
THE LIME ACADEMY TRUST
(A company limited by guarantee)

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



THE LIME ACADEMY TRUST
(A company limited by guarantee)

CONTENTS

	Page
Reference and administrative details of the academy, its trustees and advisers	1 - 2
Trustees' report	3 - 11
Governance statement	12 - 14
Statement on regularity, propriety and compliance	15
Trustees' responsibilities statement	16
Independent auditors' report	17 - 18
Independent reporting accountant's assurance report on regularity	19 - 20
Statement of financial activities	21
Balance sheet	22
Cash flow statement	23
Notes to the financial statements	24 - 41

THE LIME ACADEMY TRUST
(A company limited by guarantee)

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

Members	J Taylor (appointed 5 November 2014, resigned 3 February 2015) C A Constanti (appointed 5 November 2014, resigned 3 February 2015) M Gray (appointed 5 November 2014) L Churchman (appointed 22 December 2014) J W Cassels (appointed 8 January 2015) S Cardwell (appointed 3 February 2015) L Collison (appointed 3 February 2015)
Trustees	J Taylor (appointed 5 November 2014, resigned 2 July 2015) L Harrowell, Chief Executive (appointed 5 November 2014) C A Constanti, Chair (appointed 5 November 2014) L Churchman, Vice Chair (appointed 22 December 2014) A Daoud (appointed 22 December 2014) N Graham (appointed 22 December 2014) L Allister (appointed 22 December 2014) L Collison (appointed 22 December 2014, resigned 4 February 2015) J W Cassels (appointed 8 January 2015, resigned 4 February 2015)
Company secretary	J Littman (appointed 7 September 2015)
Chief executive officer	L Harrowell (appointed 1 February 2015)
Larkswood Academy local governing body	E Stanway, Chair (appointed 1 February 2015) G Pocock, Vice Chair (appointed 1 February 2015) L Harrowell, Headteacher (appointed 1 February 2015) V Bruce, Staff Governor (appointed 1 February 2015) N Graham, Co-opted Governor (appointed 1 February 2015) L Collison, Co-opted Governor (appointed 1 February 2015)
Larkswood Academy Senior leadership team	L Harrowell, Executive Headteacher (appointed 1 February 2015) B Plunkett, Deputy Headteacher (appointed 1 February 2015) C Reynolds, Deputy Headteacher (appointed 1 February 2015) J Open, Assistant Headteacher (appointed 1 February 2015) V Lock, Assistant Headteacher (appointed 1 February 2015) B Dilnot-Smith, Assistant Headteacher (appointed 1 February 2015) A Daoud, Business Manager (appointed 1 February 2015)
Company registered number	09297519
Registered office	70-72 New Road Chingford London E4 8ET

THE LIME ACADEMY TRUST
(A company limited by guarantee)

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

Administrative details (continued)

Independent auditors	Haslers Chartered Accountants Statutory Auditor Old Station Road Loughton Essex IG10 4PL
-----------------------------	--

Bankers	Lloyds Bank PLC Chingford London E4 6SW
----------------	--

Solicitors	Winkworth Sherwood Minerva House 5 Montague Close London SE1 9BB
-------------------	--

THE LIME ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE PERIOD ENDED 31 AUGUST 2015

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period from 1st February 2015 to 31 August 2015. The annual report serves the purposes of both a trustees' report and a directors' report under company law.

The Trustees confirm that the Annual report and financial statements of the academy comply with the current statutory requirements, the requirements of the academy's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005.

In this its first year, the Lime Trust currently operates a single academy, Larkswood Primary Academy, for pupils aged 2 – 11 years serving a catchment area in Chingford E4 in the London Borough of Waltham Forest. It has a pupil capacity of 800 and had a roll of 743 in the school census on 1st October 2014.

Structure, governance and management

a. CONSTITUTION

The Lime Trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association (dated 5th November 2014) are the primary governing documents of the Trust. The trustees of Lime Academy Trust Limited are also the directors of the charitable company for the purposes of company law. The charitable company is known as The Lime Academy Trust.

Details of the trustees who served during the year are included in the Reference and Administrative Details.

b. 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

Subject to the provisions of the Companies Act, every governor or other officer of the Trust shall be indemnified out of the assets of the Trust against any liability incurred by them in that capacity in defending any proceedings, whether civil or criminal, in which judgment is given in favour or in which they are acquitted or in connection with any application in which relief is granted to them by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Trust.

c. METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF TRUSTEES

The management of the Trust is the responsibility of the Trustees who are appointed under the terms of the Articles of Association and funding agreement as follows:

- the Chief Executive Officer of the Trust ex-officio
- the Finance and Business Director of the Trust ex-officio
- one Academy Director
- other trustees, appointed by the Trust board
- any trustees appointed by the Secretary of State for Education

There are no Parent Trustees; there is instead parent representation on Local Governing Bodies. The terms of office of the Chief Executive Officer and the Finance and Business Director of the Trust run parallel with their terms of appointment. The term of office for other Trustees is four years.

THE LIME ACADEMY TRUST
(A company limited by guarantee)

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

The Trust Board regularly undertakes self-review and a skills audit.

d. POLICIES AND PROCEDURES ADOPTED FOR THE INDUCTION AND TRAINING OF TRUSTEES

During the period under review, the governors held 3 full board meetings. The training and induction provided for new governors depends on their experience. Where necessary an induction will provide training on charity and educational, legal and financial matters.

Winckworth Sherwood provided the Board with training at the inaugural meeting on 15th January 2015; Haslers have been instructed to work to guide the MAT Board through new processes.

e. ORGANISATIONAL STRUCTURE

Members

The Members are the guardians of the constitution, determining the governance structure of the Trust and providing oversight and challenge of the Trustees to ensure the charitable object of the Trust is being fulfilled.

