

Lime Trust

Annual Report and Financial Statements

31 August 2023

Company Limited by Guarantee
Registration Number
09297519 (England and Wales)

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Reference and administrative information

Members	C A Constanti J Sanderson I Yoney
Trustees	C Cole (Chair) S Curtis (Vice Chair) W Leask H Morgan-Smith H C A Sarre M Koumaditis (resigned 03/11/23) A Jennings (from 12/09/22) N Miller (from 21/03/23) G Gadd (from 10/05/23)
Company Secretary	K Smith
Chief Executive Officer	K Jowett
Senior Management Team	
Director of Education	R Holland
Head of Business	L Fisher
Head of HR	L Collison
Head of Finance / CFO	R Barton
Governance and Communications Lead	K Smith
Registered address	Lime Trust c/o Larkwood Primary School 70-72 New Road Chingford London E4 8ET
Company registration number	09297519
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Bankers	Lloyds Bank plc 1 Legg Street Chelmsford Essex CM1 1JS

Reference and administrative information

Solicitors

Winkworth Sherwood
Minerva House
5 Montague Close
London
SE1 9BB

Trustees' report Year to 31 August 2023

The Trustees of Lime Trust ('the Academy' or 'the Academy Trust') present their annual report together with the financial statements and the auditor's reports on the charitable company for the year to 31 August 2023. The annual report serves the purposes of both a trustees' report and a directors' report under company law.

The financial statements have been prepared in accordance with the accounting policies set out on pages 41 – 47 of the attached financial statements and comply with the Academy's memorandum and articles of association, applicable laws and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102).

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

Lime Trust is a company limited by guarantee and an exempt charity. The charitable company's Memorandum and Articles of Association (dated 19 May 2016) are the primary governing documents of the Trust. The Trustees of Lime Academy Trust Limited are also the Directors of the charitable company for the purposes of company law. The charitable company is known as Lime Trust.

Details of the Trustees who served during the period under review are included in the Reference and Administrative Details.

Members' liability

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

Trustees' indemnities

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

Principal activities

The principal activity of the Academy Trust is to advance for the public benefit education in the United Kingdom but without prejudice to the generality of the foregoing, by establishing, maintaining, carrying on, managing and developing schools and settings offering a broad and balanced curriculum to children aged 3-19 with special educational needs and primary age mainstream.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Trustees

The Trustees are directors of the charitable company for the purposes of the Companies Act 2006. The following Trustees were in office at 31 August 2023 and served throughout the year except where shown.

Trustee	Appointing body
C Cole (Chair)	Lime Trust Members
S Curtis (Vice Chair)	Lime Trust Members
W Leask	Lime Trust Members
H Morgan-Smith	Lime Trust Members
H C A Sarre	Lime Trust Members
M Koumaditis (Resigned 03/11/23)	Lime Trust Members
A Jennings (from 12/09/22)	Lime Trust Members
N Miller (from 21/03/23)	Lime Trust Members
G Gadd (from 10/05/23)	Lime Trust Members

Method of recruitment and appointment or election of Trustees

The management of the Trust is the responsibility of the Trustees, who are appointed under the terms of the Trust's Articles of Association and Funding Agreement as follows:

- ◆ by the Trust's Members, following an interview process and based on their skills; or
- ◆ by the Secretary of State for Education.

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

An interview process led by the Chair of the Board is used to select appropriate Trustees based on their skill set, who are then formally appointed by the Trust Members as per the Trust's Articles of Association.

There are no Executive Trustees and no Parent Trustees; there is parent representation at Academy Council level.

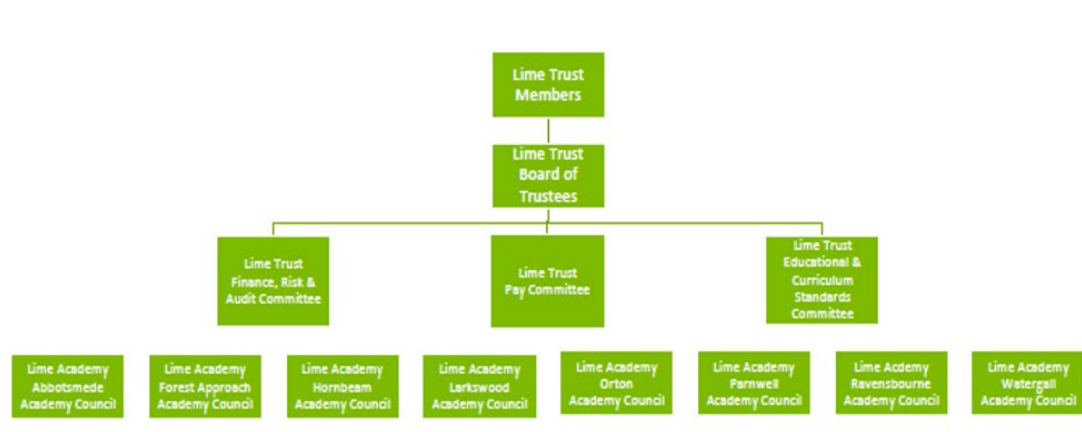
The term of office for all Trustees is four years, which can be renewed if a Trustee remains eligible to serve as a Trustee and the Members deem that a term renewal would be in the best interests of the Trust.

The Trust has a Governance Handbook and a thorough Induction process for all new Trustees, led by the Governance and Communications Lead. A key expectation covered as part of the induction process is the 'Seven Principles of Public Life'.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Organisational structure

The Trust's governance structure is illustrated below. This structure was reviewed during 2022-23.



Members

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

The Members' key responsibilities are:

- ◆ to ensure the Objects of the Trust are met. The Annual Report addresses this and is presented to the Members either at the Annual General Meeting or by other means.
- ◆ to determine the Trust's constitution and governance, i.e., the Articles, which were finalised on incorporation; and
- ◆ exercising either a direct power under the Articles, or a statutory power under the Companies Act 2006, to appoint and remove Trustees (noting any power of the Trust Board to also make such appointments).
- ◆ Determine constitution and agree charitable purpose
- ◆ Oversee the Trustees and ensure the effectiveness of the Trust Board
- ◆ Recognise any strategic partnerships
- ◆ Delegate day to day governance and management responsibility to the Trustees
- ◆ Appoint (and remove where necessary) Trustees

Trustees and the Trust Board

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

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

- ◆ to ensure compliance with any legal obligations.
- ◆ to report on the charity's activities (the Trust must prepare accounts in accordance with the Statement of Recommended Practice for Charities, the "Charity SORP").

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Organisational structure (continued)

Trustees and the Trust Board (continued)

- ◆ to fulfil the charitable object of the charity as set out in its constitution (i.e., the Articles of Association) and to act in a way which is compliant with the rules of the charity contained in the Articles.
- ◆ to act with integrity and to avoid any personal conflicts of interest and not to misuse any charity funds or assets.
- ◆ to act prudently in the financial management of the Trust, avoiding putting any assets, funds, or the reputation of the Trust at undue risk.
- ◆ to exercise reasonable care and skill, using personal knowledge and experience to ensure the Trust is well run and efficient; and
- ◆ to act responsibly, getting advice from others, including professional advisors, where appropriate.
- ◆ Hold governance accountability
- ◆ Decide the Trust's strategic vision and overarching strategic plan
- ◆ Provide strategic leadership and governance
- ◆ Provide challenge and support to strategic personnel and senior leaders
- ◆ Decide strategic and operational policies
- ◆ Facilitate collaboration between schools
- ◆ Support and oversee shared services and resources
- ◆ Decide and oversee the implementation of Trust strategic plan and Academy improvement plans
- ◆ Approve performance benchmarks
- ◆ Oversee Trust curriculum priorities
- ◆ Approve overall Trust budget and academy budgets
- ◆ Oversee financial governance and risk management
- ◆ Decide Trust financial policies
- ◆ Ensure appropriate insurance or risk cover is put in place
- ◆ Undertake recruitment and performance management of the CEO, the recruitment of the CFO and join Headteacher recruitment panels
- ◆ Ensure there is a strategy for the recruitment and retention of staff and oversee the development and implementation of policies and programmes for staff training and professional development
- ◆ Support the development and building of leadership and governance capacity at school level
- ◆ Decide on a Trust wide site and asset management strategy
- ◆ Oversee any significant capital expenditure and building projects
- ◆ Approve of all funding applications
- ◆ Decision maker for appeals unless it is deemed appropriate to delegate this to local Academy Council Governors

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Organisational structure (continued)

Trustees and the Trust Board (continued)

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

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

Local Academy Council

- ◆ Monitor and support the fulfilment of any academy improvement and other action plans
- ◆ Monitor the safeguarding of pupils at the academy, ensuring compliance with all safeguarding legislation and guidance
- ◆ Ensure each academy operates safely, complying with appropriate health & safety responsibilities
- ◆ Oversee expenditure in accordance with appropriate authorisations
- ◆ Promote equality and diversity
- ◆ Promote collaboration with other schools in the Trust
- ◆ Contribute to the review of school policies (e.g., admissions, pupil behaviour, safeguarding) as needed
- ◆ Provide advice and feedback to the Trustees via the Executive Team, ensuring the academy is meeting the needs of its community
- ◆ Undertake all and any appropriate community consultation
- ◆ Provide a point of contact for parents, carers and other members of the local community, maintaining an effective link to the wider community
- ◆ Ensure the Trust and the academies deliver on the commitments to prioritise staff welfare and well-being, as well as oversee programmes for staff development and mentoring
- ◆ Monitor its own training and development, so that knowledge, skills and behaviour are in line with good practice and the Academy Council continues to contribute to the success of the academies and the wider Trust
- ◆ Academy Council Governors also have the important role of participating in panels for disciplinary and grievance hearings and appeals, exclusion and admission appeals, and complaint hearings, unless otherwise directed by the Trust

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Organisational structure (continued)

Arrangements for setting pay and remuneration of key management personnel

There is no pay and remuneration in place for Trustees, other than the opportunity to claim expenses, as set out in the Trust's Staff and Governors Expenses Policy.

