2018 £	Total 2017 £
Income and endowments from:						
Donations and capital grants	3	6,374	-	5,035	11,409	14,833
Charitable activities:						
Funding for the academy trust's educational operations	4	32,989	735,343	-	768,332	735,744
Other trading activities	5	5,441	-	-	5,441	7,373
Investments	6	128	-	-	128	231
Total		44,932	735,343	5,035	785,310	758,181
Expenditure on:						
Raising funds	7	1,174	-	-	1,174	1,692
Charitable activities:						
Academy trust educational operations	8	-	734,090	72,965	807,055	766,114
Total		1,174	734,090	72,965	808,229	767,806
Net income / (expenditure)		43,758	1,253	(67,930)	(22,919)	(9,625)
Transfers between funds	16	-	(31,029)	31,029	-	-
Other recognised gains/(losses):						
Actuarial (losses) / gains on defined benefit pension schemes	16, 23	-	36,000	-	36,000	25,000
Net movement in funds		43,758	6,224	(36,901)	13,081	15,375
Reconciliation of funds						
Total funds brought forward		112,920	(783)	1,034,183	1,146,320	1,130,945
Total funds carried forward		156,678	5,441	997,282	1,159,401	1,146,320

All of the academy's activities derive from continuing operations during the above two financial periods.

St Luke's Church of England School
Balance Sheet as at 31 August 2018

	Notes	2018 £	2018 £	2017 £	2017 £
Fixed assets					
Tangible assets	12		997,282		1,034,183
Current assets					
Debtors	14	14,986		26,349	
Cash at bank and in hand		255,865		200,680	
		<u>270,851</u>		<u>227,029</u>	
Liabilities					
Creditors : Amounts falling due within one year	15	(44,732)		(55,892)	
Net current assets/(liabilities)			<u>226,119</u>	<u>(28,863)</u>	<u>171,137</u>
Total assets less current liabilities			1,223,401		1,205,320
Net assets excluding pension liability					
Defined benefit pension scheme liability	23		(64,000)		(59,000)
Total net assets			<u>1,159,401</u>		<u>1,146,320</u>
Funds of the academy trust:					
Restricted funds					
Fixed asset fund	16	997,282		1,034,183	
General fund	16	69,441		58,217	
Pension reserve	16	(64,000)		(59,000)	
Total restricted funds			1,002,723		1,033,400
Unrestricted income funds	16		156,678		112,920
Total funds			<u>1,159,401</u>		<u>1,146,320</u>

The financial statements on pages 19 to 39 were approved by the trustees, and authorised for issue on 19.11.2018 and are signed on their behalf by:

Company Registration Number: 07451568 (England and Wales)


Christopher Somorjay

Chair of Governing Body

St Luke's Church of England School
Statement of Cash Flow for the year ended 31 August 2018

	Notes	2018 £	2017 £
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	19	84,694	(12,204)
Cash flows from investing activities	20	(29,509)	2,703
Change in cash and cash equivalents in the reporting period		<u>55,185</u>	<u>(9,501)</u>
Cash and cash equivalents at 1 September 2017		200,680	210,181
Cash and cash equivalents at 31 August 2018		<u>255,865</u>	<u>200,680</u>

St Luke's Church of England School

Notes to the Financial Statements for the Year Ended 31 August 2018

1 Statement of Accounting Policies

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

Company information

St Luke's Church of England School is a private company limited by guarantee, domiciled and incorporated in England and Wales. The registered office and principal place of business is 12 Kidderpore Avenue, London, NW3 7SU.

Basis of Preparation

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: 'Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2017 to 2018 issued by the ESFA, the Charities Act 2011 and the Companies Act 2006.

St Luke's Church of England School meets the definition of a public benefit entity under FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest pound.

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.

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

1 Statement of Accounting Policies (continued)

• **Sponsorship Income**

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

• **Donations**

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

• **Other Income**

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

• **Donated goods, facilities and services**

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

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 a 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 the support costs involved in undertaking each activity. Direct costs attributable to a single activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

• **Expenditure on Raising Funds**

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

• **Charitable Activities**

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

All resources expended are inclusive of irrecoverable VAT.