The Members' key responsibilities are:

- to ensure the Objects of the Trust are met, the Annual Report should address this which will be presented to the Members either at the Annual General Meeting or by other means;
- to determine the Trust's constitution and governance, i.e. the Articles which were finalised on incorporation; and
- exercising either a direct power under the Articles or a statutory power under the Companies Act 2006 to appoint and remove Trustees (noting any power of the Trust Board to make such appointments).

Trustees and the Trust Board

The Trustees have overall responsibility and ultimate decision making authority for all the work of the Trust, including the establishing and maintaining of the Academies (which includes taking existing schools into the Trust). The Trustees have the power to direct change where required.

As trustees of a charity, the Trustees have a fiduciary duty to act in good faith in the best interests of the charity.

This duty includes a responsibility to do the following:

- to ensure compliance with any legal obligations;
- to report on the charity's activities (the Trust must prepare accounts in accordance with the Statement of Recommended Practice for Charities, the so called "Charity SORP");
- to fulfil the charitable object of the charity as set out in its constitution (i.e. the Articles of Association) and to act in a way which is compliant with the rules of the charity contained in the Articles;
- to act with integrity and to avoid any personal conflicts of interest and not to misuse any charity funds or assets;
- to act prudently in the financial management of the Trust, avoiding putting any assets, funds or reputation of the Trust at undue risk;
- to exercise reasonable care and skill, using personal knowledge and experience to ensure the Trust is well run and efficient; and
- to act responsibly, getting advice from others, including professional advisors, where appropriate.

The Trust Board has approved a scheme of delegation, a statement on the system of internal control, responsibilities, standing orders, and terms of reference.

The Chief Executive Officer is directly responsible for the day to day running of the Trust and is assisted by an

THE LIME ACADEMY TRUST
(A company limited by guarantee)

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

executive team. The Chief Executive assumes the Accounting Officer role.

Related Parties and other Connected Charities and Organisations

The Trust provides a procurement framework that enables its member academies to access commercial services that ensure value for money and consistent quality. For these commercial services the Lime Trust has entered into agreements with commercial providers of back office services including legal, HR and accountancy services.

f. RISK MANAGEMENT

The Trustees have assessed the major risks to which the academy is exposed, in particular those related to the operations and finances of the academy, and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks.

Objectives and Activities

a. OBJECTS AND AIMS

The purpose of the Lime Trust is to provide high quality education for primary-age pupils of all abilities through school to school collaboration and Trust direction and support.

b. OBJECTIVES, STRATEGIES AND ACTIVITIES

Our long term goal is to establish a successful Multi Academy Trust of primary schools which work collaboratively to make a positive difference to the lives and opportunities of the children, young people and adults within our schools and the global community.

The Trust is committed to:

- Setting the standard – for all pupils, all staff, all parents and stakeholders
- Putting children first – a moral purpose to place pupils' learning and wellbeing at the centre of all that we do
- Capacity-rich schools

The Trust is ambitious, optimistic and forward-looking. It will build capacity in its academies. It will celebrate diversity and wellbeing. It will:

- Deliver rapid and sustained improvement in mainly large primary schools
- Grow young leaders to headship in challenging schools
- Recruit and retain the very best teachers to deliver Quality First teaching

The Academies, and those responsible for the governance and management of the Trust and the Academies, have committed to working in partnership, supporting one another. The Trust is guided by the following principles:

THE LIME ACADEMY TRUST
(A company limited by guarantee)

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

Equal Partners

The Academies are equal partners within the Trust and at all times the partners will strive for consensus in decision making, recognising that each Academy has both strengths and weaknesses. The Academies will seek to preserve and protect each other's distinctiveness and will be respectful of each Academy's respective ethos and mission. The Academies will work collaboratively with each other, sharing resources, knowledge and best practice, to fulfil the Trust's mission, vision and values.

Transparency

All those involved in the running and oversight of the Trust and the Academies will be open and honest in their dealings with each other, at all times acting in good faith and recognising the value of independence and separation in relation to decision making.

Subsidiarity

Decisions are to be taken at the level nearest to those affected by those decisions which is compatible with the principles of solidarity and support for the common good, avoiding unnecessary bureaucracy and aiming in so far as possible to make changes to established practices only where it can be demonstrated there is a reasonable need. Where governance responsibility is delegated appropriate decision making authority will be given. The parameters of such authority will be clear and those to whom responsibility is given will be required to report to those who retain overall responsibility.

Solidarity

All those with responsibility for the Trust and the Academies share a particular commitment to the mutual support of all Academies for whom the Trust is responsible, especially those that are in need of assistance at any particular time. Accordingly, the Lime Trust recognises the obligation to contribute to the common good of all Academies from out of the resources entrusted to them. The Trustees will ensure that common action and collaboration is conducted at the correct level and that the balance between subsidiarity and solidarity serves the common good in the most appropriate way.

The Common Good

All recognise their responsibility towards the common good, not just of the Academies for whom the Trust is responsible but of all of the families and communities in the areas served by the Trust. In light of the principle of common good, those with particular responsibility for an Academy acknowledge the desire and obligation on the Trustees to put in place measures to ensure that any Academy for whom the Trust is responsible is supported when the need arises.

c. PUBLIC BENEFIT

In setting the objectives, the governors have given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education.

THE LIME ACADEMY TRUST
(A company limited by guarantee)

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

Strategic report

Achievements and performance

a. GOING CONCERN

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

b. REVIEW OF ACTIVITIES

Key Performance Indicators

Larkswood Primary Academy opened as a converter academy in February 2015. Its previous Ofsted inspection as a maintained school in November 2012 judged Overall Effectiveness to be Good.

Outcomes in July 2015 were the best in the history of the school. Data showed EYFS and KS1 pupils to be attaining significantly above national and making excellent progress. Outcomes for KS2 at Level 4+ in 2015 were above national in Reading, Writing and Maths and progress measures are good. The quality of teaching is very high: 69% of teaching was graded Outstanding and a further 28% Good in June 2015. Attendance is close to national averages. The number of fixed term exclusions is low.

