

Registered number: 8670599

LUMEN LEARNING TRUST
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

LUMEN LEARNING TRUST
(A company limited by guarantee)

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**REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2017**

Trustees	R Vango, Chair ¹ I Ingham ¹ M E McCarthy, Executive Principal and Accounting Officer D Prendergast ¹ P Rodin D Stafford (resigned 29 September 2016) W Sedgwick ¹ M George (resigned 7 July 2017) ¹ E Griffiths (resigned 18 April 2017) ¹ L Ellis-Philip (appointed 10 May 2017) W Walford (appointed 7 July 2017) ¹ M Hussain (appointed 24 November 2017)
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¹ Member

Throughout this annual report the terms "Trustee" and "Director" are used. These terms refer to the same group of people, as listed above.

Company registered number	8670599
Company name	Lumen Learning Trust
Principal and registered office	Saxon Primary School Briar Road Shepperton Surrey TW17 0JB
Company secretary	J Maffi
Senior management team	M E McCarthy, Executive Principal S Vernon, Deputy Executive Principal & Echelford Headteacher B Davis, Saxon Headteacher N Morris, Saxon Headteacher P Grimwood, Riverbridge Headteacher
Independent auditor	James Cowper Kreston Chartered Accountants and Statutory Auditor Reading Bridge House George Street Reading Berkshire RG1 8LS
Bankers	Lloyds Bank 73-75 High Street Staines Middlesex TW18 4PP
Solicitors	Veale Wasbrough Vizards Orchard Court Orchard Lane Bristol BS1 5WS

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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2017

The trustees present their annual report together with the financial statements and auditor's report of the Lumen Learning Trust charitable company for the period 1 September 2016 to 31 August 2017. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The trust operates three primary academies for pupils aged 2 to 11 in the Spelthorne area of Surrey: Saxon Primary School; The Echelford Primary School and Riverbridge Primary School. There is also a Children's Centre based at Saxon Primary School and a nursery at Riverbridge Primary School. The academies have a combined primary pupil capacity of 1630 and had a roll of 1538 in the census on 5 October 2017.

Structure, governance and management

CONSTITUTION

The Lumen Learning Trust is a company limited by guarantee and an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents of the academy trust. The trustees of the Lumen Learning Trust are also the directors of the charitable company for the purposes of company law. The charitable company is known as the Lumen Learning 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 Trust is part of the Risk Protection Arrangement which covers trustees from claims arising from negligent acts, errors or omissions occurring whilst on trust business. The limit of this indemnity is £10,000,000 for any one loss in any one membership year.

METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF TRUSTEES

The number of trustees must be no less than 3 and is not subject to a maximum. Up to 9 trustees can be appointed by the members; the Executive Principal is a trustee and the remainder are Co-opted trustees. Trustees are appointed based on the skills that they will bring to the board. Parent representatives are within the local governing bodies of each school.

POLICIES AND PROCEDURES ADOPTED FOR THE INDUCTION AND TRAINING OF TRUSTEES

Prior to appointment trustees will be taken on a tour of the three schools and get the opportunity to discuss the role with the Executive Principal and the Chair. The training and induction provided for new trustees will depend upon their existing experience. On appointment, trustees receive the necessary information relating to the trust for them to perform their duties.

The Trust has a service level agreement with Babcock 4S, training for trustees is offered through their training program. The trust also employs a professional clerk.

ORGANISATIONAL STRUCTURE

The structure consists of three levels: the trustees; local governing bodies and other committees; and senior

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

leadership teams. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels.

The trustees are responsible for setting general policy and line managing the Executive Principal. In 2016-17 the committee structure was as follows: local governing body for each school; business and financial management committee; education committee; and strategy committee. Each committee had trustee representation and made recommendations to the board or chair as appropriate for action.

Each local governing body has a maximum of 11 members to include: the Headteacher of the school; the Executive Principal; 2 elected parents/guardians of a current student at the school; 2 elected staff governors; and such other members as trustees decide. The Chair and Vice-Chair are appointed by the trustees for a two year and one year term respectively. The term of office for all local governors is 4 years after which they may be re-appointed or re-elected.

The senior leadership team in each school is made up of: the Headteacher; Deputy or Assistant Headteacher; the Inclusion Manager; the School Business Manager; Phase Leaders and other senior teachers as required. These leaders control the academies at an executive level implementing the policies agreed by the trustees and reporting back to them and the relevant local governing body and/or committee. In addition the trust has three Leadership Consultants whose core purpose is to offer support to schools outside of the trust either on a long-term or short-term basis. Where no such deployment is needed their time is used to support the existing leadership teams of the trust's three schools as necessary.

RISK MANAGEMENT

The trustees have implemented a system to assess risks that the trust faces, especially in the operational areas (such as in relation to teaching, health & safety and school trips) and in relation to the control of the finances. Systems are in place, including operational procedures and internal financial controls, to minimise risk and professional advice on adequate insurance has been sought.

PAY POLICY FOR KEY MANAGEMENT PERSONNEL

The key management personnel of the trust include the trustees, the Executive Principal and the headteachers of each school. The Academy trustees are all volunteers and receive no remuneration for their role with the exception of the Executive Principal who is an ex-officio trustee.

The pay and remuneration of the key management personnel are set with reference to the trust's pay and appraisal policy which is based on, and does not exceed national terms and conditions for leadership pay. An external consultant is used to assist directors in assessing the performance of the Executive Principal. The trust uses the services of an external consultant to support the Executive Principal and respective Chair of Governors in appraising the headteachers in each school.

The performance and pay appraisals for the headteachers are set within the context of the national standards of headteachers, supported by the key priorities of each respective school.

The performance and pay appraisal for the Executive Principal focuses on the performance of all the schools in the Trust as well as the performance of schools being supported. Typical KPIs used include the end of KS attainment and progress, pupil numbers and quality of consistency in leadership. In addition, the Executive Principal's performance is also considered within the context of the strategic direction of the Trust as a whole.

CONNECTED ORGANISATIONS, INCLUDING RELATED PARTY RELATIONSHIPS

Spelthorne Schools Together Confederation

All schools in the trust are active member schools of the Spelthorne Schools Together Confederation of schools. The Executive Principal is chair of the confederation which focuses on, amongst other projects, identifying opportunities for closing the gap for vulnerable children, In Year Fair Access for children deemed 'hard to place' and development opportunities for middle and senior leaders.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

National Support School

The Executive Principal, Mary Ellen McCarthy, is a National Leader of Education (NLE) and Saxon Primary School is designated a National Support School (NSS). NLEs are Ofsted-rated 'outstanding' Headteachers who work with schools in challenging circumstances to support school improvement. Because their support role will often include members of their own staff, the school of a National Leader of Education is called a National Support School. In this context staff from Saxon Primary work in partnership with staff from other schools on tailored projects focusing on identified priorities from the school's HMI or Ofsted report. This work is brokered in one of two ways:

- Self-referral from the school requesting the support
- Local Authority deployment via Babcock 4S

Locality Partnerships and Roles

The Executive Principal also plays an active role within the Local Authority in borough, quadrant and county-wide capacities. In the Year 2016-2017 Mary Ellen McCarthy was a member of the following groups:

Group	Role
Surrey County Council - Primary Council	Vice Chair
Spelthorne Schools Together Confederation of Schools	Chair of Confederation Chair of Management & Project Team Chair of Spelthorne Children's Services & Education Group
Surrey Safeguarding Children's Board	Primary Headteacher representative
Surrey County Council – Ofsted Improvement Board for Children's Services	Primary Headteacher representative

Objectives and Activities

The Lumen Learning Trust was established as a natural development of the school-to-school support carried out by the leadership team at Saxon Primary.

