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Company Registration Number: 09297519

LIME TRUST (FORMERLY THE LIME ACADEMY TRUST)
(A Company Limited by Guarantee)

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

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LIME TRUST (FORMERLY THE LIME ACADEMY TRUST)
(A Company Limited by Guarantee)

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

Members

M Gray
L Churchman OBE (resigned 16 June 2017)
J W Cassels (resigned 16 June 2017)
S Cardwell
L Collison (resigned 16 June 2017)
S Flood (appointed 28 November 2017)
J Taylor (appointed 1 September 2017)
C A Constanti (appointed 3 May 2017)
C Cole (resigned 31 August 2017)

Trustees

L Harrowell, Chief Executive
L Churchman, Vice Chair (resigned 16 June 2017)
A Daoud, Chief Operating Officer (resigned 29 November 2017)
N Graham
C Cole, Chair
M Orlovsky (resigned 28 November 2017)
L Allister (resigned 29 February 2016)
L M Bate (appointed 16 June 2017)
L Collison (appointed 16 June 2017, resigned 29 November 2017)
S Cardwell
J W Cassells (resigned 16 June 2017)

Company registered number

09297519

Company name

Lime Trust

Principal and registered office

C/O Larkwood Primary School
70-72 New Road
Chingford
E4 8ET

Company secretary

I Karapetyan (appointed 10 October 2017)

Chief executive officer

L Harrowell

Senior management team

L Harrowell, CEO/ Executive Headteacher
A Daoud, Chief Operating Officer
C Keefe, Executive School Business Manager
H Tyler, Director of CPD

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY TRUST, ITS TRUSTEES AND
ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2017**

Advisers (continued)

L Collison, Director of HR

Independent auditors

Haslers
Chartered Accountants
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

LIME TRUST (FORMERLY THE LIME ACADEMY TRUST)
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2017

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year 1 September 2016 to 31 August 2017. The Annual Report serves the purposes of both a Trustees' Report, and a Directors' report under company law.

The Trust operates a hub of three primary academies in Peterborough and one primary academy in Chingford in the East of London. Its academies have a combined pupil capacity of 2000 and had a roll of 1734 in the school census on 5 October 2017.

Structure, governance and management

a. Constitution

The academy trust is a charitable company limited by guarantee and an exempt charity.

The charitable company's Memorandum and Articles of Association (dated 19 May 2016) is the primary governing document of the academy trust.

The Trustees of Lime Trust (formerly The Lime Academy Trust) are also the directors of the charitable company for the purpose of company law.

The charitable company is known as Lime Trust.

Details of the Trustees who served during the year are included in the Reference and administrative details on page 1.

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.

c. 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.

d. 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 Trust's Articles of Association and Funding Agreement as follows:

- o the Chief Executive Officer of the Trust ex-officio
- o the Chief Operations Officer of the Trust ex-officio
- o other non-executive Trustees, appointed by the Members based on their skills
- o any Trustees appointed by the Secretary of State for Education

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

The Trust has used Academy Ambassadors to source potential Trustees. An interview process led by the Chair of the Board is used to select Trustees. There are no Parent Trustees; there is parent representation at Academy Council level. The terms of office of the Chief Executive Officer and the Chief Operations Officer of the Trust run parallel with their terms of appointment. The term of office for other Trustees is four years.

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

e. Policies and procedures adopted for the induction and training of Trustees

During the period under review, the governors held four full board meetings. The Trust have commissioned a Governance Consultant to support the induction process for new Trustees and governors on the Academy Council/Transition Boards. A key expectation covered as part of the induction process is the 'Seven Principles of Public Life'. Winckworth Sherwood continue to provide the Board with training; Haslers have been instructed to work to guide the MAT Board through financial accountability processes. Felicity Gillespie has observed two Board meetings, including a Finance & Audit Committee meeting, providing feedback to the Trust via Dr Tim Coulson, the Regional Schools Commissioner.

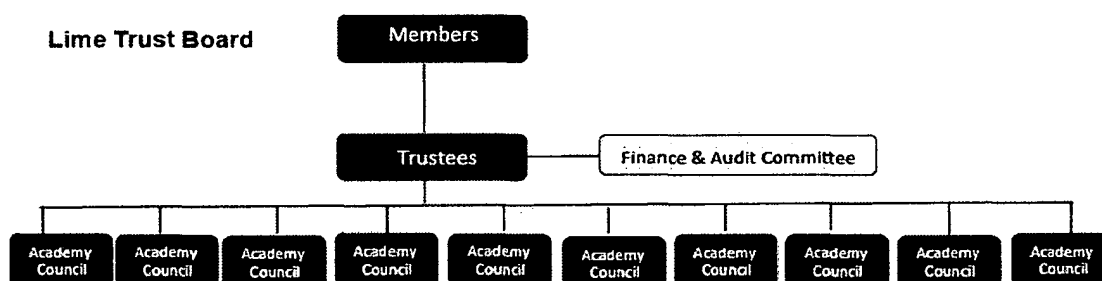
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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

f. Organisational structure

The Trust's governance structure is illustrated below. This structure was reviewed at the end of the academic year 2016/17 and will include an Educational Standards sub-committee for the next reporting period.

Governance Structure



Governance

Members	Trustees	Academy Council
<ul style="list-style-type: none"> -determine constitution - oversee the Trustees - recognise any strategic partnerships - delegate governance and management responsibility to the Trustees (appointing and removing Trustees where necessary) 	<ul style="list-style-type: none"> - determine strategic vision and overarching strategic plan - provide strategic leadership and governance - provide challenge and support to senior leaders - develop and decide strategic and operational policies - facilitate collaboration - co-ordinate and oversee shared services and resources - develop and oversee the implementation of action plans - set performance benchmarks - determine curriculum priorities - set overall Trust budget and approve of Academy budgets - monitor expenditure in accordance with appropriate authorisations - develop and implement a risk management strategy - determine the Trust's reserves/contingency policy - ensure appropriate insurance or risk cover is put in place - undertake recruitment and performance management of head teachers and other senior leaders - develop staff training programmes and opportunities for professional development - support the development and building of leadership and governance capacity at Academy level - approve of site and asset management strategy - oversee any significant capital expenditure and building projects - approve of all funding applications - decision maker for all appeals 	<ul style="list-style-type: none"> - monitor implementation of strategic vision - support senior leadership team - oversee expenditure ensuring the Academy works within its budget and implements the Trust risk and financial management policies - support the senior leadership team in the development and review of an appropriate staffing structure - where appropriate, support the head teacher in the recruitment and performance management of strategic personnel - promote collaboration with other Academies in the Trust - contribute to the development and review of Academy policies (e.g. admissions, pupil behaviour, safeguarding) - provide advice and feedback to the Trustees, ensuring the Academy is meeting the needs of its community - support the senior leadership team in relation to curriculum and budgeting priorities - support the senior leadership team in monitoring - pupil progress and analysing performance data - support the implementation of any Academy plan, - focusing particularly on school performance targets - undertake all and any appropriate community consultation - provide a point of contact for parents, carers and other members of the local community - maintain effective links with the school community and the wider local community

