
LEARNING WITHOUT LIMITS ACADEMY TRUST
(A company limited by guarantee)

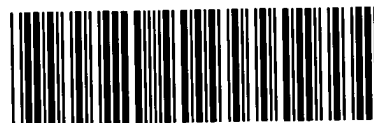
Learning Without Limits Academy Trust

(A Company Limited by Guarantee)

Annual Report and Financial Statements

Year ended 31 August 2018

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05/01/2019
COMPANIES HOUSE

Company Registration Number:
10269535 (England and Wales)

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Reference and Administrative Details

Members

Verity Hancock
Jane Winterbone
Zoe Allman
Roger Dickinson
Joy Allman

Trustees/Directors

Miranda Cannon (Chair)
Julie Rawle
Maggie Galliers, CBE
Paul Wilson
Bernie Green
Eleanor Shaw
Glynis Wright
Zoe Allman
Andrew Lane (Finance Officer)
Denise Newsome (CEO of the Trust – ex officio)

The above list is the list of current Members and Trustees. During the period of consideration of this report previous trustees, Dr Paul Machon, Rachel Hall and Natalie Packer have resigned from the Trust Board.

Company Secretary

Kevin Allen-Khimani

Registered Office

150 Strasbourg Drive, Leicester, LE4 0SZ

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Senior Management Team

Denise Newsome (CEO)

Ray Allsop (Chief Operating Officer/Finance Director)

Company Registration Number 10269535 (England and Wales)

Independent Auditors: Duncan & Toplis Ltd, 15 Chequergate, Louth, Lincolnshire, LN11 0LJ

Bankers: Barclays Bank, 1-3 Haymarket Towers, Humberstone Gate, Leicester, LE1 1WA

Solicitors: Browne Jacobson, LLP, Mowbray House, Castle Meadow Road, Nottingham NG2 1BJ

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TRUSTEES' REPORT

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2018. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

Introduction

Learning Without Limits Academy Trust (LwLAT) was created as a Multi-Academy Trust in July 2016 so that Babington Community College could convert to academy status and lead a MAT, supporting other schools. Babington converted to academy status on 1st October 2016. Woodstock Primary School converted to academy status on 1st November 2016 and became Woodstock Academy. The trust was asked by the DfE to sponsor The Lancaster School and Heatherbrook Primary School. Both of these schools converted to academy status on 1st April 2017 and became The Lancaster Academy and Heatherbrook Primary Academy respectively. The trust is currently responsible for approximately 3000 pupils in Leicester City. The trust received approval from the DfE to open an 11-16 free school in Leicester City in September 2021. A Leicestershire secondary stand-alone academy (South Wigston High School) and they will in the first instance become an associate member of the Trust and consideration will be given in due course on joining fully. They have been engaged with all the support that the MAT offers and the collaborative working between the schools since the start of the 2017-18 academic year and, although they are not yet formally part of the trust, they have brought and continue to bring important additionality to the group of schools.

The MAT has nine Trustees/Directors and five members. As a new trust, the skills and experience of the trustees and members were subject to intense scrutiny by the regional Headteacher Board who deemed that their skills' set was more than satisfactory to carry out their duties. The Trust Board members met four times during the year.

Structure, governance and management

Constitution

The Academy Trust is a company limited by guarantee and is an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Academy Trust. The trustees act for the charitable activities of the Academy Trust and are also the directors of the charitable company for the purposes of company law. The charitable company is known as Learning without Limits Academy Trust.

Principal activities

The principal activity of the charitable company is education and the provision of teaching and learning. Our mission and ethos is for us to work together for all our schools to be outstanding and for all our learners to grow, aim high and thrive in their ambitions. Our learners will be confident members of our community whose voices are heard and who are prepared and able to tackle the barriers that may limit them in fulfilling their ambitions. The environment we create will be one which is inspiring, supportive and inclusive. We will build resilient learners with the skills to become responsible citizens, and in doing so transform life chances in a way which supports

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positive outcomes for our communities and our cities.

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.

Trustees' indemnities

The Academy Trust through its Articles has indemnified its Trustees to the fullest extent permissible by law. During the period the Academy Trust also purchased and maintained liability insurance for its Trustees.

Method of recruitment and appointment or election of Trustees

Trustees are appointed under the rules contained within the memorandum and articles of association. The appointments are made by the Members of the Trust.

The membership of the Trust Board and Academy Trust governing committee is in accordance with the structure contained within its memorandum and articles of association. Trustees and Governors are selected to have a breadth of skills which are beneficial to the committee as a whole. The Academy Trust governors meet four times a year at each academy.

Policies and procedures adopted for the induction and training of Trustees

The Academy Trust was incorporated on 8th July 2016 and commenced operation on 1st October 2016. At the first board of trustees meeting, the training needs of all trustees were identified and a board development programme established. This is reviewed and updated at each board meeting. Trustees have received training on safeguarding and data analysis as a priority to ensure that they are able to fully hold all the academies to account. Training has been ongoing throughout the first year of the operation of the MAT and the Trust is highly committed to Trustee and Governor training and expects all governors to attend training on the role of the governors as part of their induction. Training needs of governors are identified and responded to at an academy and trust level. Throughout the 2017-18 academic year trustees have continued to receive training as identified in the board development plan, including visiting other MATs to look at, for example, financial accountability systems. Two additional significant training sessions have been planned for the Autumn term 2018. One is around readiness for Ofsted inspection and the other is around roles and responsibilities related to trust and governance.

Organisational structure

The organisational structure comprises members, trustees/directors and governors and, in the academies, senior leadership teams working under the direction of the Principals.

The Trust centrally employs a Chief Executive Officer, a Chief Operating Officer (currently encompassing the role

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of Chief Finance Officer), a full time finance officer (primary school focused), a part time IT network manager and part time marketing officer. They all have roles across the academies. The Executive Vice Principal, Primary, is currently deployed as Executive Principal at Woodstock Primary Academy and is funded through the academy budget.

The Governance framework shows members of the different groups working at differing levels to enable coherence and engagement of the Trust. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels.

The Trustees are responsible for setting general policy across the Trust and agreeing a clear scheme of delegation for governors and executive staff. It sets the annual budget, monitoring the Academy Trust performance both financially and educationally and ensures compliance through audit and monitoring reports.

The principals and senior leadership teams are responsible for the day to day running of their academies and assisting in managing the organisation, overseeing the teaching staff and support staff and teams of administration/operational support. The structure and operation of the Trust follows the guidelines set out in the academies handbook issued by the Department for Education.

The Academy Trust also accesses a number of external agencies to enable a broader provision of education and learning. The external agencies include alternative education and vocational provision, careers and guidance services, SEND provision; as well as a range of training providers from Teaching Schools and other organisations. From the start of the academic year 2018-19, the trust has established a service level agreement directly with the City Education Psychology Service to provide two and a half days input each week from senior practitioners in the service.

The Academy Trust works in a formal manner with the Spencer Academies Trust with a particular focus on staff training and development to raise standards. The Trust has eight Specialist Leaders in Education, accredited through the Spencer Academies Trust.

The Operational Governance Framework and Scheme of Delegation

The Academy Trust will annually review these two documents which are then issued to all Trustees, Governors and Senior Trust staff. It contains full details on remits and responsibilities for committees, schedule of meetings with outline content, membership as well as a full scheme of delegation and is published on the Trust website. The Trust reserves the right to have different schemes of delegation for different academies, however throughout 2017/18 all academies had the same scheme of delegation. Interim Advisory Boards were put in place at the two sponsored academies. Following a successful externally commissioned whole school review at The Lancaster Academy, the trustees deemed that it was now appropriate to change the IAB into an LGB and two parent governors were elected. It is expected that a similar process will happen with Heatherbrook Primary Academy during the course of this academic year.

Arrangements for setting pay and remuneration of key management personnel

Pay and remuneration of key leadership and management personnel in each school and in the MAT core team,

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is determined by a variety of factors as set out in the School Teacher's Pay and Conditions Document (STPCD), such as, the school group size, ISR, and the pay scales for each role. The pay of members of the senior staff who are not subject to the STPCD will be arranged in accordance with National Joint Council terms and conditions and locally agreed single status agreements. Pay decisions at each Academy are recommended by the Principal, approved by the Local Governing Body and agreed or otherwise by the Trust Pay and Performance Committee. The Committee makes the final decisions regarding pay progression. These processes happen as part of the annual performance management/appraisal cycle. There is a common system of performance management/appraisal across all the MAT schools.

The pay of the CEO falls under the STPCD and is benchmarked against the salaries of other professionals undertaking a similar role in a similar sized MAT with similar challenges. The CEO is subject to annual performance management by the Chair of the Members, the Chair of Trustees and the Trustee responsible for HR matters.

On appointment, the starting salary of a successful candidate will be paid within the range set by the Governing Body taking into consideration; the nature of the post, the level of qualifications, skills and experience required, market conditions, the needs of the school, the school staffing profile and the Academy Improvement Plan.

In addition to this, pay and remuneration may be affected by any nationally agreed pay awards and terms and conditions.