The Trust, in April 2016, May 2019 and July 2020, sought advice on CEO and COO pay from Hayes Executive. The Trust operates within the relevant legal frameworks for qualified teachers, as set out in the Education (School Teachers' Appraisal) (England) Regulations 2012, for all members of the Trust Executive Team employed on STPCD (School Teachers Pay and Conditions Document) terms. For all other staff, relevant legislation and the appropriate professional standards are used.

The Trust and all its employees have due regard for legislation on equality, employment protection and data protection. The CEO is appraised by a CEO Remuneration Committee determined by the Trustees, comprising of the Chair of the Trust Board and the Chair of the Finance, Risk and Audit Committee, working with a suitably qualified professional external advisor mutually agreed by the Remuneration Committee and the CEO. The Remuneration Committee makes a recommendation on the CEO's and COO's pay to the Trust Board for final decision. Determination on pay for the remaining members of the Trust Executive Team is made by the CEO. The CEO determines who will appraise all other staff employed within the Trust's Executive Team.

Trade union facility time

Lime Trust have a Trade Union Agreement with the Teaching and Support staff Unions. We work collaboratively to achieve an effective relationship. Each of our Lime Trust School has School Representatives for these unions. Currently we have no school representatives that work for the local areas. The Trust contributes to Havering, Peterborough and Waltham Forest Council's pooled trade union facility time. The Trust has set up the Lime Trust Negotiating Committee with key unions to discuss staffing policies and procedures.

Connected organisations, including related party relationships

The Trust provides a procurement framework that enables its member academies to access commercial services that ensure value for money and consistent quality. For these commercial services, the Lime Trust has entered into agreements with commercial providers of back-office services, including legal and accountancy services. The Trust has no related party transactions in the reporting period.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Organisational structure (continued)

Subsidiary Entities

The Academy Trust owns a 100% holding in two subsidiary entities. Both subsidiary companies were dormant during the year.

1. Lime Academy Trades Limited (Company Registration Number 11355855)
 - ◆ The Academy Trust owns a 100% ownership and control.
 - ◆ The primary function was to trade education services.
 - ◆ This subsidiary company was dormant during this year
 - ◆ The company was dissolved on 27 September 2022

2. Hornbeam Community Trust (Company Registration Number 10412859).
 - ◆ The Academy Trust owns a 100% ownership and control.
 - ◆ The primary function was to offer provision for 19–25-year-olds.
 - ◆ This subsidiary company was dormant during this year
 - ◆ The company was dissolved on 17 January 2023

UK greenhouse gas emissions and energy use data

Measures taken to improve energy efficiency

The Trust has continued to use Teams (video conferencing technology) to facilitate more meetings being conducted remotely, reducing the need for travel between sites and reducing travel for trustees and staff for meetings. The central team now meet remotely more often, limiting their need to travel and thus also reducing their carbon footprint.

In addition to these measures, the Trust is committed to the public sector decarbonisation scheme and all schools within the trust now have in place a heat decarbonisation plan. As part of the capital strategy, the trust are committed to implementing the decarbonisation plan. The Government CO₂ monitors were installed in all schools by the end of 2022/23. These will assist in alerting the Trust to any leaks or issues early.

The Trust has continued running installations of LED lighting into its Academies. The most recent work was undertaken at Lime Academy Hornbeam – Brookfield House Campus.

Full site surveys have been conducted on all the Trust's buildings and this has led to some major roof improvements taking place at four academies, which will help with insulation. New modern windows were installed at the same time as the roofs were replaced. In addition to this, the trust has invested in boiler replacements in four academies. This significant capital investment will continue to enhance the energy efficiencies in the school.

Quantification and reporting methodology

We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard and have used the 2023 UK Government's Conversion Factors for Company Reporting.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

UK greenhouse gas emissions and energy use data (continued)

Intensity measurement

The chosen intensity measurement ratio is total gross emissions in metric tonnes of CO₂ per pupil per annum, the recommended ratio for the sector.

	<u>2022/23</u>	<u>2022/23</u>	<u>2021/22</u>	<u>2021/22</u>
Energy consumption used to calculate emissions (kWh)				
. Gas (kWh)	2,506,727		2,529,043	
. Electricity (kWh)	1,376,658		1,359,397	
. Transport fuel (kWh)	105,440		86,945	
Total		<u>3,988,825</u>		<u>3,975,385</u>
Scope 1 emissions (metric tonnes of CO₂)				
. Gas	458		462	
. Owned transport	1		1	
		459		463
Scope 2 emissions (metric tonnes of CO₂)				
. Purchased electricity		285		263
Scope 3 emissions (metric tonnes of CO₂)				
. Business travel in employee-owned vehicles		24		1
Total gross emissions (metric tonnes of CO₂)		<u>768</u>		<u>727</u>
Average pupil numbers		2,413		2,345
Intensity ratio: Tonnes of CO₂ per pupil per annum		<u>0.32</u>		<u>0.31</u>

OBJECTIVES AND ACTIVITIES

Objects and aims

Putting Learners First is our Trust vision.

We aim to create a nurturing and supportive learning environment for all, encouraging our learners to achieve academic excellence and reach their full potential. We set high expectations and build capacity-rich schools through facilitating school-to-school collaboration. The high challenge we put forward is met with equally high support from our team of education experts, so we continue to improve our children's lives and futures – especially for disadvantaged pupils.

Our values are based on R.E.S.P.E.C.T. which means we believe that:

Respect is built on unconditional positive regard for all learners, all employees, and our wider communities.

Equity enables everyone to be treated as individuals. It removes barriers, provides opportunity and celebrates difference.

Self-worth creates a culture where all learners, all employees and our wider community have pride in their contributions and feel confident and valued.

Partnership is working together for the common good, ensuring that our learners are at the heart of all that we do.

Enjoyment is feeling happy, safe and motivated to make a positive contribution.

Communication provides a voice for all, creating a shared understanding through dialogue.

Trust is a partnership which requires us to act with integrity. Be brave, honest and kind.

STRATEGIC REPORT

Achievements and performance

Lime Trust Primary Schools

- ◆ Lime Academy Abbotsmede
Headteacher: Kiel Richardson
Number on Roll (NOR): 411
Local Authority: Peterborough
Ofsted Grade: Good, (February 2022)

- ◆ Lime Academy Larkswood
Headteacher: Laura Hewer (from 01/01/22), Rachael Holland (from 01/02/23 - 31/08/23)
NOR: 592
Local Authority: London Borough of Waltham Forest
Ofsted Grade: Good (July 2023)

STRATEGIC REPORT (continued)

Achievements and performance (continued)

Lime Trust Primary Schools (continued)

- ◆ Lime Academy Parnwell
Headteacher: Ben Newstead
NOR: 362
Local Authority: Peterborough
Ofsted Grade: Good, (February 2022)

- ◆ Lime Academy Watergall
Headteacher: Andy Buffham
NOR: 357
Local Authority: Peterborough
Ofsted Grade: Requires Improvement (January 2022)

Lime Trust Special Schools

- ◆ Lime Academy Forest Approach
Headteacher: James Power (Interim)
NOR: 136
Age Range: 2-19
Local Authority: London Borough of Havering
Ofsted Grade: Good (May 2023)

- ◆ Lime Academy Hornbeam
Headteacher: Ben Hawes (Until 14/12/22) Sean Egan (Interim)
NOR: 268
Age Range: 2-19
Local Authority: London Borough of Waltham Forest
Ofsted Grade: Good (June 2018)

- ◆ Lime Academy Orton
Headteacher: Charlotte Whysall (Until 31/03/23), Rebecca le Caplain (from 1/04/23)
NOR: 151
Age Range: 2-19
Local Authority: Peterborough
Ofsted Grade: Not yet inspected

- ◆ Lime Academy Ravensbourne
Headteacher: Andy Smith
NOR: 78
Age Range: 2-19
Local Authority: London Borough of Havering
Ofsted Grade: Good (January 2019)

STRATEGIC REPORT (continued)

Achievements and performance (continued)

Lime Academy Forest Approach was inspected in May 2023 and Lime Academy Larkswood was inspected in July 2023 by Ofsted. Both schools were judged as good in all areas.

Areas for Improvement from the recent inspections

Lime Academy Forest Approach

- ◆ Overall effectiveness: Good
- ◆ The quality of education: Good
- ◆ Behaviour and attitudes: Good
- ◆ Personal development: Good
- ◆ Leadership and management: Good
- ◆ Sixth-form provision Good

Areas for development

- ◆ In some subjects, teachers do not have a firm enough understanding of the curriculum matter to be taught. This means that the delivery of the curriculum does not enable pupils to develop a deep understanding of the subject content being taught. Leaders should continue their work to support the professional development of staff, ensuring that staff have secure subject knowledge across all the subjects that they teach.

Lime Academy Larkswood

- ◆ Overall effectiveness: Good
- ◆ The quality of education: Good
- ◆ Behaviour and attitudes: Good
- ◆ Personal development: Good
- ◆ Leadership and management: Good
- ◆ Early Years provision Good

Areas for development

- ◆ The school has not embedded the entirety of the new curriculum for some foundation subjects. The school should ensure that they implement the new curriculum securely across all subjects.
- ◆ The range of enrichment and leadership opportunities on offer to pupils is still quite limited following the pandemic. Pupils do not have access to a rich variety of wider opportunities to develop their talents and interests outside the academic curriculum. The school should ensure that the range of opportunities increases for the development of pupils' wider development beyond the curriculum.
- ◆ At times, children in the early years are not helped to build their knowledge cumulatively in specific areas, such as understanding the world. The school should ensure that curriculum thinking extends down into early years to ensure that children are routinely ready for the next stage of their education.