Reception pupils achieving a Good Level of Development

	2013 %	2014 %	2015 %
School	70.3	84.3	84.7
National	52.0	60.4	66.3

Y1 Phonics screening

	2013 %	2014 %	2015 %
School	82	90	94
National	69	74	77

KS1 outcomes

	2015 Average Point Score	Level 2 + %	Level 2b+ %	Level 3+ %
Reading	17.5	96	91	39
Writing	17.1	93	86	36
Numeracy	17.6	96	88	45
Science	18.5	97	96	89

THE LIME ACADEMY TRUST
(A company limited by guarantee)

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

KS1 Combined for Reading/Writing/Maths

Combined average points score 17.4
Combined level 2b + 85%

KS2 outcomes

	2015 Average Point Score	Level 4 + %	Level 4b+ %	Level 5 %	Level 6 %
Reading	29.0	90	78	49	–
Writing	28.7	93	–	41	–
Numeracy	29.5	91	89	39	11
SPaG	–	78	74	44	1
All subjects	29.1				

KS2 Combined for Reading/Writing/Maths

KS2 Combined for Reading/Writing/Maths	
Combined Average Point Score	29.1
Combined Level 4+	88%

KS1-KS2 progress, July 2015

	2 LP %	3 LP %	APS Gains
Reading	89	46	13.9
Writing	99	49	15.0
Numeracy	93	34	13.5

During the period Larkwood gained the Leading Parent Partnership Award and the Gold Sports Award. The school was heavily oversubscribed for entry to reception in 2015. Building developments have included a review and improvement of school security and the planning of other site improvements.

Larkwood Primary Academy and Larkwood School attendance September 2014 to July 2015 was 95%, with a level of unauthorized absence at 1.5%.

THE LIME ACADEMY TRUST
(A company limited by guarantee)

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

Financial review

a. PRINCIPAL RISKS AND UNCERTAINTIES

The Lime Academy Trust adopts the following risk model when undertaking its strategic risk management process:



Risk Management is the process of identifying risks and then responding to them. Internal controls for risks involve:

- Tolerating the risk
- Treating the risk
- Transferring the risk
- Terminating the risk

Consideration is given to the following factors:

- Strategic and Reputational Risks
- Operational Risks
- Compliance Risks
- Financial Risks

The Lime Academy Trust maintains Risk Register addresses each action and indicates the acceptable control system currently in place to limit the risk exposure. Clear responsibilities and accountabilities have been allocated alongside a scheduled date for review.

The Risk Register will be reviewed by the CEO, Finance and Business Director and the Board to ensure that

THE LIME ACADEMY TRUST
(A company limited by guarantee)

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

risks are identified and that the appropriate control measures are in place.

b. RESERVES POLICY

The Board review the reserves level of the Trust annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The level of reserves will be kept under review by the Trustees.

It should be noted that as the majority of income is received from the EFA with restrictions on the amount that can be carried forward, the Trustees are therefore mindful that it is not possible to build up free reserves in line with other non-educational charities.

Larkwood Primary Academy is expected to hold contingency reserves from their yearly General Annual Grant or other income to fund future Capital projects and development projects. The element of reserve should not exceed 12% of the General Annual Grant. If it does exceed this amount, then a sufficient explanation should be forwarded to the Education Funding Agency and approved via the Trustees. The 12% restriction is an internal policy however an no restriction is implied by the EFA.

The Trustees of the Lime Trust require a revenue reserve to be created to fund future expenditure related to the Academy Improvement Plan, strategic long-term aims and developments.

Plans for future periods

a. FUTURE DEVELOPMENTS

The Lime Academy Trust has carried out a detailed self-evaluation exercise involving staff and trustees and generated a Work Plan to address key issues and actions. These include

- Adopting a generic Academy Strategic Improvement Plan for the Trust
- Explicit criteria for earned autonomy for academies within the Trust
- Common data collection systems and calendar for all academies
- Reviewing finance packages for common use across the Trust
- Completing the processes of job descriptions, time allocation and performance management of staff working directly for the Trust

The Trust has also agreed a rolling three year Business Plan 2015-2018 which fully reviews the Trust's current position and provides a growth strategy for the future. The Business Plan includes a detailed review of the provision of services within the Lime Trust group.

Growth strategy: school leaders

The Trust has existing highly competent, positive young leaders being generated and developed through the Trust. The most recent of these is on a Trust contract that gives mobility between academies. Growth strategy is to extend this model to new Academies as capacity-rich schools.

The Trust will implement succession planning, talent spotting and encouragement to progress. Young leaders can gain extra experience, study for qualifications and contribute to our development.

Growth strategy: quality teachers

Larkwood Academy has developed a very strong ITT and NQT structure including links with SCITT and other ITT providers. This programme will be retained and developed across the group, which is made possible by a tight geographical area within reach of the same partner providers.

THE LIME ACADEMY TRUST
(A company limited by guarantee)

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

Through excellent financial management it has been possible to pay full Inner London allowances to all its employees, a major attraction for young teachers/other staff in Outer London in recruitment and retention. The Trust will look to achieve this in other academies.

There is a common difficulty in London of recruiting high calibre teachers.

Growth strategy: number of academies

The Lime Trust will build its capacity through a medium term target to operate five academies, recruited from a mix of sponsorships, new provision and conversions.

2014 - 2015: gain academy status at lead school, establish MAT, gain sponsor status

2015 - 2016: two more academies join the Trust

2016 - 2017: two more academies join the Trust

2017 - 2018: review, consolidate, plan next step

Growth strategy: Trust services

The Lime Trust secures value for money and consistent quality of support services through a combination of centrally procured and provided services. The Lime Trust retains a percentage of each academy's monthly EFA income in order to provide these services. The percentage retention for the period to 31st August 2015 was 5%.