Connected organisations, including related party relationships

The Academy Trust operates as a sole entity and is not part of the wider network or federation.

Objectives, Mission and Values

Objectives and mission

The object of the charity is to advance for the public benefit, education in the United Kingdom. The Trust's mission statement is 'I grow, I thrive, I am visible'.

At Learning without Limits Academy Trust we will work together for our schools to be outstanding and for all our learners to grow, aim high and thrive in their ambitions. Our learners will be confident members of our community whose voices are heard and who are prepared and able to tackle the barriers that may limit them in fulfilling their ambitions.

The environment we create will be one which is inspiring, supportive and inclusive. We will build resilient learners with the skills to be responsible citizens, and in doing so transform life chances in a way which supports positive outcomes for our communities and our city.

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Values

Our values

The following core values underpin this mission and shape everything we do.

Working together

We will lead the way in collaborative learning recognising the whole is greater than the sum of the parts. We will listen and make sure everyone has a voice that can be heard.

Making a difference

We will make everything we do count and ensure all our resources are used wisely and responsibly to achieve the best value for money possible. In taking decisions, we will make sure what we do is right for our learners, our community and our city.

Inspirational and creative

We will inspire our learners so that they continually grow and build their sense of self-worth and self-esteem knowing that believing is achieving. We will be creative in what we do to raise aspirations and deliver outcomes in order for our schools to be outstanding, and be recognised locally and nationally for leading the way.

Supportive and inclusive

We will have a safe, supportive and inclusive learning environment where we respect and learn from each other. We will support each other in overcoming adversity and disadvantage, and value individuality.

Building resilience

We will support our learners to grow, thrive and become well rounded individuals with the skills to grow into responsible citizens prepared to take their place in modern Britain and the world. We will support our staff and those who work closely with us to give of their best and enjoy what they do.

Supporting our communities

We will seek to build links out to communities and use our resources in ways which can support the wider community and city to achieve positive outcomes.

Public benefit

The Academy Trust provides educational services to all children in the local area. The Trustees confirm that they have complied with the duty in Section 4 of the Charities Act 2006 to have due regard to the public benefit guidance provided by the Charity Commission.

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Trade Union Facility Time

Relevant union officials

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
1	4.83

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	0
1%-50%	5
51%-99%	0
100%	0

Percentage of pay bill spent on facility time

Total cost of facility time	£1,790
Total pay bill	£12,148,947
Percentage of the total pay bill spent on facility time	0.01%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	0.78%
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Strategic Report (all data unvalidated at time of writing)

Achievements and performance

Context written by CEO, actual performance information and narrative provided by the Principal at each academy.

Babington Academy, the lead school in the MAT, academised on 1st October 2016. It was judged as outstanding by Ofsted in March 2013. It is unusual in that it is a low attaining, but high achieving, school which is down to its very low attainment on entry and its exceptionally high mobility. From the current year 10 onwards, year groups are full and oversubscribed and the school has temporary mobile accommodation on site to accommodate an additional 140 students across all year groups. PAN for year 7 is now 270. It is now a very popular school in the second most deprived ward in the East Midlands. There remains work to be done on white British underachievement.

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A summary of the results for 2018 is as follows

Headlines	2017-18 Performance Table cohort	2017-18 With removal of 7 61% cover	2017-18 Students with KS2 data only 62% cover as no disregards	2017-18 Students with CATs only	2017-18 Babington full cohort	Y11 TRACKING MAY 2018 PT
KS2 APS on entry	26.1	26.2	26.1		22.8	26.1
Progress 8	-0.51	-0.43	-0.51	50.931	50.045	-0.57
P8 English	-0.62	-0.53	-0.62			-0.28
P8 maths	-0.49	-0.45	-0.49			-0.42
Attainment 8	34.58	35.38	36.48	33.65	34.58	31.46
Combined EM 5+ (4+)	20% (39%)	21% (40%)	23% (42%)	18% (36%)	20% (39%)	20% (37%)
English 5+ (% of pupils) (4+)	36% (52%)	37% (54%)	38% (54%)	35% (54%)	36% (52%)	33% (49%)
Maths 5+ (% of pupils) (4+)	26% (44%)	27% (45%)	30% (50%)	23% (38%)	26% (44%)	27% (46%)
EBACC entry	23%	24%	28%	16%	23%	19.4%

- Babington has grown rapidly in recent years, 2014 697 students to 2018 1143 students. These students arrived at different times during the year and mostly from overseas with Babington being their first experience of formal schooling, the vast majority of which would be classed as low ability. This is particularly important to note when considering attainment as APS on entry does not account for these students. For the 2018 year 11 leavers, very few new arrivals were disregarded as many arrived in year 8.
- Stability** of the school's population is extremely low at 51% (2018). Overall mobility is even greater than this figure suggests. For year 11 leavers (2018), of the 199 on roll, just 101 started in year 7. Overall there have been 143 arrivals and 67 leavers in this year group alone.
- Coverage** figures are very low at 62% for 2018. This low level of coverage would place the school in the 1st percentile nationally and means that any progress measures in performance tables only tell part of the story at Babington.
- Prior attainment** of students is significantly lower than national average at 26.1 – LPA – 27%, MPA – 47%. The ability on entry of students with no KS2 data, the other 38% of the cohort, is also very low as

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indicated by CATs, Cognitive Assessment Tests used to assess the ability on entry of students who have no prior attainment data. Converting students CATs data to APS, the whole **Babington cohort APS on entry** would be 22.8. The Trust and Academy are very proud that many of the new arrivals make *excellent progress from very low starting points*.

- The **progress 8 score of students without KS2 data** is a very impressive +0.93. Whilst this figure is internally produced it is felt to be valid and reliable as it has been standardised against national norms.
- The low percentage of students classed as requiring SEN support is indicative of the school policy of targeting high quality wave 1 teaching to support the needs of students. A special feature of Babington is the DSP, a Designated Special Provision for Speech, Language, Communication and Autism. In the 2018 cohort, 3 students were in the DSP.
- **Attainment is stable.** The attainment of those that arrived in year 7 is **35.4** highlighting the impact of mobility on performance, with disapplication, this figure will rise. It's interesting to note that the A8 figure for the cohort with KS2 data only is **36.48**.
- 4+ Basics is currently 39%, with successful disapplication it is 40%, for comparison purposes with APS on entry the figure of 42% should be considered as these are the students with KS2 data. Key features; girls outperformed boys (-7.6%) at all ability levels, this is a reversal of last academic year. The data suggests that a key priority area for 2018/19 should be middle ability boys. It is very positive that our **HA PP outperformed HA other**. Overall there was a PP gap (-8.6%). Priority area for 2018/19: Middle Ability PP. Late arrivals: 41% Students arriving in yr7 achieved 4+ EM, this falls to 20% of new arrivals in Year 10. This exemplifies the impact of mobility. 96%+ attendance: 48% of students achieved 4+ basics, particular success should be noted for other black African students (46%), Black Somali (56%) and White European students (78%). Subject breakdown: En 52%, Ma 44% - it is anticipated that remarks will impact on this given the unusually high numbers of papers being remarked.
- 5+ basics is currently 20%, with successful disapplication it is 21%, for those with KS2 data only it is 23%. Key features of this measure are below and data figures highlighted are worked on the PT cohort; girls outperformed boys (-2.6%). It was pleasing that **PP outperformed non-PP (+3%)**. The best performing group was BSom at 44%, this is particularly pleasing as this is an improvement on last year. Students with 96%+ attendance performed well with 26% of students achieved 5+ basics. Subject breakdown was En 35%, Ma 26%.
- 10% of the cohort achieved grades 7 to 9 (inc. A*/A) with 3.5% achieving grades 8 to 9 (inc. A*). Interestingly, of the 25 grade 9s that the cohort achieved, only 32% of them are included in the performance table P8 figure.
- **Babington cohort Progress 8** at +0.04 highlights the progress made by our whole year 11 cohort. Given coverage is extremely low (1st percentile nationally) it is felt that the Babington cohort P8 figure is the true reflection of progress at Babington. The performance table P8 figure (after disapplication) is disappointing at -0.43. Key features of this measure; non-PP outperformed PP, girls outperformed boys. Higher ability students' improved P8 in comparison to last year. EAL students continue to make greater progress than non EAL although the gap has narrowed. Best performing groups are Indian (+0.58), BSom (+0.25), WEur (+0.23) (*Figures taken from PT P8*). BSom is an improvement on last year.

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Less than 10% of the Indian cohort are included in the Performance table P8 figure. G&T P8 very pleasing at +0.52. Students with 96%+ attendance achieved highest P8 score. Students included in the performance table cohort, with 100% attendance, achieved a P8 of +0.24.

- The Academy's predictions for both attainment and progress were accurate.