STRATEGIC REPORT (continued)

Achievements and performance (continued)

Primary School Outcomes 2022-23

Year 6 Progress scores 2023

National	Reading	Writing	Maths
Top 5 %	3.8 and above	3.7 and above	4.1 and above LAA
Next 20 %	1.6 to 3.7 LAL	1.7 to 3.6 LAA, LAL, LAP	1.8 to 4 LAW, LAL, MAT
Next 15%	0.7 to 1.5 LAA, MAT LAL, LAP	0.8 to 1.6 MAT, LAW	0.8 to 1.7 LAA, LAL
Middle 20%	-0.4 to 0.6 LAW, LAA, MAT	-0.3 to 0.7 LAW, LAA, MAT	-0.5 to 0.7 MAT, LAP
Next 15%	-1.3 to -0.5 LAW	-1.3 to -0.4 LAL	-1.6 to -0.6 LAW
Next 20%	-3.5 to -1.4	-3.9 to -1.4 LAP	-4.3 to -1.7
Bottom 5%	-3.6 and below LAP	-4.0 and below	-4.4 and below LAP

Subject	LAA 2023	LAL 2023	LAP 2023	LAW 2023	MAT Ave. 2023
Reading	+1.4	+2.9	-3.8	+0.3	(+0.3) +0.7
Writing	+2.9	+2.8	-2.3	0	(+0.5) +1.2
Maths	+4.3	+3.7	-4.6	+1.8	(+0.4) +1.8

Special Schools

Functional skills performance: No. Of Learners entered

School	Maths			English					
				Reading			Writing		
LAFA	Entry 1	Entry 2	Entry 3	Entry 1	Entry 2	Entry 3	Entry 1	Entry 2	Entry 3
	6	5	6	5	8	6	5	8	6
LAH	9	7	2	8	3	4	8	3	4

STRATEGIC REPORT (continued)

Achievements and performance (continued)

Destination Data:

Destination data 2023	
LAFAn7	<ul style="list-style-type: none"> • 5 attending Havering College • 1 attending Barking and Dagenham College • 1 unknown
LAHn14	<ul style="list-style-type: none"> • 3 attending Waltham Forest College • 4 attending MENCAP • 1 attending Beechwood College • 2 attending St Johns College • 1 attending new City College • 1 Attending Epping Forest College • 1 moved to Kent, placement unknown • 1 EHCP ceased
LAOn4	<ul style="list-style-type: none"> • 3 leavers are attending Peterborough college (4 days per week) for their education provision and Zest (1 day per week) for their social care provision. • 1 leaver is attending SENSE college (3 days per week) for their education provision and SENSE day service (2 days per week) for their social care provision.
LARn5	<ul style="list-style-type: none"> • Havering Borough Students: • 2 attending Havering College and completing a Level Entry 1 course. • 1 place at havering College was turned down by the parents. Social Worker is involved, and placement is still being sought for student. • Newham borough students: • 1 Day-care centre in Newham. All colleges applied for said that they could not meet his needs. • Essex borough students: • 1 awaiting place in a residential placement in Hertfordshire. All colleges applied for said that they could not meet his needs.

Impact of Objectives 2022-23

1. School Improvement Strategy
 - ◆ The Lime Trust Curriculum was reviewed and updated by the School Improvement Team in partnership with school Teaching and Learning and Subject Leads during 2022-23.
 - ◆ All Primary schools are working collaboratively on planning each half-term, reducing workload and improving quality of education. This process is being mirrored in the review and development of the Lime Trust Special School Curriculum.
 - ◆ This is complimented by the development and introduction of a new Trust Teaching and Learning Policy. This tool enables all teachers and support staff to access all documents, guidance and research that underpins our golden thread. It includes how to build lessons, support for planning, assessment, measuring pupil progress and moderation.

STRATEGIC REPORT (continued)

Impact of Objectives 2022-23 (continued)

2. People Strategy
 - ◆ All teachers, senior leaders and central school improvement staff were enabled to complete an NPQ (National Professional Qualifications) with Ambition Institute enabling implementation of our golden thread.
 - ◆ Regional HR team infrastructure developed with leads on Recruitment, Sickness absence and casework.
3. Governance development
 - ◆ Reviewed and implemented a one school governance model
 - ◆ Recruited and inducted 27 new governors
 - ◆ Recruited 3 new Trustees
 - ◆ Reviewed systems, processes and instruments of governance have been reviewed to reflect new structures
 - ◆ Developed and implemented training programme.
4. Communication Strategy
 - ◆ Developed suite of Lime Trust branded media.
 - ◆ Expanded and implemented social media infrastructure.
 - ◆ Lime Trust staff newsletters delivered termly.
 - ◆ Time for Lime attendance campaign implemented
 - ◆ Primary school recruitment and admissions campaign implemented
5. Digital Strategy
 - ◆ Reviewed IT team and implemented new regional infrastructure
 - ◆ Recruited external consultant to support Head of Business to implement strategy
6. Business Development
 - ◆ Implemented time in motion study and recommended infrastructure.
 - ◆ Completed catering review and recruited executive chefs to implement recommendations.
 - ◆ Continued implementation of 2020-25 Capital Estates Strategy
7. Sustainability Strategy
 - ◆ Commissioned sustainability reviews for each school to develop action plans for energy efficiency and reduction of carbon footprint.

STRATEGIC REPORT (continued)

Financial review

Financial report for the year

Total income for the year was £33,655,000 (2022 – £32,151,000). Total expenditure for the year was £33,580,000 (2022 – £33,886,000). Net income for the year was therefore £75,000 (2022 – net expenditure of £1,735,000). This is excluding an actuarial gain on the defined benefit pension scheme of £5,396,000 (2022 – a gain of £20,591,000). Excluding expenditure relating to the Local Government Pension Scheme liability, which amounted to £451,000 (2022 – £2,842,000) and movements in the tangible fixed assets fund of £115,000 (2022 – £1,268,000), the overall operational deficit was £411,000 (2022 – £161,000).

At 31 August 2023, the balance of unrestricted funds and general restricted funds (excluding the pension reserve and tangible fixed assets fund) was £7,043,000 (2022 – £6,632,000). The results for the year are shown on page 38.

Reserves policy

Lime Trust is expected to create contingency reserves from its annual GAG funding or other income. It is the Board's intention to make sure financial controls which will deliver surpluses through joint procurement, economies of scale and additional income generation.

The purpose of this policy is to outline the requirement for a revenue/capital reserve within Lime Trust to ensure development plans and strategic long terms aims are achieved.

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

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

The trust now qualifies for SCA (School Condition Allocation) funding and has written a five-year Estates Management strategy which addresses the D, C and B graded issues found in the school's condition surveys. The SCA funding along with the reserves are being used to make sure the schools are safe, warm and dry. In 2022/23 the trust has invested in roof replacements at Lime Academy Watergall and Lime Academy Orton (Clayton campus), fireproofing works at Lime Academy Forest Approach, boiler replacement and associated pipework completed at Lime Academy Hornbeam (Brookfield House Campus) and Lime Academy Ravensbourne (swimming pool).

As a whole Lime Trust currently holds relatively high levels of reserves but still below the recommended maximum of 20% of operating income. The schools are expected to keep between 2% and 5% of their total income in order to support unforeseen costs and cash flow. Once the Estates Management programme of work has been completed, the Trust's reserves will be reduced by 5m.

STRATEGIC REPORT (continued)

Financial review (continued)

Reserves policy (continued)

At 31 August 2023, the Trust's level of operational reserves was £7,043,000 (2022 – £6,632,000), which the Trustees consider to be satisfactory.

The level of reserves is subject to internal scrutiny by the executive team and Board.

Investment policy

The Trust has invested £1.5m of reserves with its bank in an interest-bearing account with 90 days' notice. This amount is shown under the heading "short term deposits" on the Trust's balance sheet.

Fundraising

The Lime Trust has parent groups that are active in some of its schools, supporting the schools with fund raising of outdoor play equipment and books for children to take home to promote the love of reading.

Fundraising activities include summer and winter fayres and sponsorship by local businesses (e.g., local estate agents).

Each school participates in national fund-raising activities including Children in Need, Comic and Sports Relief. All monies collected are donated to the charities.

The Trust aims to achieve best practice in the way in which it communicates with donors and other supporters. It takes care with both the tone of its communications and the accuracy of its data to minimise the pressures on supporters. It applies best practice to protect supporters' data and never sells data, it never swaps data and ensures that communication preferences can be changed at any time.

Beyond the assistance of the supporter groups noted above, the Trust manages its own fundraising activities; it does not employ the services of Professional Fundraisers. The Trust undertakes to react to and investigate any complaints regarding its fundraising activities and to learn from them and improve its service. During the year to 31 August 2022, the charity received no complaints about its fundraising activities.

Going concern

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

STRATEGIC REPORT (continued)

Promoting the success of the company

Trustees have considered the interests of the Trust and its stakeholders in their decision making. The Trust has a wide range of stakeholders, including learners and their parents, its employees, governors and the local communities. Trustees are cognisant of their role and the role of the schools in their communities.

Trustees receive feedback through many channels, including in particular:

- ◆ From Academy Councils who act as a link between the school and their parents and communities
- ◆ From external professional advisers
- ◆ From the Trust Executive Team as those with delegated responsibility for day to day running of the Trust.