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

g. Pay policy for key management personnel

There is no pay and remuneration in place for Trustees, other than the opportunity to claim expenses as set out in the Staff and Governors Expenses Policy. The Trust, in April 2016, sought advice on executive pay from Hayes Executive. The Trust operates within the relevant legal frameworks for qualified teachers, as set out in the Education (School Teachers' Appraisal) (England) Regulations 2012, for all members of the Trust Executive Team employed on STPCD terms. For all other staff, relevant legislation and the appropriate professional standards are used. The Trust and all its employees have due regard for legislation on equality, employment protection and data protection. The CEO is appraised by a CEO Review Panel determined by the Trustees, normally comprising the Chair of the Trust Board and one other Trustee, working with a suitably qualified professional external advisor mutually agreed by the Review Panel and the CEO. Determination of the CEO's pay is made by the Review Panel and reported for information to the Trust Board. Determination on pay for members of the Trust Executive Team is made by the CEO. The CEO determines who will appraise all other staff employed within the Trust's Executive Team.

h. Connected organisations, including related party relationships

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 and accountancy services. Two Trustees provided consultancy work at cost for the Trust

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. Vision and values

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 builds capacity in its academies. It celebrates diversity and wellbeing. It

- Delivers rapid and sustained improvement in mainly large primary schools
- Grows young leaders to headship in challenging schools
- Recruits and retains the very best teachers to deliver Quality First teaching

The Trust Academies, and those responsible for the governance and management of the Trust and its Academies, have committed to working in partnership, supporting one another.

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The Trust is guided by the following principles:

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 its 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 its 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 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 Trust's objectives, the Trustees 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 Trust has not made any charitable donations from monies received by way of funding from the Education and Skills Funding Agency, Department for Education, or any other Government Grant. However, during the year, the pupils at Lime Academy Larkwood have carried out charitable fund-raising activities and have donated the funds raised, in full, to charities.

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Strategic report

Achievements and performance

a. Growth of Lime Trust

Peterborough Hub

Peterborough is an old city with a Roman past and a medieval cathedral. The city has been a major growth point since it was designated as a New Town in May 1971. Peterborough is 78 miles from London. It is mid-way between the East Anglian coast and the Midlands and has excellent road and rail connections both North-South and East-West – Kings Cross East Coast main line.

Peterborough still uses catchment areas; every street has an allocated school: for primary pupils, the entire Local Authority is divided into school catchment areas. Under admissions criteria, in-catchment pupils get priority over others, apart from those who are in care. (Admissions booklet)

"The admissions team receive on average over 70 in-year applications per week, of these just over half are new to Peterborough schools, the remainder being families trying to change their child's school place, either because of moving house or because the initial allocation made to them was not what they wanted" (School Organisation Plan)

Education reflects the changing population: "A high, and increasing, proportion of pupils are from a wide range of minority ethnic backgrounds, and many of these pupils are either beginners in English or at early stages of learning English as an additional language. A comparatively high number of pupils leave or join the school partway through their secondary education. Most of these pupils are newly arrived from abroad"

On 1 August 2017, three schools in Peterborough converted to Academies with the Lime Trust. They are:

- Lime Academy Abbotsmede: Ofsted Good
- Lime Academy Parnwell: Ofsted Requiring Improvement
- Lime Academy Watgall: Ofsted Requiring Improvement

The Trust successfully appointed substantive headteachers to Lime Academy Abbotsmede and Lime Academy Parnwell for the start of the new academic year on 1 September 2017. Lime Academy Watgall had no substantive head at the point of conversion on 1 August 2017 and recruitment for this post is still in progress.

London Hub

Enfield

The Free School at Pre-opening, Lime Academy Ridgeway, does not have a site. The proposed site at Chase Farm has been offered to a Free School which has already opened in temporary accommodation. The ESFA have begun the process of identifying other possible sites. A site at Grovelands park has been identified as a possible site for a two form entry primary school. It is likely that the Free School will now open on 1 September 2019.

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b. Key performance indicators

Yr 6 Cohort Absence Data September 2016 to August 2017:

School	Absence	National	Persistent Absence	National
Lime Academy Abbotsmede	6%	4%	22%	5%
Lime Academy Larkwood	4%	4%	9%	5%
Lime Academy Parnwell	3%	4%	18.5%	5%
Lime Academy Watergall	5%	4%	7%	5%

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Lime Trust Data Dashboard

Context	Lime Trust Schools													
		National 2017	Larkswood			Abbotsmead			Parnwell			Watergall		
	Number on roll (excl. Nursery)				663			407			248			353
	Number on roll, Nursery				82			20			0			0
	% of first choice Reception pupils 2017				96%			65%			52%			83%
	% Disadvantaged - Pupil Premium	25%			24%			40%			28%			36%
	% EAL	20%			39%			82%			39%			35%
	% SEND	14%			13%			20%			21%			12%
	% Attendance	96%			96%			93.5%			94%			95.0%
	Ofsted category				Good			Good			Requires Improvement			Requires Improvement
			Actual 2016	Actual 2017	Predict ed 2018	Actual 2016	Actual 2017	Predict ed 2018	Actual 2016	Actual 2017	Predict ed 2018	Actual 2016	Actual 2017	Predict ed 2018
EYFS	GLD by end of year		84%	80%		38%	31%		45%	40%		59%	33%	
Phonics	Year 1 % Pass		87%	94%	95%		48%	66%	64%	75%	80%	67%	59%	69%
	Year 2 % Pass		92%	100%	100%		93%	87%	85%	80%	90%		88%	95%
KS1	% Attaining ARE: Reading		80%	77%	77%	67%	62%	53%	79%	56%	66%	59%	46%	56%
	% Attaining ARE: Writing		73%	69%	74%	52%	47%	48%	62%	64%	65%	44%	33%	43%
	% Attaining ARE: Maths		81%	83%	85%	60%	67%	55%	69%	67%	70%	50%	38%	48%
	% Attaining ARE: all of R/W/M			63%	68%		47%	45%		41%	55%		29%	39%
KS2	standard: all of	61%	59%	65%	75%	30%	30%	44%	24%	26%	40%	21%	35%	45%
	% Attaining expected standard: Reading	71%	59%	65%	75%	36%	33%	57%	66%	53%	59%	21%	42%	52%
	Scaled score, Reading	104	100	101	106.91	95	92.3	101.03	100	98.1	98.16	94.4	98	104.07
	Progress: Reading	0	-2.4	-2.10	0	-0.9	-1.80	0	-1.8	-3.70	0	-4.5	-3.10	0.00
	% Attaining expected standard: Writing	76%	84%	79%	80%	63%	39%	55%	34%	47%	55%	58%	42%	52%
	Progress: Writing	0	2.4	0.10	0	1.4	-2.8	0.00	-8.10	-2.80	0%	-1.2	-5.50	0.00
	% Attaining expected standard: Maths	75%	88%	78%	80%	45%	54%	58%	74%	47%	55%	45%	58%	68%
	Scaled score, Maths	104	104	104	106.1	97.0	96.5	102.38	104	98.5	98.66	99.7	101	104.62
	Progress: Maths	0	1.2	1.20	0	0	0.30	0	1.1	-3.00	0	-1.2	-1.30	0
	% Attaining expected standard: SPAG	77%	82%	77%	80%	35%	49%	55%	69%	68%	69%	38%	49%	59%
PUMA	KS1 scaled score			100.6			100			100.6			85	
	KS2 scaled score			101.6			90.9			90.71			94	
PIRA	KS1 scaled score			98.6			90.3			99.2			88	
	KS2 scaled score			95.9			88.2			93.35			90	
Staffing	No. of teachers			30			17			12			17	
	Newly Qualified Teachers			3			2			2			0	
	School Direct			5			1			1			2	
	Support staff and Administration			19			29			34			27	
Quality of Teaching	Outstanding %			64%			6%			0%			9%	
	Good %			36%			80%			79%			40%	
Trust Aggregate %	4 Schools	Key Stage 2	2016	2017	Predict ed 2018									
			34%	39%	51%									