Key priorities going forward:

- Boys progress and attainment continues to be a high priority
- PP progress continues to be a high priority
- Middle ability students' progress, in particular boys and in particular in English and EBacc subjects
- WBri students' progress and attainment – in particular boys. A higher proportion of WBr students achieved a grade 4+ in maths than English. This is an area of specific priority
- Improve attendance – there is a marked positive impact for students with higher attendance
- Along with improvements in English and maths this year, other priority subjects for improvement are Child Development, Music, PE, L&T and History. GCSE Music – course change will support improvements in music as the new course suits the Academy's context far more than GCSE music. GCSE History – results were improved on last academic year indicating that strategies in place had a positive impact. Further strategies must be developed to ensure that those students who are currently studying history at this level are supported to achieve their potential through intervention and support. GCSE PE - results were very disappointing this academic year and not reflective of previous year's performance. Investigations into a change of course must be undertaken to ensure the course suits the cohort selecting the subject. L&T - there must be an even greater emphasis on students achieving their target grade. Child Development is a key area of focus subject this academic year as significant improvement is needed.

The Lancaster Academy (predecessor school) received an inadequate judgement from Ofsted in January 2016 which followed an RI judgement just over two years prior to that. Babington had been working to support the school for a short while following concerns expressed by the LA over leadership and management and standards. The head at the time, left mid term towards the end of the Autumn term having been absent for a while and the VP at Babington went in on an interim basis. She was then appointed as the substantive head, just before the Ofsted inspection. The RSC asked the trust to sponsor Lancaster and they academised on 1st April 2017. There has been a significant legacy of underachievement, poor behavior, mediocre quality teaching and learning and ineffective leadership and management plus significant budgetary issues to address. High mobility has also been a significant influence on outcomes. The school has been stabilized in terms of leadership and management and behaviour, and is fully staffed. An external review commissioned by the MAT in April 2018 deemed that the school would certainly be taken out of special measures. There was also an exceptionally positive DfE visit during the last academic year. That said, the results were disappointing.

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Headlines	2017-18 PT cohort (182) (10 disregards removed)	2017-18 130 students with KS2 data	2017-18 52 students with CATs data	2017-18 182 students 'Lancaster' cohort	Y11 TRACKING MAY 2018
KS2 APS on entry	27.7	27.7	24.8	26.8	27.7
Progress 8	-0.86	-0.86	-0.49	-0.76	-0.55
P8 English	-0.78	-0.78	-	-	-0.63
P8 maths	-0.60	-0.60	-	-	-0.41
Attainment 8	34.97	35.94	32.57	34.97	37.65
Combined EM 5+ (4+)	24% (38%)	28% (45%)	13% (23%)	24% (38%)	25% (46%)
English 5+ (% of pupils) (4+)	34% (51%)	41% (57%)	15% (37%)	34% (51%)	32% (58%)
Maths 5+ (% of pupils) (4+)	29% (47%)	32% (50%)	21% (38%)	29% (47%)	35% (55%)
EBACC entry	15%	9%	29%	15%	11%
EBACC threshold	7%	6%	8%	7%	5%

Coverage: 67.7% of the whole Year 11 Cohort have KS2 data

Context

- Total Y11 cohort of 192 but 10 students have been 'disregarded' thus giving a Performance Tables (PT) cohort of 182.
- 33% of the total cohort and 29% of the cohort with disregards removed had no prior attainment data and were largely new to the country, new to education, EAL, developing English speakers and so these results tell only part of the story
- 2018 cohort was a weaker cohort than last years with a KS2 APS of 27.7 (compared to 28.3 for 2016/17 cohort **(only 67% coverage)**)
- 31% of boys were disadvantaged
- 10% of boys had SEN
- 46% of boys had EAL
- 41% were 'mobile'; they **DID NOT** spend 5 full years at Lancaster.
- 12% had low PA, 36% had middle PA and 24% had upper PA. **The rest 33% had no PA data.**

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- The cohort had fewer pupils with middle and high PA compared to last year and more than double with no PA data.
- Two largest ethnic groups were 31% 'White British' boys and 21% 'Indian'
- 4 boys were educated in the Alternative Curriculum Unit and one (FAP) student was undertaking a vocational placement throughout Y11

Comment

- Predictions were that attainment would be in line with last year's and progress would be better, with a lower performing cohort on entry and significant 'mobility'
- This did not prove to be the case because predictions/forecasts were inaccurate and therefore the wrong students were being targeted for interventions
- A comprehensive strategic short, medium and long-term plan to bring about improvement has already been implemented and approved by the LGB
- A significant body of work is being done around the 3/4 grade borderline regarding the underachievement of MA and around standardisation and moderation using PiXL methodologies
- Additional standardisation and moderation faculty meetings have been allocated for the purpose of improving the accuracy of fine grades and forecast information, so that interventions can be targeted more effectively. Whole school standardisation and moderation protocols have been established for greater accountability. The whole school CPD programme has been tweaked and the first session will be an analysis of current Y11 data patterns, based on assessment at the end of Y10, in comparison to 2018 results and in-year patterns and implementing an intervention strategy at classroom and faculty level to ensure patterns do not repeat.
- On reflection and further analysis of groups and individual students, historic poor teaching has impacted on these results, with the 2018 cohort having experienced staffing turbulence across the first four years of their secondary education, compounded by the greater degree of difficulty with the 9 – 1 exams system

Primary School Performance

%	2017 National %	2018 National %	Heatherbrook Primary Academy		Woodstock Primary Academy	
			2017 %	2018 % (/ with disapp)	2017 %	2018 %
EYFS GLD	71		66	72	66	65
Y1 Phonics	81		66	74	78	68
Y2 Phonics	92		77	82	88	89
KS1 Reading ARE	76		46	52	64	44

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KS1 Reading GDP			0	10		11
KS1 Reading Total			46	62		55
KS1 Writing	68		46	55	64	35
KS1 Writing GDP			0	3		4
KS1 Writing Total			46	58		39
KS1 Maths	75		42	62	71	53
KS1 Maths GDP			4	10		7
KS1 Maths Total			46	72		60
KS2 RWM	62	64	24	62/64	46	26
KS2 Reading	72	75	32	57/60	60	34
KS2 Reading GDP			0	12		8
KS2 Reading Total			32	69/72		42
KS2 Writing	77	78	56	57/60	58	35
KS2 Writing GDP			0	8		10
KS2 Writing Total			56	65/68		45
KS2 Maths ARE	75	76	32	50/52	70	28
KS2 Maths GDP			4	15/16		5
KS2 Maths Total			36	65/68		33
KS2 GPS ARE	78	78	48	54/56	48	39
KS2 GPS GDP			4	19/20		8
KS2 GPS Total			52	73/76		47
ASC Reading		105		103		98
ASC Maths		105		103		96
ASC GPS		106		105		99

Heatherbrook progress scores reading -0.3, writing -2.4, maths -0.9, all above floor standards and not coasting

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Woodstock Primary Academy joined the trust when it academised on 1st November 2016. It was judged as good by Ofsted in February 2013. It has low attainment on entry but has made progress in raising standards since the last Ofsted inspection. There was some fragility in the 2017 results, especially at KS2. It became clear early on in the academic year 2017-18, that the progress of pupils across the school was declining rapidly with a number of key issues emerging around leadership and management. An internal behavior review in October 2017 flagged up some concerns across the school. An externally commissioned review in November 2017 identified serious concerns across all aspects of the school and deemed that the school was at risk of being placed in special measures and, at best would receive a Requires Improvement judgement. As a result, the Principal left by mutual agreement in February 2018. The Trust's Director of Primary School Improvement was immediately put in place as Executive Principal but, with a matter of only a few weeks until KS2 SATs, results could not be impacted on and ended up being as low as was anticipated. Much has been done to address all the inadequacies at the school and a number of key senior staff have left which has meant that a new culture and ethos has been embedded very quickly. The school feels like a completely different place and we anticipate much improved results at the end of this academic year.

Heatherbrook Primary Academy approached the trust to become part of it and very initial discussions were going on whilst Babington had applied to become an academy with the idea of leading a trust. The (predecessor) school was inspected in April 2016 and received a second RI judgement and was defined as a 'coasting school'. In fact, for more than 13 years Heatherbrook has only received RI, satisfactory or category judgements. The RSC asked Babington to sponsor Heatherbrook and the school eventually academised on 1 April 2017, although the trust was already working to support the school. The financial situation at the school necessitated a full staff restructure which was completed in March 2017.

Outcomes for 2017 were slightly improved overall but the work that has been done with the school really bore fruit in 2018. The table above shows that Heatherbrook improved on every key measure on the previous years. The most significant improvements being in KS2. The school has moved from the bottom of the LA league tables to somewhere in the top half and the combined RWM is above the LA average and exactly at the national average.

Heatherbrook Primary Academy

What's worked well 2017 - 2018

A consistent approach to teaching and learning has impacted positively – teachers are aware of year group expectations and teach to them, they have a good understanding of what mastery looks like and how to differentiate effectively. Taking part in the CPD offered by the MAT has benefitted all teaching staff but in particular those who attended the 'Good to Outstanding' course run by the MAT.

The consistently outstanding teaching of the vice principal in year 6 has not only impacted positively on year 6 results but on the teaching and learning across the school as he has been able to support other staff members. Staff have worked collaboratively in teaching improvement teams to critique and challenge each other, through the use of video recordings.