In February 2010 Saxon Primary School's leadership and management gained an outstanding judgement at Ofsted and began to support vulnerable schools both locally and further afield. In doing so, Saxon Primary School's team were drawing on their own experience of taking Saxon Primary School from a school in Special Measures (2007) to a school in such a position of strength that it gained sponsor status from the Department for Education (DfE) in June 2013, (enabling Saxon Primary School to act as a sponsor for other schools) and was designated a National Support School by the National College for Teaching & Leadership in September 2013. Our support for other schools is enhanced by the experience and skills of a number of our team; we have 9 accredited Specialist Leaders of Education on the teaching team and our Executive Principal, Mrs. Mary Ellen McCarthy is a National Leader of Education and a school inspector.

Saxon's strength has continued to grow and in June 2015 once again was awarded a Good judgement by Ofsted with Leadership & Management again being deemed to be Outstanding.

We believe education is the 'engine room' to a strong economy. Schools are therefore duty-bound to do all they can to enable their pupils to acquire a relevant and rounded repertoire of skills which enables them to grow into happy, fulfilled adults who can enjoy real choice regarding how they live their lives and who understand their responsibility in terms of supporting the wider community.

We believe primary schools are the beginning of this journey and we have a particular part to play in securing these positive outcomes.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

OBJECTS AND AIMS

The objects and aims of the Lumen Learning Trust are as follows:

- to advance for the public benefit education in the United Kingdom establishing, maintaining, carrying on, managing and developing schools offering a broad and balanced curriculum; and
- providing advice and facilities to develop the capacity and skills of parents to be and parents with children primarily but not exclusively under five in such a way that they are better able to identify and help meet the needs of children

VISION

Lumen Learning Trust puts the children's needs at the heart of its provision. We are committed to enabling children become successful lifelong learners and happy, fulfilled adults who can make positive choices about their future.

We are committed to supporting and collaborating with other schools and institutions in the development of learning and leadership to create a stimulating and rewarding environment for the whole community.

This vision is achieved through:

- Developing Leadership Capacity
- Strengthening Classroom Provision
- Realising Potential

OBJECTIVES, STRATEGIES AND ACTIVITIES

The main objectives for the period ended 31 August 2017 were as follows:

- Accelerate quality of provision & pupil progress at Riverbridge Primary School following their joining of the trust in September 2016
- Make substantive leadership appointments at Riverbridge Primary, including the Headteacher & Deputy
- Develop Echelford's profile within the community following positive Ofsted November 2016
- Increase Echelford's pupil numbers
- Develop & reconfigure Saxon Primary School's existing buildings to accommodate additional classes up to Year 4
- Maintain excellence in quality of teaching and learning through robust recruitment processes
- Develop the role of curriculum enrichment across the schools through defined space in one school building as well as appointment of personnel to specific role
- Commission HR audit of office and central services
- Strengthen governance through recruitment of additional members with relevant skill set to local governing bodies as well as board of trustees
- Develop summer holiday provision in response to communities' needs
- Develop relationship with Surrey South Farnham School Centred Initial Teacher Training
- Work with other Surrey NLEs to develop school-to-school support resource available to all schools county-wide

Our work towards achieving those objectives within each of the strategic intentions is detailed below:

Developing Leadership Capacity

- Supported a number of members of the staff teams at Echelford, Saxon and Riverbridge to achieve National College for Teaching & Leadership awards or places on courses that work to achieve those awards:
 - 4 teachers gained places on National Professional Qualification for Middle Leadership
 - 3 teachers gained places on National Professional Qualification for Senior Leadership
 - 4 members of the leadership teams gained National Professional Qualification for Senior Leadership
 - 10 members of the middle leadership teams gained National Professional Qualification for Middle Leadership

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- 2 members of the leadership teams gained National Professional Qualification for Headship
- One of our Leadership Consultants was successful in his appointment to become the Headteacher of Riverbridge Primary
- Saxon's Assistant Headteacher was successful in her appointment to become Deputy Headteacher of Riverbridge Primary
- 3 internal candidates were successful in appointments to Echelford's senior leadership team
- 1 internal candidate was successful in her appointment to Riverbridge's senior leadership team
- 2 members of the TA team were successful in their application to a place on Surrey South Farnham SCITT
- Appointment of full-time Leadership Consultant to support outreach work (took up position April 2017)
- Appointment of Enrichment Leader and Marketing Manager
- Development of Communications Manager role to work in conjunction with Marketing Manager
- Recruitment of 7 new members to local governing bodies
- Recruitment of 1 new trustee

Strengthening Classroom Provision

- Recruited 11 teachers (across the three schools) with strong academic backgrounds and a successful track record
- Continued to build on all partner relationships especially those which have positive influence and impact in relation to training opportunities
- Work as identified in each school's development plan

Realising Potential

- Raised attainment and accelerated progress in all three schools

Early Years Foundation Stage				
	2016	2017	National 2016	National 2017
Riverbridge	80%	83%	70%	71%
Saxon	76%	77%	70%	71%
Echelford	82%	87%	70%	71%

Phonics Screen				
	2016	2017	National 2016	National 2017
Riverbridge	94%	90%	81%	81%
Saxon	85%	86%	81%	81%
Echelford	75%	88%	81%	81%

Key Stage 1 (national in brackets)						
	Reading 2016 (74%)	Reading 2017 (76%)	Writing 2016 (65%)	Writing 2017 (68%)	Maths 2016 (73%)	Maths 2017 (75%)
Riverbridge	69%	70%	62%	68%	65%	70%
Saxon	80%	83%	63%	70%	80%	90%
Echelford	76%	77%	74%	75%	78%	80%

Key Stage 2 (national in brackets)								
	Reading 2016 (74%)	Reading 2017 (76%)	Writing 2016 (65%)	Writing 2017 (68%)	Maths 2016 (73%)	Maths 2017 (75%)	RWM 2016 (53%)	RWM 2017 (61%)
Riverbridge	79%	84%	63%	72%	78%	89%	59%	66%
Saxon	83%	83%	62%	80%	90%	87%	63%	80%
Echelford	68%	75%	68%	81%	69%	84%	52%	68%

SIGNIFICANT ACTIVITIES

Significant activities, not mentioned above, include the following:

- The trust has successfully applied to the Home Office and become a Tier 2 sponsor. This means that if a teaching role cannot be filled by a "settled worker" the trust can sponsor a non-European Economic Area

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

migrant who wishes to work in the UK to fill the role.

- The trust appointed a new IT support provider for both Saxon and The Echelford Primary Schools, effective from 1 April 2017.
- Riverbridge Primary School joined the trust on 1 September 2016 at which point notice was given to the current catering contractor that the school would be transferring to the Lumen Learning Trust's catering contract. From 1 January 2017 both of the Riverbridge primary sites transferred to the trust's caterers.
- £48,700 of reserves were used to fund the conversion of a dis-used shower/changing room area at The Echelford Primary School into a creative suite of rooms: a classroom-sized workspace for staff and pupils referred to as the Lighthouse; a Wonder Room (filled with interesting and diverse objects); a small story room called the Nest and a permanent office for the trust's Pastoral Co-ordinator.
- £60,000 of reserves were committed to converting a dis-used shower/changing room area at Saxon Primary School into additional small, group teaching space and to provide a hard standing for a library bus. The need for this project arose as the current library and small group teaching space will be converted back to a classroom as part of the final phase of expansion from a 1 form to 2 form entry school.

PUBLIC BENEFIT

The trustees confirm that they have complied with the requirement in the Charities Act 2011 to have due regard to the Charity Commission general guidance on public benefit in exercising their powers or duties.

