

Company Registration Number: 09297519 (England and Wales)

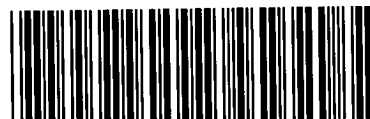
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**LIME TRUST**  
(A Company Limited by Guarantee)

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**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

FRIDAY



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21/12/2018  
COMPANIES HOUSE

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**CONTENTS**

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	Page
<b>Reference and Administrative Details</b>	1 - 2
<b>Trustees' Report</b>	3 - 18
<b>Governance Statement</b>	19 - 22
<b>Statement on Regularity, Propriety and Compliance</b>	23
<b>Statement of Trustees' Responsibilities</b>	24
<b>Independent Auditors' Report on the Financial Statements</b>	25 - 27
<b>Independent Reporting Accountant's Assurance Report on Regularity</b>	28 - 29
<b>Statement of Financial Activities Incorporating Income and Expenditure Account</b>	30
<b>Balance Sheet</b>	31 - 32
<b>Statement of Cash Flows</b>	33
<b>Notes to the Financial Statements</b>	34 - 63

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**LIME TRUST**  
**(A Company Limited by Guarantee)**

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**REFERENCE AND ADMINISTRATIVE DETAILS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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**Members**

M Gray  
S Cardwell  
S Flood (appointed 28 November 2017)  
J Taylor (appointed 1 September 2017)  
C A Constanti

**Trustees**

C Cole, Chair  
L Harrowell, Chief Executive (resigned 23 March 2018)  
A Daoud, Chief Operating Officer (resigned 29 November 2017)  
N Graham (resigned 3 July 2018)  
M Orlovsky (resigned 28 November 2017)  
L M Bate  
L Collison (resigned 29 November 2017)  
S Cardwell, Vice Chair  
T Reynolds (appointed 1 January 2018)  
J Shapiro (appointed 3 July 2018)  
B McDonnell (appointed 3 July 2018)  
H Marchand (appointed 3 July 2018)

**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 (resigned 30 August 2018)  
L Collison, Director of HR

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**(A Company Limited by Guarantee)**

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY TRUST, ITS TRUSTEES AND  
ADVISERS  
FOR THE YEAR ENDED 31 AUGUST 2018**

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**Advisers (continued)**

**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

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**LIME TRUST**  
**(A Company Limited by Guarantee)**

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**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 1 September 2017 to 31 August 2018. 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 2,000 and had a roll of 1,707 in the school census on 4th October 2018.

**Structure, governance and management**

**a. Constitution**

The Lime Trust is a company limited by guarantee and an exempt charity.

The charitable company's Memorandum and Articles of Association (dated 19 May 2016) are the primary governing documents of the Trust.

The Trustees of Lime 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 academic year 2017/18 are included in the Reference and Administrative Details.

**b. Members' liability**

Each Member of the charitable company undertakes to contribute to the assets of the charitable company in the event of it being wound up while they are a Member, or within one year after they cease to be a Member, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before they ceased to be a Member.

**c. Trustees' indemnities**

Subject to the provisions of the Companies Act, every Trustee, 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.

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**LIME TRUST**  
**(A Company Limited by Guarantee)**

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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**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 Trustees, appointed following interview by the Members based on their skills
- o any Trustees appointed by the Secretary of State for Education

The Trust has successfully worked with Academy Ambassadors to recruit 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 term of office for all 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 Trustees held four full board meetings and three finance and audit committee meetings. A new Education Standards Committee was introduced in the summer term. 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'. The Trust has a new Governance Handbook and a thorough Induction process for all new Trustees. Two Trustees are undertaking training on Governance led by FASNA, one Trustee is undertaking the GovernED training. In the Autumn of 2017 the Trust commissioned a review of Governance led by the NGA. A follow up of this review in the summer term showed that all recommendations had been met.

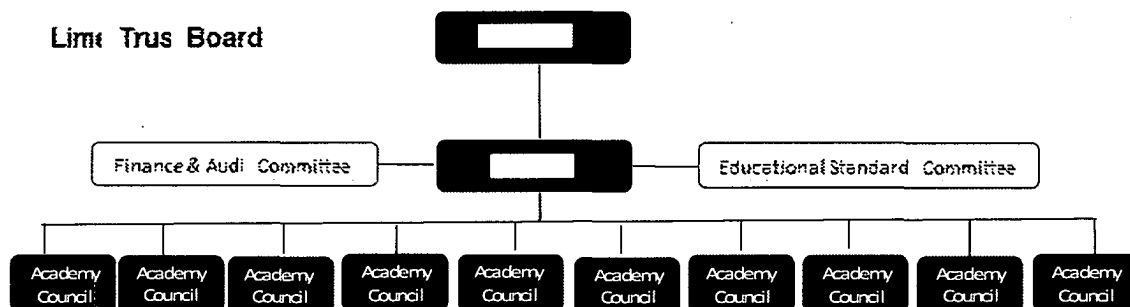
**f. Organisational structure**

The Trust's governance structure is illustrated below. This structure was reviewed at the end of the academic year 2017/18 and now includes an Educational Standards committee, ESC.

**LIME TRUST**  
(A Company Limited by Guarantee)

**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**Governance Structure**



**Governance**

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

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**LIME TRUST**  
**(A Company Limited by Guarantee)**

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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**Members**

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

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

**Trustees and the Trust Board**

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

As Trustees of a charity, the Trustees have a fiduciary duty to act in good faith in the best interests of the charity. This duty includes a responsibility to do the following:

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

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

The Chief Executive Officer is directly responsible for the day-to-day running of the Trust and is assisted by an Executive Team. The Chief Executive assumes the Accounting Officer role.



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**LIME TRUST**  
**(A Company Limited by Guarantee)**

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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**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 Trust's 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.

**Trade union facility time**

Lime Trust has no employees who were relevant union officials during this reporting period.

**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. The Trust has no related party transactions since April 2018 and has agreed a policy of not engaging in related party transactions.

**Objectives and Activities**

**a. Objects and aims**

The purpose of 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.

**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

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**(A Company Limited by Guarantee)**

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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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. 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.

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**(A Company Limited by Guarantee)**

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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**b. 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 the Trust Schools have carried out charitable fund-raising activities and have donated the funds raised, in full, to charities.

**Achievements and performance**

**Strategic report**

**a. Achievements and Performance**

**Growth of Lime Trust**

**Peterborough Hub**

Three primary schools in Peterborough converted to academies with Lime Trust on 1st August 2017: Abbotsmede, Parnwell and Watgall. All three governing bodies voted unanimously to join with Lime Trust, one after another MAT had pulled out of its commitment with them. The Local Authority and RSC office were fully supportive.

**Leading up to conversion:**

- No school had a substantive headteacher and all had understaffed leadership teams
- Two carried Ofsted grades of Requiring Improvement
- All three had been running deficit budgets
- All three were dealing with issues of low morale and difficulties with recruitment
- All three had issues with the school estate and environment for learning
- All three had very poor outcome data, indicating major issues with the quality of teaching and learning.
- There has been significant improvement in performance in the Peterborough schools, see below

**Governance**

Each academy converted through the mechanism of a Lime Transition Board, working alongside the existing governing body through the conversion process. At Watgall the governing body all resigned together in May 2017 and it was agreed with the Local Authority that the school's Transition Board would assume the legal governance role.

