

Luminary Limited
Unaudited Trustee's Report and Financial Statements
Year Ended 31 October 2020



Charity registration number: 1181835
Company registration number: 11651624

Luminary Limited

Unaudited Trustee's Report and Financial Statements

Year Ended 31 October 2020

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Luminary Limited

Charity Reference and Administrative Details

Year Ended 31 October 2020

Charity registration number	1181835
Company registration number	11651624
Trustees and directors	S A Beckwith (deceased 14 February 2021) J C Challenger (appointed 27 January 2020) K A Gilbert (appointed 27 January 2020) V A Jackson (appointed 27 January 2020) E K Norman (appointed 27 January 2020) D C A Roberts (resigned 29 May 2020) A V Sheppard (appointed 27 January 2020) E M Simmons
Chief executive officer	A E L Williams
Registered office	71-73 Allen Road Stoke Newington Hackney London N16 8RY
Accountants	Barnes Roffe LLP Charles Lake House Claire Causeway Crossways Business Park Dartford Kent DA2 6QA
Bankers	NatWest Stoke Newington (A) 198 Stoke Newington High Street London N16 7GA

Luminary Limited

Charity Reference and Administrative Details

Year Ended 31 October 2020

The Trustees present their annual report and the financial statements of the charity for the year ended 31 October 2020. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) 2015 "Accounting and Reporting by Charities" in preparing the annual report and financial statements of the charity.

The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the charity's governing document, the Charities Act 2011 and 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 published in October 2020.

Trustees of the charity

The directors of the charitable company are its trustees for the purposes of charity law. The trustees who have served during the year and since the year end were as follows:

S A Beckwith (deceased 14 February 2021)
J C Challenger (appointed 27 January 2020)
K A Gilbert (appointed 27 January 2020)
V A Jackson (appointed 27 January 2020)
E K Norman (appointed 27 January 2020)
D C A Roberts (resigned 29 May 2020)
A V Sheppard (appointed 27 January 2020)
E M Simmons

Objectives and activities

Luminary was started in 2014 and initially incubated under Kahaila Ltd, becoming an independent entity, Luminary Ltd, on 31 May 2019. This is the second independent report of accounts.

The Objects for which the Charity is established

The relief of women who are in need by reason of their social or economic disadvantage including homelessness; or who have experienced or are at risk of experiencing domestic or other forms of violence, by the provision of education, training and support including developing their capabilities, competencies and skills to be carried out in accordance with Christian values and principles.

Charity Purpose and strategic objectives

Luminary aims to equip women with vocational, employability and life skills, employment placements and tailored one to one and group support. Based in Hackney & Camden, the Charity provides training and support programmes to women in London, enabling them to leave lives of poverty and disadvantage behind.

Public benefit statement

The trustees understand that public benefit reporting is fundamental to our responsibilities in governance of the charity. For Luminary Ltd the public benefit focuses on the women, described in our objects, for whom the charity was established and who continue to be central to everything we do.

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Charity Reference and Administrative Details

Year Ended 31 October 2020

Following referral from one of our partner organisations, Luminary provides women with a three-part development programme. First, women enrol on a 6 month Employability Training Programme where they learn technical baking skills and other transferable life and employability skills, whilst building relationships and growing their network. Then women move onto the second phase, which is a six month Progression Support Programme, where there is further face-to-face training with a focus on employability skills. Following these two stages the women graduate from the baking course and employability programme. The final stage is a further year of one-to-one support with an allocated progression support worker, taking part in work experience and being able to apply for paid work within the Luminary Bakery business or with our partner organisations.

Our aim for each woman is that she reaches a specified 'threshold' of Independence and Employment outcomes before the end of our full programme. Focussing on the areas of: Money, Relationships, Work, Housing & Wellbeing, we assist women to grow in managing situations independently, and identify where they need specialist support.

Achievements and performance

It has been a challenging year for Luminary, with the emergence of the coronavirus pandemic in early 2020. However, we are proud of how we have reacted to maintain our focus on the women at the heart of Luminary and ensure the continued provision of our services.