An updated assessment process has supported teacher judgements and allowed them to use data more effectively – this was put in place by the Director of Primary School Improvement for the trust while he was working in both primaries. We now have clear tracking documents, assessment materials and monitor progress

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rigorously. In the latter part of the year we have been able to moderate across both primary schools in the MAT which has also supported teachers in making accurate judgements.

The work that has been completed in improving the curriculum and providing a really broad and balanced diet for the pupils has engaged lots of reluctant learners. The 'hands on', real-life approach has supported this. Staff have worked collaboratively on curriculum design, thinking creatively and using each other's strengths to benefit all pupils. We have only been able to carry out this work because of the PE support from the lead school in the MAT.

In a less concrete way, the whole rebranding of the school as the academy has had a big impact – children like their new uniforms and are buying into the aspiration of becoming the best primary school in Leicester. They are proud of the academy and of being part of a bigger organisation. In a similar way, the rebranding has helped some of the staff shake off the mantle of underachievement they had come to associate with the school – the academy not only feels different but looks different too.

Focus for 2018 -2019

We are improving our curriculum further – increasing the number of visitors into school and visits out to further develop an enriched learning experience for all pupils. There is a small minority of pupils who are still reluctant to attend, specifically on Mondays and Fridays – we need to make these days as irresistible as the others, providing a really personalised provision for those who need it.

We have an increasingly sharp focus on groups of pupils within each year group rather than across the school as a whole. We have very specific gaps in each year group; for example our disadvantaged pupils outperformed their non-disadvantaged peers in school in the last set of KS2 results but this is not the case in every class.

Where we can see whole school issues are with SEND, higher ability and EAL pupils. Our SEND learners do not make enough progress yet in all year groups – the SENCo and special needs TA are working hard to address this and support teachers and TAs in the development of a more personalised provision. We are developing a consistent approach to how we support our EAL learners in school, particularly when they are new to English. The Challenge Culture that is being embedded throughout the MAT will ensure all our learners are sufficiently challenged at all times.

The work being carried out by Primary Lead Practitioner and SLE in supporting teaching and learning, with a focus on maths has already brought about a positive change – teachers have had CDP on planning and delivering lessons, challenging higher ability pupils and developing skills of using and applying and problem solving.

Key non-financial performance indicators

All the academies that are members of the Academy Trust have been able to fulfill the delivery of the curriculum throughout the academic year. All the academies are fully staffed and staffing restructures were carried out at The Lancaster Academy and Heatherbrook Primary Academy during the financial year to make budgetary savings and ensure a sustainable budget going forward. In all the academies the experience of pupils has been a positive one and we know that all the academies in the Trust will go from strength to strength over the course of the next academic and financial year. Academy improvement plans have been approved by individual governing bodies and IABs and the trust as a whole. They are robust, ambitious and address all the school improvement priorities which each academy has.

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In all of our expenditure the CEO, COO, Principals and their staff including the Finance Manager have sought to seek best value for money and question choices and options made.

In addition, during 2017/18 the Trust Board formally approved a set of strategic key performance indicators which in future will be used to track the progress and performance of the Trust overall.

Going concern

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

Financial review

The majority of the Academy Trust's income derives from central government funding via the ESFA (Education & Skills Funding Agency). It also received pupil premium and local authority funding to support special education needs, designated special provision and capital fund towards fixtures, fittings and equipment. In addition, Academies raise funds through the use of facilities.

To aid understanding of these financial statements it should be noted that the preceding period ending 31 August 2017 did not cover a full year. The Trust began on 1 October 2016 with the conversion of Babington Community College, this was joined by Woodstock Primary on 1 November 2016, and the Lancaster School and Heatherbrook Primary School joined on 1 April 2017.

During the year ended 31 August 2018 the total operating expenditure of £19,368,941 was covered by grant funding and other incoming resources. The excess of expenditure over income (excluding depreciation, pension liabilities and assets transferred on conversion) was £971,053. The central charges were 0.4% of total income.

At 31 August 2018 the net current assets were £5,397,482 and the net book value of tangible fixed assets was £51,139,632. The assets were used for providing education and the associated support services to the learners of the Academy Trust.

There is a declared deficit on the defined benefit pension scheme, local government pension scheme (LGPS) for associated staff. Arguably a similar liability would exist for teachers if measured by the same method. Whilst the value is significant the governors do not believe that the liability represents a material risk because the liability would be spread over medium to long term which would minimise its impact.

Reserves policy

It is the Academies' aim to keep the reserves so there is substantially more than six month's salary cost on hand in cash form at any point. A cash flow forecast is provided, cash is monitored on a daily basis.

It is intended to review the reserves from the start of the next financial year 2018/19 and invest the reserves

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held beyond the three months' worth of salaries, goods/services and invest the balance on deposit where appropriate.

Investment policy

The Governors' policy is to maintain and develop the longer-term use of the Academies properties in order to generate income from lettings. It is the intention to invest any surplus funds in low risk short term bank deposits.

Principal risks and uncertainties

The Governors consider that the principal risks and uncertainties facing the Academy Trust are:

1. Meeting requisite standards of education for students in core subjects
2. Complying with legislative requirements regarding employment law, data protection, discrimination, Companies House and HMRC, child protection, the Charity commission and the National Curriculum
3. Financial risk - not operating within its budget and running a deficit, changes in funding, including a downturn in student numbers impacting on income, inappropriate or insufficient financial controls and systems, fraudulent activity and or financial commitments made without adequate authorisation
4. Operational risks resulting from staff leaving and difficulty in recruitment, especially in senior positions in the Trust.
5. Failure to recruit sufficient pupils to make any academy viable

The key controls used by the Academy Trust include:

1. Detailed terms of reference for all committees
2. Formal agendas for the Academy Trust board and committees
3. Schemes of delegation and formal financial regulations
4. Formal written policies
5. Clear authorisation and approval levels
6. Policies and procedures required by law to protect the vulnerable
7. Regular training of all staff.
8. Effective marketing of the individual academies and the Trust as a whole

Financial and risk management objectives and policies

Most of the Academy Trust's income is obtained from the DfE in the form of recurrent grants, the use of which is restricted to particular purposes in pursuance of the Academy Trust's objects. The grants received from the DfE during the period ended 31 August 2018 and the associated expenditure are shown as restricted general funds in the Statement of Financial Activities.

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Risk management

The Trustees, Principal and governors have assessed the major risks to which the Academy Trust is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Academy Trust, and its finances. The Principals have implemented a number of systems to assess risks that the school faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and school trips) and in relation to the control of finance. They have introduced systems, including operational procedures (e.g. vetting of new staff, supervision of school grounds) and an effective system of internal financial control in order to minimise risk.

Risks to the Academy Trust as per page 18 fall into the following three categories:

1. Financial - Income to the Academy Trust is predicted prudently and expenditure plans are controlled by a strong committee structure. The Principal is accountable to the committee for restricting expenditure within budget limits.
2. Performance - A decline in results would lead to a less favourable reputation which would, in turn, lead to fewer numbers of students with the subsequent loss of income. The Principal is accountable to the governing body for academic results.
3. Health and Safety - A range of risk assessments, including actions to be taken to reduce/mitigate and or remove the risks of potential incidents, have been written. These are reviewed annually.

Employment of disabled persons

The Trustees recognise that equal opportunities should be an integral part of good practice in the workplace. The Academy Trust aims to establish equal opportunity in all areas of its activities including creating a working environment in which the needs of all people are fully known, valued and understood.

The Academy Trust aims to ensure all buildings will comply with all current legislation, including accessible equipment such as lifts, ramps, and disabled toilets are installed where practical and reasonable adjustments can be made, and the door widths will be adequate to enable wheelchair access to all areas. The policy of the Academy Trust is to support special education needs and designated special provisions. The Academy Trust does this by adapting/making reasonable adjustment to the physical environment by making support resources available and through training and career development.

Plans for future periods

Each Academy will maintain its PAN (Published Admission Number) The conversion of The Lancaster Academy to a co-educational school from the start of the 2018-19 academic year will secure its future viability.

Ambitious targets have been set for pupil attainment and progress in each Academy. There will be a continuing emphasis on strategies to improve performance of the pupils receiving pupil premium, pupils with SEND, pupils

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who speak English as an additional language and also high attaining pupils, being implemented through careful analysis of pupil performance data.

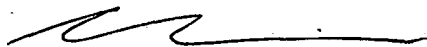
There will be a growing emphasis on cross trust work with pupils and we have offered a cross MAT CPD programme to address staff training needs across the MAT, intending to grow our own leaders of the future. We have a strong commitment to addressing disadvantage and being totally inclusive and will continue to address individual needs through a range of innovative and creative strategies to make sure that every child and every adult in the trust has equality of opportunity and grows and thrives in our MAT.

The curriculum in each academy will be constantly monitored and evaluated to make sure that it is meeting pupils' needs and providing stimulating learning experiences leading to outstanding outcomes. The primary academies are completely re-organising their curriculum and the secondaries have adapted theirs based in national strategies and pupil needs.