Lime Trust and each academy has established an Academy Council with:

- representation from parents and the school's staff as well as nominations from Lime Trust
- high quality induction and training from an established governance specialist, working collaboratively with Academy Council members from the other two schools, on their role within the Trust's Scheme of Delegation
- a full set of Lime Trust standard policies for adoption

The Chair of the Trust has attended meetings of each Academy Council to introduce himself. He will meet with all Chairs and the CEO at least twice a year beginning in September 2018. The first Annual Governance conference is scheduled for the 9th November 2018.

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**LIME TRUST**  
**(A Company Limited by Guarantee)**

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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**Leadership**

New appointments to leadership teams across the Trust, following external advertisement and a rigorous interview process:

- Abbotsmede: Headteacher, Deputy Headteacher & two Assistant Headteachers
- Parnwell: Headteacher, Deputy Headteacher & Assistant Headteacher
- Watergall: Headteacher, Deputy Headteacher & Assistant Headteacher

Continued to provide support to the schools by Trust staff of 23 days per week. From September this will include a bespoke Ambition Schools Leadership programme for Middle Leaders, in addition to the national programmes NPQSL and NPQH. Established regular Lime Leader meetings and Lime Assessment Forum.

Increasing number of applicants for posts – 16 for a recent Deputy Head advert – showing a growing reputation locally.

**Staffing**

Established a regular Trust wide national negotiating committee with trade unions to discuss HR and other areas of joint interest.

Reviewed and where necessary led successful staff reorganisations for learning and improvement, with full consultation.

Recruited further good teachers to each Academy; established a Schools Direct training programme in Peterborough beginning in September 2018.

Provided formal Safeguarding training to all staff and reviewed all safeguarding practices including Single Central Record.

**Teaching and Learning**

Introduced and trained staff in generic core teaching and learning programmes to provide a strong foundation for learning throughout the academy: Read Write Inc, Primary Advantage Maths.

Provided training for all teaching staff from Trust experts in many areas including SEND.

Implemented and trained all staff in new assessment systems, increasing teacher confidence in their assessments and planning, and providing far more reliable data on pupil progress. Planned opportunities at all levels for staff to discuss.

Set SMART predictions for levels of pupil attainment at EYFS, KS1 and KS2 based on norm-referenced, formative and summative assessments, with consistent regular monitoring shared across the Trust towards those anticipated levels.

The Trust is working with Hackney Local Authority to implement Destination Reader, which all schools in the Trust are now using. The Trust is also represented in a Strategic School Improvement Fund bid which will provide funds to support schools implementing the very successful Primary Advantage Maths.

Lime Trust recognises that moving forward from such a low base will take time in the first stage of school improvement. However, we predicted increases in attainment in all schools in Summer 2018. These predictions were exceeded by a wide margin.

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**(A Company Limited by Guarantee)**

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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**Identity and Communication**

Built new school websites, reflecting common Lime values but also the individuality and ethos of each academy. Implemented communication strategies, including with parents and other stakeholders.

Enhanced school identity through new school uniforms, new signage and environmental improvements impacting directly on pupils.

**Financial Management and School Environments**

Enabled each academy to set a realistic balanced budget for 2017-2018 and to achieve that outcome, followed by the setting of balanced budgets for 2018-2019. Deployed Trust business expertise to develop more effective and better value services, freeing up resources for teaching and learning.

Migrated each academy's financial management and accounting onto the industry-standard accounting package (PS Financials) with training for all staff and the availability of on-going helpline support. Developing a hub-wide model for the management and provision of business and premises services, identifying and making use of skilled individuals in schools.

Secured £2.8 million [of which £1.1m is the cost of the new build excluding the value of the additional land] for a major building project at Parnwell which will facilitate the academy's growth to a PAN of 60, as agreed with the local authority, and project managed its development and implementation; and a further £500,000 for major roof and plumbing works at Abbotsmede. Established new premises development plans for each academy based on detailed due diligence, to better target capital funds.

**Key Financial Performance Indicators**

- All schools to improve their academic performance within the year
- High quality student teachers recruited and in schools for the start of the next academic year
- The Trust achieve a balanced in year budget

**London Hub**

There has been no growth of schools in the Lime Trust London Hub in the reporting period. The Trust remains committed to growing a hub of at least 5 schools.

**Waltham Forest**

Lime Academy Larkwood remains the only Trust school in the London Hub. The school had a new headteacher in September 2017.

**Enfield**

The Free School at Pre-opening, Lime Academy Ridgeway, does not have a site. The proposed site at Chase Farm has been given to a Free School which had already opened elsewhere in temporary accommodation. The ESFA are engaged in identifying other possible sites.

**LIME TRUST**  
(A Company Limited by Guarantee)

**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**b. 2.Key Performance Indicators**

**Lime Trust KS2 SAT headlines 2018**

Outcomes in 2018 showed very impressive progress in our academies.

**KS2 RW&M Combined 'Expected Standard' outcomes 2017 and 2018**

Academy	No. tested		No. achieving Expected Standard		% achieving Expected Standard	
	2017	2018	2017	2018	2017	2018
Abbotsmede	56	55	17	27	30%	49%
Larkwood	83	103	52	64	63%	63%
Parnwell	33	35	9	13	27%	37%
Watergall	43	44	15	28	35%	64%
<b>Lime Trust</b>	<b>215</b>	<b>237</b>	<b>98</b>	<b>132</b>	<b>43%</b>	<b>56%</b>
Peterborough schools	132	134	41	68	31%	51%

**KS2 Expected Standard by subject and average scaled scores**

Expected Standard	Abbotsmede		Larkwood		Parnwell		Watergall	
	2017	2018	2017	2018	2017	2018	2017	2018
Reading	33%	60%	65%	69%	53%	57%	42%	68%
Writing	39%	60%	79%	79%	47%	49%	42%	77%
Maths	54%	65%	78%	81%	47%	63%	58%	82%
Sp&G	49%	67%	77%	74%	68%	69%	49%	82%
Combined	30%	49%	63%	63%	27%	37%	35%	64%
Average Scaled Score Reading	<b>92.3</b>	<b>100</b>	<b>101</b>	<b>108</b>	<b>98.1</b>	<b>101</b>	<b>98</b>	<b>103</b>
Average Scaled Score Maths	<b>96.5</b>	<b>102</b>	<b>104</b>	<b>104</b>	<b>98.5</b>	<b>101</b>	<b>101</b>	<b>104</b>
Average Scaled Score Sp&G		102		105		103		106

**National Averages 2018**

Reading: 75%  
Maths: 76%  
Sp&G: 78%  
Combined: 64%

**LIME TRUST**  
(A Company Limited by Guarantee)

**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**KS2 Higher Standard by subject**

Higher Standard	Abbotsmead		Larkwood		Parnwell		Watergall	
	2017	2018	2017	2018	2017	2018	2017	2018
Reading	10%	17%	19%	26%	0%	6%	12%	15%
Writing	3%	7%	17%	16%	0%	0%	2%	7%
Maths	7%	15%	30%	25%	0%	11%	12%	20%
Sp&G	5%	22%	30%	40%	0%	14%	19%	35%
Combined	5%	5%	7%	8%	0%	0%	2%	0%

**School Absence & Persistent Absence Data September 2017 to August 2018:**

Persistent Absence Definition- A pupil enrolment is identified as a persistent absentee if they miss 10% or more of their possible sessions. DfE Pupil absence in schools in England: 2016.17 [22nd March 2018].

School	Attendance %	National Absence % 2017	Persistent Absence [PA] %	National [PA] % 2017
Lime Academy Abbotsmead	94.9	96	12.9	8.3
Lime Academy Larkwood	95.50	96	10.6	8.3
Lime Academy Parnwell *	91.82 [98]	96	24.9 [17.84]	8.3
Lime Academy Watergall	95.65	96	11.48	8.3

\*Lime Academy Parnwell has a Traveller population of 13%. The children will leave the school to travel with their parents. They remain on role at the school even though they are absent. They are included in all census information for the school. The figures in brackets show the data with the Traveler children removed.