ACHIEVEMENTS, PERFORMANCE AND KEY FINANCIAL PERFORMANCE INDICATORS

The Trust is in its fourth period of operation since conversion on 1 October 2013. Achievements, performance and KPIs are detailed below. Attendance, numbers on roll; attainment and progress; and the results of OFSTED inspections are all considered KPIs.

Ofsted Inspection Outcomes

An Ofsted inspection took place at Echelford Primary on 1st & 2nd November 2016. The outcomes for all 5 areas were Good with a consequent overall judgement of Good. This achievement was deemed particularly significant as Echelford has never achieved an overall Good judgement in its history prior to conversion on 1st October 2013.

Attendance

There is a clear link between poor attendance at school and lower academic achievement. Of pupils who miss more than 50 per cent of school only three per cent manage to achieve five or more GCSEs at grades A* to C including Maths and English. 73 per cent of pupils who have over 95 per cent attendance achieve five or more GCSEs at grades A* to C.

The table below shows the absence data for each school.

	The Echelford Primary School	Saxon Primary School	Riverbridge Primary School
	Summer 2017	Summer 2017	Summer 2017
Whole School Attendance	95.5%	96.7%	96.5%
Persistent absence	6.3%	5.2%	5.5%

Attainment & Progress

Through our partnership work with Thamesmead Secondary school, we have been made aware that pupils who leave primary school with at least a Level 4b in English and Maths are 50% more likely to achieve a C grade or above at GCSE.

Children at the end of Year 2 (aged 6-7) and end of Year 6 (10-11) must take part in national standardised tests known as the end of Key Stage 1 SATs and the end of Key Stage 2 SATs respectively. Children are expected to meet expected standards as defined by the new National Curriculum 2014. The attainment figures for 2017 can be seen in a previous section of this report.

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Numbers on Roll

During 2016-17 there were on average; 328 (2014-15 297) pupils at Saxon Primary School; 542 (2014-15 577) pupils at The Echelford Primary School; and 629 primary and nursery pupils at Riverbridge Primary School.

Financial Performance

The majority of the trust's income is from the DfE via the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which are restricted to particular purposes. The grants received from the ESFA during the period ended 31 August 2017 and the associated expenditure are shown in the restricted funds in the Statement of Financial Activities.

The trust also receives a recurring devolved formula capital grant from the ESFA and was in receipt of a Condition Improvement Fund (CIF) grant in 2017 for:

- £112,047 for the second phase of the roof replacement at The Echelford Primary School
- £50,400 for the replacement of the fire alarm system at the Saxon site
- £72,000 for the removal of all remaining asbestos at the Saxon site

The CIF grant is shown as restricted income in the Restricted Fixed Asset fund. The balance of Restricted Fixed Asset fund is reduced by the depreciation charges on the assets inherited from Surrey County Council and those acquired using these funds. The CIF loan is shown as a grant repayable within the accounts.

During the period ended 31 August 2017, the total expenditure of £7,358,342 was met by recurrent grant funding from the ESFA, together with other incoming resources. The majority of expenditure is on staff costs; enabling the teaching and welfare needs of pupils to be met along with the administration, management and leadership of the trust and its constituent elements.

The net book value of fixed assets on 31 August 2017 were £15,999,674 which includes the additions of £7,383,602 and depreciation charges for the period of £484,681.

GOING CONCERN

After making appropriate enquiries, the board of trustees has a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in Note 1 of the accounts.

Financial review

RESERVES POLICY

Reserves are defined as that part of a trust's unrestricted income funds that are freely available to spend on any of the trust's charitable purposes. This excludes restricted income funds although the level of such funds influences the trust's reserves policy. Reserves normally exclude tangible fixed assets held for the trust's use and any amounts designated for essential future spending.

Holding excessive reserves can unnecessarily limit the amount spent on charitable activities, reducing the potential benefits the trust can provide. However, if reserves are too low then the trust's solvency and future activities can be put at risk.

The trust has developed its reserves policy in an integrated manner, recognising that strategic and financial planning informs the development of the reserves policy and vice versa. Our reserves are held to:

- Ensure troughs in funding projected from financial forecasts can be met from reserves held
- Meet the cost of needs that cannot be met from the income of a single year's budget alone, specifically:

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FOR THE YEAR ENDED 31 AUGUST 2017

- Small group rooms at Saxon Primary School and other expansion projects
- Investment in IT infrastructure to integrate the IT systems across the trust
- Provide capacity to expand the trust, specifically:
 - Funds to meet the costs of legal and professional fees associated with new schools joining the trust
 - Funds to facilitate expansion at Saxon Primary School without comprising the existing facilities and provision
 - Funds to employ staff to ensure the trust has capacity for expansion
- Provide a financial cushion and the capacity in which to react to policy, demographic, funding, staffing or legal changes that may have adverse impact on the trust
- Manage unforeseen financial difficulties or unexpected calls on trust's funds

As the trust matures, reserves will need to be set aside to cover building and maintenance works that cannot be funded out of a single year's income. The revenue budget and forecasts include an amount for maintenance in each year that covers the works described in the condition survey of each site. The need for additional funds to be set aside each year over and above this, needs to be considered. One option would be to fund future projects via loans on offer from the DfE. The level of reserves are monitored throughout the year as part of the budgetary process and the trust's reserve policy is kept under review to ensure it meets the charity's changing needs and circumstances. A prudent approach was taken during 2016-17 not to commit reserves to projects until the results of the CIF applications were known and uncertainties surrounding a variety of initiatives were clear.

The level of reserves held at 31st August 2017 total £15,938,766, of which £1,762,325 are free reserves. The target range of free reserves to be held is £421,975 to £433,784. Amounts held over this amount will be spent in the next financial year or designated for a specific purpose.

INVESTMENT POLICY

The Trust aims to manage its cash balances to provide for the operational working capital requirements of its operations plus any planned use of reserves. The Trust does not consider the investments of funds as a primary activity, rather as a result of good stewardship when circumstances allow.

PRINCIPAL RISKS AND UNCERTAINTIES

A risk management matrix detailing both key financial and non-financial risks was initially completed by a team that included the Executive Principal, a trustee, a school business manager and the finance manager. Risks were assessed in relation to their likelihood of incidence and their potential impact on the trust to give an overall risk rating. The risk matrix is reviewed in light of new information and is formally updated annually. The identification of key risk areas has then informed trust activities. Areas identified as high risk are as follows:

Difficulties in recruiting/retaining staff

The success of the trust is reliant on the quality of its staff so the trustees monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning.

Income levels inadequate

The trust is reliant on continued Government funding through the ESFA. There is no assurance that government policy or practice will remain the same or that the public funding will continue at the same levels or on the same terms. The number of pupils on roll at each school drives a large part of the GAG funding from the ESFA. The number of pupils at The Echelford Primary School is 90.3% of capacity - the projected, short term, in-year deficits that this creates are to be funded from the current free reserves.

Adverse reports as the result of monitoring visits (e.g. Ofsted) can have a negative impact on the pupils on roll as parents often choose to send their children to other local schools if there are places available. The expectation is that Echelford's improved Ofsted rating will drive up the pupil roll.

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TRUSTEES' REPORT (continued)
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Breach of Statutory Requirements

There is an inherent risk in operating a school that a statutory requirement may be breached. Systems, policies and operational procedures exist to minimise the risk but it cannot be eliminated entirely.

Acts of God, impact of adverse weather conditions

The trust has taken professional advice and ensured that appropriate insurance is in place. Each school also has a business continuity plan to cover such events.

PLANS FOR FUTURE PERIODS

One of the long-term key aims for the Lumen Learning Trust is to create a Trust that could be termed a 'mixed economy'. We understand there is strength in diversity therefore we are looking to build a Trust of schools that reflects this, and so in time would include not just primary provision but special and nursery as well.