1 Statement of Accounting Policies (continued)

Tangible Fixed Assets

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

Long leasehold buildings	25 years (length of the lease)
Fixtures, fittings and equipment	5 or 10 years
Computer hardware	3 years

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.

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 the 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 and services it must provide.

Provisions

Provisions can be 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 an 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 last 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.

Leased Assets

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

1 Statement of Accounting Policies (continued)

Financial Instruments

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

Cash and cash equivalents include cash in hand, deposits held at call with banks, and other short-term liquid investments with original maturities of three months or less.

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 13. Prepayments are not financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 13. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

Taxation

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

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

Provisions

Provisions are recognised when the company has a legal or constructive present obligation as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation.

Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value the unwinding of the

Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1 Statement of Accounting Policies (continued)

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 23, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

Fund Accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the academy trust at the discretion of the trustees.

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

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

Critical accounting estimates and areas of judgment

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.

St Luke's Church of England School
Notes to the Financial Statements for the Year Ended 31 August 2018

1 Statement of Accounting Policies (continued)

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 23, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

2 General Annual Grant (GAG)

Under the funding agreement with the Secretary of State the academy trust was not subject to limits at 31 August 2018 on the amount of GAG that could be carried forward from one year to the next.

3 Donations and capital grants

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2018 £
Capital Grants	-	-	5,035	5,035
Other donations	6,374	-	-	6,374
2017/18 Total	<u>6,374</u>	<u>-</u>	<u>5,035</u>	<u>11,409</u>
2016/17 Total	<u>5,304</u>	<u>-</u>	<u>9,529</u>	<u>14,833</u>

4 Funding for the Academy Trust's Educational Operations

	Unrestricted Funds £	Restricted Funds £	Total 2018 £	Total 2017 £
DfE / ESFA revenue grants				
General Annual Grant (GAG) (note 2)	-	595,632	595,632	540,963
Start Up Grants	-	-	-	21,905
Other DfE/ESFA grants	-	100,173	100,173	112,708
	<u>-</u>	<u>695,805</u>	<u>695,805</u>	<u>675,576</u>
Other Government grants				
Special educational projects	-	39,538	39,538	38,917
	<u>-</u>	<u>39,538</u>	<u>39,538</u>	<u>38,917</u>
Other Income from the academy trust's educational operations				
Catering income	22,877	-	22,877	17,603
Clubs	5,738	-	5,738	3,648
Trips	4,374	-	4,374	-
	<u>32,989</u>	<u>-</u>	<u>32,989</u>	<u>21,251</u>
2017/18 Total	<u>32,989</u>	<u>735,343</u>	<u>768,332</u>	
2016/17 Total	<u>21,251</u>	<u>714,493</u>		<u>735,744</u>

St Luke's Church of England School
Notes to the Financial Statements for the Year Ended 31 August 2018

5 Other trading activities	Unrestricted Funds £	Restricted Funds £	Total 2018 £	Total 2017 £
Hire of facilities	2,441	-	2,441	5,171
Other income	3,000	-	3,000	2,202
2017/18 Total	5,441	-	5,441	
2016/17 Total	7,373	-		7,373

6 Investment income	Unrestricted Funds £	Restricted Funds £	Total 2018 £	Total 2017 £
Short term deposits	128	-	128	231
Dividends	-	-	-	-
2017/18 Total	128	-	128	
2016/17 Total	231	-		231

7 Expenditure	Staff Costs £	Non Pay Expenditure		Total 2018 £	Total 2017 £
		Premises £	Other £		
Expenditure on raising funds:					
Direct costs	-	-	1,174	1,174	1,692
Academy's educational operations:					
Direct costs	396,695	-	85,870	482,565	457,066
Allocated support costs	84,807	128,621	111,062	324,490	309,048
	481,502	128,621	198,106	808,229	767,806

Net income / (expenditure) for the period includes:

	2018 £	2017 £
Operating leases rentals	22,300	22,300
Depreciation	71,573	65,978
(Gain)/loss on disposal of fixed assets	-	(12)
Fees payable to auditor for:		
Audit	6,100	8,050
Other services	3,160	2,545
	103,133	98,861

St Luke's Church of England School
Notes to the Financial Statements for the Year Ended 31 August 2018

8 Charitable Activities

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2018 £	Total 2017 £
Direct costs - educational operations	-	482,565	-	482,565	457,066
Support costs - educational operations	-	251,525	72,965	324,490	309,048
2017/18 Total	-	734,090	72,965	807,055	
2016/17 Total	-	620,214	145,930		766,114

Analysis of support costs

	Boarding £	Educational operations £	Total 2018 £	Total 2017 £
Support staff costs	-	84,807	84,807	84,006
Depreciation	-	71,573	71,573	65,978
Technology costs	-	6,075	6,075	2,483
Premise costs	-	57,048	57,048	46,437
Other support costs	-	95,727	95,727	103,444
Governance costs	-	9,260	9,260	6,700
Total support costs	-	324,490	324,490	309,048

9 Staff

a. Staff costs

	2018 £	2017 £
Staff costs during the period were:		
Wages and salaries	331,370	376,206
Social security costs	28,238	29,406
Operating costs of defined benefit pension scheme	95,977	32,766
	455,585	438,378
Supply staff costs	25,917	17,171
Staff restructuring costs	-	-
	481,502	455,549

b. Staff numbers

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

	2018 No.	2017 No.
Teachers	6	6
Administration and support	8	6
Management	1	1
	15	13

9 Staff (continued)

c. Higher paid staff

There were no employees whose employee benefits (excluding employer pension costs) exceeded £60,000.

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 £59,881 (2017: £138,751).

10 Related Party Transactions - 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 staff members under their contracts of employment.

Clare Fall (former principal and trustee) - no longer employed:

Remuneration £0 (2017 : £35,000 - £40,000)

Employer's pension contri £0 (2017 : £5,000 - £10,000)

Helen McGovern (former interim principal and trustee) - no longer employed

Remuneration £0 (2017 : £30,000 - £35,000)

Employer's pension contri £0 (2017 : £5,000 - £10,000)

Gail Cawthorne (former deputy principal and trustee) - no longer employed:

Remuneration £0 (2017 : £15,000 - £20,000)

Employer's pension contri £0 (2017 : £0)

Catriona Milne (former staff trustee) - no longer employed:

Remuneration £0 (2017 : £45,000 - £50,000)

Employer's pension contri £0 (2017 : £5,000 - £10,000)

During the year ended 31 August 2018, travel and subsistence expenses totalling £0 (2017: £0) were reimbursed or paid directly to 0 trustees (2017: 0 trustees).

St Luke's Church of England School
Notes to the Financial Statements for the Year Ended 31 August 2018

11 Trustees and officers insurance

If the trust organises it's own insurance:

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the period ended 31 August 2018 was £5,214 (2017: £4,541). The cost of this insurance is included in the total insurance cost.

12 Tangible fixed assets

	Leasehold Land and Buildings £	Furniture and Equipment £	Plant and Machinery £	Total £
Cost				
At 1 September 2017	1,290,637	85,999	99,676	1,476,312
Additions	-	29,262	5,410	34,672
Disposals	-	-	-	-
At 31 August 2018	<u>1,290,637</u>	<u>115,261</u>	<u>105,086</u>	<u>1,510,984</u>
Depreciation				
At 1 September 2017	297,241	48,582	96,306	442,129
Charged in year	50,899	17,307	3,367	71,573
Disposals	-	-	-	-
At 31 August 2018	<u>348,140</u>	<u>65,889</u>	<u>99,673</u>	<u>513,702</u>
Net book values				
At 31 August 2018	<u>942,497</u>	<u>49,372</u>	<u>5,413</u>	<u>997,282</u>
At 31 August 2017	<u>993,396</u>	<u>37,417</u>	<u>3,370</u>	<u>1,034,183</u>