The Lime Trust will provide support building upon individual learning and/or areas of strength between academies to improve key aspects of performance. It will continue to seek to achieve best value in service delivery especially where partnership working can add value.

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

This report, incorporating the Strategic report, was approved by order of the board of trustees, as the company directors, on 26 November 2015 and signed on the board's behalf by:



C.A Constanti
Chair of Trustees

THE LIME ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

As accounting officer, we acknowledge we have overall responsibility for ensuring that The Lime Academy 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 Chief Executive, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between The Lime Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

GOVERNANCE

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

Trustee	Meetings attended	Out of a possible
J Taylor	3	3
C A Constanti	3	3
M Gray	3	3
L Churchman	1	2
A Daoud	3	3
N Graham	2	3
L Allister	2	3
L Collison	1	1
J W Cassels, Chief Executive	1	1

Governance reviews:

The Trustees reviewed their effectiveness and impact on the Trust during the period and were satisfied that they were exercising effective guidance as shown in the Trust's continued popularity amongst parents and the academic achievement of the pupils and students.

Trustees will conduct another review during the course of 2015/16.

The Finance and Audit Committee is a sub-committee of the main board of trustees.

Its purpose is to ;

- Draw any matters of significance or concern to the attention of the Governing Body
- Consider and recommend acceptance or non-acceptance of the Academy Budget for approval at the start of each financial year
- Review and decide remuneration for those members of staff on the Leadership scale
- Monitor and review expenditure on a regular basis and ensure compliance with overall financial planning and EFA financial regulations.

THE LIME ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)

Attendance at meetings in the period was as follows:

Trustee	Meetings attended	Out of a possible
C A Constanti	1	1
L Churchman	1	1
L Harrowell	1	1
A Daoud	1	1
N Graham	0	1
L Allister	0	1

REVIEW OF VALUE FOR MONEY

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

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

- The Trust constantly works to improve through better systems that lead to better outcomes for pupils. Value for money is a key part of ensuring we are able to do this.
- The Trust has focused on targeted improvement linked to the School Development Plan of Larkswood Primary Academy. A key step has been budget management in order to be able to pay Inner London weighting to its staff to secure and retain outstanding teachers for outstanding learning.
- The Trust has also brought the after school provision in house from 1st September 2015 and put the infrastructure in place to leave LGfL on 31st March 2016. These decisions were based on value for money criteria and will deliver considerable savings to the school in the coming years.

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 The Lime Academy Trust for the period 5 November 2014 to 31 August 2015 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 period 5 November 2014 to 31 August 2015 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

THE LIME ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)

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;
- regular reviews by the Finance and Audit 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 appointee's role includes giving advice on financial matters and performing a range of checks on the academy's financial systems. In particular the checks carried out in the current period included:

On a quarterly basis, the appointee reports to the board of trustees on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

The governing body has considered the need for a specific internal audit function and appointed Haslers to undertake this during the year to August 2016. The first visit is expected to be in January 2016. However no internal scrutiny function was in place during the period to August 2015.

The governing body has sought to appoint Governors with significant financial experience to enable to governing body to undertake the checks and audits required by the Responsible Officer (RO). The RO will provide assurance to the Governors on financial matters by performing a range of checks on the School's Financial Management System (FMS). The RO will visit once a term to complete the checks and provide a report to the finance committee.


REVIEW OF EFFECTIVENESS

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

- the work of the external auditors;
- 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 Finance and Audit 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 26 November 2015 and signed on its behalf, by:


C A Constanti
Chair of Trustees


L Harrowell
Accounting Officer

THE LIME ACADEMY TRUST
(A company limited by guarantee)


STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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

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

I confirm that the following instances of material irregularity, impropriety or funding non-compliance discovered to date have been notified to the board of trustees and EFA. If any instances are identified after the date of this statement, these will be notified to the board of trustees and EFA:

- Limited internal scrutiny visits took place in the 7 months from conversion to 31 August 2015 uncluding a compliance review of the academy's Financial Regulation Manual by the external auditors and monthly visits by a Finance Officer from a local Academy. An appointment for this role has now been made.
- Statements of Assurance regarding the academy's related party transactions were not obtained at the time of the transaction but have now been obtained.



L Harrowell
Accounting officer

Date: 26 November 2015

THE LIME ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' RESPONSIBILITIES STATEMENT
FOR THE PERIOD ENDED 31 AUGUST 2015

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

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

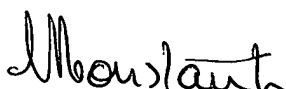
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material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

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

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

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

Approved by order of the members of the board of trustees on 26 November 2015 and signed on its behalf by:



C A Constanti
Chair of Trustees

THE LIME ACADEMY TRUST
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE LIME ACADEMY TRUST

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

This report is made solely to the academy'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 Auditors' 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 opinion we have formed.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

As explained more fully in the Trustees' responsibilities statement, 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.

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

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

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

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

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

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

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


THE LIME ACADEMY TRUST
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE LIME ACADEMY TRUST

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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



Laura A Ambrose (Senior statutory auditor)

for and on behalf of

Haslers

Chartered Accountants
Statutory Auditor

Old Station Road
Loughton
Essex
IG10 4PL
26 November 2015

THE LIME ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO THE LIME
ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 19 February 2015 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2014 to 2015, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Lime Academy Trust during the period 5 November 2014 to 31 August 2015 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to The Lime Academy Trust and EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to The Lime Academy Trust and EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than The Lime Academy Trust and EFA, for our work, for this report, or for the conclusion we have formed.