In November

PIRA/PUMA assessments completed at the end of each term

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c. Going concern

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

Financial review

During the financial year ending 31 August 2017, the Trust received a grant from the DfE for £123,000 following a successful bid for the Regional Academy Growth Fund.

a. Reserves policy

The Trust's policy for reserves is that a minimum un-committed reserve of 4% of the ESFA General Annual Grant Statement is retained centrally by the Trust for each academy.

The Trust has set out the purpose of such reserves as follow:

1. An unforeseen emergency or unexpected need for funds
2. Covering unforeseen day-to-day operational costs, e.g. employing temporary staff to cover a long-term absence
3. A grant not being renewed
4. Significant planned commitments or projects that cannot be met by future income alone
5. The need to fund short-term deficits in cashflow before a funding grant is received

b. Principal risks and uncertainties

- The rate of academisation slowed by changes in government policy
- The belief that policies will change encourages schools to turn away from academising
- Focus of RSC offices does not work to the Trust's advantage i.e. Enfield schools are in a different RSC region
- Expansion of local-authority led MAT structures based on the Herts for Learning model, especially in London, introduces new competition

Poor education standards

- Predicted pupil outcomes in 2018 are not achieved causing reputational damage. Headline Key Stage 2 results could be undermined by loss of pupils in Year 6, and/or by the admission of new joiners at a late stage whose attainment levels are low. All four academies currently have vacancies in Year 6
- Newly-appointed school leaders struggle to be effective
- Lime methodologies prove difficult to align in new converter academies
- Recruitment of good teachers proves difficult and impacts on outcomes – this is part of a national recruitment crisis

No growth

- Loss of Lime Ridgeway site at Chase Farm results in delay in the school opening and no further preopening grant being received
- Failure to add academies could lead to loss of momentum
- No growth in London in particular would obstruct the Trust's ability to retain key staff, including excellent school leaders

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c. Financial risk management objectives and policies

- Falls in pupil roll numbers. This would impact on both the individual school and central services income. The Peterborough schools currently have vacancies, but numbers are projected to increase as population grows, educational standards improve, and the reputations of the schools improve. Schools reaching capacity would increase central services income by £40k. A 5% fall in pupil numbers would reduce central services income by £22k and school budgets by £345k
- Difficulty in growing adequate reserves. Reserves provide the Trust with flexibility to manage unforeseen expenses, including building works and increases in employer pension contributions
- PFI costs projected to rise at Lime Academy Larkswood
- The changing profile of the MAT may have VAT and/or Corporation Tax implications, which will be advised on by Lime Trust accountants
- Impact of the proposed national funding formula

All risks are reflected in the Trust's Risk Register and reviewed by the Finance and Audit Committee. The academies report on risk at the Academy Council/Transition Board meetings. The Trust made sure that the due diligence process was thorough for the joining schools, using the information from this to mitigate potential costs e.g. the expansion of Lime Academy Parnwell from a PAN of 45 to 60 with the required building project funded by Peterborough City Council.

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TRUSTEES' REPORT (continued)
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Plans for future periods

The Trust's key priorities are:

- Improving outcomes for children at the end of KS2; attainment and progress
- Improving outcomes for disadvantaged pupils and SEN/D
- Rapid and accelerated improvement in schools in a category

The Trust will work to achieve this through:

- Highly effective headteachers supported by the Executive Team leading and managing each school to implement Trust policies and procedures
- Review of staffing structures to make sure monies support a staffing structure that is teacher-rich
- Effective recruitment campaigns championing the Trust
- Improved governance at Board and school level
- Excellent CPD opportunities for all staff

a. Future developments

The Trust Board agrees a rolling three year Business Plan, 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 Trust.

Growth strategy: strong governance

The Board brings together high level skills and provides the vision and strategy, financial probity and holds the Executive Team and Academies to account. It takes and acts on professional advice from our legal and finance partners, Winckworth Sherwood and Haslers. The published Scheme of Delegation is explicit about roles and responsibilities, and is kept under review. Each Academy Council/Transition Board has a key role and important responsibilities in relation to its school, including the inputs of parents and staff. New and joining schools have a clear governance route within Lime Trust.

Growth strategy: school leaders

The Trust has existing highly competent, positive new leaders being generated and developed through the Trust. The most recent of these is on a Trust contract that gives mobility between academies.

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

Growth strategy: quality teachers

Lime Academy Larkwood 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.

Through excellent financial management, it has been possible to pay full Inner London allowances to all Trust employees in Lime Academy Larkwood, 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, and provide similarly positive remuneration in academies outside London.

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Growth strategy: number of academies

The Lime Trust will build its capacity through a medium term target to lead and manage as an Established Trust of 6-20 schools, recruited from a mix of sponsorships, new provision and conversions. Our assessment is that the Trust has the majority of the infrastructure necessary to lead and manage an Established Trust and an understanding of ways to grow that capacity as the Trust grows.

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 ESFA income in order to provide these services. The percentage retention for the period to 31 August 2017 was 6%.

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.

b. Initial Teacher Trainer/Initial Teacher Education

The government has placed increased focus on school-led initial teacher training, moving away from university-based routes. Lime Trust will offer a bespoke ITT/ITE programme (leading to QTS), commencing 2017/18, which will train our future teachers and leaders within the partnership Lime Trust schools. The programme will feature the acquisition of pedagogical skills and practices in the classroom combined with the rigour of educational theory, subject knowledge and classroom-based research. The recommendations of the Carter Review on ITT, published in 2015, will be prioritised to create an outstanding and robust training experience.

c. Career Professional Development/Career Professional Learning

With the introduction of the "Standard for teachers' professional development" by the Department of Education in July 2016, responsibility falls on each school to ensure that teachers' knowledge and skills are developed as their careers progress. It requires a pervasive culture of scholarship with a shared commitment for teachers to develop so that pupils benefit from the highest possible teaching. Lime Trust delivered a programme of effective CPD in 2016/17 and will move into developing a bespoke provision of courses to facilitate high quality professional development in 2017/18 because "every teacher needs to improve, not because they are not good enough, but because they can be even better" (Dylan William: DfE guidance 2016)

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

Disclosure of information to auditors

Insofar as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Trustees have 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.