Outputs:

- 79 Training Programme Days in 2020
- 21 Accreditations Awarded
- 16 Wellbeing Workshops hosted
- 9 women engaged in our in-house therapy service
- 1-1 Support Meetings covered topics including Housing, Mental Health, Health, Debt, COVID-19, Finance, Employability, Skills Training, Childcare

Of the women we supported in 2020:

- 96% had experienced gender based violence.
- 79% had experienced homelessness
- 34% had been involved in the criminal justice system
- 15% were care leavers

While 98% of the women we supported were affected by one of the above, many were affected by more than one - in fact 74% of women experienced at least three forms of disadvantage. Luminary describes this as 'multiple disadvantage', and this poses significant barriers to work.

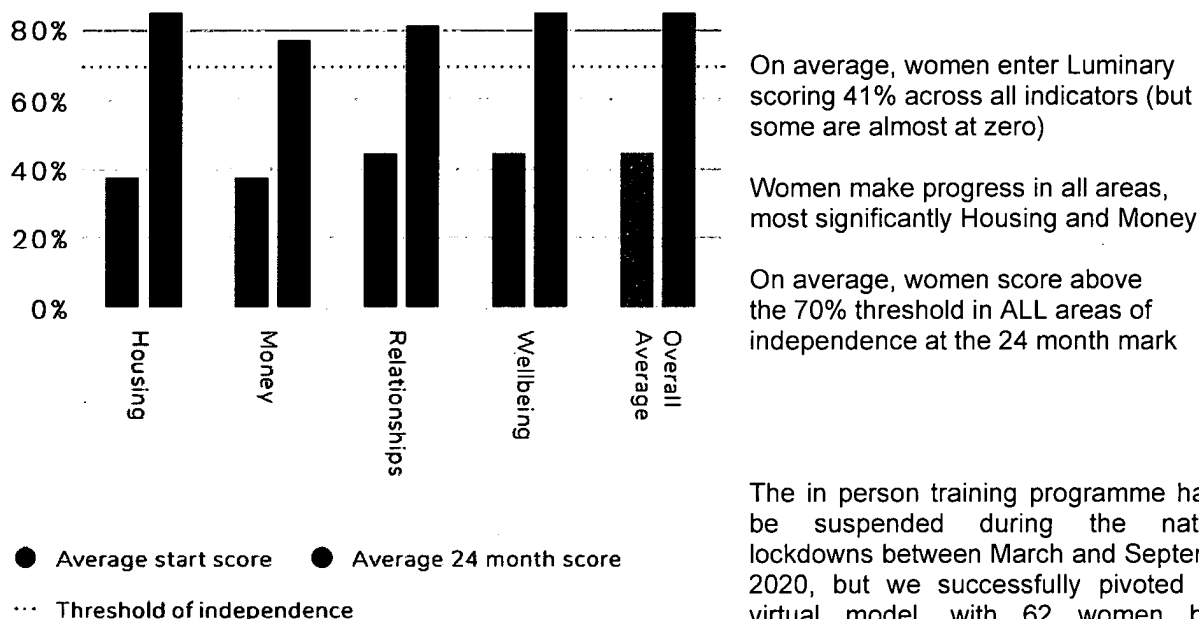
Luminary Limited

Trustees' Annual Report

Year Ended 31 October 2020

Outcomes:

Of the women that are actively engaged in the Luminary alumni network, 69% were in employment or further training within 24 months of completing our programme. Luminary aims to support women to reach a Threshold of Independence within 24 months of engagement, in 4 key areas, which are intrinsically linked to employment outcomes. Women's independence was measured around 4 key areas:



The in person training programme had to be suspended during the national lockdowns between March and September 2020, but we successfully pivoted to a virtual model, with 62 women being supported through the pandemic with regular calls from support workers, weekly

online resources, care packages through the post and online well-being workshops. Our cohort of trainees in the bakery phase of our programme were able to continue in a virtual environment, with baking equipment and ingredients provided to allow weekly on-line tutorials.