Where appropriate stakeholders including the local communities, Local Authorities and Unions are consulted on specific policy decisions prior to their approval. The Trust board is robust in its commitment to its own code of conduct and that of its staff. It is aware of the potential for conflicts of interest and puts in place mechanisms to counter these where they apply. The Trustees place a high premium on ethical practice and making decisions in the best interests of the learners and their communities.

Engagement with suppliers, customers and others in a business relationship with Lime Trust

Lime Trusts Financial Management Policy and Procedures which are published on its website details the way the organisation engages with suppliers (section 6).

Our intent is to foster good supply arrangements which benefit both the organisation and its academies and the suppliers we use. Our aim is to be supplied with goods and services we need at the best value and at the time required, through suppliers being offered fair, open and transparent ways to bid and provide these goods and services.

During 2022-23, to ensure best practice, we have engaged with the DfE Frameworks and Training and commissioned Expense Reduction to review purchases to ensure best value is being achieved.

Employee Involvement

Lime Trust encourages staff contributions at all levels and close collaboration between the academies. Head teachers and the Executive Team form the Trust Leadership Team and meet regularly to steer policy, strategy, knowledge and best practice. Curriculum hubs and Year group hubs have been developed to ensure staff can collaborate across sites between the primary and the special schools' groups. Academies hold regular meetings and briefings. New staff are fully inducted, and teachers take part in training before the start of and during the school year. Staff surveys are completed annually, and each school has a Well-being champion working as part of a Trust wide group to promote staff well-being.

STRATEGIC REPORT (continued)

Accessibility

Our school sites have been adapted to ensure all learners, staff and community members have access to all main areas of the academies where possible. This includes supporting the employment of disabled persons.

Principal Risks and Uncertainties

At every Trust Board meeting the board reviews the Trust risk Register and discusses the possible impact of the five highest risks. The register covers

- ◆ Operational risks
- ◆ Reputational risks
- ◆ Safeguarding
- ◆ Legal
- ◆ Financial
- ◆ Governance
- ◆ Strategic
- ◆ IT
- ◆ Health and Safety

To assure Trustees that the trust's estate is safe, well maintained and complies with relevant regulations we commission external reviews for health and safety and fire risk.

Uncertain external environment

- ◆ The impact of COVID 19 on the way education is delivered, particularly to the most vulnerable children with Education Health Care Plans and Free School Meals.
- ◆ The impact of COVID 19 on the end of year tests in primary schools.
- ◆ The rate of academisation slowed by changes in government policy.
- ◆ The uncertainty and impact of Brexit on supply chains, the economy and government policy.
- ◆ The impact of the rising cost of utilities.

Poor educational standards

- ◆ Predicted pupil outcomes in 2023 are not achieved causing reputational damage. Headline Key Stage 2 results could be undermined by loss of pupils in Year 6, and/or by the admission of new joiners at a late stage whose attainment levels are low.
- ◆ School leaders struggle to be effective.
- ◆ Recruitment of good teachers proves difficult and impacts on outcomes.

STRATEGIC REPORT (continued)

Financial risks

- ◆ Falls in pupil roll numbers. This would impact on both the individual school and central services income. The Peterborough schools currently have vacancies, but numbers are projected to increase as population grows, educational standards improve, and the reputations of the schools improve.
- ◆ Difficulty in maintaining balanced academy budgets, particularly in the special academies, as funding levels for children with Education Health Care Plans are reduced by Local Authorities due to the High Needs Block being overspent. This is at a time when the Trust has to manage unforeseen expenses, including building works and increases in staffing costs.
- ◆ PFI costs at Lime Academy Larkwood rise faster than GAG funding.
- ◆ The rising cost of utilities is a concern for those schools who are out of contract.
- ◆ Unfunded public sector pay rises. This was significantly higher than expected nationally. This is being supported by the trust in the short term, but this is not a mid or a long-term solution.

All risks are reflected in the Trust's Risk Register and reviewed by the Finance and Audit Committee. The academies report on risk at the Academy Council meetings.

Plans for future periods

Lime Trust Key Performance Drivers for the academic year 2023/4

We will be focussing on the following areas:

High quality and inclusive education and School Improvement

- ◆ Implementation of the Special School Curriculum
- ◆ Development of the Teaching and Learning Policy to include selection of resources for Primary and Special schools to access
- ◆ Implementation of the Step Lab platform to improve teaching and learning to embed pedagogical knowledge of all teaching staff
- ◆ Continue to develop a Trust wide cohesive approach to the Post 16 and CEIAG offer
- ◆ Further collaboration across Primary and Special schools to upskill teacher's leaders at all levels. With a particular focus on middle leaders and planning.
- ◆ Hub development across the schools aligned with Trust priorities

Workforce

- ◆ Review of health and wellbeing offer impact
- ◆ Continued development of career development pathways
- ◆ Recruitment and retention
- ◆ Develop Trust wide Safeguarding hub

Finance and Operations

- ◆ Implement regional hub model
- ◆ Review and streamlining of KPIs (Key Performance Indicators) for reporting
- ◆ Continued implementation of the Communication Strategy
- ◆ Infrastructure phase of Digital Strategy
- ◆ Continued implementation of Capital Strategy 2020-25
- ◆ Implement sustainability audit recommendations
- ◆ Implement expansion of Lime Academy Forest Approach

Governance and Leadership

- ◆ Continued recruitment of members, trustees and governors
- ◆ Leadership development, coaching and supervision programme
- ◆ Continue to implement governor induction and specific responsibility training.

Trustees' report Year to 31 August 2023

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.

The Trustees' report, incorporating a strategic report, was approved by order of the members of the board of Trustees and signed on its behalf by:



Christopher Cole
Chair of Trustees
Date: 15/12/2023

Scope of responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that the Lime Trust has an effective and appropriate system of control, financial and otherwise. However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can provide only reasonable and not absolute assurance against material misstatement or loss.

The board of Trustees have delegated the day-to-day responsibility to the Chief Executive, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between the Academy and the Secretary of State for Education. The Chief Executive is also responsible for reporting to the board of Trustees any material weaknesses or breakdowns in internal control.

Governance

6 times during the year. Attendance during the year at these full meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
C Cole (Chair)	6	6
S Curtis (Vice Chair)	5	6
Gillian Gadd	1	2
Amanda Jennings	5	6
W Leask	6	6
H Morgan-Smith	6	6
Neil Miller	0	2
H C A Sarre	6	6
M Koumaditis	1	3

The Finance, Risk and Audit Committee is a sub-committee of the main board of Trustees and is responsible for ensuring that the Trust and its Academies have good financial governance and meet the requirements of the Academies Financial Handbook.

Attendance at Finance, Risk and Audit meetings in the year was as follows:

Governor	Meetings attended	Out of a possible
S Curtis (Chair)	4	4
G Gadd	2	2
H Morgan Smith	3	4
H C A Sarre	3	4
M Koumaditis	1	1

The Education and Curriculum Standards Committee is also a sub-committee of the main board of Trustees. The main purpose of the Committee is to undertake detailed challenge and support around the Trust's approach to education, curriculum and standards. The committee focuses on pupil outcomes through interrogation of data. They at predictions across the Trust academies, attendance and

Governance (continued)

exclusions, with the objective of driving up standards. Due to Covid-19 the committee also focused on catch up programmes.

Trustee	Meetings attended	Out of a possible
C Cole (Chair)	3	3
Amanda Jennings	3	3
W Leask	2	3
N Miller	1	1

Conflicts of interest

The Trust requires all individuals identified as needing to complete a register of business interest to confirm the details held are accurate on an annual basis. All individuals are notified of the requirement to inform the Trust of any changes to their register at the earliest possible time and this is contained within the governance documents of the academies. All committee and board meeting agendas have, as standing items, the requirement to confirm the existence of any conflicts and that the registers are up to date.

Academy Councils are local committees of the board, tasked with monitoring individual schools in respect of pupil outcomes, safeguarding, health & safety, financial probity and equality, diversity and inclusion.

Our Members, Trustees and local governors also undertook a programme of training as follows in 2022-23: development day, safeguarding and GDPR.

During 2022-3 our Trustees and local Governors undertook several monitoring meetings and visits to our schools, with a focus on pupil outcomes, safeguarding, health & safety, financial probity and equality, diversity and inclusion.

Review of value for Money

As accounting officer, the Chief Executive has responsibility for ensuring that the Academy Trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes, as well as estates safety and management, achieved in return for the taxpayer resources received. Throughout the disruption caused by the closure of schools due to Covid-19, the Trust and its Academies continued to pay suppliers in a timely manner.

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

- ◆ Central procurement and negotiation of all licences and contracts is on-going to achieve greater economy of scales. All contracts, where possible are now negotiated and managed by the Trust.
- ◆ Reviewing school spend on supply cover, this is on the agenda at all meetings regarding finances and the Trust are now using the DfE framework agreement to limit our supply agency mark-up charges.
- ◆ Reviewing procurement and compliance processes to ensure the trust's estate is safe, well-maintained, and complies with regulations

Value for Money and procurement was a focus of the internal scrutiny visits to schools during this reporting period.

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 the Academy's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place at the Academy for the year ended 31 August 2023 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The board of Trustees has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy's significant risks that has been in place for the year ended 31 August 2023 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of Trustees.

The risk and control framework

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

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

The risk and control framework (continued)

- ◆ delegation of authority and segregation of duties;
- ◆ identification and management of risks.

The board of Trustees has considered the need for a specific internal audit function and has decided:

- ◆ to appoint MHA MacIntyre Hudson LLP as internal auditor provisions of the Financial Reporting Council's revised ethical standard for auditors;
- ◆ The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. The internal auditor's reports are discussed at the Finance, Risk and Audit Committee and reported to Board.