The Trustees' Report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 15 December 2017 and signed on its behalf by:



C Cole
Chair of Trustees



L Harrowell
Accounting Officer

LIME TRUST (FORMERLY THE LIME ACADEMY TRUST)
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT

Scope of Responsibility

As trustees, we acknowledge we have overall responsibility for ensuring that Lime Trust (formerly 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 Lime Trust (formerly 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 Statement of Trustees' Responsibilities. The board of trustees has formally met 4 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
J W Cassells	3	3
L Churchman, Vice Chair	3	3
L Harrowell, Chief Executive	4	4
A Daoud, Chief Operating Officer	4	4
L Collison	1	1
C Cole, Chair	3	4
S Cardwell	4	4
M Orlovsky	3	4
L M Bate	1	1
N Graham	1	4

John Cassells, Chair, resigned on 16 June 2017

Lynn Churchman, Vice Chair, resigned on 16 June 2017

The main challenge for the Board during this year has been to find new Trustees and to make sure the strategic role of non-executive Trustees is clear and understood. The Trust has worked with Academy Ambassadors to recruit one Trustee with financial expertise. The Trust has established three Transition Boards in Peterborough and successfully used this model to manage the Transition of the maintained schools to academy status.

Governance reviews:

The Trust Board have completed a skills audit and have commissioned a Consultant to provide a training and induction programme for the Board, the Academy Councils and the Transition Boards. The Chair of the Board has attended an event with Academy Ambassadors for Chairs. The Board has had the support of the DfE who have observed two full days of meetings including Board and Finance and Audit Committee meetings providing feedback and recommendations through the Regional Schools Commissioner.

The effectiveness of the Academy Council and the Transition Boards is reviewed by:

- The executive team representatives who sit on the Academy Council and Transition Boards
- Representative of Peterborough City Council who sat on each of the Transition Boards
- A CEO from another MAT who sits on the Academy Council

LIME TRUST (FORMERLY THE LIME ACADEMY TRUST)
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (continued)

The Finance, Audit and Risk Committee is a sub-committee of the main board of trustees. Its purpose is to:

1. Review the financial procedures policy and make recommendations to the Board of Trustees
2. Review systems of internal financial control
3. Receive and respond to external audit report
4. Review internal control and report finding to the Board of Trustees
5. Meet and liaise with the Responsible Officer as needed. Consider and act on recommendations in the Internal Auditors report
6. Review and consider the Trust's Risk Register and advise the Board as necessary
7. Draw any matters of significance or concern to the attention of the Governing Body?
8. Consider and recommend acceptance or non-acceptance of the Academy Budget for approval at the start of each financial year?
9. Review and decide remuneration for those members of staff on the Leadership scale?
10. Monitor and review expenditure on a regular basis and ensure compliance with overall financial planning and ESFA financial regulations.?

The Board of Trustees reviews the Finance, Audit and Risk Committees remit and membership annually.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
S Cardwell	2	2
L Harrowell	2	2
A Daoud	2	2
L M Bate	1	1
L Churchman	1	1
C Cole	1	1
M Orlovsky	1	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 academy 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 appropriate. The Accounting Officer for the academy trust has delivered improved value for money during the year by:

- Recruiting high quality teachers and leaders to each of the Trust's schools
- Making sure that there is a relentless focus on outcomes for children and young people
- Dedicated support and challenge from the central team including , finance, HR, business and educational
- Finance management has been strengthened through the use of PS Financials, one accounting platform across all schools
- A common assessment calendar supported by O track to manage data across the Trust's schools

LIME TRUST (FORMERLY THE LIME ACADEMY TRUST)
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (continued)

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 trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Lime Trust (formerly The Lime Academy Trust) for the year 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy trust's significant risks, that has been in place for the year 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

The Risk and Control Framework

The academy trust's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it includes:

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the Finance, Audit and Risk Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines.
- delegation of authority and segregation of duties;
- identification and management of risks.

The board of trustees has considered the need for a specific internal audit function and has decided to appoint Haslers as internal auditor.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. In particular the checks carried out in the current period included:

- testing of payroll systems
- testing of purchase systems
- testing of control account/ bank reconciliations

On a semi-annual basis, the internal auditor reports to the board of trustees through the Finance, Audit and Risk Committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

LIME TRUST (FORMERLY THE LIME ACADEMY TRUST)
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (continued)

Review of Effectiveness

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

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

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance, Audit and Risk 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 15 December 2017 and signed on their behalf, by:



C Cole
Chair of Trustees



L Harrowell
Accounting Officer

LIME TRUST (FORMERLY THE LIME ACADEMY TRUST)
(A Company Limited by Guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2016.

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

The Trust have not complied with the process stated in their Financial Regulations Manual regarding Trustee's expenses. An amount paid of £219 was higher than the limit of £150 per the Finance Regulations Manual. One of the bank accounts of one of the schools in the Trust was overdrawn at the year end and prior approval from the ESFA was not sought. The balance was restored the next day and was due to an error by the external payroll provider.



L Harrowell
Accounting Officer

Date: 15 December 2017

LIME TRUST (FORMERLY THE LIME ACADEMY TRUST)
(A Company Limited by Guarantee)

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

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of trustees on 15 December 2017 and signed on its behalf by:



C Cole
Chair of Trustees

LIME TRUST (FORMERLY THE LIME ACADEMY TRUST)
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF LIME TRUST (FORMERLY THE LIME ACADEMY TRUST)

Qualified Opinion

We have audited the financial statements of Lime Trust (formerly The Lime Academy Trust) for the year ended 31 August 2017 which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

This report is made solely to the academy trust's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the academy trust's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the academy trust and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Except for the matters described in the Basis for Qualified Opinion section of our report, in our opinion the financial statements:

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

Basis for Qualified Opinion

The trust has been unable to obtain LGPS valuations as at the conversion and year end dates for the three new academies added to the trust during the year. The trust has therefore been unable to comply with the requirements of FRS102 and the Academies Accounts Direction. It has not been possible to quantify the financial impact of the actuarial valuation on both the statement of financial activities and the balance sheet at the date of conversion, throughout the period and as at the year end.