We have felt the impact of the pandemic on our referring partners, as the rate of referral to our programme has been slower than usual, due to many local authorities having furloughed staff or having to focus on emergency support rather than longer term solutions. However, we are confident that this is a short term slow down, and are working with our referring partners to ensure women are able to benefit from our 2021 programme.

Main achievements in period to 31 October 2020

In spite of the challenges in the year, there have been many notable achievements:

- We expanded our programme by launching a new Phase 2 to our employability and independence training scheme, which adds a further six months of structured group work alongside the one-to-one sessions. This was developed in response to feedback from past Luminary graduates.
- 88% of trainees completed the employability and independence programme, which exceeded our target of 80%.
- We submitted evidence to the government's all-parliamentary review of workplace support for survivors of domestic abuse. We were in the position to submit evidence from both employer and employee perspectives, which we hope will inform wider policy and strategies to support women across the country.
- We employed a Luminary programme graduate into the role of Teaching Assistant, shaping our programmes and providing valuable insights into a woman's journey at Luminary.
- We secured funding of £398k, allowing us to continue our vital work with women and pivot to provide continued relevant support during the pandemic.

Luminary Limited

Trustees' Annual Report

Year Ended 31 October 2020

Operations

This has been Luminary's first full financial year operating as an independent entity, and has been an extremely unusual period due to the impact of the pandemic. Luminary was awarded a number of emergency Covid grants to help support our beneficiaries with internet access, emergency supplies and resources to engage with our programmes virtually. We were unable to run all programmes as planned as many sessions were not possible to deliver remotely, so we have had an underspend on programme costs this year, as well as an underspend on trainee travel costs. In order to ensure that women we were supporting during this period still have access to the same quality of support & opportunity, we will be delivering certain aspects of the programme they missed (including the mentoring scheme and work experience) within the next financial year, in addition to all of our scheduled delivery plans for new trainees. The nature of our work with women experiencing multiple disadvantage means that our staffing costs are our highest expenditure, to ensure we provide women with dedicated and specialist support workers as well as excellent quality training and 1-1 support, and that these frontline workers are in turn supported and managed well to continue providing high quality, trauma-informed services to women in a sustainable way.

Financial review (including reserves policy)

It has been a positive financial year for Luminary. Total income for the year increased by 95% to £406,642 (2019: £208,805) and total expenditure for the year was £273,008 (2019: £91,739). Net income for the year was £133,634 (2019: £117,066), representing a 9% increase. Net income from unrestricted funds was £114,848 (2019: £23,616) and from restricted funds was £18,786 (2019: £93,450). There has been a concerted effort in the year to generate more unrestricted funds, as these give greater financial autonomy, allowing us to utilize the funds for optimal functioning of the charity.

Luminary Limited opened its second site in Camden in October 2019, which provides training space for 28 women over the course of a week (previously 7 women, based in our Hackney site). Training costs have increased in line with the additional women benefitting from the training courses.

Funding comes from a variety of sources, including funds, one-off donations and loans. The most significant single source of funding is from the National Lottery, who gave grants totalling £156,671 in the year.

Reserves policy:

Luminary defines reserves as "an allotment of unrestricted funds which can be spent on any purposes of the charity". It is the policy of the charity that reserves should be maintained at a level equivalent to three months' core expenditure. The trustees consider that reserves at this level will ensure that Luminary can continue the charity's current activities in the event of a drop in funding whilst consideration is given to ways in which additional funds can be raised. As Luminary is still growing, the charity is building up its reserves to meet this policy, with a transfer being made every quarter, following review of the existing financial position and approval by the Board of Trustees. Achieving and then maintaining the level of reserves is a key objective of the charity. It is expected that the reserves level will be achieved in 2022.

Future plans

In the coming year Luminary aims to build on the current success of our programmes and to welcome a new cohort of women onto the first stage of our programme. We intend to utilise this year to continue to work positively and meaningfully with the women we support, consolidate our learning, invest in staff, systems and structures, and increase our impact.