During the year, the internal auditor undertook three reviews, focusing on the following areas:

- ◆ Cyber security
- ◆ Insurance
- ◆ Income

There were no high priority findings from these visits and appropriate action has been agreed for all recommendations raised.

Review of effectiveness

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

- ◆ the work of the internal auditor
- ◆ the work of the external auditor;
- ◆ the financial management and governance self-assessment process;
- ◆ the work of the senior management team within the Academy who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has advised the Finance, Risk and Audit Committee of the implications of his review of the system of internal control and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the board of Trustees on and signed on their behalf by:



Christopher Cole
(Chair of Trustees)

Approved on: 15/12/2023



Kirsten Jowett
(Accounting Officer)

Statement on regularity, propriety and compliance 31 August 2023

As accounting officer of Lime Trust, I have considered my responsibility to notify the Academy Trust board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, including for estates safety and management, under the funding agreement in place between the Academy Trust and the Secretary of State. As part of my consideration, I have had due regard to the requirements of the Academy Handbook, including responsibilities for estates safety and management.

I confirm that I and the Academy Trust board of Trustees can 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 Academy Handbook.

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.

A handwritten signature in blue ink, appearing to read 'R. Jarrett', is written over a faint circular stamp.

Accounting Officer

Date: 15/12/2023

Statement of Trustees' responsibilities 31 August 2023

The Trustees (who act as governors of the Academy and are also the directors of the Academy for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with the Annual Accounts Direction issued by the Education 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 Academy and of its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- ◆ select suitable accounting policies and then apply them consistently;
- ◆ observe the methods and principles in the Charities' SORP (FRS 102) and the Academies Accounts Direction 2022 to 2023;
- ◆ make judgements and estimates that are reasonable and prudent;
- ◆ state whether applicable United Kingdom Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements; and
- ◆ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Academy will continue in operation.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Academy's transactions and disclose with reasonable accuracy at any time the financial position of the Academy 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 Academy 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 Academy 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 the ESFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the Board of Trustees and signed on its behalf by:



Christopher Cole
Chair of Trustees

Independent auditor's report to the members of Lime Trust

Opinion

We have audited the financial statements of Lime Trust (the 'charitable company') for the year ended 31 August 2023 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies and the notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), 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) (the Charities SORP FRS 102) and the Academies Accounts Direction 2022 to 2023.

In our opinion, the financial statements:

- ◆ give a true and fair view of the state of the charitable company's affairs as at 31 August 2023 and of its income and expenditure, for the period then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- ◆ have been prepared in accordance with the requirements of the Companies Act 2006; and
- ◆ have been prepared in accordance with the Charities SORP 2019 and Academies Accounts Direction 2022 to 2023.

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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC'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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Conclusions relating to going concern (continued)

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the 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.

Opinions on other matters prescribed by the Companies Act 2006

Based on the work undertaken during the audit:

- ◆ the information given in the trustees' report, which is also the directors' report for the purposes of company law and includes the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ◆ the trustees' report, which is also the directors' report for the purposes of company law and includes the strategic report, has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained during 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;
- ◆ 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 trustees' responsibilities statement, the trustees (who are also the directors 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 charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures can detect irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- ◆ the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- ◆ we identified the laws and regulations applicable to the charitable company through discussions with management, and from our knowledge of the academy trust sector;
- ◆ the identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit;
- ◆ we considered the legal and regulatory frameworks that are applicable to the charitable company and determined that the most significant are the Companies Act 2006, the Charities SORP 2019, the Academies Accounts Direction 2022 to 2023, the Academy Trust Handbook 2022, and the academy trust's funding agreement with the ESFA as well as legislation pertaining to safeguarding in the UK;

Auditor's responsibilities for the audit of the financial statements (continued)

- ◆ we understood how the charitable company is complying with those legal and regulatory frameworks by making inquiries to management and those responsible for legal, compliance and governance procedures. We corroborated our inquiries through our review of the minutes of trustees' meetings and papers provided to the trustees
- ◆ we planned and carried out a separate limited assurance engagement in respect of regularity, propriety and compliance in accordance with the Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts issued by the ESFA, as set out in our separate independent reporting accountant's assurance report on regularity.

We assessed the susceptibility of the charitable company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- ◆ making enquiries of management and those charged with governance as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- ◆ considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- ◆ performed analytical procedures to identify any unusual or unexpected relationships;
- ◆ tested journal entries to identify unusual transactions;
- ◆ tested the authorisation of expenditure as part of our substantive testing thereon;
- ◆ assessed whether judgements and assumptions made in determining the accounting estimates set out in the accounting policies were indicative of potential bias; and
- ◆ used data analytics to identify any significant or unusual transactions and identify the rationale for them.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- ◆ agreeing financial statement disclosures to underlying supporting documentation;
- ◆ reviewing the minutes of trustees' meetings;
- ◆ enquiring of management and those charged with governance as to actual and potential litigation and claims;
- ◆ reviewing any available correspondence with Ofsted, ESFA and HMRC; and

Auditor's responsibilities for the audit of the financial statements (continued)

- ◆ the work undertaken in relation to the limited assurance engagement in respect of regularity, propriety and compliance in accordance with the Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts issued by the ESFA, as set out in our separate independent reporting accountant's assurance report on regularity.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. International Standards on Auditing also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

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 auditor's report.

Use of our report

This report is made solely to the charitable company'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 charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Hugh Swainson (Senior Statutory Auditor)
For and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

Independent reporting accountant's assurance report on regularity to Lime Trust and the Education and Skills Funding Agency

In accordance with the terms of our engagement letter dated 21 February 2020 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2022 to 2023, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Lime Trust during the period from 1 September 2022 to 31 August 2023 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

The accounting officer is responsible, under the requirements of Lime Trust's funding agreement with the Secretary of State for Education and the Academy Trust Handbook, extant from 1 September 2022, 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 2022 to 2023. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period from 1 September 2022 to 31 August 2023 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 Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts issued by ESFA.

The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations 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.

Independent reporting accountant's report on regularity 31 August 2023

Approach (continued)

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

The work undertaken to draw to our conclusion includes:

- ◆ An assessment of the risk of material irregularity and impropriety across all the Academy Trust's activities;
- ◆ Further testing and review of the areas identified through the risk assessment including enquiry, identification of control processes and examination of supporting evidence across all areas identified as well as additional verification work where considered necessary; and
- ◆ Consideration of evidence obtained through the work detailed above and the work completed as part of our financial statements audit to support the regularity conclusion.

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 period from 1 September 2022 to 31 August 2023 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Buzzacott LLP
Chartered Accountants
130 Wood Street
London
EC2V 6DL

Statement of financial activities (including income and expenditure account) Year to 31 August 2023

	Notes	Restricted funds			2023 Total funds £'000	2022 Total funds £'000
		Unrestricted general fund £'000	General restricted funds £'000	Fixed assets fund £'000		
Income from:						
Donations and capital grants	1	21	—	1,077	1,098	1,045
Charitable activities						
. Funding for the academy's educational operations	2	—	32,122	—	32,122	30,741
Other trading activities	3	406	—	—	406	362
Investments	4	29	—	—	29	3
Total income		456	32,122	1,077	33,655	32,151
Expenditure on:						
Charitable activities						
. Academy's educational operations	6	222	32,044	1,314	33,580	33,886
Total expenditure	5	222	32,044	1,314	33,580	33,886
Net income (expenditure)		234	78	(237)	75	(1,735)
Transfers between funds	14	—	(352)	352	—	—
Other recognised gains and losses						
Actuarial gains on defined benefit pension scheme	22	—	5,396	—	5,396	20,591
Net movement in funds		234	5,122	115	5,471	18,856
Reconciliation of funds						
Total fund balances brought forward at 1 September 2022		2,043	(6,215)	64,036	59,864	41,008
Total fund balances carried forward at 31 August 2023		2,277	(1,093)	64,151	65,335	59,864

All the Academy's activities derived from continuing operations during the above two financial periods.

Balance sheet 31 August 2023

	Notes	2023 £'000	2023 £'000	2022 £'000	2022 £'000
Fixed assets					
Tangible fixed assets	12		64,286		63,244
			64,286		63,244
Current assets					
Debtors	14	853		1,138	
Short term deposits		1,532		1,503	
Cash at bank and in hand		7,035		7,326	
		9,420		9,967	
Liabilities					
Creditors: amounts falling due within one year	15	(2,394)		(2,412)	
Net current assets			7,026		7,555
Total assets less current liabilities					
			71,312		70,799
Creditors: amounts falling due after one year	16		(118)		(131)
Net assets excluding pension scheme liability					
			71,194		70,668
Pension scheme liability	22		(5,859)		(10,804)
Total net assets			65,335		59,864
Funds of the Academy					
Restricted funds					
. Fixed assets fund	17	64,151		64,036	
. Restricted income fund	17	4,766		4,589	
. Pension reserve	17	(5,859)		(10,804)	
			63,058		57,821
Unrestricted funds					
. General fund	17		2,277		2,043
Total funds			65,335		59,864

The financial statements on pages 37 to 66 were approved by the Trustees authorised for issue and are signed on their behalf by:



Christopher Cole

Chair of Trustees

Date: 15/12/2023

Lime Trust

Company Limited by Guarantee

Registration Number: 09297519 (England and Wales)