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

LIME TRUST (FORMERLY THE LIME ACADEMY TRUST)
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF LIME TRUST (FORMERLY THE LIME ACADEMY TRUST)

Conclusions relating to going concern

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

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

Other information

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

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

LIME TRUST (FORMERLY THE LIME ACADEMY TRUST)
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF LIME TRUST (FORMERLY THE LIME ACADEMY TRUST)

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

L A Ambrose (Senior Statutory Auditor)

for and on behalf of

Haslers

Chartered Accountants
Statutory Auditor

Old Station Road
Loughton

Essex

IG10 4PL

15 December 2017

LIME TRUST (FORMERLY THE LIME ACADEMY TRUST)
(A Company Limited by Guarantee)

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

In accordance with the terms of our engagement letter dated 19 February 2015 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Lime Trust (formerly The Lime Academy Trust) during the year 1 September 2016 to 31 August 2017 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of Lime Trust (formerly The Lime Academy Trust)'s accounting officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of Lime Trust (formerly 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 2016, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2016 to 2017. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2016 to 31 August 2017 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2016 to 2017 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

LIME TRUST (FORMERLY THE LIME ACADEMY TRUST)
(A Company Limited by Guarantee)

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

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 year 1 September 2016 to 31 August 2017 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

The Trust have not complied with the process stated in their Financial Regulations Manual regarding Trustee's expenses. An amount paid of £219 was higher than the limit of £150 per the Finance Regulations Manual. One of the bank accounts of one of the schools in the Trust was overdrawn at the year end and prior approval from the ESFA was not sought. The balance was restored the next day and was due to an error by the external payroll provider.

Haslers

Chartered Accountants
Statutory Auditor

Old Station Road
Loughton
Essex
IG10 4PL

15 December 2017

LIME TRUST (FORMERLY THE LIME ACADEMY TRUST)
(A Company Limited by Guarantee)

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

	Note	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
Income from:						
Donations and capital grants	2	413,132	-	10,137,504	10,550,636	66,656
Charitable activities	3	-	4,635,709	24,411	4,660,120	3,803,403
Other trading activities	4	567,249	-	-	567,249	385,904
Investments	5	311	-	-	311	531
Total income		980,692	4,635,709	10,161,915	15,778,316	4,256,494
Expenditure on:						
Raising funds		93,084	-	-	93,084	60,089
Charitable activities		79,025	5,086,602	195,064	5,360,691	4,383,055
Total expenditure	6	172,109	5,086,602	195,064	5,453,775	4,443,144
Net income / (expenditure) before transfers		808,583	(450,893)	9,966,851	10,324,541	(186,650)
Transfers between Funds	17	(429,482)	429,482	-	-	-
Net income / (expenditure) before other recognised gains and losses		379,101	(21,411)	9,966,851	10,324,541	(186,650)
Actuarial gains/(losses) on defined benefit pension schemes	21	-	335,000	-	335,000	(538,000)
Net movement in funds		379,101	313,589	9,966,851	10,659,541	(724,650)
Reconciliation of funds:						
Total funds brought forward		66,348	(1,588,680)	16,744,784	15,222,452	15,947,102
Total funds carried forward		445,449	(1,275,091)	26,711,635	25,881,993	15,222,452

LIME TRUST (FORMERLY THE LIME ACADEMY TRUST)
(A Company Limited by Guarantee)
REGISTERED NUMBER: 09297519

BALANCE SHEET
AS AT 31 AUGUST 2017

	Note	£	2017 £	£	2016 £
Fixed assets					
Tangible assets	13		26,913,941		16,768,844
Current assets					
Debtors	14	509,103		241,594	
Cash at bank and in hand		549,339		223,045	
		<u>1,058,442</u>		<u>464,639</u>	
Creditors: amounts falling due within one year	15	<u>(524,716)</u>		<u>(374,031)</u>	
Net current assets			533,726		90,608
Total assets less current liabilities			<u>27,447,667</u>		<u>16,859,452</u>
Creditors: amounts falling due after more than one year	16		<u>(187,674)</u>		-
Net assets excluding pension scheme liabilities			27,259,993		16,859,452
Defined benefit pension scheme liability	21		<u>(1,378,000)</u>		<u>(1,637,000)</u>
Net assets including pension scheme liabilities			<u>25,881,993</u>		<u>15,222,452</u>
Funds of the academy trust					
Restricted income funds:					
Restricted income funds	17	102,909		48,320	
Restricted fixed asset funds	17	<u>26,711,635</u>		<u>16,744,784</u>	
Restricted income funds excluding pension liability		26,814,544		16,793,104	
Pension reserve		<u>(1,378,000)</u>		<u>(1,637,000)</u>	
Total restricted income funds			25,436,544		15,156,104
Unrestricted income funds	17		<u>445,449</u>		<u>66,348</u>
Total funds			<u>25,881,993</u>		<u>15,222,452</u>

The financial statements on pages 27 to 52 were approved by the Trustees, and authorised for issue, on 15 December 2017 and are signed on their behalf, by:


C Cole
Chair of Trustees


L Harrowell
Accounting Officer

LIME TRUST (FORMERLY THE LIME ACADEMY TRUST)
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2017

	Note	2017 £	2016 £
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	19	<u>10,639,535</u>	<u>(82,813)</u>
Cash flows from investing activities:			
Dividends, interest and rents from investments		311	531
Purchase of tangible fixed assets		-	(120,369)
Capital grants from DfE/ESFA		24,411	12,208
Assets donated on conversion		<u>(10,337,963)</u>	<u>-</u>
Net cash used in investing activities		<u>(10,313,241)</u>	<u>(107,630)</u>
Cash flows from financing activities:			
Cash inflows from new borrowing		<u>(100,479)</u>	<u>-</u>
Net cash used in financing activities		<u>(100,479)</u>	<u>-</u>
Change in cash and cash equivalents in the year		225,815	(190,443)
Cash and cash equivalents brought forward		<u>223,045</u>	<u>413,488</u>
Cash and cash equivalents carried forward	20	<u><u>448,860</u></u>	<u><u>223,045</u></u>

LIME TRUST (FORMERLY THE LIME ACADEMY TRUST)
(A Company Limited by Guarantee)

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

1. Accounting Policies

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

1.1 Basis of preparation of financial statements

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

Lime Trust (formerly The Lime Academy Trust) constitutes a public benefit entity as defined by FRS 102.

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 trust to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

LIME TRUST (FORMERLY THE LIME ACADEMY TRUST)
(A Company Limited by Guarantee)

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

1. Accounting Policies (continued)

1.3 Income

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

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

General Annual Grant is recognised in full in the Statement of Financial Activities incorporating Income and Expenditure Account in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

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

Sponsorship income provided to the academy trust which amounts to a donation is recognised in the Statement of Financial Activities incorporating Income and Expenditure Account in the period in which it is receivable, where receipt is probable and it is measurable.

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

Other income, including the hire of facilities, is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

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1. Accounting Policies (continued)

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

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

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

All expenditure is inclusive of irrecoverable VAT.

1.5 Tangible fixed assets and depreciation

All assets costing more than £5,000 are capitalised and are carried at cost, net of depreciation and any provision for impairment.

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

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of these assets, less their estimated residual value, over their expected useful lives on the following bases:

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

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities incorporating Income and Expenditure Account.