Auditor

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.
- approved by order of the members on 17th December 2018 and signed on its behalf by:



Miranda Cannon

Chair of the Trust Board

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GOVERNANCE STATEMENT

Scope of responsibility

As trustees, we acknowledge we have overall responsibility for ensuring that Learning without Limits Academy Trust has an effective and appropriate system of control, financial and otherwise. However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

The Board of Trustees has delegated the day-to-day responsibility to Denise Newsome as EP/CEO of the Trust and 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 Learning without Limits Academy Trust and the Secretary of State for Education. She is also responsible for reporting to the Board for 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 Trust Board has formally met 5 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustees	Meetings attended	Out of a possible
Mrs. Miranda Cannon (Chair)	5	5
Mrs. Julie Sharma (Rawle)	3	5
Mr. Andrew Lane	5	5
Ms. Rachel Hall (resigned 23.1.18))	0	3
Mrs. Maggie Galliers, CBE	4	5
Mr. Paul Machon (resigned 11.9.17)	0	1
Ms. Natalie Packer (resigned 11.12.17)	1	1
Ms. Glynis Wright	4	5
Ms. Zoe Allman	3	5
Mrs Bernadette Green (appointed 19.3.18)	2	2
Mr Paul Wilson (appointed 12.12.17)	3	3
Mrs Eleanor Shaw (appointed 12.12.17)	3	3

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Governance reviews

The board of trustees will review and respond to any third party review of governance requirements. The board of trustees are aware of their responsibility to consider laws and regulations, finance systems and controls and also community responsibility. There have been no formal requests in the current year for a governance review. The board is aware of the requirement to ensure work of the Board is effective.

The Audit and Risk Committee is a sub-committee of the main Board of Trustees. Its purpose is to review and control the financial performance of the Academy Trust and monitor and mitigate against any identified risks to the Trust's viability, sustainability and performance. There been three meetings of the Audit and Risk Committee during the year. Members of the Audit and Risk Committee and their attendance is as follows:

	Meetings attended	Out of a possible
Mr Andrew Lane, Chair	3	3
Mrs Maggie Galliers, CBE	3	3
Ms Verity Hancock	2	3
Mr Paul Wilson	1	2

The Pay and Performance Committee is a sub-committee of the main Board of Trustees. The committee meets once a year to approve or otherwise, the performance related pay of teachers across the trust and to agree the performance management objectives and pay for the trust's core senior staff. This committee will meet for the second time in October 2018.

The members of this committee are Miranda Cannon (Chair), Zoe Allman, and Julie Sharma (Rawle)

Value for Money

The Academy Trust is fully committed to seeking best value for money; from investing in the future in new infrastructure and educational experiences to ensuring every child and young person can fulfill their potential.

We annually look at every contract and determine best value from all suppliers and this is now part of our standard operating procedures across the Trust. We use in all Academies the SIMs management software, which is fully operational and through this software we will improve our efficiency of data management. The Trust has also purchased a cloud based centralized accounting system, enabling standardised financial accounting across the Trust, including centralised monitoring. We have changed payroll provider to allow capacity for growth and greater data management for all academies.

The Trust however believes it has provided very good value for money to tax payers in 2017/18 with the provision of a broad, wide ranging curriculum in both academies and very significant extra-curricular activities is what we aim to offer and that has been achieved with good results in all our academies. The investment in Saturday

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workshops and holiday tuition has been very well received by students at both secondary academies, and the impact is significant. The four academies work very closely together and expertise is shared across the group providing support with teacher recruitment and initial teacher training.

LwLAT takes a top slice of 4% from each Academies General Annual Grant to fund the CEO, CFO, EVP and a new Finance Officer role (yet to be appointed) within the Trust, which we believe is first class value for money as all members covering these roles are very experienced. The LwLAT will continue to seek best value whenever it can to ensure maximum resources are available to support the learning of pupils in our academies.

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.

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 asked the Audit committee to look in detail at the risks across the Trust and how risk was being mitigated and the Committee will continue to undertake this role in future. 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 ending 31 August 2018 and up to the date of approval of the annual report and financial statements. This process will continue to be regularly reviewed by the Board of Trustees.

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees;
- 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 developed a full internal audit plan for the 2017/18 year onwards with the Trust's external auditor, Duncan & Toplis Limited. The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Academy's Trust's financial systems. The internal auditor

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reports to the Board of Trustees, through the Audit Committee, on the operation of the systems of control and on the discharge of the Trustees financial responsibilities. During 2017/18 the external auditor performed an interim audit and reported the findings to the Board. Some minor issues were identified and have been addressed.

Review of effectiveness

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

- the work of the external auditor through a programme of internal assurance;
- 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 Audit Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 17th December 2018 and signed on its behalf by:

Denise Newsome

Accounting Officer



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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of The learning Without Limits Academy 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 not 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 no instances of material irregularity, impropriety or funding non-compliance have been discovered to date. If any instances are identified after the date of this statement, these will be notified to the Board of Trustees and ESFA.

Denise Newsome Accounting officer

Date: 17th December 2018



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STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees (who are 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 Academies Accounts Direction published 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 apply them consistently
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018
- make judgments and estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in 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 on 17th December 2018 and signed on its behalf by:



Mrs. Miranda Cannon, Trustee, Chair

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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
LEARNING WITHOUT LIMITS ACADEMY TRUST**

OPINION

We have audited the financial statements of Learning Without Limits Academy Trust (the 'Academy') 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 & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy'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 & 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 in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

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

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

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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
LEARNING WITHOUT LIMITS ACADEMY TRUST**

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.

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 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 for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Academy's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going

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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
LEARNING WITHOUT LIMITS ACADEMY TRUST**

concern basis of accounting unless the Trustees either intend to liquidate the Academy or to cease operations, or have no realistic alternative but to do so.

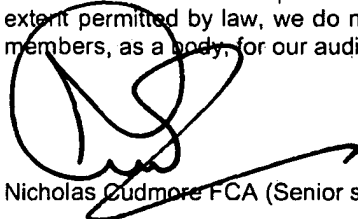
AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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. This description forms part of our Auditors' report.

USE OF OUR REPORT

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



Nicholas Cudmore FCA (Senior statutory auditor)

for and on behalf of

Duncan & Toplis Limited

Chartered Accountants and Statutory Auditors

15 Chequergate

Louth

Lincolnshire

LN11 0LJ

Date:

19th December 2018

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**INDEPENDENT REPORTING AUDITORS' ASSURANCE REPORT ON REGULARITY TO LEARNING
WITHOUT LIMITS ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 28 September 2018 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 Learning Without Limits Academy 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 Learning Without Limits Academy Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Learning Without Limits Academy Trust and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Learning Without Limits Academy Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

**RESPECTIVE RESPONSIBILITIES OF LEARNING WITHOUT LIMITS ACADEMY TRUST'S ACCOUNTING
OFFICER AND THE REPORTING AUDITORS**

The Accounting Officer is responsible, under the requirements of Learning Without Limits Academy Trust's funding agreement with the Secretary of State for Education dated 8 July 2016, 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.

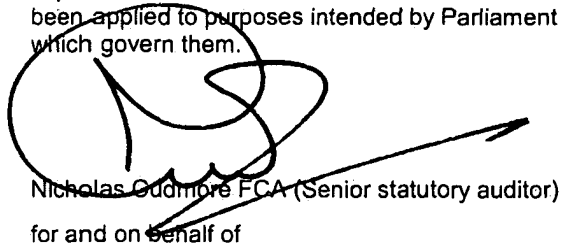
Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the Academy's income and expenditure.

LEARNING WITHOUT LIMITS ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT REPORTING AUDITORS' ASSURANCE REPORT ON REGULARITY TO LEARNING
WITHOUT LIMITS ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY (continued)**

CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 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.