School attendance -Guidance for maintained schools, academies, independent schools and local authorities, DfE September 2018 states the following.

"To help ensure continuity of education for Traveller children it is expected that the child should attend school elsewhere when their family is travelling and be dual registered at that school and the main school. Children from these groups whose families do not travel are expected to register at a school and attend as normal. They are subject to the same rules as other children in terms of the requirement to attend school regularly once registered at a school".

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**LIME TRUST**  
**(A Company Limited by Guarantee)**

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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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.

**Plans for future periods**

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 views 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 Larkswood 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 Larkswood, 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.

**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 2018 was 6%.



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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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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.

**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), which began in September 2017, which provides a training route for our future teachers and leaders within the partnership Lime Trust schools. The programme features 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.

**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 2018**

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**Financial review**

**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
6. To fund a rapid school improvement project on one or more of the Trust's academies

**b. Principal risks and uncertainties**

**Uncertain external environment**

- 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 educational standards**

- Predicted pupil outcomes in 2019 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.
- 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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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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**c. Financial risk management objectives and policies**

**Financial risks**

- 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.

**Plans for future periods**

**a. Lime Trust Key Performance Drivers for the academic year 2018/2019**

1. Consistency of performance of each child in Reading, Writing and Maths
2. Closing the gaps:
  - a. Disadvantaged
  - b. Boys
  - c. Summer born
3. Achieving excellence in the Early Years
4. Accelerating children's learning in Years 3, 4 and 5
5. Raising attendance and reducing persistent absence across the Trust

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

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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**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 12 December 2018 and signed on its behalf by:



.....  
**C Cole**  
**Chair of Trustees**

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**GOVERNANCE STATEMENT**

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**Scope of Responsibility**

As trustees, we acknowledge we have overall responsibility for ensuring that Lime 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 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 6 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
L M Bate	6	6
S Cardwell, Vice Chair	5	6
C Cole, Chair	6	6
L Collison	2	2
A Daoud, Chief Operating Officer	2	2
N Graham	0	4
L Harrowell, Chief Executive	3	3
H Marchand	2	2
B McDonnell	2	2
M Orlovsky	1	1
T Reynolds	1	4
J Shapiro	1	2

The Board worked closely with Academy Ambassadors to successfully recruit new Trustees with strong skill sets in finance and business. Trustees carried out rigorous interviews and made recommendations to the Members for appointment to the Board of selected candidates. The Board has used the meetings effectively to cover the following work:

1. Review arrangements for Governance across the Trust
2. Focus on school improvement across the Trust schools including outcomes for children and young people
3. Making sure the Trust and its schools are compliant
4. Making sure that all risks are identified and actions taken to mitigate them
5. To hold the executive team to account for their work including making sure monies are spent wisely to further the education of children and young people

The Board have been observed on three occasions by external representatives including the DfE and the NGA in two external reviews of Governance. The DfE consultant said the quality of information provided by the executive team was at least good and that good use was made of external reports from specialists e.g. condition surveys of buildings or due diligence reports on schools ahead of academisation.

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**GOVERNANCE STATEMENT (continued)**

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**Governance Reviews.**

The NGA carried out an external review of Governance in October 2017. The objectives for the review were:

- i. Does the constitution of the board of trustees reflect best practice?
- ii. How can appropriate conduct at trustee level be assured?
- iii. Is there sufficient demarcation between strategic and operational discussion and activity at board level?
- iv. Can the academy committees move from working transition LGBs to academy councils offering strong local challenge around standards?

The Board agreed a Governance Action Plan to address the recommendations arising from this review and commissioned a further review of Governance in the Summer of 2018 to assess progress towards meeting the recommendations. The key messages from this review as stated by the Consultant were:

"Lime Trust has responded promptly to the recommendations made in the review last autumn. Governance has improved significantly, particularly at trustee level. Many of the recommendations made have been implemented and there is now an effective independent trust board in place to provide an appropriate level of scrutiny, challenge and support to the senior executives.

"Lime Trust fulfils its first governance function well with a clear vision and passion for good outcomes for children. This is reflected across its schools and layers of governance.

"Trustees have successfully held senior executives for account for improvement in the Peterborough schools, where there has been significant positive progress in the outcomes for children over the past academic year, that is, since the schools joined Lime Trust. However, trustees do need to ensure that attention is not deflected from the founding school, Larkwood, where improvement in standards is not yet consistent.

"Trustees have held senior executives to account in the areas of financial probity and sustainability and this is an area of increasing strength in governance"

NGA Review Report 12th July 2018

Lime Trust has no executives on its Board, no related parties transactions, a distinct and effective group of Members, and is fully compliant with best practice in governance.

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**GOVERNANCE STATEMENT (continued)**

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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	1	3
L Harrowell	3	3
A Daoud	3	3
L M Bate	3	3
H Marchand	1	1
B McDonnell	1	1
J Shapiro	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

#### **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 for the year 1 September 2017 to 31 August 2018 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 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

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**GOVERNANCE STATEMENT (continued)**

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**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 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.

**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 12 December 2018 and signed on their behalf, by:

  
.....  
**C Cole**  
**Chair of Trustees**

  
.....  
**L Harrowell**  
**Accounting Officer**



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**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

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As Accounting Officer of Lime Trust I have considered my responsibility to notify the academy trust board of trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, 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 2017.

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 2017.

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 has not complied with:

Part 2.4.1 of The Academies Financial Handbook in that the procurement process has shown internal control weaknesses and has not been followed in all instances.

Part 2.2.1 of the Academies Financial Handbook in that there were internal control weaknesses surrounding the monthly reconciliation of bank accounts.

.....  
**L Harrowell**  
**Accounting Officer**

Date: 12 December 2018

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**STATEMENT OF TRUSTEES' RESPONSIBILITIES**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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The Trustees (who 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 & 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 2017 to 2018;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

The Trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from 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 12 December 2018 and signed on its behalf by:



.....  
**C Cole**  
**Chair of Trustees**

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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF LIME TRUST**

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**Opinion**

We have audited the financial statements of Lime Trust (the 'academy trust') for the year ended 31 August 2018 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 Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the academy trust's affairs as at 31 August 2018 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education and Skills Funding Agency.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' 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.

**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 Auditors' Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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**LIME TRUST**  
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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF LIME TRUST**

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

**Matters on which we are required to report by exception**

In the light of our knowledge and understanding of the academy 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' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**Responsibilities of trustees**

As explained more fully in the Statement of Trustees' Responsibilities, 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 or to cease operations, or have no realistic alternative but to do so.

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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF LIME TRUST**

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**Auditors' 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 Auditors' 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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' Report.

**Use of our report**

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



Laura Ambrose (Senior Statutory Auditor)

for and on behalf of

**Haslers**

Chartered Accountants  
Statutory Auditor

Old Station Road  
Loughton  
Essex  
IG10 4PL  
12 December 2018

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

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In accordance with the terms of our engagement letter dated 19 February 2015 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Lime Trust during the year 1 September 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Lime 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 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 and the ESFA, for our work, for this report, or for the conclusion we have formed.

**Respective responsibilities of Lime Trust's accounting officer and the reporting accountant**

The Accounting Officer is responsible, under the requirements of Lime Trust's funding agreement with the Secretary of State for Education dated 30 January 2015, and the Academies Financial Handbook extant from 1 September 2017, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2017 to 2018. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

**Approach**

We conducted our engagement in accordance with the Academies Accounts Direction 2017 to 2018 issued by 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.