**RESPECTIVE RESPONSIBILITIES OF THE LIME ACADEMY TRUST'S ACCOUNTING OFFICER AND THE
REPORTING ACCOUNTANT**

The accounting officer is responsible, under the requirements of The Lime Academy Trust's funding agreement with the Secretary of State for Education dated 30 January 2015, and the Academies Financial Handbook extant from 1 September 2014, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2014 to 2015. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 5 November 2014 to 31 August 2015 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

APPROACH

We conducted our engagement in accordance with the Academies Accounts Direction 2014 to 2015 issued by EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

THE LIME ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO THE LIME
ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY (continued)**

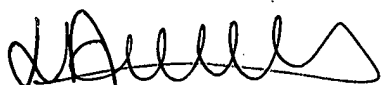
The work undertaken to draw to our conclusion includes:

- Review of governance procedures including inspection of Trustee and relevant Board minutes
- A review of Financial Controls Procedures and related records
- Discussions with the Accounting Officer and the Business Manager
- Reviewing the procedures for identifying and declaring related parties and other business interests
- Assessment and testing of a sample of the specific control activities over regularity of a particular activity
- Perform sample testing of expenditure ensuring items are for the Trust's purposes and are appropriately authorised
- Carrying out substantive testing to cover authorisation of expenditure within internal delegated authorities and externally imposed limits.
- Obtaining formal representation from the Trustees and accounting officer acknowledging their responsibilities
- Scrutinising journals, and other adjustments posted during the year for evidence of unusual entries

CONCLUSION

In the course of our work, except for the matters listed below, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 5 November 2014 to 31 August 2015 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

- Limited internal scrutiny visits took place in the 7 months from conversion to 31 August 2015 including a compliance review of the academy's Financial Regulation Manual by the external auditors and monthly visits by a Finance Officer from a local Academy. An appointment for this role has now been made.
- Statements of Assurance regarding the academy's related party transactions were not obtained at the time of the transaction but have now been obtained.



Laura A Ambrose (Reporting Accountant)

Haslers

Chartered Accountants
Statutory Auditor

Old Station Road
Loughton
Essex
IG10 4PL

26 November 2015

THE LIME ACADEMY TRUST
(A company limited by guarantee)

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

	Note	Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £
INCOMING RESOURCES					
Incoming resources from generated funds:					
Voluntary income	2	128,660	(1,233,575)	16,908,840	15,803,925
Activities for generating funds	3	50,205	31,509	-	81,714
Investment income	4	198	-	-	198
Incoming resources from charitable activities:	5				
Funding for the academy trust's educational operations		-	2,318,960	-	2,318,960
TOTAL INCOMING RESOURCES		179,063	1,116,894	16,908,840	18,204,797
RESOURCES EXPENDED					
Costs of generating funds:					
Costs of generating voluntary income		-	33,744	-	33,744
Charitable activities:	7				
Academy trust educational operations		-	2,295,367	92,734	2,388,101
Governance costs	8	-	24,850	-	24,850
TOTAL RESOURCES EXPENDED	6	-	2,353,961	92,734	2,446,695
NET INCOMING / (OUTGOING) RESOURCES BEFORE TRANSFERS		179,063	(1,237,067)	16,816,106	15,758,102
Gross transfers between Funds	17	-	(12,372)	12,372	-
NET INCOME FOR THE PERIOD		179,063	(1,249,439)	16,828,478	15,758,102
Actuarial gains and losses on defined benefit pension schemes		-	189,000	-	189,000
NET MOVEMENT IN FUNDS FOR THE PERIOD		179,063	(1,060,439)	16,828,478	15,947,102
<i>Total funds brought forward at 5 November 2014</i>		-	-	-	-
TOTAL FUNDS AT 31 AUGUST 2015		179,063	(1,060,439)	16,828,478	15,947,102

All of the academy trust's activities derive from continuing operations during the above period.

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

The notes on pages 24 to 41 form part of these financial statements.

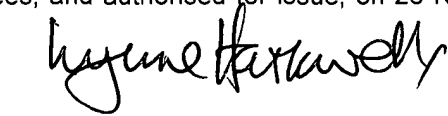
THE LIME ACADEMY TRUST
(A company limited by guarantee)
09297519

BALANCE SHEET
AS AT 31 AUGUST 2015

	Note	£	2015 £
FIXED ASSETS			
Tangible assets	14		16,828,478
CURRENT ASSETS			
Debtors	15	145,170	
Cash at bank and in hand		413,488	
		<u>558,658</u>	
CREDITORS: amounts falling due within one year	16	<u>(348,034)</u>	
NET CURRENT ASSETS			<u>210,624</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>17,039,102</u>
Defined benefit pension scheme liability	23		<u>(1,092,000)</u>
NET ASSETS INCLUDING PENSION SCHEME LIABILITY			<u><u>15,947,102</u></u>
FUNDS OF THE ACADEMY			
Restricted funds:			
Restricted funds	17	31,561	
Restricted fixed asset funds	17	16,828,478	
		<u>16,860,039</u>	
Restricted funds excluding pension liability			
Pension reserve		<u>(1,092,000)</u>	
Total restricted funds			15,768,039
Unrestricted funds	17		<u>179,063</u>
TOTAL FUNDS			<u><u>15,947,102</u></u>

The financial statements were approved by the Trustees, and authorised for issue, on 26 November 2015 and are signed on their behalf, by:


CA Constani
Chair of Trustees


L Harrowell
Accounting Officer

The notes on pages 24 to 41 form part of these financial statements.

THE LIME ACADEMY TRUST
(A company limited by guarantee)

**CASH FLOW STATEMENT
FOR THE PERIOD ENDED 31 AUGUST 2015**

	Note	2015 £
Net cash flow from operating activities	19	297,002
Returns on investments and servicing of finance	20	198
Capital expenditure and financial investment	20	(12,372)
Cash transferred on conversion to an academy trust	25	128,660
INCREASE IN CASH IN THE PERIOD		<u><u>413,488</u></u>

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

	2015 £
Increase in cash in the period	413,488
MOVEMENT IN NET FUNDS IN THE PERIOD	<u>413,488</u>
NET FUNDS AT 31 AUGUST 2015	<u><u>413,488</u></u>

The notes on pages 24 to 41 form part of these financial statements.