Nicholas Goddard FCA (Senior statutory auditor)
for and on behalf of

Duncan & Toplis Limited

Chartered Accountants and Statutory Auditors

15 Chequergate

Louth

Lincolnshire

LN11 0LJ

Date:

19th December 2018

LEARNING WITHOUT LIMITS ACADEMY TRUST
(A company limited by guarantee)

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

	Note	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
INCOME FROM:						
Donations and capital grants	2	2,021	-	395,356	397,377	973,536
Charitable activities:	3					
Funding for the Academy		-	17,030,943	-	17,030,943	11,971,562
Trust's educational operations						
Other trading activities	4	544,644	-	-	544,644	394,861
Transfer from local authority on conversion		-	-	-	-	51,206,416
TOTAL INCOME		546,665	17,030,943	395,356	17,972,964	64,546,375
EXPENDITURE ON:						
Other charitable activities		457,896	16,544,015	2,367,030	19,368,941	12,730,284
TOTAL EXPENDITURE	5	457,896	16,544,015	2,367,030	19,368,941	12,730,284
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS						
Transfers between Funds	16	88,769	486,928	(1,971,674)	(1,395,977)	51,816,091
		-	(90,630)	90,630	-	-
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES						
		88,769	396,298	(1,881,044)	(1,395,977)	51,816,091
Actuarial gains on defined benefit pension schemes	22	-	1,205,000	-	1,205,000	285,000
NET MOVEMENT IN FUNDS		88,769	1,601,298	(1,881,044)	(190,977)	52,101,091
RECONCILIATION OF FUNDS:						
Total funds brought forward		12,819	(978,454)	53,066,726	52,101,091	-
TOTAL FUNDS CARRIED FORWARD		101,588	622,844	51,185,682	51,910,114	52,101,091

LEARNING WITHOUT LIMITS ACADEMY TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 10269535

BALANCE SHEET
AS AT 31 AUGUST 2018

	Note	£	2018 £	£	2017 £
FIXED ASSETS					
Tangible assets	12		51,139,632		52,692,682
CURRENT ASSETS					
Stocks	13	12,460		19,539	
Debtors	14	617,513		1,453,618	
Cash at bank and in hand		5,875,567		4,221,052	
		<u>6,505,540</u>		<u>5,694,209</u>	
CREDITORS: amounts falling due within one year	15	<u>(1,108,058)</u>		<u>(1,171,800)</u>	
NET CURRENT ASSETS			<u>5,397,482</u>		<u>4,522,409</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>56,537,114</u>		<u>57,215,091</u>
Defined benefit pension scheme liability	22	(4,627,000)		(5,114,000)	
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u>51,910,114</u>		<u>52,101,091</u>
FUNDS OF THE ACADEMY TRUST					
Restricted income funds:					
Restricted income funds	16	5,249,844		4,135,546	
Restricted fixed asset funds	16	<u>51,185,682</u>		<u>53,066,726</u>	
Restricted income funds excluding pension liability		<u>56,435,526</u>		<u>57,202,272</u>	
Pension reserve		<u>(4,627,000)</u>		<u>(5,114,000)</u>	
Total restricted income funds			<u>51,808,526</u>		<u>52,088,272</u>
Unrestricted income funds	16		<u>101,588</u>		<u>12,819</u>
TOTAL FUNDS			<u>51,910,114</u>		<u>52,101,091</u>

The financial statements on pages 32 to 59 were approved by the Trustees, and authorised for issue, on 17 December 2018 and are signed on their behalf, by:

M Cannon
Chair of Trustees



LEARNING WITHOUT LIMITS ACADEMY TRUST
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2018

	Note	Year ended 31 August 2018 £	Period ended 31 August 2017 £
Cash flows from operating activities			
Net cash provided by operating activities	18	<u>2,385,809</u>	<u>59,539,768</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		(813,980)	(591,400)
Capital grants from DfE Group		82,686	(965,444)
Transfer of assets on conversion		-	(53,761,872)
Net cash used in investing activities		<u>(731,294)</u>	<u>(55,318,716)</u>
Change in cash and cash equivalents in the year		1,654,515	4,221,052
Cash and cash equivalents brought forward		<u>4,221,052</u>	<u>-</u>
Cash and cash equivalents carried forward	19	<u><u>5,875,567</u></u>	<u><u>4,221,052</u></u>

LEARNING WITHOUT LIMITS ACADEMY TRUST
(A company limited by guarantee)

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

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.

Learning Without Limits Academy Trust constitutes a public benefit entity as defined by FRS 102.

1.2 Going concern

The Trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy Trust to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

LEARNING WITHOUT LIMITS ACADEMY TRUST
(A company limited by guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.3 Income

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

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

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

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

Sponsorship income provided to the Academy Trust which amounts to a donation is recognised in the Statement of financial activities incorporating income and expenditure account in the period in which it is receivable, where receipt is probable and it is measurable.

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

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

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 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.

LEARNING WITHOUT LIMITS ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

1. ACCOUNTING POLICIES (continued)

1.5 Tangible fixed assets and depreciation

All assets costing more than £500 are capitalised and are carried at cost, net of depreciation and any provision for impairment.

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

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

Leasehold property	- 2% Straight line
Furniture and fixtures	- 20% Straight line
Plant and equipment	- 20% or 25% Straight line

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

1.6 Operating leases

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

1.7 Stocks

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

1.8 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.

1.9 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.

LEARNING WITHOUT LIMITS ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

1. ACCOUNTING POLICIES (continued)

1.10 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.

1.11 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 14. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

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 note 15. 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.

1.12 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.

LEARNING WITHOUT LIMITS ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

1.13 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 22, 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.

1.14 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.

LEARNING WITHOUT LIMITS ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

1. ACCOUNTING POLICIES (continued)

1.15 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 22, 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.

1.16 Comparative 2017 figures

To aid understanding of these financial statements it should be noted that the preceding period ending 31 August 2017 did not cover a full year. The Trust began on 1 October 2016 with the conversion of Babington Community College, this was joined by Woodstock Primary on 1 November 2016, and the Lancaster School and Heatherbrook Primary School joined on 1 April 2017.

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
Donations	2,021	-	-	2,021	8,092
Capital Grants	-	-	395,356	395,356	965,444
	<u>2,021</u>	<u>-</u>	<u>395,356</u>	<u>397,377</u>	<u>973,536</u>
<i>Total 2017</i>	<u>8,092</u>	<u>-</u>	<u>965,444</u>	<u>973,536</u>	

LEARNING WITHOUT LIMITS ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

3. FUNDING FOR ACADEMY TRUST'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
DfE/ESFA grants				
General Annual Grant (GAG)	-	14,565,046	14,565,046	10,390,720
Start up Grant	-	-	-	407,465
Pupil Premium	-	1,149,722	1,149,722	820,230
Other DfE/ESFA	-	884,876	884,876	57,696
	-	16,599,644	16,599,644	11,676,111
Other government grants				
Other government revenue grants	-	27,490	27,490	116,006
Other income revenue	-	-	-	10,500
SEN 1-1 Funding	-	346,202	346,202	76,123
Early Years funding	-	57,607	57,607	92,822
	-	431,299	431,299	295,451
	-	17,030,943	17,030,943	11,971,562
Total 2017	-	11,971,562	11,971,562	

4. OTHER TRADING ACTIVITIES

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Catering	184,467	-	184,467	144,453
Uniform	12,976	-	12,976	24,446
Lettings	39,655	-	39,655	22,098
Other income	307,546	-	307,546	203,864
	544,644	-	544,644	394,861
Total 2017	394,861	-	394,861	

LEARNING WITHOUT LIMITS ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

5. EXPENDITURE

	Staff costs 2018 £	Premises 2018 £	Other costs 2018 £	Total 2018 £	Total 2017 £
Funding for the Academy Trust's educational operations					
Direct costs	10,588,385	975,269	2,957,776	14,521,430	10,085,592
Support costs	2,391,446	1,034,110	1,421,955	4,847,511	2,644,692
	<u>12,979,831</u>	<u>2,009,379</u>	<u>4,379,731</u>	<u>19,368,941</u>	<u>12,730,284</u>
Total 2017	<u>8,939,788</u>	<u>1,883,932</u>	<u>1,906,564</u>	<u>12,730,284</u>	

6. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Activities undertaken directly 2018 £	Support costs 2018 £	Total 2018 £	Total 2017 £
Funding for the Academy Trust's educational operations	14,521,430	4,847,511	19,368,941	12,730,284
Total 2017	<u>10,085,592</u>	<u>2,644,692</u>	<u>12,730,284</u>	

Analysis of direct costs

	Educational operations £	Total 2018 £	Total 2017 £
Educational supplies	616,751	616,751	426,464
Technology costs	233,577	233,577	162,566
Examination fees	176,038	176,038	66,807
Staff development	87,053	87,053	33,841
Educational consultancy	452,596	452,596	233,223
Wages and salaries	8,213,650	8,213,650	5,617,119
National insurance	746,296	746,296	516,418
Pension cost	1,628,439	1,628,439	1,368,564
Depreciation	2,367,030	2,367,030	1,660,590
	<u>14,521,430</u>	<u>14,521,430</u>	<u>10,085,592</u>
At 31 August 2017	<u>10,085,592</u>	<u>10,085,592</u>	

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

6. ANALYSIS OF EXPENDITURE BY ACTIVITIES (continued)

Analysis of support costs

	Educational operations £	Total 2018 £	Total 2017 £
Staff costs	2,391,446	2,391,446	1,437,687
Technology costs	66,337	66,337	21,270
Recruitment and support	19,667	19,667	10,994
Maintenance of premises and equipment	480,449	480,449	247,692
Cleaning	109,062	109,062	45,143
Rent and rates	126,401	126,401	71,897
Energy costs	216,699	216,699	119,483
Insurance	161,356	161,356	97,154
Security	36,309	36,309	16,012
Transport	101,358	101,358	52,789
Telephone, postage and stationery	83,926	83,926	78,821
Catering	527,185	527,185	300,569
Other costs	433,880	433,880	90,776
Bank interest and charges	6,620	6,620	2,715
Operating leases - other	59,376	59,376	23,040
Auditors' remuneration	27,440	27,440	28,650
	<u>4,847,511</u>	<u>4,847,511</u>	<u>2,644,692</u>
<i>At 31 August 2017</i>	<u>2,644,692</u>	<u>2,644,692</u>	

During the year ended 31 August 2018, the Academy incurred the following Governance costs: £27,440 (2017: £28,650) included within the table above in respect of Funding for the academy trust's educational operations.