The work undertaken to draw our conclusion includes sample testing of the following:

- Review of governance procedures including inspection of Trustee and relevant Board minutes
- A review of internal auditor reports
- A review of Financial Controls Procedures and related records
- Discussions with the Accounting Officer and the Business Manager
- Reviewing the procedures for identifying and declaring related parties and other business interests
- Assessment and testing of a sample of the specific control activities over regularity of a particular activity
- Perform sample testing of expenditure ensuring items are for the Trust's purposes and are appropriately

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

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authorised

- Carrying out substantive testing to cover authorisation of expenditure within internal delegated authorities and externally imposed limits.
- Obtaining formal representation from the Trustees and accounting officer acknowledging their responsibilities
- Scrutinising journals, and other adjustments posted during the year for evidence of unusual entries

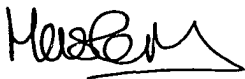
**Conclusion**

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

The Trust has not complied with:

Part 2.4.1 of The Academies Financial Handbook in that the procurement process has shown internal control weaknesses and has not been followed in all instances.

Part 2.2.1 of the Academies Financial Handbook in that there were internal control weaknesses surrounding the monthly reconciliation of bank accounts.



**Haslers**

Chartered Accountants  
Statutory Auditor

Old Station Road  
Loughton  
Essex  
IG10 4PL

12 December 2018

**LIME TRUST**  
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 31 AUGUST 2018**

		Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	As restated Total funds 2017 £
	Note					
<b>Income from:</b>						
Donations & capital grants:						
Transfer of assets on conversion	2	-	-	-	-	5,760,000
Transfer from local authority on conversion	2	-	-	-	-	352,016
Other donations and capital grants	2	88,268	-	-	88,268	61,116
Charitable activities	3	-	9,116,701	963,324	10,080,025	4,660,120
Other trading activities	4	405,430	-	-	405,430	567,249
Investments	5	667	-	-	667	311
<b>Total income</b>		<b>494,365</b>	<b>9,116,701</b>	<b>963,324</b>	<b>10,574,390</b>	<b>11,400,812</b>
<b>Expenditure on:</b>						
Raising funds		87,826	-	-	87,826	93,084
Charitable activities		-	9,853,009	354,834	10,207,843	5,360,691
<b>Total expenditure</b>	6	<b>87,826</b>	<b>9,853,009</b>	<b>354,834</b>	<b>10,295,669</b>	<b>5,453,775</b>
<b>Net income/(expenditure) before transfers</b>		<b>406,539</b>	<b>(736,308)</b>	<b>608,490</b>	<b>278,721</b>	<b>5,947,037</b>
Transfers between Funds	19	(406,539)	406,539	-	-	-
<b>Net income / (expenditure) before other recognised gains and losses</b>		<b>-</b>	<b>(329,769)</b>	<b>608,490</b>	<b>278,721</b>	<b>5,947,037</b>
Actuarial gains on defined benefit pension schemes	23	-	589,000	-	589,000	335,000
<b>Net movement in funds</b>		<b>-</b>	<b>259,231</b>	<b>608,490</b>	<b>867,721</b>	<b>6,282,037</b>
<b>Reconciliation of funds:</b>						
Total funds brought forward		445,449	(1,275,091)	26,711,635	25,881,993	15,222,452
Prior year adjustment (Note 18)		-	(2,669,000)	(1,708,504)	(4,377,504)	-
<b>Total funds carried forward</b>		<b>445,449</b>	<b>(3,684,860)</b>	<b>25,611,621</b>	<b>22,372,210</b>	<b>21,504,489</b>



**LIME TRUST**  
**(A Company Limited by Guarantee)**  
**REGISTERED NUMBER: 09297519**

**BALANCE SHEET**  
**AS AT 31 AUGUST 2018**

	Note	£	2018 £	£	As restated 2017 £
<b>Fixed assets</b>					
Tangible assets	13		<b>25,759,999</b>		25,205,437
Investments	14		<b>1</b>		-
			<b>25,760,000</b>		25,205,437
<b>Current assets</b>					
Debtors	15	<b>297,241</b>		509,103	
Cash at bank and in hand		<b>962,134</b>		549,339	
		<b>1,259,375</b>		1,058,442	
<b>Creditors: amounts falling due within one year</b>	16	<b>(660,491)</b>		(524,716)	
<b>Net current assets</b>			<b>598,884</b>		533,726
<b>Total assets less current liabilities</b>			<b>26,358,884</b>		25,739,163
<b>Creditors: amounts falling due after more than one year</b>	17		<b>(172,674)</b>		(187,674)
<b>Net assets excluding pension scheme liabilities</b>			<b>26,186,210</b>		25,551,489
Defined benefit pension scheme liability	23		<b>(3,814,000)</b>		(4,047,000)
<b>Net assets including pension scheme liabilities</b>			<b>22,372,210</b>		21,504,489
<b>Funds of the academy trust</b>					
Restricted income funds:					
Restricted income funds	19	<b>129,140</b>		102,909	
Restricted fixed asset funds	19	<b>25,611,621</b>		25,003,131	
Restricted income funds excluding pension liability		<b>25,740,761</b>		25,106,040	
Pension reserve		<b>(3,814,000)</b>		(4,047,000)	
Total restricted income funds			<b>21,926,761</b>		21,059,040
Unrestricted income funds	19		<b>445,449</b>		445,449
<b>Total funds</b>			<b>22,372,210</b>		21,504,489

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**LIME TRUST**  
**(A Company Limited by Guarantee)**

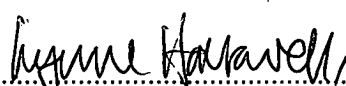
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**BALANCE SHEET (continued)**  
**AS AT 31 AUGUST 2018**

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The financial statements on pages 30 to 63 were approved by the Trustees, and authorised for issue, on 12 December 2018 and are signed on their behalf, by:

  
.....  
**C Cole**  
**Chair of Trustees**

  
.....  
**L Harrowell**  
**Accounting Officer**

**LIME TRUST**  
(A Company Limited by Guarantee)

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

	Note	2018 £	As restated 2017 £
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	21	358,200	8,931,031
<b>Cash flows from investing activities:</b>			
Dividends, interest and rents from investments		667	311
Purchase of tangible fixed assets		(909,396)	-
Capital grants from DfE Group		68,328	24,411
Capital funding received from Local authority and others		894,996	-
Assets donated on conversion		-	(8,629,459)
<b>Net cash provided by/(used in) investing activities</b>		54,595	(8,604,737)
<b>Cash flows from financing activities:</b>			
Repayments of borrowings		100,479	-
Cash inflows from new borrowing		-	(100,479)
<b>Net cash provided by/(used in) financing activities</b>		100,479	(100,479)
<b>Change in cash and cash equivalents in the year</b>		513,274	225,815
Cash and cash equivalents brought forward		448,860	223,045
<b>Cash and cash equivalents carried forward</b>	22	962,134	448,860

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**LIME TRUST**  
**(A Company Limited by Guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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**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 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Lime 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.

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**LIME TRUST**  
**(A Company Limited by Guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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**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.

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 & secondment of staff, is recognised in the period in which it is receivable and to the extent the services have been provided or on completion of the service.