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1. Accounting Policies (continued)

1.6 Debtors

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

1.7 Cash at Bank and in hand

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

1.8 Liabilities and provisions

Liabilities and provisions are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the academy trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.9 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 14. Prepayments are not financial instruments. Amounts due to the academy trust's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in notes 15 and 16. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instruments. Amounts due to the academy trust's wholly owned subsidiary are held at face value less any impairment.

1.10 Taxation

The academy trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

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1. Accounting Policies (continued)

1.11 Pensions

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ("TPS") and the Local Governments Pension Scheme ("LGPS"). These are defined benefit schemes.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 21, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance Sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities incorporating Income and Expenditure Account and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

It has not been possible to obtain pension valuations on conversion and at the balance sheet date for the three new schools added to the trust during the year. Consequently, the figure included in the Statement of Financial Activities represents the service cost of Larkswood Primary Academy and the actual employer contributions of the three new schools. The actuarial gain is also that of Larkswood Primary Academy only.

1.12 Fund accounting

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

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

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

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1. Accounting Policies (continued)

1.13 Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 21, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

2. Income from donations and capital grants

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
Donations	9,596	-	-	9,596	21,783
Transfer of assets on conversion	-	-	10,137,504	10,137,504	-
Grants	51,520	-	-	51,520	44,873
Transfer from local authority on conversion	352,016	-	-	352,016	-
	413,132	-	10,137,504	10,550,636	66,656
<i>Total 2016</i>	<i>66,656</i>	<i>-</i>	<i>-</i>	<i>66,656</i>	

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3. Funding for Academy's educational operations

	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
DfE/ESFA grants			
General Annual Grant	3,497,035	3,497,035	3,152,475
Start up Grant	240,000	240,000	-
Other DfE/ESFA Grants	545,204	545,204	330,885
	<u>4,282,239</u>	<u>4,282,239</u>	<u>3,483,360</u>
Other government grants			
Local authority grants	377,881	377,881	320,043
	<u>377,881</u>	<u>377,881</u>	<u>320,043</u>
	<u>4,660,120</u>	<u>4,660,120</u>	<u>3,803,403</u>
<i>Total 2016</i>	<u>3,803,403</u>	<u>3,803,403</u>	

4. Other trading activities

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Catering income	54,013	-	54,013	50,613
Hire of facilities and secondment of staff	468,814	-	468,814	320,509
Breakfast and music club income	10,615	-	10,615	7,662
Other income	33,807	-	33,807	7,120
	<u>567,249</u>	<u>-</u>	<u>567,249</u>	<u>385,904</u>
<i>Total 2016</i>	<u>385,904</u>	<u>-</u>	<u>385,904</u>	

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**NOTES TO THE FINANCIAL STATEMENTS
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5. Investment income

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Bank interest	311	-	311	531
<i>Total 2016</i>	<i>531</i>	<i>-</i>	<i>531</i>	

6. Expenditure

	Staff costs 2017 £	Premises 2017 £	Other costs 2017 £	Total 2017 £	Total 2016 £
Expenditure on raising voluntary income	-	-	93,084	93,084	60,089
Activities:					
Direct costs	2,856,513	49,410	298,563	3,204,486	2,588,076
Support costs	924,400	796,250	435,555	2,156,205	1,794,979
	3,780,913	845,660	827,202	5,453,775	4,443,144
<i>Total 2016</i>	<i>3,001,994</i>	<i>789,767</i>	<i>651,383</i>	<i>4,443,144</i>	

LIME TRUST (FORMERLY THE LIME ACADEMY TRUST)
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**NOTES TO THE FINANCIAL STATEMENTS
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7. Charitable activities

	Total funds 2017 £	<i>Total funds 2016 £</i>
Direct costs - educational operations		
Wages and salaries	2,338,301	1,858,708
National insurance	218,989	154,038
Pension cost	285,733	300,600
Depreciation	49,410	40,495
Educational supplies	239,098	158,050
Staff development	26,993	32,377
Educational support staff costs	15,241	22,215
Other direct costs	30,721	21,593
	<u>3,204,486</u>	<u>2,588,076</u>
Support costs - educational operations		
Wages and salaries	621,329	543,900
National insurance	36,574	35,534
Pension cost	266,497	87,000
Depreciation	145,654	139,509
Pension finance expense	32,000	42,000
Staff development	32,858	909
Catering	70,737	134,870
Light and heat	1,139	-
Maintenance of premises and equipment	10,349	22,561
Insurance	10,454	14,770
Rates	25,220	22,201
Transport fees	156	46
Legal and professional	54,459	48,354
Printing, postage and stationery	2,446	4,600
ICT and technology costs	120,237	67,762
Other support costs	23,709	14,797
Telephone and fax	3,323	6,073
Trust board costs	22,044	9,781
Advertising	13,821	14,070
PFI costs	615,027	565,001
Governance costs	48,172	21,241
	<u>2,156,205</u>	<u>1,794,979</u>
	<u><u>5,360,691</u></u>	<u><u>4,383,055</u></u>

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NOTES TO THE FINANCIAL STATEMENTS
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8. Net income/(expenditure)

This is stated after charging:

	2017	2016
	£	£
Depreciation of tangible fixed assets:		
- owned by the charity	195,064	180,004
Auditors' remuneration - audit	17,850	6,850
Auditors' remuneration - other services	18,757	7,200
	<u>195,064</u>	<u>180,004</u>

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NOTES TO THE FINANCIAL STATEMENTS
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9. Staff costs

Staff costs were as follows:

	2017	2016
	£	£
Wages and salaries	2,959,630	2,402,608
Social security costs	255,564	189,572
Operating costs of defined benefit pension schemes	552,230	387,599
	3,767,424	2,979,779
Supply teacher costs	13,489	22,215
	3,780,913	3,001,994

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

	2017	2016
	No.	No.
Teachers	98	35
Admin and Support Staff	206	62
Management	17	9
	321	106

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

	2017	2016
	No.	No.
In the band £60,001 - £70,000	3	2
In the band £70,001 - £80,000	2	2
In the band £90,001 - £100,000	0	1
In the band £100,001 - £200,000	2	0

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including pension contributions) received by key management personnel for their services to the academy trust was £399,573 (2016: £643,936).

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10. Central services

The Lime Trust core services make sure that each school is putting children first, setting the standards and is capacity rich. As the Trust grows it will recruit experienced personnel to key positions for example, School Improvement, HR and Estate Management The schools' 6% contribution, which is applied to the General Annual Grant excluding SEN funding, PFI funding and Pupil Premium, includes the following:

- School improvement
- Finance
- HR and governance
- Facilities management, estates and compliance

The actual amounts charged during the year were as follows:

	2017 £	2016 £
Larkwood Primary Academy	141,617	141,013
Lime Academy Watergall	13,491	-
Lime Academy Parnwell	10,536	-
Lime Academy Abbotsmede	15,024	-
	<u>180,668</u>	<u>141,013</u>
Total		

11. Trustees' remuneration and expenses

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

		2017 £	2016 £
L Harrowell (Executive Head and Chief Executive Officer)	Remuneration	130,000-135,000	95,000-100,000
	Pension contributions paid	20,000-25,000	15,000-20,000
A Daoud (Chief Operating Officer)	Remuneration	100,000-105,000	70,000-75,000
	Pension contributions paid	25,000-30,000	20,000-25,000
L Collison (Staff trustee)	Remuneration	15,000-20,000	Nil
	Pension contributions paid	0-5,000	Nil

During the year, no Trustees received any benefits in kind (2016 - £NIL).