Over the next 12 months the key objectives are:

- Support the transition of Riverbridge Primary & Nursery into the Trust and secure provision in order to accelerate attainment and progress
- where necessary accelerate attainment and progress at Saxon Primary School whilst maintaining existing high standard
- where necessary accelerate attainment and progress at The Echelford Primary School whilst maintaining existing high standards
- maintain Saxon Primary School's positive profile in the community
- increase the momentum of The Echelford's increasingly positive profile in the community

Details of any activities planned to achieve them:

- work in partnership across the trust and with Babcock 4S consultants in scrutinising provision and identifying areas for particular focus
- fulfilling expectations as detailed in each school's respective School Development Plan
- continue to play an active part in all relevant partnerships including; Spelthorne Schools Together; Thamesmead School; St. Mary's University; NE quadrant

FUNDS HELD AS CUSTODIAN

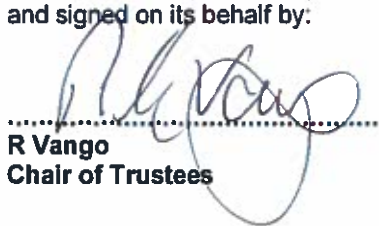
The Lumen Learning Trust is not acting as a custodian trustee for others.

AUDITOR

Insofar as the trustees are aware:

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

The Trustees' report was approved by order of the board of trustees, as the company directors, on 8/12/17 and signed on its behalf by:


.....
R Vango
Chair of Trustees

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GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

As trustees, we acknowledge we have overall responsibility for ensuring that Lumen Learning 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 Executive Principal, 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 Lumen Learning Trust and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

GOVERNANCE

The information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees' responsibilities. The board of trustees has formally met 3 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
R Vango (Chair)	3	3
I Ingham (Vice - Chair)	3	3
M E McCarthy, Executive Principal and Accounting Officer	3	3
D Prendergast	1	3
P Rodin	2	3
D Stafford	0	0
W Sedgwick	3	3
M George	2	2
L Griffiths	1	1
L Ellis-Philip	2	3
W Walford	1	1
M Hussain	0	0

The business management and finance committee is a committee of the main board of trustees. Its purpose is to offer support and guidance to the executive principal in all matters relating to finance, premises, health & safety, staffing and related matters for the trust. The Trust Finance Manager, the Headteachers from each school and their School Business Managers attend the meetings. One representative from each local governing body is also encouraged to attend.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
I Ingham (Chair)	3	3
L Griffiths	0	1
W Walford	0	0
M E McCarthy, Executive Principal and Accounting Officer	1	1

The education committee is an advisory and moderation group lead by the Executive Principal and attended by the Deputy Executive Principal, Headteachers of the LLT Schools or their representative and the Chairs of Governors of the LLT Schools or their representative.

Trustee	Meetings attended	Out of a possible
M E McCarthy, Executive Principal and Accounting Officer	1	1
W Sedgwick	1	1

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GOVERNANCE STATEMENT (continued)

L Ellis-Philip	1	1
M George	1	1

The strategy committee is an advisory group led by the chair of trustees. Its purpose to explore potential future strategy.

Strategy

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
I Ingham	3	3
R Vango (Chair)	3	3
M E McCarthy (Executive Principal and Accounting Officer)	3	3
P Rodin	1	3

REVIEW OF VALUE FOR MONEY

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

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

- Local Government Pension Scheme – the trustees took the decision to fully pool contributions and funding levels across schools within the MAT – effectively making one, larger fund. The pooled employer contribution rate is 16.8% compared to the unpooled rates ranging from 19.2% to 27.5%. The benefits are as follows:
 - Pooling improves the risk categorisation of the trust's pension funds which in turn means a lower employer contribution rate than if each school were to be treated as a separate fund.
 - Pooling reduces the volatility of contribution rates arising from the differing membership characteristics of schools.
 - Reduced costs as only one FRS102 accounting report will need to be produced at year end rather than one for each school (about £500 per report)
 - A single contribution rate across the MAT will make administration easier from a payroll, reconciliation and budgeting perspective.
- Set up trust wide staff insurance scheme for teacher maternity cover and staff sickness
- Review of commercial insurance purchased revealed:
 - that premiums were consistently higher than claims
 - the schemes were complex with many rules and moratorium periods
 - the periodic exercise of tendering the contract was lengthy and complex
- Any surplus made by the trust wide scheme could be ploughed back into the trust for the benefit of the pupils
- The trust wide scheme would be simpler to administer for each of the trust schools
- When the long term insurance contract for Saxon Primary School and The Echelford Primary school came to an end (30 Sept 2016) a decision was taken to join the Risk Protection Arrangement (RPA). The RPA is an alternative to commercial insurance for academy trusts – the UK government covers the losses instead of a commercial insurance provider. The scheme costs the trust £20 per pupil which is significantly less than the cost of commercial insurance.

REVIEW OF GOVERNANCE

In the interest of good practice the Board of Directors conducts a self- review of effectiveness of governance arrangements annually and uses this as an opportunity to appraise current practice and processes and make changes if necessary. The review in 2017 focussed the local governors' role in offering strategic support and challenge to the senior leadership. The governors of all three schools and directors met for a review of the local governing role in October 2017, for a self reflection workshop. Governors in school activities will be linked to

LUMEN LEARNING TRUST
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GOVERNANCE STATEMENT (continued)

the senior leadership monitoring and evaluation schedule, allowing the capture of everyone's insight into the quality of provision. It is hoped that this will strengthen the relationship between school leaders and members of the governing body and make it easier for everyone to see the connections between their work and the work of others.

Board meetings are now held during the business day and are scheduled to last up to ½ a day (if required). The agenda items are focussed on strategy setting and business risks.

In addition, it was recognised that it was impractical for directors to know everything about all matters relating to the operation of the trust so each director should have a specialism and bring that knowledge to full board meetings. This should enable a more efficient, collaborative and cohesive approach to decision making and strategy setting with the overall objective of increasing the trust's chances of continuing success.

In order to inform the director's specialism small subject specific groups have been established and meet prior to the board meetings. These groups have at least two directors present along with relevant subject matter experts from the trust employees and or local governing bodies. The is for directors to fully explore and discuss matters relevant to their specialism prior to board meetings, enabling a more informed and efficient discussion at board level.

Both the Local Governing Bodies and the Board of Directors also carry out an on-going process of self-evaluation, particularly in consideration of new members of Directors or Local Governing Bodies. There is a constant focus on ensuring all members of these groups have the relevant skills set in order to fulfil the Vision for the Trust. Directors and Governors have a standing item on their meeting agendas to consider the difference they have made to the pupils in the schools through their discussion and agreed actions.

The local governing bodies in all three schools have developed a template for meeting agendas, that they are satisfied addresses their role to support and challenge the senior leaders.

Working together with senior leaders, directors provide effective strategic leadership which has had a positive impact on many aspects of the academy's work and its overall performance. On balance the board of directors is currently effective in discharging its core functions and responsibilities but will need to adapt as the trust enters a new cycle of significant challenge (trust growth and funding pressures).

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of academy 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 Lumen Learning Trust for the year 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The board of trustees has reviewed the key risks to which the academy 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's significant risks, that has been in place for the year 1 September 2016 to 31 August 2017 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'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;

LUMEN LEARNING TRUST
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GOVERNANCE STATEMENT (continued)

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

The board of trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. When Riverbridge Primary School joined the trust (on 1 September 2016) it was felt there would be an element of peer review whilst integrating the new school - the school business manager would be able to see the trust's processes and systems through fresh eyes.