**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.

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**LIME TRUST**  
**(A Company Limited by Guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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**1. Accounting Policies (continued)**

**1.5 Tangible fixed assets and depreciation**

All assets costing more than £2,000 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:

Leasehold property	-	2% straight line
Leasehold improvements	-	2% straight line
Furniture and fixtures	-	25% straight line
Computer equipment	-	33.3% straight line
Assets under construction	-	No depreciation charged

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

**1.6 Investments**

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance Sheet date, unless fair value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading 'Gains/(losses) on investments' in the Statement of Financial Activities incorporating Income and Expenditure Account.

**1.7 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.

**1.8 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.

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**LIME TRUST**  
**(A Company Limited by Guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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**1. Accounting Policies (continued)**

**1.9 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.

**1.10 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 15. 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 16 and 17. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instruments. Amounts due to the academy trust's wholly owned subsidiary are held at face value less any impairment.

**1.11 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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**LIME TRUST**  
**(A Company Limited by Guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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**1. Accounting Policies (continued)**

**1.12 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 23, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

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 Larkwood Primary Academy and the actual employer contributions of the three new schools. The actuarial gain is also that of Larkwood Primary Academy only.

**1.13 Fund accounting**

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

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

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



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**LIME TRUST**  
**(A Company Limited by Guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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**1. Accounting Policies (continued)**

**1.14 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 23, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

At one of the academies, the Charitable Company occupies buildings under PFI agreements with the local authority and has applied judgement in determining that these buildings should be capitalised on the balance sheet.

**LIME TRUST**  
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2018**

**2. Income from donations and capital grants**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	As restated Total funds 2017 £
Transfer of assets on conversion	-	-	-	-	5,760,000
Transfer from local authority on conversion	-	-	-	-	352,016
Subtotal detailed disclosure	-	-	-	-	6,112,016
Donations	11,999	-	-	11,999	9,596
Grants	76,269	-	-	76,269	51,520
Subtotal	88,268	-	-	88,268	61,116
	88,268	-	-	88,268	6,173,132
<i>Total 2017</i>	<i>413,132</i>	<i>(2,669,000)</i>	<i>8,429,000</i>	<i>6,173,132</i>	

**3. Funding for Academy's educational operations**

	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
<b>DfE/ESFA grants</b>			
General Annual Grant (GAG)	7,602,581	7,602,581	3,497,035
Start Up Grant	-	-	240,000
Other DfE/ESFA Grants	1,050,610	1,050,610	545,204
	8,653,191	8,653,191	4,282,239
<b>Other government grants</b>			
Local authority grants	1,426,834	1,426,834	377,881
	1,426,834	1,426,834	377,881
	10,080,025	10,080,025	4,660,120
<i>Total 2017</i>	<i>4,660,120</i>	<i>4,660,120</i>	

**LIME TRUST**  
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2018**

**4. Other trading activities**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Catering income	132,219	-	132,219	54,013
Hire of facilities and secondment of staff	126,834	-	126,834	468,814
Breakfast and music club income	146,277	-	146,277	10,615
Other income	100	-	100	33,807
	<u>405,430</u>	<u>-</u>	<u>405,430</u>	<u>567,249</u>
<i>Total 2017</i>	<u>567,249</u>	<u>-</u>	<u>567,249</u>	

**5. Investment income**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Bank interest	667	-	667	311
	<u>667</u>	<u>-</u>	<u>667</u>	
<i>Total 2017</i>	<u>311</u>	<u>-</u>	<u>311</u>	

**6. Expenditure**

	Staff costs 2018 £	Premises 2018 £	Other costs 2018 £	Total 2018 £	Total 2017 £
Expenditure on raising voluntary income	-	-	87,826	87,826	93,084
Primary education:					
Direct costs	5,558,856	34,905	384,025	5,977,786	3,204,486
Support costs	1,998,526	1,131,400	1,100,131	4,230,057	2,156,205
	<u>7,557,382</u>	<u>1,166,305</u>	<u>1,571,982</u>	<u>10,295,669</u>	<u>5,453,775</u>
<i>Total 2017</i>	<u>3,780,913</u>	<u>845,660</u>	<u>827,202</u>	<u>5,453,775</u>	

**LIME TRUST**  
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2018**

**7. Charitable activities**

	<b>Total funds 2018 £</b>	<i>Total funds 2017 £</i>
<b>Direct costs - educational operations</b>		
Wages and salaries	4,295,300	2,338,301
National insurance	404,123	218,989
Pension cost	485,692	285,733
Depreciation	34,905	49,410
Educational supplies	367,971	239,098
Staff development	68,656	26,993
Agency staff costs	252,695	15,241
Other direct costs	-	30,721
Restructuring costs	68,444	-
	<u>5,977,786</u>	<u>3,204,486</u>
<b>Support costs - educational operations</b>		
Wages and salaries	1,192,974	621,329
National insurance	81,743	36,574
Pension cost	704,809	266,497
Depreciation	319,929	145,654
Pension finance expense	110,000	32,000
Staff development	68,810	32,858
Catering	277,235	70,737
Agency support staff costs	43,191	-
Maintenance of premises and equipment	176,834	10,349
Music services costs	13,707	-
Utilities	72,713	1,139
Insurance	46,071	10,454
Rates	38,272	25,220
Staff and board transport	55,090	22,200
Legal and professional	104,358	54,459
Printing, postage and stationery	60,330	2,446
ICT and technology costs	87,504	120,237
Other support costs	39,225	23,709
Telephone and fax	55,090	3,323
PFI costs	596,365	615,027
Advertising	7,557	13,821
Restructuring costs	28,411	-
Governance costs	49,839	48,172
	<u>4,230,057</u>	<u>2,156,205</u>
	<u><u>10,207,843</u></u>	<u><u>5,360,691</u></u>

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**LIME TRUST**  
**(A Company Limited by Guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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**8. Net income/(expenditure)**

This is stated after charging:

	2018 £	2017 £
Depreciation of tangible fixed assets:		
- owned by the charity	354,834	195,064
Auditors' remuneration - audit	18,000	17,850
Auditors' remuneration - other services	3,500	18,757
	<u>          </u>	<u>          </u>

**LIME TRUST**  
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2018**

**9. Staff costs**

**a. Staff costs**

Staff costs were as follows:

	2018 £	2017 £
Wages and salaries	5,488,273	2,959,630
Social security costs	485,867	255,564
Operating costs of defined benefit pension schemes	1,190,500	552,230
	<u>7,164,640</u>	<u>3,767,424</u>
Agency staff costs	295,887	13,489
Staff restructuring costs	96,855	-
	<u><u>7,557,382</u></u>	<u><u>3,780,913</u></u>

Staff restructuring costs comprise:

	2018 £	2017 £
Redundancy payments	<u><u>96,855</u></u>	<u><u>-</u></u>

**b. Staff numbers**

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

	2018 No.	2017 No.
Teachers	74	98
Admin and Support Staff	170	206
Management	23	17
	<u><u>267</u></u>	<u><u>321</u></u>

**LIME TRUST**  
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2018**

**9. Staff costs (continued)**

**c. Higher paid staff**

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

	<b>2018</b>	<b>2017</b>
	<b>No.</b>	<b>No.</b>
In the band £60,001 - £70,000	<b>2</b>	<b>3</b>
In the band £70,001 - £80,000	<b>0</b>	<b>2</b>
In the band £80,001 - £90,000	<b>1</b>	<b>0</b>
In the band £100,001 - £200,000	<b>3</b>	<b>2</b>

Included in the above £100,001 - £200,000 banding is a teacher whom received £29,036 in relation to redundancy and settlement agreement payments and a gross salary of £82,057.

**d. Key management personnel**

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including pension contributions) received by key management personnel for their services to the academy trust was £410,284 (2017: £399,573).