Statement of cash flows Year to 31 August 2023

	Note	2023 £'000	2022 £'000
Net cash flows from operating activities			
Net cash provided by operating activities	A	1,046	1,106
Cash flows from investing activities			
	B	(1,308)	(1,478)
Change in cash and cash equivalents in the year		(262)	(372)
Reconciliation of net cash flow to movement in net funds:			
Cash and cash equivalents at 1 September 2022		8,829	9,201
Cash and cash equivalents at 31 August 2023	C	8,567	8,829

A Reconciliation of net income (expenditure) to net cash provided by operating activities

	2023 £'000	2022 £'000
Net income (expenditure) for the year (as per the statement of financial activities)	75	(1,735)
Adjusted for:		
Depreciation (note 12)	1,314	1,284
Capital grants from DfE and other capital income	(1,077)	(1,026)
Interest receivable (note 4)	29	(3)
Defined benefit pension scheme cost less contributions payable (note 22)	(16)	2,333
Defined benefit pension scheme finance cost (note 22)	476	509
Decrease (increase) in debtors	276	(102)
Decrease in creditors	(31)	(154)
Net cash provided by operating activities	1,046	1,106

B Cash flows from investing activities

	2023 £'000	2022 £'000
Dividends, interest and rents from investments	(29)	3
Proceeds from sale of tangible fixed assets	—	4
Purchase of tangible fixed assets	(2,356)	(2,511)
Capital grants from DfE/ESFA	1,077	1,026
Net cash used in Operating Activities	(1,308)	(1,478)

Statement of cash flows Year to 31 August 2023

C Analysis of changes in net debt

	At 1 September 2022 £'000	Cash flows £'000	At 31 August 2023 £'000
Cash at bank and in hand	7,326	(291)	7,035
Short term deposits	1,503	29	1,532
	8,829	(262)	8,567
Loans falling due within one year	(16)	(1)	(17)
Loans falling due after more than one year	(131)	13	(118)
Total	8,682	(250)	8,432

Statement of accounting policies

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

Basis of preparation

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 2022 to 2023 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The financial statements are reported in sterling and rounded to the nearest thousand pounds.

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 company 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.

The Trustees have concluded that consider that the Academy Trust has sufficient resources to continue for the foreseeable future, despite the ongoing Coronavirus pandemic, and that there are no material uncertainties about the Academy Trust's ability to continue as a going concern. Thus, the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

Income

All income is recognised when the Academy Trust has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

Grants

Grants are included in the statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of meeting any performance-related conditions there is conditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

Income (continued)

Grants (continued)

The General Annual Grant is recognised in full in the statement of financial activities 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. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

Donations

Donations are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable, and the amount can be reliably measured.

Other income

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the Academy Trust has provided the goods or services.

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 based on time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on raising funds

This includes all expenditure incurred by the Academy Trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Charitable activities

These are costs incurred on the Academy Trust's educational operations, including support costs and costs relating to the governance of the Academy Trust apportioned to charitable activities.

All expenditure is stated net of recoverable VAT.

Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Academy Trust; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

Tangible fixed assets

Assets costing £2,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost/valuation of each asset on a straight-line basis over its expected useful economic life, as follows:

◆ Long leasehold land	Over the life of the lease
◆ Long leasehold buildings	2% per annum
◆ Leasehold improvements	2% per annum
◆ Fixtures, fittings and equipment	25% per annum
◆ IT equipment	33.3% per annum

Depreciation is charged from the month of acquisition.

Assets during construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

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.

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.

Cash in 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.

Liabilities

Liabilities are recognised when there is an obligation at the balance sheet date because 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.

Leased assets

Rentals under operating leases are charged on a straight-line basis over the lease term.

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 the notes to the accounts. Prepayments are not financial instruments. Amounts due to the charity's wholly owned subsidiary are held at face value less any impairment.

Cash at bank – is classified as a basic financial instrument and is measured at face value.

Financial liabilities – trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in the notes to the accounts. 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 instrument. Amounts due to charity's wholly owned subsidiary are held at face value less any impairment.

Private Finance Initiative

Lime Academy Larkwood is subject to a contract under the Private Finance Initiative (PFI). Under this contract, the school premises are maintained and managed for a period of 25 years by the PFI contractor subject to contractual annual fees paid by the Academy. Upon expiry of the PFI contract the residual benefit of the premises passes to the Academy because of a 125-year lease granted to them.

Private Finance Initiative (continued)

The transaction is accounted for as a leasing transaction. As the Academy only enjoys the benefits of the premises subject to the restrictions under the PFI agreement, in the opinion of the directors, the Academy does not hold all the risks and rewards of ownership of the premises and the property is therefore accounted for as an operating lease. The premises are therefore not recognised as asset in the financial statements of the Lime Trust. The annual charges under the PFI agreement are expensed to the Statement of Financial Activities in the year they relate to as this treatment is more appropriate than recognition on a strict straight-line basis.

Taxation

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

Investments

Investments in subsidiary undertakings are valued at cost less provision for impairment

Pensions benefits

The Academy Trust operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Academy Trust to the fund in respect of the year. Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes.

The TPS (Teachers' Pension Scheme) is an unfunded scheme and contributions are calculated to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary based on quadrennial valuations using a prospective unit credit method. As stated in the notes to the accounts, 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.

Pensions benefits (continued)

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 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.

Fund accounting

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

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

Restricted income funds comprise all other grants received from the Education and Skills Funding Agency/Department for Education.

Other restricted funds comprise all other restricted funds received and include grants from various Local Authorities.

Critical accounting estimates and areas of judgement

Estimates and judgements 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.

Critical accounting estimates and areas of judgement (continued)

Critical accounting estimates and assumptions (continued)

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 the notes to the accounts, will impact the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed on 31 March 2022 has been used by the actuary in valuing the pensions liability on 31 August 2023. 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.

The estimated commitment for future payments under private finance initiatives is based on available data from the relevant local authority.

Critical areas of judgement

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

1 Donations and capital grants

	Unrestricted funds £'000	Restricted fixed assets funds £'000	2023 Total funds £'000
Capital grants	—	1,077	1,077
Donated fixed assets	—	—	—
Other donations	21	—	21
2023 Total funds	21	1,077	1,098

	Unrestricted funds £'000	Restricted fixed assets funds £'000	2022 Total funds £'000
Capital grants	—	874	874
Donated fixed assets	—	152	152
Other donations	19	—	19
2022 Total funds	19	1,026	1,045

2 Funding for the academy's educational operations

	Unrestricted funds £'000	Restricted funds £'000	2023 Total funds £'000
DfE / ESFA revenue grants			
General Annual Grant (GAG)	—	15,457	15,457
Other DfE / ESFA grants			
. Universal Infant Free School Meals	—	221	221
. Pupil Premium	—	1,268	1,268
. Others	—	460	460
Other DfE Group grants	—	891	891
	—	18,297	18,297
Other government grants			
Local authority grants	—	13,544	13,544
Special educational projects	—	103	103
	—	13,647	13,647
Exceptional government funding			
COVID-19 additional funding (DfE/ESFA)			
. Catch-up and recovery premium	—	—	—
. Other DfE/ESFA COVID-19 funding	—	—	—
	—	—	—
Other income from the academy's educational operations	—	178	178
	—	178	178
2023 Total funds	—	32,122	32,122

2 Funding for the academy's educational operations (continued)

	<i>Unrestricted funds £'000</i>	<i>Restricted funds £'000</i>	<i>2022 Total funds £'000</i>
<i>DfE / ESFA revenue grants</i>			
General Annual Grant (GAG)	—	15,188	15,188
<i>Other DfE / ESFA grants</i>			
. Universal Infant Free School Meals	—	225	225
. Pupil Premium	—	1,246	1,246
. Others	—	291	291
Other DfE Group grants	—	478	478
	—	17,428	17,428
<i>Other government grants</i>			
Local authority grants	—	12,809	12,809
	—	12,809	12,809
<i>Exceptional government funding</i>			
<i>COVID-19 additional funding (DfE/ESFA)</i>			
. Catch-up and recovery premium	—	176	176
. Other DfE/ESFA COVID-19 funding	—	156	156
		332	332
Other income from the academy's educational operations	—	172	172
2022 Total funds	—	30,741	30,741

3 Other trading activities

	<i>Unrestricted funds £'000</i>	<i>Restricted funds £'000</i>	2023 Total funds £'000
Hire of facilities and secondment of staff	32	—	32
Nursery income	229	—	229
Miscellaneous income	145	—	145
2023 Total funds	406	—	406

	<i>Unrestricted funds £'000</i>	<i>Restricted funds £'000</i>	<i>2022 Total funds £'000</i>
Hire of facilities and secondment of staff	18	—	18
Nursery income	170	—	170
Miscellaneous income	174	—	174
2022 Total funds	362	—	362

Notes to the Financial Statements Year to 31 August 2023

4 Investment Income

	Unrestricted funds £'000	Restricted funds £'000	Total funds £'000
2023 Total funds: Interest receivable	29	—	29
<i>2022 Total funds: Interest receivable</i>	3	—	3

5 Expenditure

	Staff costs £'000	Non pay expenditure		2023 Total funds £'000
		Premises £'000	Other costs £'000	
Academy's educational operations:				
.. Direct costs	19,079	1,314	1,265	21,658
.. Allocated support costs	7,124	1,680	3,118	11,922
2023 Total funds	26,203	2,994	4,383	33,580

	Staff costs £'000	Non pay expenditure		2022 Total funds £'000
		Premises £'000	Other costs £'000	
Academy's educational operations:				
.. Direct costs	17,996	1,284	1,339	20,619
.. Allocated support costs	8,741	1,777	2,749	13,267
2022 Total funds	26,737	3,061	4,088	33,886