THE LIME ACADEMY TRUST
(A company limited by guarantee)

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

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Charity Commission 'Statement of Recommended Practice: Accounting and Reporting by Charities' ('SORP 2005'), the Academies Accounts Direction 2014 to 2015 issued by EFA and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

1.2 Going concern

The Trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the academy to continue as a going concern. The Trustees make this assessment in respect of a period of one year from the date of approval of the financial statements.

1.3 Incoming resources

All incoming resources are included in the Statement of financial activities when the academy has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

Grants are included in the Statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of 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 year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund.

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

Sponsorship income provided to the academy which amounts to a donation is recognised in the Statement of financial activities in the period in which it is receivable, where there is certainty of receipt and it is measurable.

Donations are recognised on a receivable basis where there is certainty of receipt 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.

THE LIME ACADEMY TRUST
(A company limited by guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.4 Resources expended

Expenditure is recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities are costs incurred in the academy's educational operations.

Governance costs include the costs attributable to the academy's compliance with constitutional and statutory requirements, including audit, strategic management and Trustees' meetings and reimbursed expenses.

All resources expended are inclusive of irrecoverable VAT.

1.5 Tangible fixed assets and depreciation

Assets costing £5,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the Statement of financial activities and are carried forward in the Balance sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of financial activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the academy's depreciation policy. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

A review for impairment of all other fixed assets 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.

Tangible fixed assets are stated at cost less depreciation. Depreciation is not charged on freehold land. Depreciation on other tangible fixed assets is provided at rates calculated to write off the cost of those assets, less their estimated residual value, over their expected useful lives on the following bases:

Long-term leasehold property	-	2% straight line
Fixtures and fittings	-	25% straight line
Computer equipment	-	33.3% straight line

THE LIME ACADEMY TRUST
(A company limited by guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.6 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.

1.7 Pensions

Retirement benefits to employees of the academy are provided by the Teachers' Pension Scheme ("TPS") and the Local Government Pension Scheme ("LGPS"). These are defined benefit schemes and the assets are held separately from those of the academy.

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 quinquennial valuations using a prospective benefit method. As stated in note 23, the TPS is a multi-employer scheme and the academy is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

The LGPS is a funded scheme and the assets are held separately from those of the academy 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 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 gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of financial activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

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

Restricted general funds comprise all other restricted funds received and include grants from the Department for Education.

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

THE LIME ACADEMY TRUST
(A company limited by guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.9 Conversion to an academy trust

The conversion from a state maintained school to an academy trust involved the transfer of identifiable assets and liabilities and the operation of the school for £nil consideration. The substance of the transfer is that of a gift and it has been accounted for on that basis as set out below.

The assets and liabilities transferred on conversion from Larkwood Primary School to the academy trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in Donations – transfer from local authority on conversion in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

Further details of the transaction are set out in note 25.

2. VOLUNTARY INCOME

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £
Donations	-	35,425	35,425
Transfer from local authority on conversion (Note 25)	128,660	15,639,840	15,768,500
	<u>128,660</u>	<u>15,675,265</u>	<u>15,803,925</u>
Voluntary income	<u>128,660</u>	<u>15,675,265</u>	<u>15,803,925</u>

3. ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £
Catering income	-	25,067	25,067
Hire of facilities	50,205	-	50,205
Breakfast and music club income	-	6,442	6,442
	<u>50,205</u>	<u>31,509</u>	<u>81,714</u>

4. INVESTMENT INCOME

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £
Bank interest	198	-	198

THE LIME ACADEMY TRUST
(A company limited by guarantee)

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

5. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Restricted funds 2015 £	Total funds 2015 £
DfE/EFA grants		
General annual grant (GAG)	1,756,748	1,756,748
Start-up grants	25,000	25,000
Other DfE/EFA grants	527,517	527,517
	<u>2,309,265</u>	<u>2,309,265</u>
Other government grants		
Local authority grants	9,695	9,695
	<u>9,695</u>	<u>9,695</u>
	<u>2,318,960</u>	<u>2,318,960</u>

6. RESOURCES EXPENDED

	Staff costs 2015 £	Non Pay Premises 2015 £	Expenditure Other costs 2015 £	Total 2015 £
Costs of activities for generating funds:				
Trips & Other related activities	-	-	33,744	33,744
Academy's educational operations::				
Direct costs	1,293,864	-	102,788	1,396,652
Allocated support costs	222,581	442,640	326,228	991,449
Governance costs including allocated support costs	12,000	-	12,850	24,850
	<u>1,528,445</u>	<u>442,640</u>	<u>475,610</u>	<u>2,446,695</u>

THE LIME ACADEMY TRUST
(A company limited by guarantee)

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

7. CHARITABLE ACTIVITIES

	Total funds 2015 £
DIRECT COSTS - EDUCATIONAL OPERATIONS	
Wages and salaries	1,033,621
National insurance	81,035
Pension cost	159,203
Depreciation	17,811
Educational supplies	65,388
Staff development	12,503
Educational support staff costs	20,005
Other direct costs	7,086
	<hr/> 1,396,652 <hr/>
SUPPORT COSTS - EDUCATIONAL OPERATIONS	
Wages and salaries	123,192
National insurance	9,389
Pension cost	90,000
Depreciation	74,923
Staff development	80,287
Catering	139,012
Maintenance of premises and equipment	5,189
Insurance	14,746
Rent and Rates	13,575
Transport fees	101
Legal and Professional	21,570
Printing, postage and stationary	8,848
ICT and technology costs	36,426
Other support costs	22,189
Telephone and fax	3,224
PFI Expenditure	348,778
	<hr/> 991,449 <hr/>
Total direct and support costs	<hr/> 2,388,101 <hr/>

THE LIME ACADEMY TRUST
(A company limited by guarantee)