7. NET INCOME/(EXPENDITURE)

This is stated after charging:

	Year ended 31 August 2018 £	Period ended 31 August 2017 £
Depreciation of tangible fixed assets:		
- owned by the charity	2,367,030	1,660,590
Auditors' remuneration - audit	19,250	15,000
Auditors' remuneration - other services	8,190	13,650
Operating lease rentals	<u>59,376</u>	<u>23,040</u>

LEARNING WITHOUT LIMITS ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

8. STAFF COSTS

a. Staff costs

Staff costs were as follows:

	Year ended 31 August 2018 £	Period ended 31 August 2017 £
Wages and salaries	9,872,066	6,637,640
Social security costs	894,729	593,646
Operating costs of defined benefit pension schemes	2,213,036	1,708,502
	<u>12,979,831</u>	<u>8,939,788</u>

Staff restructuring costs comprise:

	Year ended 31 August 2018 £	Period ended 31 August 2017 £
Severance payments	<u>22,000</u>	<u>-</u>

b. Non-statutory/non-contractual staff severance payments

Included within severance costs are non-statutory/non-contractual severance payments totalling £22,000 (2017-£nil). Individually, the payment made was: £22,000 made on 30 May 2018.

c. Staff numbers

The average number of persons employed by the Academy Trust during the period was as follows:

	Year ended 31 August 2018 No.	Period ended 31 August 2017 No.
Teaching	145	142
Administration and support	292	243
Management	18	16
	<u>455</u>	<u>401</u>

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

8. STAFF COSTS (continued)

Average headcount expressed as a full time equivalent:

	Year ended 31 August 2018 No.	Period ended 31 August 2017 No.
Teaching	137	139
Administration and support	182	154
Management	18	16
	337	309

d. Higher paid staff

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

	Year ended 31 August 2018 No.	Period ended 31 August 2017 No.
In the band £60,001 - £70,000	4	1
In the band £80,001 - £90,000	2	0
In the band £90,001 - £100,000	0	1
In the band £100,001 - £110,000	1	0

The above employees earning more than £60,000 per annum participated in the Teachers' Pension Scheme. During the period, pension contributions for these members of staff amounted to £93,594 (2017: £27,545).

e. Key management personnel

d) Key management personnel

The key management personnel of the Academy Trust comprise the Trustees and the senior management team. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Academy Trust was £526,003 (2017: £680,292).

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

9. CENTRAL SERVICES

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

- Statutory accounts preparation
- Pension management
- Insurances

The Academy Trust charges for these services on the following basis:

The method used for the contribution of the individual Academies to the Central Services was a charge of 4% of the ESFA's school budget share income.

The actual amounts charged during the year were as follows:

	Year ended 31 August 2018 £	Period ended 31 August 2017 £
Babington Academy	261,063	245,994
Woodstock Academy	77,686	64,161
Heatherbrook Academy	33,006	14,057
Lancaster Academy	199,225	90,409
Total	<u>570,980</u>	<u>414,621</u>

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

10. TRUSTEES' REMUNERATION AND EXPENSES

During the year, no Trustees received any remuneration (2017 - £NIL).

During the year ended 31 August 2018, no Trustees received any reimbursement of expenses (2017 - £44 to 1 Trustees).

11. TRUSTEES' AND OFFICERS' INSURANCE

Two of the Academies belonging to Learning Without Limits Academy Trust have 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 trust 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.

For the remaining entities within the Trust and in accordance with normal commercial practice, the Academy Trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions whilst on Trust business. The insurance provides cover up to £5,000,000 and the cost for the year ended 31 August 2018 was £5,135 (2017 -£5,177).

The cost of this insurance is included in the total insurance cost.

12. TANGIBLE FIXED ASSETS

	Leasehold land and buildings £	Furniture and fixtures £	Plant and equipment £	Total £
Cost				
At 1 September 2017	47,926,611	4,344,114	2,082,547	54,353,272
Additions	728,136	47,270	38,574	813,980
At 31 August 2018	<u>48,654,747</u>	<u>4,391,384</u>	<u>2,121,121</u>	<u>55,167,252</u>
Depreciation				
At 1 September 2017	643,010	638,148	379,432	1,660,590
Charge for the year	975,269	871,124	520,637	2,367,030
At 31 August 2018	<u>1,618,279</u>	<u>1,509,272</u>	<u>900,069</u>	<u>4,027,620</u>
Net book value				
At 31 August 2018	<u>47,036,468</u>	<u>2,882,112</u>	<u>1,221,052</u>	<u>51,139,632</u>
At 31 August 2017	<u>47,283,601</u>	<u>3,705,966</u>	<u>1,703,115</u>	<u>52,692,682</u>

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

13. STOCKS

	2018 £	2017 £
Finished goods and goods for resale	12,460	19,539

14. DEBTORS

	2018 £	2017 £
Trade debtors	68,874	8,515
VAT recoverable	126,114	111,759
Other debtors	22,872	-
Prepayments and accrued income	399,653	1,333,344
	<u>617,513</u>	<u>1,453,618</u>

15. CREDITORS: Amounts falling due within one year

	2018 £	2017 £
Trade creditors	562,696	327,884
Other taxation and social security	213,149	91,499
Other creditors	227,899	308,090
Accruals and deferred income	104,314	444,327
	<u>1,108,058</u>	<u>1,171,800</u>

	2018 £	2017 £
Deferred income		
Deferred income at 1 September 2017	75,679	-
Resources deferred during the year	13,883	75,679
Amounts released from previous years	(75,679)	-
Deferred income at 31 August 2018	<u>13,883</u>	<u>75,679</u>

Deferred income relates to funding received during the year which relates to the year ended 31 August 2019.

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

16. STATEMENT OF FUNDS

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
Unrestricted funds						
General Funds	12,819	546,665	(457,896)	-	-	101,588
Restricted funds						
General Annual Grant (GAG)	2,084,199	14,565,046	(13,745,489)	(90,630)	-	2,813,126
Pupil Premium	-	1,149,722	(1,109,944)	-	-	39,778
Other DfE/ESFA grants	-	884,876	(518,522)	-	-	366,354
Other Government grants	-	431,299	(452,060)	-	-	(20,761)
Transfer on conversion	2,051,347	-	-	-	-	2,051,347
Pension reserve	(5,114,000)	-	(718,000)	-	1,205,000	(4,627,000)
	(978,454)	17,030,943	(16,544,015)	(90,630)	1,205,000	622,844
Restricted fixed asset funds						
Transfer on conversion	52,478,906	-	(2,291,456)	-	-	50,187,450
Devolved Formula Capital	-	95,614	-	-	-	95,614
Capital expenditure from GAG	-	-	(58,591)	90,630	-	32,039
Condition Improvement Fund	587,820	299,742	(16,983)	-	-	870,579
	53,066,726	395,356	(2,367,030)	90,630	-	51,185,682
Total restricted funds	52,088,272	17,426,299	(18,911,045)	-	1,205,000	51,808,526
Total of funds	52,101,091	17,972,964	(19,368,941)	-	1,205,000	51,910,114

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

General Annual Grant (GAG) must be used for the normal running costs of the Academy Trust.

Other DfE/ESFA grants comprise of various grants awarded for specific purposes, in particular to boost standards of attainment. Grants include Pupil Premium funding which is intended to support education for pupils from a disadvantaged background.

Other government grants includes funding provided for pupils with Statements of Special Educational Needs and is used by the Academy Trust to assist with the pupil's education.

Devolved capital funding is that provided to Academies to use as it sees fit in areas such as improvements to buildings or facilities, or the repair or refurbishment of such.

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**NOTES TO THE FINANCIAL STATEMENTS
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16. STATEMENT OF FUNDS (continued)

Other capital grants are provided to the Academy Trust based on specific bids for individual projects.

Other income comprises various other receipts including school meals. The income is classed as restricted or unrestricted based on the nature of the income.

The pension reserve arises from the actuarial measurement of the Academy Trust's share of the Local Government Pension Scheme deficit. The deficit is recorded as a provision. The actuarial cost of employing staff during the period is initially reflected in the normal running costs of the school in the restricted pension fund. The amount included in resources expended represents the pension cost for the year charged to income and expenditure that arises from actuarial calculations of service cost rather than employer contributions paid, and amounts to £1,269,000. Actuarial gains and losses that arise from changes in assumptions by the actuary or wider influences are shown in the restricted pension fund, the movement this year being a net £1,205,000 actuarial reduction in the net pension fund deficit.

Restricted fixed asset funds represent monies received in respect of and spent on fixed assets. This includes assets inherited on conversion. The total of resources expended within this fund include the depreciation charge for the year. The transfers figure is the amount of other funds used to acquire fixed assets.