During the year ended 31 August 2017, expenses totalling £2,941 (2016 - £6,142) were reimbursed to 5 Trustees (2016 - 5).

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12. Trustees' and Officers' Insurance

In accordance with normal commercial practice the academy trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £1,000,000 on any one claim and the cost for the year ended 31 August 2017 was £1,540 (2016 - £1,534).

13. Tangible fixed assets

	Long-term leasehold property £	Leasehold improvements £	Fixtures and fittings £	Computer equipment £	Total £
Cost					
At 1 September 2016	16,823,000	-	68,856	149,727	17,041,583
Additions	10,137,504	202,657	-	-	10,340,161
At 31 August 2017	26,960,504	202,657	68,856	149,727	27,381,744
Depreciation					
At 1 September 2016	203,363	-	11,175	58,201	272,739
Charge for the year	128,440	-	17,214	49,410	195,064
At 31 August 2017	331,803	-	28,389	107,611	467,803
Net book value					
At 31 August 2017	26,628,701	202,657	40,467	42,116	26,913,941
At 31 August 2016	16,619,637	-	57,681	91,526	16,768,844

On 1 August 2017, Parnwell Primary School, Watgall Primary School and Abbotsmede Primary School converted to academies. The additions to long term leasehold property above consist of the land and buildings which were donated to the trust at a value of £10,137,504. The above valuations of the land and buildings were provided by Peterborough City Council.

Included in land and buildings is leasehold land at valuation of £11,737,511 (2016: £10,401,000) which is not depreciated.

14. Debtors

	2017 £	2016 £
Trade debtors	15,111	148,030
VAT recoverable	18,563	40,729
Prepayments and accrued income	475,429	52,835
	<u>509,103</u>	<u>241,594</u>

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15. Creditors: Amounts falling due within one year

	2017 £	2016 £
Bank loans and overdrafts	100,479	-
Trade creditors	20,697	22,424
Other taxation and social security	71,039	71,123
Other creditors	14,983	-
Accruals and deferred income	317,518	280,484
	<u>524,716</u>	<u>374,031</u>

16. Creditors: Amounts falling due after more than one year

	2017 £	2016 £
Other creditors	<u>187,674</u>	<u>-</u>

Included within other creditors is a loan of £202,657 from Peterborough City Council which carries no interest and is due for repayment over 15 years. The loan was inherited on conversion.

17. Statement of funds

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
Unrestricted funds						
General Funds - all funds	66,348	980,692	(172,109)	(429,482)	-	445,449
Restricted funds						
General Annual Grant (GAG)	-	3,497,035	(3,926,517)	429,482	-	-
Pupil premium	48,320	339,743	(285,154)	-	-	102,909
Other DfE/ESFA grants	-	181,050	(181,050)	-	-	-
Local authority grants	-	377,881	(377,881)	-	-	-
Start up grant	-	240,000	(240,000)	-	-	-
Pension reserve	(1,637,000)	-	(76,000)	-	335,000	(1,378,000)
	<u>(1,588,680)</u>	<u>4,635,709</u>	<u>(5,086,602)</u>	<u>429,482</u>	<u>335,000</u>	<u>(1,275,091)</u>

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17. Statement of funds (continued)

Restricted fixed asset funds

Assets donated on conversion	16,737,666	10,137,504	(195,064)	-	-	26,680,106
Capital expenditure from GAG	7,118	-	-	-	-	7,118
Capital grants	-	24,411	-	-	-	24,411
	<u>16,744,784</u>	<u>10,161,915</u>	<u>(195,064)</u>	<u>-</u>	<u>-</u>	<u>26,711,635</u>
Total restricted funds	<u>15,156,104</u>	<u>14,797,624</u>	<u>(5,281,666)</u>	<u>429,482</u>	<u>335,000</u>	<u>25,436,544</u>
Total of funds	<u>15,222,452</u>	<u>15,778,316</u>	<u>(5,453,775)</u>	<u>-</u>	<u>335,000</u>	<u>25,881,993</u>

Statement of funds - prior year

	Balance at 1 September 2015 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2016 £
Unrestricted funds						
General Funds - all funds	179,063	453,091	(319,361)	(246,445)	-	66,348
	<u>179,063</u>	<u>453,091</u>	<u>(319,361)</u>	<u>(246,445)</u>	<u>-</u>	<u>66,348</u>
Restricted funds						
General Annual Grant (GAG)	31,561	3,152,475	(3,346,379)	162,343	-	-
Pupil premium	-	300,269	(251,949)	-	-	48,320
Other DfE/ESFA grants	-	327,816	(327,816)	-	-	-
Local authority grants	-	10,635	(10,635)	-	-	-
Pension reserve	(1,092,000)	-	(7,000)	-	(538,000)	(1,637,000)
	<u>(1,060,439)</u>	<u>3,791,195</u>	<u>(3,943,779)</u>	<u>162,343</u>	<u>(538,000)</u>	<u>(1,588,680)</u>

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17. Statement of funds (continued)

Restricted fixed asset funds

Assets donated on conversion	16,817,393	-	(163,829)	84,102	-	16,737,666
Capital expenditure from GAG	11,085	-	(3,967)	-	-	7,118
Capital grants	-	12,208	(12,208)	-	-	-
	<u>16,828,478</u>	<u>12,208</u>	<u>(180,004)</u>	<u>84,102</u>	<u>-</u>	<u>16,744,784</u>
Total restricted funds	<u>15,768,039</u>	<u>3,803,403</u>	<u>(4,123,783)</u>	<u>246,445</u>	<u>(538,000)</u>	<u>15,156,104</u>
Total of funds	<u>15,947,102</u>	<u>4,256,494</u>	<u>(4,443,144)</u>	<u>-</u>	<u>(538,000)</u>	<u>15,222,452</u>

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

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

Pupil premium - Funds received from the ESFA under the Pupil Premium grant arrangements for the recurrent expenditure of the school as defined in the Funding Agreement.

Other DfE/ ESFA 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.