During previous internal and external audit visits no significant weaknesses have been reported by James Cowper Kreston. The systems and processes in 2016-17 were largely unchanged from previous years.

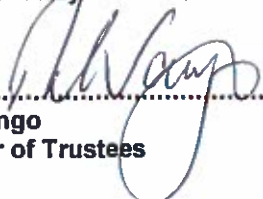
REVIEW OF EFFECTIVENESS

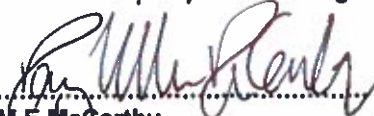
As Accounting Officer, the Executive Principal has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the academy 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 business management and finance 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 08/12/17 and signed on their behalf, by:


.....
R Vango
Chair of Trustees


.....
M E McCarthy
Accounting Officer

LUMEN LEARNING TRUST
(A company limited by guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Lumen Learning Trust I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2016.

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 2016.

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


.....
M E McCarthy
Accounting Officer

8/12/17

LUMEN LEARNING TRUST
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STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2017

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgments and accounting estimates that are reasonable and prudent;
- 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 ESFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the board of trustees on 08/12/17 and signed on its behalf by:


.....
R Varigo
Chair of Trustees

LUMEN LEARNING TRUST
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INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF LUMEN LEARNING TRUST

OPINION

We have audited the financial statements of Lumen Learning Trust for the year ended 31 August 2017 which comprise the Statement of financial activities incorporating income and expenditure account, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

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

In our opinion the financial statements:

- give a true and fair view of the state of the academy's affairs as at 31 August 2017 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

BASIS OF OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the academy in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 academy'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.

OTHER INFORMATION

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

LUMEN LEARNING TRUST
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INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF LUMEN LEARNING TRUST

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 MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

- the information given in the Trustees' Report for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of our knowledge and understanding of the academy and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

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

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

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the Statement of Trustees' responsibilities, the Trustees (who are also the directors of the academy 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'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's or to cease operations, or have no realistic alternative but to do so.

LUMEN LEARNING TRUST
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF LUMEN LEARNING TRUST

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. The description forms part of our Auditor's report.



Darren O'Connor BSc (Hons) FCCA ACA (Senior statutory auditor)

for and on behalf of

James Cowper Kreston

Chartered Accountants and Statutory Auditor

Reading Bridge House
George Street
Reading
Berkshire
RG1 8LS

Date: 14 December 2017

LUMEN LEARNING TRUST
(A company limited by guarantee)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO LUMEN LEARNING TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 2 October 2017 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Lumen Learning Trust during the year 1 September 2016 to 31 August 2017 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 Lumen Learning Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Lumen Learning Trust and the 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 Lumen Learning Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

RESPECTIVE RESPONSIBILITIES OF LUMEN LEARNING TRUST'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT

The Accounting Officer is responsible, under the requirements of Lumen Learning Trust's funding agreement with the Secretary of State for Education dated 01 October 2013, and the Academies Financial Handbook extant from 1 September 2016, 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 2016 to 2017. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2016 to 31 August 2017 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 2016 to 2017 issued by the 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's income and expenditure.

Our work on regularity included a review of the internal controls, policies and procedures that have been implemented and an assessment of their design and effectiveness to understand how the academy complied with the framework of authorities. We also reviewed the reports commissioned by the trustees to assess the internal controls throughout the year.

Specific work undertaken to draw to our conclusion includes:

- reviewing the minutes of the meetings of the Board of Governors 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;

LUMEN LEARNING TRUST
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO LUMEN
LEARNING TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY (continued)**

- testing of a sample of grants received and other income streams.

We performed detailed testing based on our assessment of the risk of material irregularity, impropriety and non-compliance. This work was integrated with our audit on the financial statements where appropriate and included analytical review and detailed substantive testing of transactions.

CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2016 to 31 August 2017 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



James Cowper Kreston

Chartered Accountants and Statutory Auditor

Reading Bridge House
George Street
Reading
Berkshire
RG1 8LS

Date: 14 December 2017

LUMEN LEARNING TRUST
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2017**

	Note	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
INCOME FROM:						
Donations and capital grants	2	47,572	(145,832)	7,016,725	6,918,465	107,110
Charitable activities	5	445,010	6,474,226	-	6,919,236	4,141,056
Other trading activities	3	30,093	4,548	-	34,641	9,162
Investment income	4	9,356	-	-	9,356	10,283
TOTAL INCOME		532,031	6,332,942	7,016,725	13,881,698	4,267,611
EXPENDITURE ON:						
Charitable activities		441,822	6,431,839	484,681	7,358,342	4,243,346
TOTAL EXPENDITURE	7	441,822	6,431,839	484,681	7,358,342	4,243,346
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS						
Transfers between Funds	18	90,209	(98,897)	6,532,044	6,523,356	24,265
		-	(239,467)	239,467	-	-
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES						
		90,209	(338,364)	6,771,511	6,523,356	24,265
Actuarial gains/(losses) on defined benefit pension schemes	23	-	406,000	-	406,000	(336,000)
NET MOVEMENT IN FUNDS		90,209	67,636	6,771,511	6,929,356	(311,735)
RECONCILIATION OF FUNDS:						
Total funds brought forward		671,357	(810,877)	9,148,930	9,009,410	9,321,145
TOTAL FUNDS CARRIED FORWARD		761,566	(743,241)	15,920,441	15,938,766	9,009,410

LUMEN LEARNING TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 8670599

BALANCE SHEET
AS AT 31 AUGUST 2017

	Note	£	2017 £	£	2016 £
FIXED ASSETS					
Tangible assets	13		15,999,674		9,100,753
CURRENT ASSETS					
Stocks	14	18,320		10,457	
Debtors	15	411,708		251,466	
Cash at bank and in hand		2,297,463		1,683,053	
		<u>2,727,491</u>		<u>1,944,976</u>	
CREDITORS: amounts falling due within one year	16	<u>(902,497)</u>		<u>(590,009)</u>	
NET CURRENT ASSETS			<u>1,824,994</u>		<u>1,354,967</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>17,824,668</u>		<u>10,455,720</u>
CREDITORS: amounts falling due after more than one year	17		<u>(141,902)</u>		<u>(163,310)</u>
NET ASSETS EXCLUDING PENSION SCHEME LIABILITIES			<u>17,682,766</u>		<u>10,292,410</u>
Defined benefit pension scheme liability	23		<u>(1,744,000)</u>		<u>(1,283,000)</u>
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u><u>15,938,766</u></u>		<u><u>9,009,410</u></u>
FUNDS OF THE ACADEMY					
Restricted income funds:					
Restricted income funds	18	1,000,759		472,123	
Restricted fixed asset funds	18	15,920,441		9,148,930	
		<u>16,921,200</u>		<u>9,621,053</u>	
Restricted income funds excluding pension liability					
Pension reserve		<u>(1,744,000)</u>		<u>(1,283,000)</u>	
Total restricted income funds			<u>15,177,200</u>		<u>8,338,053</u>
Unrestricted income funds	18		<u>761,566</u>		<u>671,357</u>
TOTAL FUNDS			<u><u>15,938,766</u></u>		<u><u>9,009,410</u></u>

The financial statements on pages 22 to 47 were approved by the Trustees, and authorised for issue, on 08/12/17 and are signed on their behalf, by:

.....
R Vango
Chair of Trustees

LUMEN LEARNING TRUST
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2017

	Note	2017 £	2016 £
Cash flows from operating activities			
Net cash provided by operating activities	20	<u>988,194</u>	<u>294,852</u>
Cash flows from investing activities:			
Interest receivable		9,356	10,283
Purchase of tangible fixed assets		(625,941)	(510,184)
Capital grants		<u>245,797</u>	<u>67,659</u>
Net cash used in investing activities		<u>(370,788)</u>	<u>(432,242)</u>
Cash flows from financing activities:			
Salix loan		(2,996)	134,671
Net cash (used in)/provided by financing activities		<u>(2,996)</u>	<u>134,671</u>
Change in cash and cash equivalents in the year		614,410	(2,719)
Cash and cash equivalents brought forward		<u>1,683,053</u>	<u>1,685,772</u>
Cash and cash equivalents carried forward	21	<u><u>2,297,463</u></u>	<u><u>1,683,053</u></u>

LUMEN LEARNING TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

1. ACCOUNTING POLICIES

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

1.1 Basis of preparation of financial statements

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Lumen Learning Trust constitutes a public benefit entity as defined by FRS 102.