**10. Central services**

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

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

The academy trust charges for these services on the following basis:

Lime Trust core services make sure that each school is putting children first, setting the standards and 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 is applied to the General Annual Grant excluding SEN funding, PFI funding and Pupil Premium.

The actual amounts charged during the year were as follows:

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Lime Academy Larkwood	<b>278,153</b>	<b>141,617</b>
Lime Academy Watergall	<b>156,821</b>	<b>13,491</b>
Lime Academy Parnwell	<b>112,275</b>	<b>10,536</b>
Lime Academy Abbotsmede	<b>174,487</b>	<b>15,024</b>
	<b>721,736</b>	<b>180,668</b>
Total	<b>721,736</b>	<b>180,668</b>

**LIME TRUST**  
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2018**

**Split of central services**

	2018 Central Services Charge (6%) £	2018 Trust Administration (4%) £	2018 Total £	2017 Total £
Lime Academy Larkwood	166,892	111,261	278,153	141,617
Lime Academy Watgall	94,092	62,728	156,821	13,491
Lime Academy Parnwell	67,365	44,910	112,275	10,536
Lime Academy Abbotsmede	104,693	69,795	174,487	15,024
Total	<u>433,042</u>	<u>288,694</u>	<u>721,736</u>	<u>180,668</u>

**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:

		2018 £	2017 £
L Harrowell (Chief Executive Officer)	Remuneration	135,000-140,000	130,000-135,000
	Pension contributions paid	20,000-25,000	20,000-25,000
A Daoud (Chief Operating Officer)	Remuneration	100,000-105,000	100,000-105,000
	Pension contributions paid	25,000-30,000	20,000-25,000
L Collison (Staff trustee - resigned as trustee 29 November 2017)	Remuneration	10,000-15,000	15,000-20,000
	Pension contributions paid	0-5,000	0-5,000

During the year, no Trustees received any benefits in kind (2017 - £NIL).

During the year ended 31 August 2018, expenses totalling £1,753 (2017 - £2,941) were reimbursed to 7 Trustees (2017 - 5).



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**LIME TRUST**  
**(A Company Limited by Guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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**12. Trustees' and Officers' Insurance**

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

**LIME TRUST**  
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2018**

**13. Tangible fixed assets**

	Leasehold property £	Leasehold improvements £	Fixture and fittings £	Computer equipment £
<b>Cost</b>				
At 1 September 2017 (as previously stated)	26,960,504	202,657	68,856	149,727
Prior year adjustment	(1,708,504)	-	-	-
At 1 September 2017 (as restated)	25,252,000	202,657	68,856	149,727
Additions	-	518,996	4,860	9,540
At 31 August 2018	25,252,000	721,653	73,716	159,267
<b>Depreciation</b>				
At 1 September 2017	331,803	-	28,389	107,611
Charge for the year	288,180	14,434	17,315	34,905
At 31 August 2018	619,983	14,434	45,704	142,516
<b>Net book value</b>				
At 31 August 2018	24,632,017	707,219	28,012	16,751
At 31 August 2017 (as restated)	24,920,197	202,657	40,467	42,116
			<b>Assets under construction £</b>	<b>Total £</b>
<b>Cost</b>				
At 1 September 2017 (as previously stated)			-	27,381,744
Prior year adjustment			-	(1,708,504)
At 1 September 2017 (as restated)			-	25,673,240
Additions			376,000	909,396
At 31 August 2018			376,000	26,582,636
<b>Depreciation</b>				
At 1 September 2017			-	467,803
Charge for the year			-	354,834
At 31 August 2018			-	822,637
<b>Net book value</b>				
At 31 August 2018			376,000	25,759,999
At 31 August 2017 (as restated)			-	25,205,437

**LIME TRUST**  
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2018**

**13. Tangible fixed assets (continued)**

Included in land and buildings is leasehold land at valuation of £10,843,000 (2017 £11,737,511) which is not depreciated.

Leasehold property additions relate to the roof and pipe work at Abbotsmede donated by Peterborough County Council during the year ending 31 August 2018.

Assets under construction relate to the new build and entrance refurbishment at Parnwell donated by Peterborough County Council post year end which was in progress at the year end.

**14. Fixed asset investments**

	Shares in group undertakings £
<b>Market value</b>	
At 1 September 2017	-
Additions	1
	<hr/>
At 31 August 2018	1
	<hr/> <hr/>

**Subsidiary undertakings**

The following were subsidiary undertakings of the company:

Name	Holding
Lime Academy Trades Limited	100%

The aggregate of the share capital and reserves as at 31 August 2018 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

Name	Aggregate of share capital and reserves £	Profit/(loss) £
Lime Academy Trades Limited	1	-
	<hr/> <hr/>	<hr/> <hr/>

**LIME TRUST**  
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2018**

**15. Debtors**

	2018 £	2017 £
Trade debtors	19,938	15,111
VAT recoverable	79,084	18,563
Prepayments and accrued income	198,219	475,429
	<u>297,241</u>	<u>509,103</u>

**16. Creditors: Amounts falling due within one year**

	2018 £	2017 £
Bank loans and overdrafts	-	100,479
Trade creditors	153,631	20,697
Other taxation and social security	83,924	71,039
Other creditors	18,511	14,983
Accruals and deferred income	404,425	317,518
	<u>660,491</u>	<u>524,716</u>

	2018 £	2017 £
<b>Deferred income</b>		
Resources deferred during the year	125,071	-
Deferred income at 31 August 2018	125,071	-

At the balance sheet date the academy was holding funds received in advance for UIFSM income for 2018/19.

**17. Creditors: Amounts falling due after more than one year**

	2018 £	2017 £
Other creditors	172,674	187,674

Included within other creditors is a loan of £190,581 (2017: £202,657) from Peterborough City Council which carries no interest and is due for repayment over 15 years. The loan was inherited on conversion.

**LIME TRUST**  
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2018**

**18. Prior year adjustment**

There have been two prior year adjustments made:

LGPS - The LGPS valuations as at the conversion and year end dates for the Peterborough academies were not received in the prior year. The valuations have since been received and a prior year adjustment has been made accordingly. The impact of this adjustment is an increase of £2,669,000 in pension liability.

Fixed assets on conversion - The valuations from the ESFA were not received in the prior year for the Peterborough academies and a valuation from the local authority was used. The valuations have since been received and a prior year adjustment has been made accordingly. The impact of this is a £1,708,504 decrease in fixed assets and a £1,708,504 decrease in assets transferred on conversion. ESFA valuations are more recent than the local authority valuations and provides consistency with Lime Academy Larkwood land and building's also valued by ESFA.

**19. Statement of funds**

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
<b>Unrestricted funds</b>						
General Funds - all funds	445,449	494,365	(87,826)	(406,539)	-	445,449
<b>Restricted funds</b>						
General Annual Grant (GAG)	-	7,602,581	(8,009,120)	406,539	-	-
Pupil Premium	102,909	775,376	(749,145)	-	-	129,140
Other DfE/ESFA grants	-	206,906	(206,906)	-	-	-
Local authority grants	-	531,838	(531,838)	-	-	-
Pension prior year adjustment	(2,669,000)	-	-	2,669,000	-	-
Pension reserve	(1,378,000)	-	(356,000)	(2,669,000)	589,000	(3,814,000)
	<u>(3,944,091)</u>	<u>9,116,701</u>	<u>(9,853,009)</u>	<u>406,539</u>	<u>589,000</u>	<u>(3,684,860)</u>

**LIME TRUST**  
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2018**

**19. Statement of funds (continued)**

**Restricted fixed asset funds**

Assets donated on conversion	26,680,106	-	(354,834)	(1,708,504)	-	24,616,768
Capital expenditure from GAG	7,118	-	-	-	-	7,118
Capital grants	24,411	963,324	-	-	-	987,735
Assets donated on conversion prior year adjustment	(1,708,504)	-	-	1,708,504	-	-
	<u>25,003,131</u>	<u>963,324</u>	<u>(354,834)</u>	<u>-</u>	<u>-</u>	<u>25,611,621</u>
Total restricted funds	<u>21,059,040</u>	<u>10,080,025</u>	<u>(10,207,843)</u>	<u>406,539</u>	<u>589,000</u>	<u>21,926,761</u>
Total of funds	<u>21,504,489</u>	<u>10,574,390</u>	<u>(10,295,669)</u>	<u>-</u>	<u>589,000</u>	<u>22,372,210</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.