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2018.

ANALYSIS OF ACADEMIES BY FUND BALANCE

Fund balances at 31 August 2018 were allocated as follows:

	Total 2018 £	Total 2017 £
Babington Academy	3,147,834	2,384,033
Woodstock Primary Academy	556,085	409,203
Heatherbrook Primary Academy	191,838	72,869
The Lancaster Academy	1,130,272	614,273
Learning Without Limits Academy Trust - Central Function	325,403	667,987
Total before fixed asset fund and pension reserve	5,351,432	4,148,365
Restricted fixed asset fund	51,185,682	53,066,726
Pension reserve	(4,627,000)	(5,114,000)
Total	51,910,114	52,101,091

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

16. STATEMENT OF FUNDS (continued)

ANALYSIS OF ACADEMIES BY COST

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciat- ion £	Total 2018 £	Total 2017 £
Babington Academy	4,804,286	951,710	364,154	1,518,454	7,638,604	6,380,001
Heatherbrook Primary Academy	583,994	99,614	27,616	183,814	895,038	328,679
The Lancaster Academy	3,159,060	662,944	165,785	961,442	4,949,231	1,965,833
Woodstock Primary Academy	1,540,926	247,254	89,668	450,020	2,327,868	1,810,541
Learning Without Limits Academy Trust - Central Function	500,119	429,921	257	260,874	1,191,171	584,637
	<u>10,588,385</u>	<u>2,391,443</u>	<u>647,480</u>	<u>3,374,604</u>	<u>17,001,912</u>	<u>11,069,691</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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16. STATEMENT OF FUNDS (continued)

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 October 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
General Funds	-	418,626	(405,807)	-	-	12,819
Restricted funds						
General Annual Grant (GAG)	-	10,390,720	(10,175,887)	1,869,366	-	2,084,199
Start up grant	-	407,465	-	(407,465)	-	-
Pupil Premium	-	820,230	-	(820,230)	-	-
Other DfE/ESFA grants	-	102,920	-	(102,920)	-	-
Other Government grants	-	239,727	-	(239,727)	-	-
Other income	-	10,500	-	(10,500)	-	-
Transfer on conversion	-	2,339,871	-	(288,524)	-	2,051,347
Pension reserve	-	(4,911,000)	(488,000)	-	285,000	(5,114,000)
	-	9,400,433	(10,663,887)	-	285,000	(978,454)
Restricted fixed asset funds						
Transfer on conversion	-	53,761,872	(1,660,590)	377,624	-	52,478,906
Devolved Formula Capital	-	52,759	-	(52,759)	-	-
Condition Improvement Fund	-	912,685	-	(324,865)	-	587,820
	-	54,727,316	(1,660,590)	-	-	53,066,726
Total restricted funds	-	64,127,749	(12,324,477)	-	285,000	52,088,272
Total of funds	-	64,546,375	(12,730,284)	-	285,000	52,101,091

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

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	51,139,632	51,139,632
Current assets	101,588	6,357,902	46,050	6,505,540
Creditors due within one year	-	(1,108,058)	-	(1,108,058)
Provisions for liabilities and charges	-	(4,627,000)	-	(4,627,000)
	<u>101,588</u>	<u>622,844</u>	<u>51,185,682</u>	<u>51,910,114</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Tangible fixed assets	-	-	52,692,682	52,692,682
Current assets	12,819	5,307,346	374,044	5,694,209
Creditors due within one year	-	(1,171,800)	-	(1,171,800)
Provisions for liabilities and charges	-	(5,114,000)	-	(5,114,000)
	<u>12,819</u>	<u>(978,454)</u>	<u>53,066,726</u>	<u>52,101,091</u>

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

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

	Year ended 31 August 2018 £	Period ended 31 August 2017 £
Net (expenditure)/income for the year (as per Statement of Financial Activities)	(1,395,977)	51,816,091
Adjustment for:		
Depreciation charges	2,367,030	1,660,590
Decrease/(increase) in stocks	7,079	(19,539)
Decrease/(increase) in debtors	836,105	(1,453,618)
(Decrease)/increase in creditors	(63,742)	1,171,800
Capital grants from DfE and other capital income	(82,686)	965,444
Defined benefit pension scheme obligation inherited	-	4,911,000
Defined benefit pension scheme cost less contributions payable	583,000	398,000
Defined benefit pension scheme finance cost	135,000	90,000
Net cash provided by operating activities	2,385,809	59,539,768

19. ANALYSIS OF CASH AND CASH EQUIVALENTS

	Year ended 31 August 2018 £	Period ended 31 August 2017 £
Cash at bank	5,875,567	4,221,052
Total	5,875,567	4,221,052

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

20. CONTINGENT LIABILITIES

During the period of the Funding Agreement, in the event of the sale or disposal by other means of any asset for which a Government capital grant was received, the Academy Trust is required either to re-invest the proceeds or to repay the Secretary of State for Education the same proportion of the proceeds of the sale or disposal as equates with the proportion of the original cost met by the Secretary of State.

Upon termination of the Funding Agreement, whether as a result of the Secretary of State or the Academy serving notice, the Academy Trust shall repay to the Secretary of State sums determined by reference to :

(a) the value at that time of the Academy Trust's site and premises and other assets held for the purpose of the Academy Trust and

(b) the extent to which expenditure incurred in providing those assets was met by payments by the Secretary of State under the Funding Agreement.

21. CAPITAL COMMITMENTS

At 31 August 2018 the Academy Trust had capital commitments as follows:

	2018 £	2017 £
Contracted for but not provided in these financial statements	<u>168,613</u>	<u>587,821</u>

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

22. 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 Leicestershire County Council. Both are Multi-employer defined benefit pension schemes.

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

Contributions amounting to £206,449 were payable to the schemes at 31 August 2018 (2017 - 55,871) and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

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

The employer's pension costs paid to TPS in the period amounted to £949,296 (2017 - £508,056).

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**NOTES TO THE FINANCIAL STATEMENTS
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22. 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).

Under the definitions set out in FRS 102, the TPS is an unfunded 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 £871,000 (2017 - £567,000), of which employer's contributions totalled £686,000 (2017 - £447,000) and employees' contributions totalled £185,000 (2017 - £120,000). The agreed contribution rates for future years are 21.79% for employers and 5.5-12.5% for employees.

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

Principal actuarial assumptions:

	2018	2017
Discount rate for scheme liabilities	2.80 %	2.50 %
Rate of increase in salaries	3.30 %	3.40 %
Rate of increase for pensions in payment / inflation	2.30 %	2.40 %

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	22.1	22.1
Females	24.3	24.3
Retiring in 20 years		
Males	23.8	23.8
Females	26.2	26.2

	Year ended At 31 August 2018 £	Period ended At 31 August 2017 £
Sensitivity analysis		
Discount rate -0.5%	1,360,000	1,251,000
Salary increase rate +0.5%	275,000	292,000
Pension increase rate +0.5%	1,064,000	930,000

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22. PENSION COMMITMENTS (continued)

The Academy Trust's share of the assets in the scheme was:

	Fair value at 31 August 2018 £	Fair value at 31 August 2017 £
Equities	3,470,000	3,011,000
Bonds	1,511,000	899,000
Property	504,000	359,000
Cash and other liquid assets	112,000	225,000
Total market value of assets	<u>5,597,000</u>	<u>4,494,000</u>

The actual return on scheme assets was £123,000 (2017 - £67,000).

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

	Year ended 31 August 2018 £	Period ended 31 August 2017 £
Current service cost	(1,269,000)	(825,000)
Past service cost	-	(20,000)
Interest cost	(258,000)	(157,000)
Interest income	123,000	67,000
Total	<u>(1,404,000)</u>	<u>(935,000)</u>

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

	Year ended 31 August 2018 £	Period ended 31 August 2017 £
Opening defined benefit obligation	9,608,000	4,367,000
Transferred in on existing academies joining the academy trust	-	4,119,000
Current service cost	1,269,000	825,000
Interest cost	258,000	157,000
Employee contributions	185,000	120,000
Actuarial gains	(1,096,000)	-
Past service costs	-	20,000
Closing defined benefit obligation	<u>10,224,000</u>	<u>9,608,000</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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22. PENSION COMMITMENTS (continued)

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

	Year ended 31 August 2018 £	Period ended 31 August 2017 £
Opening fair value of scheme assets	4,494,000	1,787,000
Transferred in on existing academies joining the academy trust	-	1,788,000
Interest income	123,000	67,000
Actuarial gains	109,000	285,000
Employer contributions	686,000	447,000
Employee contributions	185,000	120,000
	<u>5,597,000</u>	<u>4,494,000</u>
Closing fair value of scheme assets	<u>5,597,000</u>	<u>4,494,000</u>

23. 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 £
Amounts payable:		
Within 1 year	72,352	77,398
Between 1 and 5 years	130,433	179,537
After more than 5 years	44,114	69,322
Total	<u>246,899</u>	<u>326,257</u>

24. 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.

25. RELATED PARTY TRANSACTIONS

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 10.