Luminary Limited

Trustees' Annual Report

Year Ended 31 October 2020

We also aim to strengthen the participation of women with lived experience of both violence & disadvantage, and of our own programmes, in shaping our service delivery. This is to ensure that Luminary is always providing the support and opportunities needed for the UK's most disadvantaged women to achieve financial independence and social mobility - becoming less likely to experience homelessness, return to exploitative situations or crime, and for any children they may have to experience a more positive future. We do this by actively seeking women's opinions and feedback about our activities and in maintaining an open and inclusive culture, in addition to graduates working or volunteering on our programmes, shaping service delivery. We intend to create an Advisory Board made up of women on the programme or past graduates to increase their voice in the running of the Charity, with a longer term goal of recruiting two past graduates to the Trustee Board.

Structure, governance and management

LUMINARY LIMITED is a private company limited by guarantee incorporated and registered in England and Wales with company number 11651624, and is approved and registered with the Charity Commission with charity number 1181835, and whose registered office is at 71-73 Allen Road, London N16 8RY (Luminary).

Methods used to recruit and appoint trustees

Luminary Limited as an independent charity began with 3 trustees who were selected and appointed by staff employed at that time by Kahalia, the incubating charity.

Within 6 months an extensive process was undertaken to expand the board of trustees with particular regard to the need for additional professional skills and expertise and a wider diversity of personnel. The trustee opportunities were advertised on our website and in Social Media and attracted a great deal of attention, over 30 completed application forms were submitted and all were screened and then a number shortlisted. All potential candidates received feedback or notification of the outcome of their application. Those shortlisted were interviewed in person and a minimum of 2 trustees discussed and agreed their appointment. Six new potential trustees were identified and five accepted. The five new Trustees were formally appointed on 27 January 2020. No outside recruitment agency was used.

Policies and procedures for induction and training of trustees

All trustees received an induction pack, access to online resources and have attended a safeguarding workshop. Some Trustees have completed NCVO online training modules and a small allocation of funds exists to support trustees in any appropriate development or training. Trustees are encouraged to share their skills and to participate in training one another for the benefit of the governance of the charity.

The Trustee Board meets a minimum of four times a year. Agendas and minutes are circulated for discussion and when appropriate votes are taken. Meetings in the latter half of the year have taken place virtually due to the lockdowns and social distancing requirements in response to the coronavirus pandemic. This has not impacted on the operation of the meetings.

Future of the Trustee Board

The loss of the Chair of Trustees, Dr Sally Beckwith, in February 2021 was a shock for the Luminary community, and Sally is sorely missed. Sally truly embodied the spirit of Luminary and brought so much knowledge, enthusiasm and drive to the Board. Sally saw the potential that each woman at Luminary offered and advocated not just for independence as a charity, but for dignity and making the world a better place.

One of Sally's key goals was to build a strong Board of Trustees, with the requisite skill set and mind set to further the charitable purpose of Luminary. Sally was very proud of the Board that she helped to set up and grow, and as a Board we are honoured to carry forward Sally's legacy and are confident in our ability to do so.

Luminary Limited

Trustees' Annual Report

Year Ended 31 October 2020

The Trustee Board is currently rotating the role of Chair of Trustees whilst we undertake a process to find a new candidate to fill the role on a permanent basis.

Arrangements for setting remuneration of key management

The remuneration for key management staff is reviewed each autumn by a staffing subgroup of the Trustee Board but agreed at a Board meeting.

Relationships with related parties with which the charity co-operates in pursuit of its charitable objectives

Luminary Limited has an intercompany agreement with a separate but linked business enterprise, Luminary Bakery Ltd.