	2023 £'000	2022 £'000
Net income (expenditure) for the year includes:		
Depreciation	1,314	1,284
Operating lease rentals	530	530
Fees payable to auditor		
. Statutory audit, current year	27	23
. Other services, current year	11	11

6 Charitable activities – academy's educational operations

	2023 Total funds £'000	2022 Total funds £'000
Direct costs	21,658	20,619
Support costs	11,922	13,267
	33,580	33,886

6 Charitable activities – academy’s educational operations (continued)

Analysis of support costs	2023 Total funds £'000	2022 Total funds £'000
Support staff costs	7,124	8,741
Technology costs	417	426
Premises costs	1,680	1,777
Legal costs - other	16	5
Other support costs	2,639	2,276
Governance costs	46	42
Total support costs	11,922	13,267

7 Comparative information

Analysis of income and expenditure in the year ended 31 August 2022 between restricted and unrestricted funds:

	Notes	Restricted funds			2022 Total funds £'000
		Unrestricted general fund £'000	General restricted funds £'000	Fixed assets fund £'000	
<i>Income from:</i>					
Donations and capital grants	1	19	—	1,026	1,045
<i>Charitable activities</i>					
. Funding for the academy’s educational operations	2	—	30,741	—	30,741
Other trading activities	3	362	—	—	362
Investments	4	3	—	—	3
Total income		384	30,741	1,026	32,151
<i>Expenditure on:</i>					
<i>Charitable activities</i>					
. Academy’s educational operations	6	395	32,207	1,284	33,886
Total expenditure	5	395	32,207	1,284	33,886
 <i>Net income (expenditure)</i>		 (11)	 (1,466)	 (258)	 (1,735)
 <i>Transfers between funds</i>		 —	 (1,526)	 1,526	 —
<i>Other recognised gains and losses</i>					
Actuarial gains on defined benefit pension scheme	22	—	20,591	—	20,591
 <i>Net movement in funds</i>		 (11)	 17,599	 1,268	 18,856
<i>Reconciliation of funds</i>					
Total fund balances brought forward at 1 September 2021		2,054	(23,814)	62,768	41,008
Total fund balances carried forward at 31 August 2022		2,043	(6,215)	64,036	59,864

8 Staff

(a) Staff costs

Staff costs during the year were:

	2023 Total funds £'000	2022 Total funds £'000
Wages and salaries	19,824	18,255
Social security costs	1,538	1,569
Pension costs	3,919	5,987
	25,281	25,811
Agency staff costs	910	863
Staff restructuring costs	12	63
	26,203	26,737
	2023 £'000	2022 £'000
Staff restructuring costs comprise		
Redundancy payments	—	—
Severance payments	12	63
	12	63

(b) Severance payments

The academy trust paid 1 severance payment in the year, disclosed in the following bands:

	2023 No.
£1 - £25,000	1

(c) Staff numbers

The average numbers of persons (including senior management team) employed by the Academy during the year was as follows:

Charitable activities	2023 No.	2022 No.
Teachers	192	181
Administration and support	483	513
Management	13	15
	688	709

8 Staff (continued)

(d) Higher paid staff

The number of employees whose employee benefits (excluding employer pension costs) fell within the following bands was:

	2023	2022
	No.	No.
£60,001 – £70,000	23	18
£70,001 – £80,000	9	6
£80,001 – £90,000	2	3
£90,001 – £100,000	1	1
£100,001 – £110,000	—	2
£110,001 – £120,000	2	—
£130,001 – £140,000	—	1
£140,001 – £150,000	1	1

(e) Key management personnel

The key management personnel of the Academy Trust comprise the trustees and the senior management team as listed on page 1 and Head Teachers. The total amount of employee benefits (including employee pension contributions) received by key management personnel for their services to the Academy Trust was £1,077,709 (2022 - £1,309,000).

9 Trustees' remuneration and expenses

The Trustees did not receive any payments, other than expenses, from the academy in respect of their role as governors.

During the year ended 31 August 2023, no travel and subsistence expenses were reimbursed to Trustees (2022 – £nil).

Other related party transactions involving the Trustees are set out in note 23 to the accounts.

10 Trustees' and Officers' insurance

The Academy Trust has opted into the Department of Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £10,000,000 on any one claim. It is not possible to quantify the Trustees and Officers indemnity element from the overall cost of the RPA scheme. The premium for additional insurance policies purchased during the year for areas not covered by the RPA scheme amounted to £15,000.

11 Central services

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

- ◆ Financial services;
- ◆ School improvement;
- ◆ HR and governance; and
- ◆ Facilities management, estates and compliance.

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

- ◆ Lime Trust core services make sure that each school is putting children first, setting the standards and is capacity rich. As the Trust grows, it will recruit experienced personnel to key positions, for example: School Improvement, HR and Estates Management. The schools' 8.5% contributions (for central service charges and trust administration, respectively) are applied to budgeted income. In 2022/23 the Board made the decision to reduce the central charge on a need basis to support the schools with the unprecedented pay rise and inflation on utilities.

The actual amounts charged during the year were as follows:

	(60%) Services charge £	(40%) Trust administration £	2023 Total funds £
Lime Academy Abbotsmeade	98,166	65,444	163,610
Lime Academy Larkwood	143,365	95,577	238,942
Lime Academy Parnwell	79,149	52,766	131,915
Lime Academy Watergall	77,541	51,694	129,235
Lime Academy Forest Approach	146,519	97,679	244,198
Lime Academy Hornbeam	267,739	178,493	446,232
Lime Academy Ravensbourne	119,019	79,346	198,365
Lime Academy Orton	152,132	101,422	253,554
	1,083,630	722,421	1,806,051

	(60%) Services charge £	(40%) Trust administration £	2022 Total funds £
<i>Lime Academy Abbotsmeade</i>	<i>102,186</i>	<i>68,124</i>	<i>170,310</i>
<i>Lime Academy Larkwood</i>	<i>136,515</i>	<i>91,010</i>	<i>227,525</i>
<i>Lime Academy Parnwell</i>	<i>78,978</i>	<i>52,652</i>	<i>131,630</i>
<i>Lime Academy Watergall</i>	<i>87,414</i>	<i>58,276</i>	<i>145,690</i>
<i>Lime Academy Forest Approach</i>	<i>211,520</i>	<i>141,013</i>	<i>352,533</i>
<i>Lime Academy Hornbeam</i>	<i>263,308</i>	<i>175,539</i>	<i>438,847</i>
<i>Lime Academy Ravensbourne</i>	<i>137,826</i>	<i>91,884</i>	<i>229,710</i>
<i>Lime Academy Orton</i>	<i>170,947</i>	<i>113,965</i>	<i>284,912</i>
	1,188,694	792,463	1,981,157

12 Tangible fixed assets

	Leasehold buildings £'000	Assets under construction £'000	Furniture and equipment £'000	Computer equipment £'000	Motor vehicles £'000	Total funds £'000
Cost/valuation						
At 1 September 2022	65,854	280	961	817	67	67,979
Additions	2,130	—	163	63	—	2,356
Transfers	280	(280)	—	—	—	—
At 31 August 2023	68,264	—	1,124	880	67	70,335
Depreciation						
At 1 September 2022	3,569	—	579	539	48	4,735
Charge for the year	1,000	—	134	170	10	1,314
At 31 August 2023	4,569	—	713	709	58	6,049
Net book value						
At 31 August 2023	63,415	—	411	171	9	64,286
At 31 August 2022	62,285	280	382	278	19	63,244

For the purposes of these financial statements, the land upon which the Trust's premises are situated is deemed to have no commercial value.

13 Fixed asset investments

	2023 £	2022 £
Investments in subsidiary companies:		
Cost at 1 September 2022 and at 31 August 2023	1	1
Net book value at 1 September 2022 and at 31 August 2023	1	1

The Academy Trust owns a 100% holding in the subsidiary entity Lime Academy Trades Limited (Company Registration Number 11355855). The subsidiary was dormant during the year and at the year ended 31 August 2022 held net assets totalling £1 (2022 – £1). Lime Academy Trades Limited was dissolved on 27 September 2022.

Following the merger with Hornbeam Academy Trust on 1 September 2019, the Academy Trust also controlled Hornbeam Community Trust (Company Registration Number 10412859, a dormant trading company with net assets of £nil (2022 – £nil). Hornbeam Community Trust was dissolved on 27 September 2022.

14 Debtors

	2023 £'000	2022 £'000
Trade debtors	103	386
VAT recoverable	267	311
Other debtors	8	5
Prepayments and accrued income	475	436
	853	1,138

Notes to the Financial Statements Year to 31 August 2023

15 Creditors: amounts falling due within one year

	2023	2022
	£'000	£'000
Trade creditors	643	1,194
Loan	17	16
Other creditors	717	771
Accruals and deferred income	1,017	431
	2,394	2,412
Deferred income		
Deferred Income at 1 September 2022	63	75
Amounts released from previous years	(63)	(75)
Resources deferred in the year	552	63
Deferred Income at 31 August 2023	552	63

Deferred income relates to Universal Infant Free School Meals and Special Educational needs funding pertaining to 2023/24 which was received during 2022/23.

16 Creditors: amounts falling due after one year

	2023	2022
	£'000	£'000
Other creditors	118	131

Included within other creditors is a loan of £135,000 (2022 – £147,378) from Peterborough City Council which carries no interest and is due for repayment over 15 years. The loan was inherited on conversion.