1.2 Company status

The academy is a company limited by guarantee. The members of the company are the Trustees named on page 1. In the event of the academy being wound up, the liability in respect of the guarantee is limited to £10 per member of the academy.

1.3 Fund accounting

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

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

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

LUMEN LEARNING TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

1. ACCOUNTING POLICIES (continued)

1.4 Income

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

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

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

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

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

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.

Where assets are received by the trust on conversion to an academy, the transferred assets are measured at fair value and recognised in the Balance sheet at the point when the risk and rewards of ownership pass to the trust. An equal amount of income is recognised as a transfer on conversion within Income from donations and capital grants.

1.5 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 charitable activities are costs incurred on the academy's educational operations, including support costs and those costs relating to the governance of the academy appointed to charitable activities.

All expenditure is inclusive of irrecoverable VAT.

LUMEN LEARNING TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

1. ACCOUNTING POLICIES (continued)

1.6 Going concern

The Trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the academy 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

1.7 Tangible fixed assets and depreciation

All assets costing more than £2,500 are capitalised 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 incorporating income and expenditure account 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 incorporating income and expenditure account. 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 these assets, less their estimated residual value, over their expected useful lives on the following bases:

Buildings	-	2% - 20% Straight line
Fixtures & fittings	-	20% Straight line
Computer equipment	-	33% Straight line

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 incorporating income and expenditure account.

1.8 Operating leases

Rentals under operating leases are charged to the Statement of financial activities incorporating income and expenditure account on a straight line basis over the lease term.

1.9 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

1. ACCOUNTING POLICIES (continued)

1.10 Taxation

The academy 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 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.

1.11 Debtors

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

1.12 Cash at Bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.13 Liabilities and provisions

Liabilities and provisions 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 anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. 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.

1.14 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in notes 16 and 17. 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 instruments. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

1. ACCOUNTING POLICIES (continued)

1.15 Pensions

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ("TPS") and the Local Governments 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 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 incorporating income and expenditure account and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

1. ACCOUNTING POLICIES (continued)

1.16 Critical accounting estimates and areas of judgment

Estimates and judgments 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.

Local Government Pension Scheme

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 2017. 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.

Depreciation

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. Residual value assessments consider issues such as the remaining life of the asset and projected disposal values.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
Donations and other voluntary income	37,684	350	13,267	51,301	39,451
Capital grants	-	-	245,797	245,797	67,659
Transfer from Local Authority on conversion of Riverbridge Primary School	9,888	(146,182)	6,757,661	6,621,367	-
	<u>47,572</u>	<u>(145,832)</u>	<u>7,016,725</u>	<u>6,918,465</u>	<u>107,110</u>
<i>Total 2016</i>	<u>30,096</u>	<u>-</u>	<u>77,014</u>	<u>107,110</u>	

On 1 September 2016 Riverbridge Primary School joined Lumen Learning Trust. The following assets / liabilities were transferred:

Land and buildings	£6,737,000
Other fixed assets	£20,661
Inherited surplus	£537,706
Local Government pension liability	(£674,000)
Total	£6,621,367

3. OTHER TRADING ACTIVITIES

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Letting income	30,093	4,548	34,641	9,162
	<u>30,093</u>	<u>4,548</u>	<u>34,641</u>	<u>9,162</u>

In 2016, of the total other trading income, £6,020 was to unrestricted funds and £3,142 was to restricted funds.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

4. INVESTMENT INCOME

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Investment income	9,356	-	9,356	10,283
<i>Total 2016</i>	<i>10,283</i>	<i>-</i>	<i>10,283</i>	

5. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Educational operations (see below)	-	5,946,995	5,946,995	3,446,833
Local Authority	-	477,855	477,855	315,880
Other income from educational activities	445,010	49,376	494,386	378,343
	445,010	6,474,226	6,919,236	4,141,056
<i>Total 2016</i>	<i>349,184</i>	<i>3,791,872</i>	<i>4,141,056</i>	

FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
DfE/ESFA grants				
General Annual Grant (GAG)	-	5,316,855	5,316,855	3,068,581
Other DfE/ESFA grants	-	630,140	630,140	378,252
	-	5,946,995	5,946,995	3,446,833
<i>Total 2016</i>	<i>-</i>	<i>3,446,833</i>	<i>3,446,833</i>	

LUMEN LEARNING TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

6. CHARITABLE ACTIVITIES

	Total funds 2017 £	Total funds 2016 £
DIRECT COSTS - EDUCATIONAL OPERATIONS		
Wages and salaries	3,153,825	1,796,495
National insurance	251,010	120,909
Pension cost	632,229	250,274
Educational supplies	52,634	37,779
Staff development	62,948	32,994
Staff insurance	40,225	43,355
Technology	43,887	31,296
Educational consultancy	96,719	74,533
Travel and subsistence	712	785
Depreciation	484,681	289,069
Other direct costs	413,940	263,346
	<hr/> 5,232,810	<hr/> 2,940,835
SUPPORT COSTS - EDUCATIONAL OPERATIONS		
Wages and salaries	765,875	432,702
National insurance	54,218	26,090
Pension cost	267,814	173,153
Recruitment and support	29,534	29,033
Maintenance of premises	77,762	65,573
Maintenance of equipment	37,689	32,536
Cleaning	137,907	82,094
Rent and rates	19,570	10,485
Water rates	16,223	7,182
Energy	64,693	41,418
Insurance	32,618	45,799
Security	171	150
Transport	7,240	6,017
Catering	399,613	205,527
Technology costs	82,551	37,972
Bank interest and charges	3,894	1,713
Travel and subsistence	1,155	456
Governance costs	10,575	9,837
Other support costs	116,430	94,774
	<hr/> 2,125,532	<hr/> 1,302,511
	<hr/> 7,358,342	<hr/> 4,243,346

LUMEN LEARNING TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

7. EXPENDITURE

	Staff costs 2017 £	Premises 2017 £	Other costs 2017 £	Total 2017 £	Total 2016 £
Academy's educational operations:					
Direct costs	4,156,140	-	1,076,670	5,232,810	2,940,835
Support costs	1,087,907	348,944	688,681	2,125,532	1,302,511
	<u>5,244,047</u>	<u>348,944</u>	<u>1,765,351</u>	<u>7,358,342</u>	<u>4,243,346</u>
Total 2016	<u>2,916,676</u>	<u>252,701</u>	<u>1,073,969</u>	<u>4,243,346</u>	

8. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2017 £	2016 £
Depreciation of tangible fixed assets:		
- owned by the charity	484,681	289,247
Auditors' remuneration	7,500	7,300
Auditors' remuneration - non audit services	2,275	2,500
Operating lease rentals	<u>11,055</u>	<u>12,407</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

9. STAFF COSTS

Staff costs were as follows:

	2017 £	2016 £
Wages and salaries	3,919,700	2,229,197
Social security costs	305,228	146,999
Pension costs	900,043	423,427
	<hr/> 5,124,971	<hr/> 2,799,623
Apprenticeship levy	2,402	-
Supply teacher costs	116,674	117,053
	<hr/> 5,244,047	<hr/> 2,916,676

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

	2017 No.	2016 No.
Teachers	61	34
Administration and support	97	51
Management	6	7
	<hr/> 164	<hr/> 92

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

	2017 No.	2016 No.
In the band £60,001 - £70,000	1	0
In the band £70,001 - £80,000	0	1
In the band £90,001 - £100,000	1	0

The above employees all participated in the Teachers' Pension Scheme. During the year ended 31 August 2017, pension contributions for these staff members amounted to £22,089 (2016: £11,304).