Luminary Limited (Charity) and Luminary Bakery Ltd (the Company) have a close relationship that goes beyond the Charity's shareholding in the Company, and extends to include, for example, sharing of certain staff, premises, social media and certain costs and expenses. Operationally the two entities have separate Boards, but one Luminary Limited trustee represents the interests of the Charity on the Board of Luminary Bakery. Additionally, there is a second Luminary Limited trustee who holds, an observer role in Luminary Bakery Board meetings to aid communication and information flow, as appropriate, on inter-related matters. Approval is required from the Trustee Board in certain instances in respect of business decisions in Luminary Bakery Limited that impact on Luminary Limited. The Luminary Limited board representative and observer also review Luminary Bakery Limited's quarterly management accounts and annual financial forecasts to ensure that the investment Luminary Limited has in Luminary Bakery Limited is supported (see Note 10).

Major Risks

An operational risks group of 4 trustees was established to review the risk register. We have been guided by the Charity Commission guidance with regard to risk.

Where we have identified a risk, we have assessed it to enable us to decide the level of priority that should be applied, action taken to prevent the risk and mitigating actions we should take in responding to it. This assessment takes account of the following:

- the impact of the risk (the harm)
- the likelihood of the risk materialising

In assessing the impact, we focus on the type and level of harm that may result if the risk materialises. This includes taking into account the resources and experience of Luminary Limited. We have also recorded timescales for the risks to be reviewed on a regular basis in order that this register becomes truly a working document.

Luminary Limited

Trustees' Annual Report

Year Ended 31 October 2020

Trustees' responsibilities

The trustees (who are also directors of Luminary Limited for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company 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 in the Charities SORP 2015 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The trustees are responsible for keeping adequate accounting records that 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.

This report was approved by the trustees on 15/7/21 and signed on their behalf by:

On behalf of the board



K A Gilbert
Trustee

Luminary Limited

Independent Examiner's Report to the Trustees of Luminary Limited

Year Ended 31 October 2020

I report to the charity trustees on my examination of the accounts of the company for the year ended 31 October 2020 which are set out on pages 10 to 21.

Responsibilities and basis of report

As the charity trustees of the company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

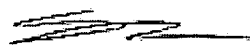
Having satisfied myself that the accounts of the company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your company's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



Simon Buss

Barnes Roffe LLP
Charles Lake House
Claire Causeway
Crossways Business Park
Dartford
Kent
DA2 6QA

Date: *21 July 2021*

Luminary Limited

Statement of Financial Activities (Including Income and Expenditure Account)

Year Ended 31 October 2020

		Unrestricted funds £	2020 Restricted funds £	Total £	5 months to 31 October 2019 Unrestricted funds £	Restricted funds £	Total £
Note							
Income and endowments from:							
Donations and legacies	2	202,025	196,020	398,045	51,092	157,713	208,805
Government grants (CJRS income)	3	-	8,597	8,597	-	-	-
Total income and endowments		202,025	204,617	406,642	51,092	157,713	208,805
Expenditure on:							
Raising funds		1,222	32	1,254	2,630	-	2,630
Charitable activities	4	85,955	185,799	271,754	24,846	64,263	89,109
Total expenditure		87,177	185,831	273,008	27,476	64,263	91,739
Net income		114,848	18,786	133,634	23,616	93,450	117,066
Transfers between funds		15,515	(15,515)	-	-	-	-
Net movement in funds	15	130,363	3,271	133,634	23,616	93,450	117,066
Reconciliation of funds:							
Total funds brought forward	15	23,616	93,450	117,066	-	-	-
Total funds carried forward	15	153,979	96,721	250,700	23,616	93,450	117,066

All income and expenditure has arisen from continuing activities.

The statement of financial activities includes all gains and losses recognised during the period.