13 Financial instruments

	2018 £	2017 £
Carrying amount of financial assets		
Debt instruments measured at amortised cost	<u>10,806</u>	6,820
	<u>10,806</u>	<u>6,820</u>
Carrying amount of financial liabilities		
Measured at amortised cost	<u>37,790</u>	<u>50,103</u>

14 Debtors

	2018 £	2017 £
VAT recoverable	10,806	6,820
Prepayments and accrued income	4,180	19,529
	<u>14,986</u>	<u>26,349</u>

St Luke's Church of England School
Notes to the Financial Statements for the Year Ended 31 August 2018

15 Creditors: Amounts falling due within one year

	2018 £	2017 £
Trade creditors	18,450	12,971
Other taxation and social security	6,942	5,789
Accruals and deferred income	19,340	37,132
	<u>44,732</u>	<u>55,892</u>

Deferred income

	2018 £	2017 £
Deferred Income at 1 September 2017	9,432	37,514
Resources deferred in the year	10,070	9,432
Amounts released from previous years	(9,432)	(37,514)
Deferred Income at 31 August 2018	<u>10,070</u>	<u>9,432</u>

Deferred income consists of Universal Infant Free School Meals grants which related to the next financial year.

16 Funds

	Balance at 1 September 2017 £	Incoming Resources £	Resources Expended £	Gains, Losses and Transfers £	Balance at 31 August 2018 £
Restricted general funds					
General Annual Grant (GAG)	58,217	595,632	(553,379)	(31,029)	69,441
Start Up Grant	-	-	-	-	-
Other DfE grants	-	100,173	(100,173)	-	-
Other grants	-	39,538	(39,538)	-	-
Pension reserve	(59,000)	-	(41,000)	36,000	(64,000)
	<u>(783)</u>	<u>735,343</u>	<u>(734,090)</u>	<u>4,971</u>	<u>5,441</u>
Restricted fixed asset funds					
DfE/ESFA capital grants	975,600	5,035	(72,965)	31,029	938,699
Capital expenditure from GAG	1,684	-	-	-	1,684
Donated fixed assets	56,899	-	-	-	56,899
	<u>1,034,183</u>	<u>5,035</u>	<u>(72,965)</u>	<u>31,029</u>	<u>997,282</u>
Total restricted funds	<u>1,033,400</u>	<u>740,378</u>	<u>(807,055)</u>	<u>36,000</u>	<u>1,002,723</u>
Total unrestricted funds	<u>112,920</u>	<u>44,932</u>	<u>(1,174)</u>	<u>-</u>	<u>156,678</u>
Total funds	<u>1,146,320</u>	<u>785,310</u>	<u>(808,229)</u>	<u>36,000</u>	<u>1,159,401</u>

St Luke's Church of England School
Notes to the Financial Statements for the Year Ended 31 August 2018

16 Funds (continued)

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

General Annual Grant and Start Up Grants

These funds represent grants received for the school's operational activities and development.

SEN Grant

These funds are to be spent on special educational needs support services.

DfE Capital Grant

This fund includes the DfE grant used for the building works and the purchase of ICT equipment.

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

	Balance at 1 September 2016 £	Incoming Resources £	Resources Expended £	Gains, Losses and Transfers £	Balance at 31 August 2017 £
Restricted general funds					
General Annual Grant (GAG)	-	540,963	(482,746)	-	58,217
Start Up Grant	15,388	21,905	(37,293)	-	-
Other DfE grants	-	151,625	(151,625)	-	-
Other grants	-	-	-	-	-
Pension reserve	(58,000)	-	(26,000)	25,000	(59,000)
	<u>(42,612)</u>	<u>714,493</u>	<u>(697,664)</u>	<u>25,000</u>	<u>(783)</u>
Restricted fixed asset funds					
DfE/ESFA capital grants	1,041,578	-	(65,978)	-	975,600
Capital expenditure from GAG	1,684	-	-	-	1,684
Private sector capital sponsorship	49,842	9,529	(2,472)	-	56,899
	<u>1,093,104</u>	<u>9,529</u>	<u>(68,450)</u>	<u>-</u>	<u>1,034,183</u>
Total restricted funds	<u>1,050,492</u>	<u>724,022</u>	<u>(766,114)</u>	<u>25,000</u>	<u>1,033,400</u>
Total unrestricted funds	<u>80,453</u>	<u>34,159</u>	<u>(1,692)</u>	<u>-</u>	<u>112,920</u>
Total funds	<u>1,130,945</u>	<u>758,181</u>	<u>(767,806)</u>	<u>25,000</u>	<u>1,146,320</u>