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.

Prior year adjustment - The transfers relate to prior year adjustments which are detailed in note 18.

**LIME TRUST**  
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2018**

**19. Statement of funds (continued)**

**Analysis of academies by fund balance**

Fund balances at 31 August 2018 were allocated as follows:

	<b>Total 2018 £</b>	<i>Total 2017 £</i>
Central services	156,431	18,787
Lime Academy Larkwood	189,867	106,087
Lime Academy Watgall	97,678	76,564
Lime Academy Parnwell	(77,965)	112,120
Lime Academy Abbotsmede	208,584	234,800
Total before fixed asset fund and pension reserve	<u>574,595</u>	<u>548,358</u>
Restricted fixed asset fund	25,611,621	25,003,131
Pension reserve	(3,814,000)	(4,047,000)
Total	<u><u>22,372,216</u></u>	<u><u>21,504,489</u></u>

**Analysis of academies by cost**

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

	<b>Teaching and educational support staff costs £</b>	<b>Other support staff costs £</b>	<b>Educational supplies £</b>	<b>Other costs excluding depreciat- ion £</b>	<b>Total 2018 £</b>	<i>Total 2017 £</i>
Lime Academy Larkwood	1,934,672	635,901	197,600	1,020,020	3,788,193	4,066,786
Lime Academy Watgall	1,079,563	270,389	94,633	306,489	1,751,074	104,855
Lime Academy Parnwell	998,627	274,564	52,715	256,068	1,581,974	88,305
Lime Academy Abbotsmede	1,243,755	440,257	77,018	197,136	1,958,166	117,205
	<u><u>5,256,617</u></u>	<u><u>1,621,111</u></u>	<u><u>421,966</u></u>	<u><u>1,779,713</u></u>	<u><u>9,079,407</u></u>	<u><u>4,377,151</u></u>

**LIME TRUST**  
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2018**

**19. Statement of funds (continued)**

**Statement of funds - prior year**

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
General Funds - all funds	66,348	980,692	(172,109)	(429,482)	-	445,449
<b>Restricted funds</b>						
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>
<b>Restricted fixed asset funds</b>						
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>

**20. Analysis of net assets between funds**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	25,759,999	25,759,999
Fixed asset investments	1	-	-	1
Current assets	663,064	548,105	48,200	1,259,369
Creditors due within one year	(224,616)	(426,965)	(8,904)	(660,485)
Creditors due in more than one year	15,000	-	(187,674)	(172,674)
Provisions for liabilities and charges	(8,000)	(3,806,000)	-	(3,814,000)
	<u>445,449</u>	<u>(3,684,860)</u>	<u>25,611,621</u>	<u>22,372,210</u>



**LIME TRUST**  
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2018**

**20. Analysis of net assets between funds (continued)**

**Analysis of net assets between funds - prior year**

	<i>Unrestricted funds</i>	<i>Restricted funds</i>	<i>Restricted fixed asset funds</i>	<i>Total funds</i>
	2017	2017	2017	2017
	£	£	£	£
Tangible fixed assets	-	-	25,205,437	25,205,437
Current assets	444,963	613,127	351	1,058,442
Creditors due within one year	186	(510,218)	(14,683)	(524,716)
Creditors due in more than one year	300	-	(187,974)	(187,674)
Provisions for liabilities and charges	-	(4,047,000)	-	(4,047,000)
	<u>445,449</u>	<u>(3,944,091)</u>	<u>25,003,131</u>	<u>21,504,489</u>

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

	2018	As restated 2017
	£	£
Net income for the year (as per Statement of Financial Activities)	278,721	5,947,037
<b>Adjustment for:</b>		
Depreciation charges	354,834	195,064
Dividends, interest and rents from investments	(667)	(311)
Decrease/(increase) in debtors	211,861	(281,067)
Increase in creditors	120,775	349,719
Capital grants from DfE and other capital income	(963,324)	(24,411)
Administrative costs per actuary report	8,000	8,000
Defined benefit pension scheme cost less contributions payable	238,000	36,000
Defined benefit pension scheme finance cost	110,000	32,000
Net loss on assets and liabilities from local authority on conversion	-	2,669,000
<b>Net cash provided by operating activities</b>	<u>358,200</u>	<u>8,931,031</u>

**22. Analysis of cash and cash equivalents**

	2018	2017
	£	£
Cash in hand	962,134	549,339
Overdraft facility repayable on demand	-	(100,479)
<b>Total</b>	<u>962,134</u>	<u>448,860</u>

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**LIME TRUST**  
**(A Company Limited by Guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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**23. 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.
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

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.

Principal actuarial assumptions: The employer's pension costs paid to TPS in the period amounted to £485,692 (2017 - £285,733).

**LIME TRUST**  
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2018**

**23. Pension commitments (continued)**

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](http://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 2018 was £613,000 (2017 - £274,000), of which employer's contributions totalled £494,000 (2017 - £221,000) and employees' contributions totalled £119,000 (2017 - £53,000). 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.

Lime Academy Larkwood

Principal actuarial assumptions:

	<b>2018</b>	<b>2017</b>
Discount rate for scheme liabilities	<b>2.80 %</b>	<b>2.40 %</b>
Rate of increase in salaries	<b>3.60 %</b>	<b>3.70 %</b>
Rate of increase for pensions in payment / inflation	<b>2.20 %</b>	<b>2.20 %</b>
Inflation assumption (CPI)	<b>2.10 %</b>	<b>2.20 %</b>

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

	<b>2018</b>	<b>2017</b>
Retiring today		
Males	<b>22.5</b>	<b>22.4</b>
Females	<b>25.5</b>	<b>25.4</b>
Retiring in 20 years		
Males	<b>24.7</b>	<b>24.6</b>
Females	<b>27.9</b>	<b>27.7</b>

Lime Academy Abbotsmede

	<b>2018</b>	<b>2017</b>
Discount rate for scheme liabilities	<b>2.80 %</b>	<b>2.70 %</b>
Rate of increase in salaries	<b>2.60 %</b>	<b>2.70 %</b>
Rate of increase for pensions in payment / inflation	<b>2.30 %</b>	<b>2.40 %</b>

**LIME TRUST**  
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2018**

**23. Pension commitments (continued)**

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

	<b>2018</b>	<i>2017</i>
Retiring today		
Males	<b>22.4</b>	<i>Note 1 below</i>
Females	<b>24.4</b>	<i>Note 1 below</i>
Retiring in 20 years		
Males	<b>24.0</b>	<i>Note 1 below</i>
Females	<b>26.3</b>	<i>Note 1 below</i>

Lime Academy Parnwell

Principal actuarial assumptions:

	<b>2018</b>	<i>2017</i>
Discount rate for scheme liabilities	<b>2.80 %</b>	<i>2.70 %</i>
Rate of increase in salaries	<b>2.60 %</b>	<i>2.70 %</i>
Rate of increase for pensions in payment / inflation	<b>2.30 %</b>	<i>2.40 %</i>

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

	<b>2018</b>	<i>2017</i>
Retiring today		
Males	<b>22.4</b>	<i>Note 1 below</i>
Females	<b>24.4</b>	<i>Note 1 below</i>
Retiring in 20 years		
Males	<b>24.0</b>	<i>Note 1 below</i>
Females	<b>26.3</b>	<i>Note 1 below</i>

Lime Academy Watergall

Principal actuarial assumptions:

	<b>2018</b>	<i>2017</i>
Discount rate for scheme liabilities	<b>2.80 %</b>	<i>2.40 %</i>
Rate of increase in salaries	<b>2.60 %</b>	<i>2.70 %</i>
Rate of increase for pensions in payment / inflation	<b>2.30 %</b>	<i>2.40 %</i>

**LIME TRUST**  
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2018**

**23. Pension commitments (continued)**

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

	2018	2017
Retiring today		
Males	22.4	Note 1 below
Females	24.4	Note 1 below
Retiring in 20 years		
Males	24.0	Note 1 below
Females	26.3	Note 1 below

**Note 1**

The 2017 principal actuarial assumptions for Lime Academy Abbotsmede, Lime Academy Parnwell and Lime Academy Watergall were not provided by the actuary for the assumed life expectations on retirement age of 65.

**Sensitivity Analysis**

The below information has been provided from the Actuary reports. However, Lime Academy Larkwood was prepared by a different firm to Lime Academy Parnwell, Lime Academy Watergall and Lime Academy Abbotsmede which has resulted in the information being shown slightly different below.

**Lime Academy Larkwood**

If the discount rate increases by 0.1% the approximate deficit would be £1,133,000.  
If the inflation rate increases by 0.1% the approximate deficit would be £1,228,000.  
If pay growth were to increase by 0.1% the approximate deficit would be £1,190,000.  
If the increase in life expectancy increases by 1 year the approximate deficit would be £1,219,000.

**Lime Academy Parnwell**

If there was a 0.5% decrease in the real discount rate the approximate monetary movement would be a £153,000 increase in the defined benefit obligation.  
If there was a 0.5% increase in the salary increase rate the approximate monetary movement would be a £30,000 increase in the defined benefit obligation.  
If there was a 0.5% increase in the pension increase rate the approximate monetary movement would be a £121,000 increase in the defined benefit obligation.

**Lime Academy Watergall**

If there was a 0.5% decrease in the real discount rate the approximate monetary movement would be a £191,000 increase in the defined benefit obligation.  
If there was a 0.5% increase in the salary increase rate the approximate monetary movement would be a £37,000 increase in the defined benefit obligation.  
If there was a 0.5% increase in the pension increase rate the approximate monetary movement would be a £152,000 increase in the defined benefit obligation.

**Lime Academy Abbotsmede**

If there was a 0.5% decrease in the real discount rate the approximate monetary movement would be a £224,000 increase in the defined benefit obligation.  
If there was a 0.5% increase in the salary increase rate the approximate monetary movement would be a

**LIME TRUST**  
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2018**

**23. Pension commitments (continued)**

£48,000 increase in the defined benefit obligation.

If there was a 0.5% increase in the pension increase rate the approximate monetary movement would be a £174,000 increase in the defined benefit obligation.

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

	<b>Fair value at 31 August 2018 £</b>	<i>Fair value at 31 August 2017 £</i>
Equities	1,715,230	364,000
Other bonds	247,070	69,000
Property	183,890	52,000
Cash and other liquid assets	70,110	35,000
Other	120,000	58,000
	<hr/>	<hr/>
Total market value of assets	<b>2,336,300</b>	<i>578,000</i>
	<hr/> <hr/>	<hr/> <hr/>

The actual return on scheme assets was £388,000 (2017 - £30,000).

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

	<b>2018 £</b>	<i>2017 £</i>
Current service cost	(704,809)	(266,497)
Interest income	49,000	7,000
Interest cost	(159,000)	(39,000)
Admin expenses	(8,000)	(8,000)
	<hr/>	<hr/>
Total	<b>(822,809)</b>	<i>(306,497)</i>
	<hr/> <hr/>	<hr/> <hr/>
Actual return on scheme assets	<b>388,000</b>	<i>30,000</i>
	<hr/> <hr/>	<hr/> <hr/>

**LIME TRUST**  
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2018**

**23. Pension commitments (continued)**

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

	2018 £	2017 £
Opening defined benefit obligation	5,500,000	1,844,000
Transferred in on existing academies joining the trust	-	3,544,000
Current service cost	704,809	266,497
Interest cost	159,000	39,000
Employee contributions	119,000	53,000
Actuarial gains	(453,000)	(234,000)
Benefits paid	93,000	(3,000)
Employer contributions for new academies	19,191	(9,497)
Past service costs	8,000	-
	<u>6,150,000</u>	<u>5,500,000</u>
Closing defined benefit obligation	<u>6,150,000</u>	<u>5,500,000</u>

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

	2018 £	2017 £
Opening fair value of scheme assets	1,453,000	207,000
Return on plan assets	-	7,000
Transferred in on existing academies joining the trust	-	875,000
Interest income	49,000	-
Actuarial losses	136,000	101,000
Employer contributions	494,000	221,000
Employee contributions	119,000	53,000
Benefits paid	93,000	(3,000)
Administrative expenses	(8,000)	(8,000)
	<u>2,336,000</u>	<u>1,453,000</u>
Closing fair value of scheme assets	<u>2,336,000</u>	<u>1,453,000</u>

**LIME TRUST**  
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2018**

**24. Operating lease commitments**

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

	2018 £	2017 £
<b>Amounts payable:</b>		
Within 1 year	5,838	5,950
Between 1 and 5 years	4,205	9,819
Total	<u>10,043</u>	<u>15,769</u>
<b>Amounts payable under Private Finance Initiative (PFI) :</b>		
Within 1 year	608,071	593,240
Between 1 and 5 years	2,588,148	2,525,023
After more than 5 years	10,416,262	11,087,458
Total	<u>13,612,481</u>	<u>14,205,721</u>

The PFI commitment has been calculated based on previous years contributions with a 2.5% flat increase included each year. The arrangement is due to finish in April 2036.



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**LIME TRUST**  
**(A Company Limited by Guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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**25. 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.

**26. Related party transactions**

Owing to the nature of the academy trust and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which Trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH and with the trust's financial regulations and normal procurement procedures relating to connected and related party transactions. The following related part transactions took place in the financial period

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

The academy trust purchased consultancy services from Strawberry Harlequin totalling £14,200 (2017: 19,700) during the period. There were no amounts outstanding at 31 August 2018

The academy trust made the purchase at arms' length following a competitive tendering exercise in accordance with its financial regulations, which C Cole neither participated in, nor influenced

In entering into the transaction the academy trust has complied with the requirements of the Academies Financial Handbook 2017

The element above £2,500 has been provided 'at no more than cost' and Strawberry Harlequin has provided a statement of assurance confirming this.

Transactions with related parties:

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Reimbursement of expenses to Waterloo Primary Academy	<b>409</b>	<b>2,118</b>
Purchases of services from Strawberry Harlequin	<b>14,200</b>	<b>19,700</b>
Purchases of services from Bryanston Square Foundation	<b>-</b>	<b>3,349</b>
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