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

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17. Statement of funds (continued)

Analysis of academies by fund balance

Fund balances at 31 August 2017 were allocated as follows:

	Total 2017 £	<i>Total 2016 £</i>
Central services	18,787	(101,628)
Larkwood Primary Academy	106,087	216,296
Lime Academy Watergall	76,564	-
Lime Academy Parnwell	112,120	-
Lime Academy Abbotsmede	234,800	-
	<hr/>	<hr/>
Total before fixed asset fund and pension reserve	548,358	114,668
Restricted fixed asset fund	26,711,635	16,744,784
Pension reserve	(1,378,000)	(1,637,000)
	<hr/>	<hr/>
Total	25,881,993	15,222,452
	<hr/> <hr/>	<hr/> <hr/>

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 depreciat- ion £	Total 2017 £	<i>Total 2016 £</i>
Larkwood Primary Academy	2,011,464	765,394	202,038	1,087,890	4,066,786	4,256,140
Lime Academy Watergall	92,116	12,739	-	-	104,855	-
Lime Academy Parnwell	73,798	14,507	-	-	88,305	-
Lime Academy Abbotsmede	91,166	26,039	-	-	117,205	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	2,268,544	818,679	202,038	1,087,890	4,377,151	4,256,140
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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**NOTES TO THE FINANCIAL STATEMENTS
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18. Analysis of net assets between funds

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Tangible fixed assets	-	-	26,913,941	26,913,941
Current assets	444,963	613,127	351	1,058,441
Creditors due within one year	186	(510,218)	(14,683)	(524,715)
Creditors due in more than one year	300	-	(187,974)	(187,674)
Provisions for liabilities and charges	-	(1,378,000)	-	(1,378,000)
	<u>445,449</u>	<u>(1,275,091)</u>	<u>26,711,635</u>	<u>25,881,993</u>

Analysis of net assets between funds - prior year

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £
Tangible fixed assets	-	-	16,768,844	16,768,844
Current assets	66,348	398,291	-	464,639
Creditors due within one year	-	(349,971)	(24,060)	(374,031)
Provisions for liabilities and charges	-	(1,637,000)	-	(1,637,000)
	<u>66,348</u>	<u>(1,588,680)</u>	<u>16,744,784</u>	<u>15,222,452</u>

19. Reconciliation of net movement in funds to net cash flow from operating activities

	2017 £	2016 £
Net income/(expenditure) for the year (as per Statement of Financial Activities)	10,324,541	(186,650)
Adjustment for:		
Depreciation charges	195,064	180,004
Dividends, interest and rents from investments	(311)	(531)
Increase in debtors	(281,067)	(96,425)
Increase in creditors	349,719	25,997
Capital grants from DfE and other capital income	(24,411)	(12,208)
Administrative costs per actuary report	8,000	3,000
Defined benefit pension scheme cost less contributions payable	36,000	(38,000)
Defined benefit pension scheme finance cost	32,000	42,000
Net cash provided by/(used in) operating activities	<u>10,639,535</u>	<u>(82,813)</u>

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FOR THE YEAR ENDED 31 AUGUST 2017

20. Analysis of cash and cash equivalents

	2017 £	2016 £
Cash in hand	549,339	223,045
Overdraft facility repayable on demand	(100,479)	-
Total	<u>448,860</u>	<u>223,045</u>

21. Pension commitments

The academy trust's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by London Borough of Waltham Forest. Both are Multi-Employer Defined Benefit Pension Schemes.

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

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

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

- employer contribution rates set at 16.48% of pensionable pay, including a 0.08% employer administration charge (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

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21. Pension commitments (continued)

- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

During the previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £271,604 (2016 - £163,798).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2017 was £274,000 (2016 - £153,000), of which employer's contributions totalled £221,000 (2016 - £125,000) and employees' contributions totalled £53,000 (2016 - £28,000). 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.

Principal actuarial assumptions:

	2017	2016
Discount rate for scheme liabilities	2.40 %	2.10 %
Rate of increase in salaries	3.70 %	3.30 %
Rate of increase for pensions in payment / inflation	2.20 %	1.90 %
Inflation assumption (CPI)	2.20 %	1.90 %

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

	2017	2016
Retiring today		
Males	22.4	23.2
Females	25.4	25.6
Retiring in 20 years		
Males	24.6	25.5
Females	27.7	28

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

21. Pension commitments (continued)

Sensitivity analysis	At 31 August 2017 £	At 31 August 2016 £
Discount rate +0.1%	1,914,000	1,801,000
Mortality assumption - 1 year increase	1,991,000	1,876,000
CPI rate +0.1%	1,999,000	1,887,000

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

	Fair value at 31 August 2017 £	Fair value at 31 August 2016 £
Equities	364,000	135,000
Other bonds	69,000	31,000
Property	52,000	14,000
Cash and other liquid assets	35,000	4,000
Other	58,000	23,000
Total market value of assets	578,000	207,000

The actual return on scheme assets was £30,000 (2016 - £13,000).

The amounts recognised in the Statement of Financial Activities incorporating Income and Expenditure Account are as follows:

	2017 £	2016 £
Current service cost	(266,497)	(87,000)
Interest income	7,000	6,000
Interest cost	(39,000)	(48,000)
Admin expenses	(8,000)	(3,000)
Total	(306,497)	(132,000)
Actual return on scheme assets	30,000	13,000

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21. Pension commitments (continued)

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

	2017 £	2016 £
Opening defined benefit obligation	1,844,000	1,192,000
Current service cost	266,497	87,000
Interest cost	39,000	48,000
Employee contributions	53,000	28,000
Actuarial (gains)/losses	(234,000)	545,000
Benefits paid	(3,000)	(56,000)
Employer contributions for new academies	(9,497)	-
	<u>1,956,000</u>	<u>1,844,000</u>
Closing defined benefit obligation	<u>1,956,000</u>	<u>1,844,000</u>

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

	2017 £	2016 £
Opening fair value of scheme assets	207,000	100,000
Return on plan assets	7,000	6,000
Actuarial losses	101,000	7,000
Employer contributions	221,000	125,000
Employee contributions	53,000	28,000
Benefits paid	(3,000)	(56,000)
Administrative expenses	(8,000)	(3,000)
	<u>578,000</u>	<u>207,000</u>
Closing fair value of scheme assets	<u>578,000</u>	<u>207,000</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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22. Operating lease commitments

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

	2017 £	2016 £
Amounts payable:		
Within 1 year	5,950	-
Between 1 and 5 years	9,819	-
Total	<u>15,769</u>	<u>-</u>
Amounts payable under Private Finance Initiative (PFI) :		
Within 1 year	593,240	578,770
Between 1 and 5 years	2,525,023	2,463,437
After more than 5 years	11,087,458	11,742,283
Total	<u>14,205,721</u>	<u>14,784,490</u>

23. Members' liability

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

24. Related party transactions

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

During the period, transactions with the following related parties occurred:

Waterloo Primary Academy	-	An entity in which S Cardwell is a member
Strawberry Harlequin	-	An entity owned by C Cole
Bryanston Square Foundation	-	An entity in which M Orlovsky is a Director

Transactions with related parties:

	2017 £	2016 £
Reimbursement of expenses to Waterloo Primary Academy	2,118	5,760
Purchases of services from Strawberry Harlequin	19,700	16,400
Purchases of services from Bryanston Square Foundation	<u>3,349</u>	<u>-</u>