St Luke's Church of England School
Notes to the Financial Statements for the Year Ended 31 August 2018

16 Funds (continued)

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

	Balance at 1 September 2016 £	Incoming Resources £	Resources Expended £	Gains, Losses and Transfers £	Balance at 31 August 2018 £
Restricted general funds					
General Annual Grant (GAG)	-	1,136,595	(1,036,125)	(31,029)	69,441
Start Up Grant	15,388	21,905	(37,293)	-	-
Other DfE grants	-	251,798	(251,798)	-	-
Other grants	-	39,538	(39,538)	-	-
Pension reserve	(58,000)	-	(67,000)	61,000	(64,000)
Other Income	-	-	-	-	-
	<u>(42,612)</u>	<u>1,449,836</u>	<u>(1,431,754)</u>	<u>29,971</u>	<u>5,441</u>
Restricted fixed asset funds					
DfE/ESFA capital grants	1,041,578	5,035	(138,943)	31,029	938,699
Capital expenditure from GAG	1,684	-	-	-	1,684
Private sector capital sponsorship	49,842	9,529	(2,472)	-	56,899
	<u>1,093,104</u>	<u>14,564</u>	<u>(141,415)</u>	<u>31,029</u>	<u>997,282</u>
Total restricted funds	1,050,492	1,464,400	(1,573,169)	61,000	1,002,723
Total unrestricted funds	80,453	79,091	(2,866)	-	156,678
Total funds	1,130,945	1,543,491	(1,576,035)	61,000	1,159,401

17 Analysis of net assets between Funds

Fund balances at 31 August 2018 are represented by:

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total Funds £
Tangible fixed assets	-	-	997,282	997,282
Current assets	156,678	114,173	-	270,851
Current liabilities	-	(44,732)	-	(44,732)
Pension scheme liability	-	(64,000)	-	(64,000)
Total net assets	156,678	5,441	997,282	1,159,401

Fund balances at 31 August 2017 are represented by:

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total Funds £
Tangible fixed assets	-	-	1,034,183	1,034,183
Current assets	112,920	114,109	-	227,029
Current liabilities	-	(55,892)	-	(55,892)
Pension scheme liability	-	(59,000)	-	(59,000)
Total net assets	112,920	(783)	1,034,183	1,146,320

St Luke's Church of England School
Notes to the Financial Statements for the Year Ended 31 August 2018

18 Commitments under operating leases

Operating Leases

At 31 August 2018 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2018 £	2017 £
Other		
Amounts due within one year	26,501	26,501
Amounts due between two and five years	48,000	73,042
	<u>74,501</u>	<u>99,543</u>

19 Reconciliation of Net Income/(expenditure) to Net Cash Inflow from Operating Activities

	2018 £	2017 £
	(22,919)	(9,625)
Adjusted for:		
Depreciation	71,573	65,978
Capital grants from DfE/ESFA and other capital income	(5,035)	(9,529)
Interest receivable	(128)	(231)
Defined benefit pension scheme cost less contributions payable	36,000	25,000
Defined benefit pension scheme finance cost	-	1,000
(Increase)/decrease in debtors	11,363	(7,177)
Increase/(decrease) in creditors	(6,160)	(77,620)
Net Cash provided by / (used in) Operating Activities	<u>84,694</u>	<u>(12,204)</u>

20 Cash flows from investing activities

	2018 £	2017 £
Dividends, interest and rents from investments	128	231
Purchase of tangible fixed assets	(34,672)	(7,057)
Capital grants from DfE Group	5,035	9,529
Net Cash provided by / (used in) investing Activities	<u>(29,509)</u>	<u>2,703</u>