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 £322,256 (2016: £210,853).

Included in staff costs are non-statutory/non-contractual severance payments totalling £NIL (2016: £3,000).

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

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:

		2017 £	2016 £
M E McCarthy (Executive Principal and Trustee) - Remuneration	Remuneration	80,000-85,000	75,000-80,000
	Pension contributions paid	10,000-15,000	10,000-15,000

During the year ended 31 August 2017, expenses totalling £123 (2016 - £363) were reimbursed to 1 Trustee (2016 - 1).

11. CENTRAL SERVICES

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

- Executive Principal
- Interim head teacher for Echelford Primary School
- Interim deputy head for Riverbridge Primary School
- Home school link worker and home school mentor
- Sports premium mentor
- Legal and professional services
- Finance and administration
- Drafting of trust policies

The academy charges for these services on the following basis:

Each school in the trust makes a partnership contribution each month which is 5% of GAG funding – this is to cover central staff and services that are provided to all schools e.g. Executive Principal, Finance Manager, Purchase Ledger clerk, cost of finance system, audit fees

Where central staff have been deployed to undertake substantive roles in schools the cost of employment of those staff members is recharge directly to the school.

The actual amounts charged during the year were as follows:

	2017 £	2016 £
Central staff	268,322	224,821
Central supplies and services	-	41,054
Partnership contribution	267,714	-
	<u>536,036</u>	<u>265,875</u>

LUMEN LEARNING TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

12. TRUSTEES' AND OFFICERS' INSURANCE

The academy trust has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides cover up to £10,000,000. It is not possible to quantify the Trustees and officers indemnity element from the overall cost of the RPA scheme.

13. TANGIBLE FIXED ASSETS

	Land and buildings £	Fixtures and fittings £	Computer equipment £	Total £
Cost				
At 1 September 2016	9,183,562	406,735	244,910	9,835,207
Additions	7,117,359	202,524	63,719	7,383,602
At 31 August 2017	<u>16,300,921</u>	<u>609,259</u>	<u>308,629</u>	<u>17,218,809</u>
Depreciation				
At 1 September 2016	487,724	128,351	118,379	734,454
Charge for the year	337,384	73,444	73,853	484,681
At 31 August 2017	<u>825,108</u>	<u>201,795</u>	<u>192,232</u>	<u>1,219,135</u>
Net book value				
At 31 August 2017	<u>15,475,813</u>	<u>407,464</u>	<u>116,397</u>	<u>15,999,674</u>
At 31 August 2016	<u>8,695,838</u>	<u>278,384</u>	<u>126,531</u>	<u>9,100,753</u>

The Academy took out a 125 year lease over the land and buildings transferred from Surrey County Council at the date of conversion. The land and buildings transferred and assigned at conversion have been valued at an estimate of their fair value at conversion. In determining this value, the Trustees have referred to an independent valuation of land and buildings by FHP Property Consultants. FHP Property Consultants are a member of the RICS registered valuation scheme. This valuation was carried out on a depreciated replacement cost basis. Included in the value of land and buildings is land at a value of £2,216,800.

During the year, Riverbridge Primary School Joined the Multi Academy Trust. The trust took out a 125 year lease over the land and buildings located at Riverbridge Primary School transferred from Surrey County Council. The land and buildings transferred and assigned have been valued at an estimate of their fair value. In determining this value, the Trustees have referred to an independent valuation of land and buildings by FHP Property Consultants. This valuation was carried out on a depreciated replacement cost basis. The total valuation of land and buildings was £6,737,000, including land at a value of £2,300,000.

14. STOCKS

	2017 £	2016 £
School equipment	<u>18,320</u>	<u>10,457</u>

LUMEN LEARNING TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

15. DEBTORS

	2017 £	2016 £
Trade debtors	15,921	41,849
VAT recoverable	254,983	66,141
Other debtors	266	1,115
Prepayments and accrued income	140,538	142,361
	<u>411,708</u>	<u>251,466</u>

16. CREDITORS: Amounts falling due within one year

	2017 £	2016 £
Salix and CIF loans	22,506	4,094
Trade creditors	377,399	228,720
Other taxation and social security	77,168	46,597
Other creditors	166,887	122,657
Accruals and deferred income	258,537	187,941
	<u>902,497</u>	<u>590,009</u>

	2017 £	2016 £
Deferred income		
Deferred income at 1 September 2016	106,789	102,840
Resources deferred during the year	161,020	106,789
Amounts released from previous years	(106,789)	(102,840)
Deferred income at 31 August 2017	<u>161,020</u>	<u>106,789</u>

At the balance sheet date the Trust was holding funds received in advance from the ESFA and the Local Authority. Deferred income includes the following:

£135,090 (2016: £78,133) in respect of the Universal Infant Free School Meals grant
£8,166 (2016: £8,320) in respect of the Surrey County Council Children's Centre grant.

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**NOTES TO THE FINANCIAL STATEMENTS
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17. CREDITORS: Amounts falling due after more than one year

	2017 £	2016 £
Salix and CIF loans	<u>141,902</u>	<u>163,310</u>

Creditors include amounts not wholly repayable within 5 years as follows:

	2017 £	2016 £
Repayable by instalments	<u>51,875</u>	<u>73,287</u>

A Condition Improvement Fund loan from the ESFA was received for replacing the pool enclosure at Saxon Primary School in the year ended 31 August 2016. The loan is repayable (as deduction of £1,535 from GAG each month) from September 2017 until August 2025 with an interest rate of 2.04% per annum.

Deductions to GAG for the Salix loans which were provided in the previous year commenced in September 2016. A total of £2,045 is repayable each March and September for 8 years.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

18. STATEMENT OF FUNDS

	Brought forward £	Income £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried forward £
Unrestricted funds						
General Funds	671,357	532,031	(441,822)	-	-	761,566
Restricted funds						
General Annual Grant (GAG)	472,123	5,316,855	(4,548,752)	(239,467)	-	1,000,759
Other DfE/ESFA grants	-	630,140	(630,140)	-	-	-
Local authority	-	477,855	(477,855)	-	-	-
Educational activities	-	582,092	(582,092)	-	-	-
Pension reserve	(1,283,000)	(674,000)	(193,000)	-	406,000	(1,744,000)
	(810,877)	6,332,942	(6,431,839)	(239,467)	406,000	(743,241)
Restricted fixed asset funds						
DfE/ESFA capital grants	832,454	245,797	(59,762)	-	-	1,018,489
Capital from GAG	298,314	-	(143,525)	239,467	-	394,256
Private sector capital grants	7,983,325	6,757,661	(266,926)	-	-	14,474,060
Other capital grants	34,837	13,267	(14,468)	-	-	33,636
	9,148,930	7,016,725	(484,681)	239,467	-	15,920,441
Total restricted funds	8,338,053	13,349,667	(6,916,520)	-	406,000	15,177,200
Total of funds	9,009,410	13,881,698	(7,358,342)	-	406,000	15,938,766

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

Restricted funds

The General Annual Grant (GAG) represents funding received from the Education and Skills Funding Agency during the period in order to fund the continuing activities of the school. Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2017.