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

8. GOVERNANCE COSTS

	Restricted funds 2015 £	Total funds 2015 £
Auditors' remuneration	6,950	6,950
Auditors' non audit fees	5,900	5,900
Staff support costs	12,000	12,000
	<u>24,850</u>	<u>24,850</u>

9. NET INCOMING / (OUTGOING) RESOURCES

This is stated after charging:

	2015 £
Depreciation of tangible fixed assets: - owned by the charity	92,734
Auditors' remuneration	6,950
Auditors' remuneration - non-audit	5,900
	<u>105,584</u>

10. STAFF

a. Staff costs

Staff costs were as follows:

	2015 £
Wages and salaries	1,156,813
Social security costs	90,425
Other pension costs (Note 23)	261,202
	<u>1,508,440</u>
Supply teacher costs	20,005
	<u>1,528,445</u>

THE LIME ACADEMY TRUST
(A company limited by guarantee)

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

10. STAFF (continued)

b. Staff numbers

The average number of persons employed by the academy during the period expressed as full time equivalents was as follows:

	2015 No.
Teachers	34
Admin and Support Staff	41
Management	6
	<hr/> 81 <hr/>

c. Higher paid staff

The number of employees whose equivalent annual emoluments fell within the following bands was:

	2015 No.
In the band £80,001 - £90,000	1
	<hr/> <hr/>

The above employee participated in the Teachers' Pension Scheme.

11. CENTRAL SERVICES

No central services were provided by the academy during the period and no central charges arose.

THE LIME ACADEMY TRUST
(A company limited by guarantee)

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

12. TRUSTEES' REMUNERATION AND EXPENSES

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

	2015 £
L Harrowell (Headteacher and trustee)	50,000-55,000
Employer's pension contribution	5,000-10,000
A Daoud (Staff trustee)	30,000-35,000
Employer's pension contribution	5,000-10,000

During the period ended 31 August 2015, expenses totalling £456 were reimbursed to 1 Trustee.

13. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £1,000,000 on any one claim and the cost for the period ended 31 August 2015 was £2,016. The cost of this insurance is included in the total insurance cost.

14. TANGIBLE FIXED ASSETS

	Long-term leasehold property £	Fixtures and fittings £	Computer equipment £	Total £
Cost				
Additions	-	1,453	10,919	12,372
Transferred on conversion	16,823,000	-	85,840	16,908,840
At 31 August 2015	16,823,000	1,453	96,759	16,921,212
Depreciation				
Charge for the period	74,923	106	17,705	92,734
At 31 August 2015	74,923	106	17,705	92,734
Net book value				
At 31 August 2015	16,748,077	1,347	79,054	16,828,478

Included in land and buildings is freehold land at valuation of £10,401,000 which is not depreciated.

THE LIME ACADEMY TRUST
(A company limited by guarantee)

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

14. TANGIBLE FIXED ASSETS (continued)

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

The land and building inherited on conversion represents the school building and associated land acquired from the Local Authority on a long lease under a PFI arrangement and was valued by professional valuers, Mouchels, on 31 March 2015 for the purposes of inclusion in these financial statements.

The leasehold land and building is regarding the former Larkwood Primary School site and is leased for 125 years.

15. DEBTORS

	2015 £
Trade debtors	12,448
VAT recoverable	25,093
Prepayments and accrued income	107,629
	<hr/> 145,170 <hr/>

16. CREDITORS:
Amounts falling due within one year

	2015 £
Taxation and social security	52,676
Accruals	295,358
	<hr/> 348,034 <hr/>

THE LIME ACADEMY TRUST
(A company limited by guarantee)

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

17. STATEMENT OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Unrestricted funds						
Unrestricted funds	-	179,063	-	-	-	179,063
Restricted funds						
General Annual Grant (GAG)	-	1,756,748	(1,725,187)	-	-	31,561
Start up Grant	-	25,000	(25,000)	-	-	-
Other DfE/ EFA grants	-	527,517	(527,517)	-	-	-
Local authority grants	-	9,695	(9,695)	-	-	-
Other restricted funds	-	66,934	(54,562)	(12,372)	-	-
Pension reserve	-	(1,269,000)	(12,000)	-	189,000	(1,092,000)
	-	1,116,894	(2,353,961)	(12,372)	189,000	(1,060,439)
Restricted fixed asset funds						
Assets donated on conversion	-	16,908,840	(91,447)	-	-	16,817,393
Capital expenditure from GAG	-	-	(1,287)	12,372	-	11,085
	-	16,908,840	(92,734)	12,372	-	16,828,478
Total restricted funds	-	18,025,734	(2,446,695)	-	189,000	15,768,039
Total of funds	-	18,204,797	(2,446,695)	-	189,000	15,947,102

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

General Annual Grant (GAG) grant fund - Funds received from the EFA under the General Annual Grant arrangements for the recurrent expenditure of the school as defined in the Funding Agreement.

Start Up Grant - EFA grant and associated costs to support the conversion of the school.

Other DfE/ EFA grants - Other government grants received for restricted educational purposes not forming part of General Annual Grant.

Local authority grants - Grants received from the local authority received for restricted educational purposes.

THE LIME ACADEMY TRUST
(A company limited by guarantee)

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

17. STATEMENT OF FUNDS (continued)

Other restricted funds - General monies received for restricted educational purposes not forming part of General Annual Grant or other DfE/EFA grants.

Pension reserve - The pension reserve recognises the deficit of the local government pension scheme.

Restricted fixed asset fund - The purpose of the Restricted Fixed Asset Fund is to hold the Academy's fixed assets recorded net of depreciation.

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 2015.