21 Analysis of cash and cash equivalents

	2018 £	2017 £
Cash in hand and at bank	255,865	200,680
Total cash and cash equivalents	<u>255,865</u>	<u>200,680</u>

22 Members' Liability

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

23 Pension and Similar Obligations

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

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

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) 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

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

St Luke's Church of England School
Notes to the Financial Statements for the Year Ended 31 August 2018

23 Pension and Similar Obligations (continued)

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019. The employer's pension costs paid to TPS in the period amounted to £27,054 (2017: £33,659).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £37,000 (2017: £24,000), of which employer's contributions totalled £27,000 (2017: £18,000) and employees' contributions totalled £10,000 (2017: £6,000).

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

Principal Actuarial Assumptions	At 31 August 2018	At 31 August 2017
Pension Increase rate (CPI)	2.30%	2.4%
Salary increase rate	2.90%	3.0%
Discount rate	2.80%	2.5%

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

	At 31 August 2018	At 31 August 2017
<i>Retiring today</i>		
Males	22.0	22.0
Females	24.1	24.1
<i>Retiring in 20 years</i>		
Males	23.9	23.9
Females	26.1	26.1

Sensitivity analysis	At 31 August 2018	At 31 August 2017
	£	£
0.5% increase in Discount Rate	39,000	29,000
0.5% increase in the Salary Increase Rate	2,000	2,000
0.5% decrease in the Salary Increase Rate	37,000	26,000

St Luke's Church of England School
Notes to the Financial Statements for the Year Ended 31 August 2018

23 Pension and Similar Obligations (continued)

Local Government Pension Scheme (continued)

The academy's share of the assets in the scheme were:

	Fair value at 31 August 2018 £	Fair value at 31 August 2017 £
Equity instruments	93,800	73,000
Corporate bonds	14,000	11,000
Property	12,600	8,000
Cash and other liquid assets	19,600	4,000
Total market value of assets	140,000	96,000

The actual return on scheme assets was 6%

	2018 £	2017 £
Amounts recognised in the statement of financial activities		
Current service cost	66,000	43,000
Interest income	3,000	2,000
Interest cost	(5,000)	(3,000)
Total amount recognised in the SOFA	64,000	42,000

	2018 £	2017 £
Changes in the fair value of defined benefit obligations were as follows:		
At 1 September	155,000	130,000
Current service cost	66,000	43,000
Interest cost	5,000	3,000
Employee contributions	10,000	6,000
Actuarial (gain)/loss	(32,000)	(27,000)
At 31 August	204,000	155,000

	2018 £	2017 £
Changes in the fair value of Academy's share of scheme assets:		
At 1 September	96,000	72,000
Interest income	3,000	2,000
Actuarial gain/(loss)	4,000	(2,000)
Employer contributions	27,000	18,000
Employee contributions	10,000	6,000
At 31 August	140,000	96,000

24 Related Party Transactions

Owing to the nature of the academy trust and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the trust's financial regulations and normal procurement procedures. The following related party transaction took place in the period of account.

The following related party transactions took place in the period of account:

Several of the governors are also members of The Parochial Church Council of the Parish of St Luke's West Hampstead, with whom the school transacts. A 25 year licence agreement with the Church was signed in April 2011 and amounts totalling £25,071 (2017: £26,869) were paid in rental expenses during the year.

The London Diocesan Board of Schools (LDBS), with whom the school transacts, is a member of the Trust. The school was charged by LDBS or its subsidiary charity £11,697 (2017: £209) during the year for support services. At the year end £nil (2017: £nil) was owed to LDBS. The school was also charged £4,192 (2017: £nil) for the services provided by LDBS Academies Trust.

Inigo Woolf, who is a member and company secretary of the academy is also a director of Grow Education Partners Ltd, with whom the school transacts. During the year the school paid Grow Education Partners Ltd £975 (2017: £7,214) for training and support. No amounts were outstanding at the year end (2017: £nil).