Local Authority grants represent money given to the Academy through grants. This year the grants included funding for: Children's Centre based at Saxon Primary School; Growing Schools; and pupils with a statement of special educational needs.

Educational activities represents monies given for activities carried out as part of the academy's operations. These funds are to be spent on educational needs.

The pension reserve represents the Local Government Pension Scheme deficit. In the event of academy closure the outstanding LGPS liabilities would be met by the Department for Education. The trust is able to meet its current obligation to the pension fund, the employer contributions.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

18. STATEMENT OF FUNDS (continued)

Fixed asset funds

Other capital grants represents funds given to the academy through donations for specific capital purposes which were unspent at 31 August 2017.

Fixed assets transferred on conversion represent the land and building and equipment donated to the school from Surrey County Council.

Fixed assets purchases from GAG represents amounts spent on fixed assets from the GAG funding received from the ESFA.

DfE/ESFA Capital grants include devolved formula capital funding and amounts received from the Capital Improvement Fund.

Transfers in/out from GAG to the fixed asset fund relate to a variety of capital projects across the 3 schools, these include: the Wonder Room / Nest / Pastoral Office at Echelford Primary School; a proximity pass door entry system at Riverbridge Primary School; and expansion related works at Saxon Primary School (small group room and toilet refurbishment).

ANALYSIS OF ACADEMIES BY FUND BALANCE

Fund balances at 31 August 2017 were allocated as follows:

	Total 2017 £	<i>Total 2016 £</i>
Saxon Primary School	408,971	433,111
Echelford Primary School	555,080	608,604
Riverbridge Primary School	653,631	-
Children's Centre	5,277	9,012
Central costs	139,366	92,753
	<hr/>	<hr/>
Total before fixed asset fund and pension reserve	1,762,325	1,143,480
	<hr/>	<hr/>
Restricted fixed asset fund	15,920,441	9,148,930
Pension reserve	(1,744,000)	(1,283,000)
	<hr/>	<hr/>
Total	<u>15,938,766</u>	<u>9,009,410</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

18. STATEMENT OF FUNDS (continued)

ANALYSIS OF ACADEMIES BY COST

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding deprecia- tion £	Total 2017 £	Total 2016 £
The Echelford Primary School	1,458,509	247,939	215,885	474,281	2,396,614	2,293,782
Saxon Primary School	969,773	182,366	137,752	289,682	1,579,573	1,378,923
Riverbridge Primary School	1,470,244	407,415	224,293	469,044	2,570,996	-
Saxon Children's Centre	-	75,267	1,155	26,907	103,329	105,713
Central costs	168,629	68,503	15,306	(222,289)	30,149	134,681
LGPS pension finance cost	86,584	106,416	-	-	193,000	41,000
	<u>4,153,739</u>	<u>1,087,906</u>	<u>594,391</u>	<u>1,037,625</u>	<u>6,873,661</u>	<u>3,954,099</u>

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Tangible fixed assets	-	-	15,999,674	15,999,674
Current assets	761,566	1,880,750	85,175	2,727,491
Creditors due within one year	-	(879,991)	(22,506)	(902,497)
Creditors due in more than one year	-	-	(141,902)	(141,902)
Pension liability	-	(1,744,000)	-	(1,744,000)
	<u>761,566</u>	<u>(743,241)</u>	<u>15,920,441</u>	<u>15,938,766</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

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

	2017 £	2016 £
Net income for the year (as per Statement of Financial Activities)	6,523,356	24,265
Adjustment for:		
Depreciation charges	484,681	289,247
Investment income	(9,356)	(10,283)
(Increase)/decrease in stocks	(7,863)	1,595
(Increase)/decrease in debtors	(160,242)	418
Increase in creditors	294,076	16,269
Capital grants from DfE and other capital income	(245,797)	(67,659)
Defined benefit pension scheme cost	193,000	41,000
Transfer of Riverbridge Primary School	(6,083,661)	-
Net cash provided by operating activities	988,194	294,852

21. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2017 £	2016 £
Cash in hand	2,297,463	1,683,053
Total	2,297,463	1,683,053

22. CAPITAL COMMITMENTS

At 31 August 2017 the academy had capital commitments as follows:

	2017 £	2016 £
Contracted for but not provided in these financial statements	156,324	244,038

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

23. PENSION COMMITMENTS

The academy'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 Surrey County Council. Both are Multi-employer defined benefit pension schemes.

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

Contributions amounting to £89,239 were payable to the schemes at 31 August 2017 (2016 - 48,539) 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

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

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

During the previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS 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 £348,499 (2016 - £207,712).

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

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

23. PENSION COMMITMENTS (continued)

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2017 was £335,000 (2016 - £231,000), of which employer's contributions totalled £270,000 (2016 - £182,000) and employees' contributions totalled £65,000 (2016 - £49,000). The agreed contribution rates for future years are 18.7%-27.5% for employers and 5.5%-12.5% for employees.

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

Principal actuarial assumptions:

	2017	2016
Discount rate for scheme liabilities	2.50 %	2.05 %
Rate of increase in salaries	2.70 %	2.40 %
Rate of increase for pensions in payment / inflation	2.40 %	2.10 %

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

	2017	2016
Retiring today		
Males	22.5	22.5
Females	24.6	24.6
Retiring in 20 years		
Males	24.1	24.5
Females	26.4	26.9

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

23. PENSION COMMITMENTS (continued)

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

	Fair value at 31 August 2017 £	<i>Fair value at 31 August 2016 £</i>
Equities	1,587,000	898,000
Bonds	322,000	204,000
Property	150,000	72,000
Cash	86,000	24,000
	<hr/>	<hr/>
Total market value of assets	2,145,000	<i>1,198,000</i>
	<hr/>	<hr/>

The actual return on scheme assets was £nil (2016 - £122,000).

The amounts recognised in the Statement of financial activities incorporating income and expenditure account are as follows:

	2017 £	<i>2016 £</i>
Current service cost	(421,000)	<i>(189,000)</i>
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Movements in the present value of the defined benefit obligation were as follows:

	2017 £	<i>2016 £</i>
Opening defined benefit obligation	2,490,000	1,725,000
Transfer into Trust - Riverbridge Primary School	1,232,000	-
Current service cost	421,000	189,000
Interest cost	80,000	69,000
Employee contributions	65,000	49,000
Actuarial (gains)/losses	(406,000)	458,000
	<hr/>	<hr/>
Closing defined benefit obligation	3,882,000	<i>2,490,000</i>
	<hr/>	<hr/>

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

	2017 £	<i>2016 £</i>
Opening fair value of scheme assets	1,220,000	832,000
Transfer into Trust - Riverbridge Primary School	558,000	-
Expected return on assets	38,000	35,000
Actuarial losses	-	122,000
Employer contributions	270,000	182,000
Employee contributions	65,000	49,000
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Closing fair value of scheme assets	2,151,000	<i>1,220,000</i>
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

24. OPERATING LEASE COMMITMENTS

At 31 August 2017 the total of the Academy trust's future minimum lease payments under non-cancellable operating leases was:

	2017 £	2016 £
Amounts payable:		
Within 1 year	12,565	11,055
Between 1 and 5 years	11,336	19,806
After more than 5 years	1,404	-
Total	25,305	30,861

25. RELATED PARTY TRANSACTIONS

Owing to the nature of the academy'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's financial regulations and normal procurement procedures.

No related party transactions took place in the year.

26. CONTROLLING PARTY

The ultimate controlling party is that of its trustees as detailed on page 1 of the financial statements.

27. CONTINGENT LIABILITIES

There are no contingent liabilities that require disclosure in the financial statements.

28. 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.