Analysis of academy by fund balance

Fund balances at 31 August 2015 were allocated as follows:

Larkwood Primary Academy	210,624
Restricted fixed asset fund	16,828,478
Pension reserve	(1,092,000)
Total	<u>15,947,102</u>

Analysis of academies by cost

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total £
Larkwood Primary Academy	<u>1,293,864</u>	<u>240,581</u>	<u>65,388</u>	<u>834,862</u>	<u>2,434,695</u>

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £
Tangible fixed assets	-	-	16,828,478	16,828,478
Current assets	179,063	379,595	-	558,658
Creditors due within one year	-	(348,034)	-	(348,034)
Provisions for liabilities and charges	-	(1,092,000)	-	(1,092,000)
	<u>179,063</u>	<u>(1,060,439)</u>	<u>16,828,478</u>	<u>15,947,102</u>

THE LIME ACADEMY TRUST
(A company limited by guarantee)

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

19. NET CASH FLOW FROM OPERATING ACTIVITIES

	2015 £
Net incoming resources before revaluations	15,758,102
Returns on investments and servicing of finance	(198)
Budget surplus on Local authority funds	(128,660)
Depreciation of tangible fixed assets	92,734
Asset transferred on conversion to an academy trust	(16,908,840)
Pension deficit transferred on conversion	1,269,000
(Increase) in debtors	(145,170)
Increase in creditors	348,034
FRS 17 pension cost fee contributions payable	(13,000)
FRS 17 pension finance income	25,000
Net cash inflow from operations	297,002

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

	2015 £
Returns on investments and servicing of finance	
Interest received	198
	198
	2015 £
Capital expenditure and financial investment	
Purchase of tangible fixed assets	(12,372)

21. ANALYSIS OF CHANGES IN NET FUNDS

	5 November 2014 £	Cash flow £	Other non-cash changes £	31 August 2015 £
Cash at bank and in hand:	-	413,488	-	413,488
Net funds	-	413,488	-	413,488

22. MEMBERS' LIABILITY

Each Member of the Lime Academy Trust 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.

THE LIME ACADEMY TRUST
(A company limited by guarantee)

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

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 London Borough of Waltham Forest. Both are defined benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2013.

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

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

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

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

THE LIME ACADEMY TRUST
(A company limited by guarantee)

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

23. PENSION COMMITMENTS (continued)

The pension costs paid to TPS in the period amounted to £119,742.

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

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The academy has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the period ended 31 August 2015 was £110,000, of which employer's contributions totalled £90,000 and employees' contributions totalled £20,000. The agreed contribution rates for future years are 19.6% for employers and 5.5-7.5% 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.

As described in note 25 the LGPS obligation relates to the employees of the academy, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the scheme in the period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy at the balance sheet date.

The academy's share of the assets and liabilities in the scheme and the expected rates of return were:

	Expected return at 31 August 2015 %	Fair value at 31 August 2015 £
Equities	6.50	66,000
Government bonds	2.50	-
Other bonds	3.60	14,000
Property	6.10	6,000
Cash/liquidity	0.50	4,000
Other	6.50	10,000
Total market value of assets		<u>100,000</u>
Present value of scheme liabilities		<u>(1,192,000)</u>
(Deficit) in the scheme		<u><u>(1,092,000)</u></u>

THE LIME ACADEMY TRUST
(A company limited by guarantee)

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

23. PENSION COMMITMENTS (continued)

The amounts recognised in the Balance sheet are as follows:

	2015 £
Present value of funded obligations	(1,192,000)
Fair value of scheme assets	100,000
Net liability	(1,092,000)

The amounts recognised in the Statement of financial activities are as follows:

	2015 £
Current service cost	(77,000)

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

	2015 £
Opening defined benefit obligation	1,269,000
Current service cost	77,000
Contributions by scheme participants	20,000
Actuarial Gains	(192,000)
Interest on obligation	24,000
Benefits paid	(6,000)
Expected return on assets	-
Closing defined benefit obligation	1,192,000

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

	2015 £
Actuarial gains and (losses)	(3,000)
Contributions by employer	90,000
Contributions by employees	20,000
Benefits paid	(6,000)
Expected return on assets	(1,000)
	100,000

The cumulative amount of actuarial gains and losses recognised in the Statement of total recognised gains and losses was £189,000.

The academy expects to contribute £155,000 to its Defined benefit pension scheme in 2016.

THE LIME ACADEMY TRUST
(A company limited by guarantee)

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

23. PENSION COMMITMENTS (continued)

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

	2015
Retiring today	
Males	23.1
Females	25.5
Retiring in 20 years	
Males	25.4
Females	27.9

Amounts for the current period are as follows:

Defined benefit pension schemes

	2015 £
Defined benefit obligation	(1,192,000)
Scheme assets	100,000
Deficit	(1,092,000)
Experience adjustments on scheme liabilities	192,000
Experience adjustments on scheme assets	(3,000)

24. 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 trustee 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.

During the period transactions with the following related parties occurred:

- Waterloo Primary Academy - An entity in which S Cardwell is also a member
- AC & L Creative - An entity in which is owned and run by L Allister and her husband

Transactions with related parties:

	2015 £
Purchases of services from Waterloo Primary Academy	7,045
Purchases of services from AC&L Creative	4,695

In entering into the transactions above the trust have complied with the requirements of EFA's Academies Financial Handbook, in that all transactions were at or below cost.

THE LIME ACADEMY TRUST
(A company limited by guarantee)

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

25. CONVERSION TO AN ACADEMY TRUST

On 1 February 2015 Larkwood Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to The Lime Academy Trust from London Borough of Waltham Forest for £NIL consideration.

The transfer has been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the Balance sheet under the appropriate headings with a corresponding net amount recognised as net incoming resources in the Statement of financial activities as voluntary income.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of financial activities.

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets				
Leasehold land and buildings	-	-	16,823,000	16,823,000
- Other tangible fixed assets	-	-	85,840	85,840
Budget surplus on Local authority funds	128,660	-	-	128,660
LGPS pension surplus/(deficit)	-	(1,269,000)	-	(1,269,000)
Net assets/(liabilities)	<u>128,660</u>	<u>(1,269,000)</u>	<u>16,908,840</u>	<u>15,768,500</u>

The above net assets include £128,660 that were transferred as cash.