Luminary Limited

Balance Sheet

Year Ended 31 October 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible fixed assets	9	71,087	-
Investments	10	30,000	30,000
		<hr/> 101,087	<hr/> 30,000
Current assets			
Debtors	11	34,896	11,842
Cash at bank and in hand		172,536	109,302
		<hr/> 207,432	<hr/> 121,144
Creditors: amounts falling due within one year	12	(33,637)	(5,578)
Net current assets		<hr/> 173,795	<hr/> 115,566
Total assets less current liabilities		<hr/> 274,882	<hr/> 145,566
Creditors: amounts falling due after more than one year	13	(24,182)	(28,500)
Net assets		<hr/> 250,700	<hr/> 117,066
Charity Funds			
Restricted funds	15	96,721	93,450
Unrestricted funds	15	153,979	23,616
Total charity funds	15	<hr/> 250,700	<hr/> 117,066

The charitable company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The trustees consider that the company is entitled to exemption from the requirement to have an audit under the provisions of section 477 of the Companies Act 2006 ("the Act") and members have not required the company to obtain an audit for the period in question in accordance with section 476 of the Act.

The trustees acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements were approved and authorised for issue by the trustees on 15/7/21 and signed on their behalf, by:

K. Gilbert

K A Gilbert
Trustee

The notes on pages 13 to 21 form part of these financial statements.

Luminary Limited

Notes to the Financial Statements

Year Ended 31 October 2020

1 Summary of significant accounting policies

(a) General information and basis of preparation

Luminary Limited is a charitable company limited by guarantee incorporated in England. The address of the registered office is given in the charity information on page 2 of these financial statements. The nature of the charity's operations and principal activities is the provision of bakery programmes to disadvantaged women.

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with 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 issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Accounting Practice.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are presented in sterling which is the functional currency of the charity.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

(b) Funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

(c) Income recognition

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

Donations are recognised when receivable. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

Donations relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the donation relates. The deferred element of donations is included in creditors as deferred income.

Gift Aid receivable is included in income when there is a valid declaration from the donor. Any Gift Aid amount recovered on a donation is considered to be part of that gift and is treated as an addition to the same fund as the initial donation unless the donor or the terms of the appeal have specified otherwise.

Luminary Limited

Notes to the Financial Statements

Year Ended 31 October 2020

(d) Expenditure recognition

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Costs of raising funds includes all expenditure associated with raising funds for the charity. This includes the costs of fundraising events, staff costs associated with fundraising and support costs;
- Expenditure on charitable activities includes all costs associated with furthering the charitable purposes of the charity through the provision of its charitable activities. This includes staff costs and support costs; and
- Other expenditure represents those items not falling into the categories above.

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include premises costs, governance costs and administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity and include project management carried out by the charity. Where support costs cannot be directly attributed to particular headings they have been allocated to cost of raising funds and expenditure on charitable activities on a basis consistent with use of the resources.

The analysis of these costs is included in note 5.

(e) Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on a straight line basis.

Depreciation is provided on the following basis:

Leasehold property – over the life of the lease

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

(f) Investments in associates

Investments in associates are measured at cost less accumulated impairment.

(g) Debtors

Short term debtors are measured at transaction price, less any impairment. Any losses arising from impairment are recognised in expenditure.

Luminary Limited

Notes to the Financial Statements

Year Ended 31 October 2020

(h) Cash at bank and in hand

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

(i) Creditors

Short term creditors are measured at the transaction price.

(j) Loans and borrowings

Loans and borrowings are initially recognised at the transaction price including transaction costs. Subsequently, they are measured at amortised cost using the effective interest rate method, using the effective interest rate method.

(k) Concessionary loans

Concessionary loans include those payable to third parties which are interest free or below market interest rates and are made to advance charitable purposes. Where the loan is repayable on demand within one year, the loan is measured at cost, less impairment. Where the loan is repayable in more than one year, the loan is initially measured at fair value and subsequently measured at amortised cost using the effective interest rate method, less impairment.

(l) Operating leases

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

(m) Pensions

The charity operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the charity pays fixed contributions into a separate entity. Once the contributions have been paid the charity has no further payment obligations.

The contributions are recognised as an expense in the SoFA when they fall due. Amounts not paid are shown in other creditors as a liability in the Balance sheet. The assets of the plan are held separately from the charity in an independently administered fund.

(n) Tax

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

(o) Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the statement of comprehensive income in the same period as the related expenditure.

Luminary Limited

Notes to the Financial Statements

Year Ended 31 October 2020

(p) Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of loans which are subsequently measured at amortised cost using the effective interest method.

(q) Going concern

Since March 2020 the company has had to deal with the coronavirus pandemic and the associated measures that governments, funders, suppliers and finance providers are putting in place to deal with it. While the charity will undoubtedly suffer some adverse impact from this in the short term, the trustees are confident that we can work through the temporary disruption and that our business plans are robust even in the current situation. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern. On the basis of the above the accounts have been prepared on the going concern basis.

2 Income from donations and legacies

	2020 £	5 months to 31 October 2019 £
Donations, grants and funding	398,045	208,805
	<u>398,045</u>	<u>208,805</u>

3 Government grants

	2020 £	5 months to 31 October 2019 £
Coronavirus Job Retention Scheme Income	8,597	-
	<u>8,597</u>	<u>-</u>

Luminary Limited

Notes to the Financial Statements

Year Ended 31 October 2020

4 Analysis of expenditure on charitable activities

	2020	5 months to 31 October 2019
	£	£
Staff costs	196,578	27,154
Site set up costs	-	37,457
Support costs	67,278	24,498
Depreciation of leasehold improvements	7,898	-
	<u>271,754</u>	<u>89,109</u>

5 Allocation of support costs

	2020	5 months to 31 October 2019
	£	£
Legal, professional and accountancy fees	9,860	6,013
Rent, rates and premises costs	39,053	13,054
Insurance	2,286	1,439
Sundry expenses	434	364
Finance costs	111	69
Course ingredients	1,287	1,750
Staff and Trustees expenses	938	654
General office expenses	4,792	1,155
Travel	426	-
Resources	8,091	-
	<u>67,278</u>	<u>24,498</u>

6 Independent examiners remuneration

The independent examiners remuneration amounts to an independent examination fee of £1,994 (2019: £1,994) and other accountancy fees of £4,690 (2019: £870).

7 Trustees' and key management personnel remuneration and expenses

No trustee received any remuneration during the period ended 31 October 2020.

Expenses of £75 (2019: £195) were reimbursed to trustees during the period ended 31 October 2020.

The total remuneration received by key management personnel is £33,614 (2019: £6,673 (5 months to 31 October 2019)). The remuneration is split with 50% being borne by another entity. The key management personnel comprises the Chief Executive only.

Luminary Limited

Notes to the Financial Statements

Year Ended 31 October 2020

8 Staff costs and employee benefits

The total staff costs and employee benefits were as follows:

	2020	5 months to 31 October 2019
	£	£
Wages and salaries	169,743	22,376
National insurance	14,011	2,775
Defined contribution pension costs	4,599	672
Staff training costs	1,330	1,331
Staff welfare	6,895	-
	<u>196,578</u>	<u>27,154</u>

No employees received total employee benefits (excluding employer pension costs) of more than £60,000.

The average monthly number of employees and full time equivalent (FTE) for the year to 31 October 2020 was 8 (2019: 1).

9 Tangible fixed assets

	Leasehold improvements £	Total £
Cost or valuation:		
At 1 November 2019	-	-
Additions	78,985	78,985
At 31 October 2020	<u>78,985</u>	<u>78,985</u>
Depreciation:		
At 1 November 2019	-	-
Charge for the year	7,898	7,898
At 31 October 2020	<u>71,087</u>	<u>71,087</u>
Carrying amount:		
At 31 October 2020	<u>71,087</u>	<u>71,087</u>
At 31 October 2019	<u>-</u>	<u>-</u>

During the year the company incurred capital expenditure in relation to fitting out a new bakery/café and training centre in Chalk Farm, Camden.

Luminary Limited

Notes to the Financial Statements

Year Ended 31 October 2020

10 Fixed asset investments

	Investments in associates £	Total £
Cost or valuation:		
At 1 November 2019	30,000	30,000
Additions	-	-
At 31 October 2020	<u>30,000</u>	<u>30,000</u>
Carrying amount:		
At 31 October 2020	<u>30,000</u>	<u>30,000</u>

Luminary Bakery Limited is an associate investment of the charity. At the year end Luminary Limited owned 36.3% of the total share capital of Luminary Bakery Limited.

11 Debtors

	2020 £	2019 £
Amounts owed by undertakings in which the charity has a participating interest	29,148	11,842
Prepayments	5,748	-
	<u>34,896</u>	<u>11,842</u>

12 Creditors: amounts falling due within one year

	2020 £	2019 £
Trade creditors	2,597	-
Other tax and social security	4,170	1,594
Other creditors	3,914	1,036
Accruals and deferred income	5,016	1,448
Concessionary loans payable	-	1,500
Amounts due to undertakings in which the charity has a participating interest	5,538	-
Net wages	12,402	-
	<u>33,636</u>	<u>5,578</u>

Luminary Limited

Notes to the Financial Statements

Year Ended 31 October 2020

13 Creditors: amounts falling due after more than one year

	2020 £	2019 £
Concessionary loans payable	-	28,500
Accruals and deferred income	24,182	-
	<u>24,182</u>	<u>28,500</u>

14 Concessionary loans payable

	2020 £	2019 £
Other loan	-	30,000
	<u>-</u>	<u>30,000</u>

The terms of repayment of the concessionary loan are that a minimum of £1,500 should be repaid per annum starting in May 2020 and that the loan should be repaid in full by May 2029. The loan is interest free. During the year this loan was forgiven by the lender and donated to Luminary Ltd as unrestricted income.

15 Fund reconciliation

	Balance at 31 October 2019 £	Income £	Expenditure £	Transfers £	Balance at 31 October 2020 £
Unrestricted funds					
General funds	23,616	202,025	(87,177)	15,515	153,979
Restricted funds					
Progression support worker	18,520	-	-	(18,520)	-
Opportunities co-ordinator	7,500	-	(10,505)	3,005	-
Employability programme	1,688	6,000	(2,483)	-	5,205
Bakery training centre	65,743	168,291	(154,406)	-	79,628
Virtual vocational training and progression support	-	9,980	(8,457)	-	1,523
Counselling services and P&C role	-	7,346	(5,260)	-	2,086
Professional supervision costs	-	1,000	(778)	-	222
Empowering disadvantaged women	-	4,000	(3,942)	-	58
Accessibility enhancements	-	8,000	-	-	8,000
	<u>93,450</u>	<u>204,617</u>	<u>(185,831)</u>	<u>(15,515)</u>	<u>96,721</u>
	<u>117,066</u>	<u>406,642</u>	<u>(273,008)</u>	<u>-</u>	<u>250,700</u>

Luminary Limited

Notes to the Financial Statements

Year Ended 31 October 2020

16 Analysis of net assets between funds

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £	Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £
Net assets	153,979	96,721	250,700	23,616	93,450	117,066
Total	153,979	96,721	250,700	23,616	93,450	117,066

17 Operating lease commitments

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2020 £	2019 £
Land and buildings		
Not later than one year	50,000	63,750
Later than one and not later than five years	83,333	183,333
	133,333	247,083

18 Pensions

The charity operates a defined contribution pension scheme. The pension cost charge represents employer contributions payable by the charity to the fund and amounted to £4,599 (2019: £672). Employee and employer contributions totalling £3,914 (2019: £1,036) were payable to the fund at the balance sheet date.

19 Related party transactions

As at 31 October 2020, a balance of £29,148 (2019: £11,842) was owed by Luminary Bakery Limited, a company in which Luminary Limited holds a participating interest.

As at 31 October 2020, a balance of £5,538 (2019: £Nil) was owed to Luminary Bakery Limited, a company in which Luminary Limited holds a participating interest.

During the year to 31 October 2020 individuals employed by Luminary Bakery Limited undertook work on behalf of Luminary Limited. The total salaries including employer's national insurance and pension recharged to Luminary Limited in relation to this work was £12,815 (2019: £6,972).