17 Funds

	Balance at 1 September 2022 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2023 £'000
Restricted general funds					
. General Annual Grant (GAG)	4,589	15,457	(14,928)	(352)	4,766
Other DfE/ESFA grants					
. Universal Infant Free School Meals	—	221	(221)	—	—
. Pupil Premium	—	1,268	(1,268)	—	—
Other grants	—	1,632	(1,632)	—	—
Local authority grants	—	13,544	(13,544)	—	—
Pension reserve	(10,804)	—	(451)	5,396	(5,859)
	<u>(6,215)</u>	<u>32,122</u>	<u>(32,044)</u>	<u>5,044</u>	<u>(1,093)</u>
Restricted fixed asset funds					
Transfer on conversion	55,321	—	(898)	—	54,423
DfE/ESFA capital grants	5,342	1,077	(220)	(1,077)	5,122
Capital expenditure from GAG	3,373	—	(196)	1,429	4,606
	<u>64,036</u>	<u>1,077</u>	<u>(1,314)</u>	<u>352</u>	<u>64,151</u>
Total restricted funds	<u>57,821</u>	<u>33,199</u>	<u>(33,358)</u>	<u>5,396</u>	<u>63,058</u>
Unrestricted funds					
. General funds	2,043	456	(222)	—	2,277
Total unrestricted funds	<u>2,043</u>	<u>456</u>	<u>(222)</u>	<u>—</u>	<u>2,277</u>
Total funds	<u>59,864</u>	<u>33,655</u>	<u>(33,580)</u>	<u>5,396</u>	<u>65,335</u>

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

Restricted general funds

General Annual Grant (GAG) grant fund – Funds received from the ESFA under the General Annual Grant arrangements for the recurrent expenditure of the schools as defined in the Funding Agreement. The Academy Trust is not subject to any GAG carry forward limits.

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

Universal Infant Free School Meals – Funds restricted for the provision of free school meals.

Catch-up Premium – This fund represents specific Covid-19 support grants restricted to assisting children in catching up on learning lost because of the Coronavirus pandemic.

Other DfE/ ESFA covid funding – This fund represents all other grants restricted to assisting the Trust in dealing with the impact of the Coronavirus pandemic.

17 Funds (continued)

Restricted general funds (continued)

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

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

Pension reserve – The pension reserve recognises the Academy Trust's shares of the deficits in the local government pension scheme in which its schools participate.

Restricted fixed asset funds

These funds relate to the Trust's holdings of tangible fixed assets, including grants and donations received to fund capital purchases. Transfers from the General Annual Grant fund to this fund represent the purchase of tangible fixed assets from GAG funding, whilst transfers to the General Annual Grant fund represent repair and maintenance works funded by capital grants, as permitted by the terms of the funding agreements.

Fund analysis by academy

	2023 Total £'000	2022 Total £'000
Lime Academy Abbotsmede	146	591
Lime Academy Larkwood	234	217
Lime Academy Parnwell	49	32
Lime Academy Watergall	117	231
Forest Approach Academy	245	3,003
Hornbeam Academy	160	327
Ravensbourne Academy	184	1,329
Lime Academy Orton	94	79
Central trust	5,814	823
Total before Restricted Fixed Asset Funds and pension reserve	7,043	6,632
Restricted Fixed Asset Fund	64,151	64,036
Pension reserve	(5,859)	(10,804)
Total	65,335	59,864

During the year ended 31 August 2023, the Academy Trust commenced the pooling of reserves of schools within the Trust.

Notes to the Financial Statements Year to 31 August 2023

17 Funds (continued)

	Teaching and educational support staff costs £'000	Other support staff costs £'000	Educational supplies £'000	Other costs excluding depreciation £'000	2023 Total £'000
Lime Academy Abbotsmede	1,538	588	74	477	2,677
Lime Academy Larkswold	1,976	957	62	1,209	4,204
Lime Academy Parnwell	1,362	374	60	474	2,270
Lime Academy Watergall	1,369	445	69	293	2,176
Forest Approach Academy	2,326	1,069	228	753	4,376
Hornbeam Academy	4,221	2,404	163	911	7,699
Ravensbourne Academy	2,097	663	107	424	3,291
Lime Academy Orton	2,505	1,107	104	530	4,246
Central services	796	405	83	1,243	2,527
	18,190	8,012	950	6,314	33,466

Included in the costs above are central service recharges of £1,199,025.

	Teaching and educational support staff costs £'000	Other support staff costs £'000	Educational supplies £'000	Other costs excluding depreciation £'000	2022 Total £'000
Lime Academy Abbotsmede	1,505	406	97	420	2,428
Lime Academy Larkswold	2,134	716	146	1,223	4,219
Lime Academy Parnwell	1,175	353	83	445	2,056
Lime Academy Watergall	1,356	377	64	430	2,227
Forest Approach Academy	2,365	1,030	136	933	4,464
Hornbeam Academy	4,377	2,112	123	1,217	7,829
Ravensbourne Academy	2,020	573	143	706	3,442
Lime Academy Orton	2,404	953	91	727	4,175
Central services	409	734	67	512	1,722
	17,745	7,254	950	6,613	32,562

Included in the costs above are central service recharges of £1,981,157.

17 Funds (continued)

Comparative information

Comparative information in respect of the preceding period is as follows:

	<i>Balance at 1 September 2021 £'000</i>	<i>Income £'000</i>	<i>Expenditure £'000</i>	<i>Gains, losses and transfers £'000</i>	<i>Balance at 31 August 2022 £'000</i>
<i>Restricted general funds</i>					
. General Annual Grant (GAG)	4,739	15,188	(13,812)	(1,526)	4,589
<i>Other DfE/ESFA grants</i>					
. Universal Infant Free School Meals	—	225	(225)	—	—
. Pupil Premium	—	1,246	(1,246)	—	—
Other grants	—	1,273	(1,273)	—	—
Local authority grants	—	12,809	(12,809)	—	—
Pension reserve	(28,553)	—	(2,842)	20,591	(10,804)
	<u>(23,814)</u>	<u>30,741</u>	<u>(32,207)</u>	<u>19,065</u>	<u>(6,215)</u>
<i>Restricted fixed asset funds</i>					
Transfer on conversion	56,427	—	(1,106)	—	55,321
DfE/ESFA capital grants	3,702	1,026	(178)	792	5,342
Capital expenditure from GAG	2,639	—	—	734	3,373
	<u>62,768</u>	<u>1,026</u>	<u>(1,284)</u>	<u>1,526</u>	<u>64,036</u>
<i>Total restricted funds</i>	<u>38,954</u>	<u>31,767</u>	<u>(33,991)</u>	<u>20,591</u>	<u>57,821</u>
<i>Unrestricted funds</i>					
. General funds	2,054	384	(395)	—	2,043
<i>Total unrestricted funds</i>	<u>2,054</u>	<u>384</u>	<u>(395)</u>	<u>—</u>	<u>2,043</u>
<i>Total funds</i>	<u>41,008</u>	<u>32,151</u>	<u>(33,886)</u>	<u>20,591</u>	<u>59,864</u>

18 Analysis of net assets between funds

	Unrestricted funds £'000	Restricted general funds £'000	Restricted fixed asset fund £'000	Total 2023 £'000
Fund balances at 31 August 2023 are represented by:				
Tangible fixed assets	—	—	64,286	64,286
Current assets	2,277	7,143	—	9,420
Current liabilities	—	(2,377)	(17)	(2,394)
Non-current liabilities	—	—	(118)	(118)
Pension scheme liability	—	(5,859)	—	(5,859)
Total net assets	2,277	(1,093)	64,151	65,335

	Unrestricted funds £'000	Restricted general funds £'000	Restricted fixed asset fund £'000	Total 2022 £'000
<i>Fund balances at 31 August 2022 are represented by:</i>				
<i>Tangible fixed assets</i>	—	—	63,244	63,244
<i>Current assets</i>	2,043	6,985	939	9,967
<i>Current liabilities</i>	—	(2,396)	(16)	(2,412)
<i>Non-current liabilities</i>	—	—	(131)	(131)
<i>Pension scheme liability</i>	—	(10,804)	—	(10,804)
Total net assets	2,043	(6,215)	64,036	59,864

19 Capital commitments

	2023 £'000	2022 £'000
Contracted for, but not provided in the financial statements	693	2,184

20 Commitments under operating leases and PFI arrangements

Operating leases

At 31 August 2023, the total of the Academy's future minimum lease payments under non-cancellable operating leases was as follows:

	2023 £'000	2022 £'000
Furniture and equipment		
Amounts due within one year	12	11
Amounts due between two and five years inclusive	13	16
	25	27

20 Commitments under operating leases (continued)

Academies with Private Finance Initiative (PFI)

Lime Academy Larkwood joined the Trust on 1 March 2013. Its main school building was financed under a PFI arrangement. The school pays an annual amount which increases in line with the retail price index and will run until 2036. In the year ended 31 August 2023, £722,291 (2022 – £569,795) of costs relating to this has been recognised in expenditure, being included in the total operating lease rentals figure in note 5.

At 31 August 2023, the total of the Lime Trust's future minimum payments under PFI arrangements was as follows:

	2023	2022
	£'000	£'000
Amounts due within one year	736	701
Amounts due between two and five years inclusive	3,338	3,174
Amounts due after five years	8,663	9,562
	12,737	13,437

21 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

22 Pension and similar obligations

The Academy Trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and various Government Pension Scheme (LGPS) for non-teaching staff. Both are multi-employer defined benefit schemes.

Prior to 31 August 2023, the latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS, 31 March 2022. A further valuation of the TPS scheme, relating to the period ended 31 March 2020 was published in October 2023.

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

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for teachers in academies. All teachers have the option to opt-out of the TPS following enrolment.

22 Pension and similar obligations (continued)

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary – these contributions 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 every 4 years. 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 actuarial valuation of the TPS which applied during the year ended 31 August 2023 was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

- ◆ employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy);
- ◆ total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million, giving a notional past service deficit of £22,000 million; and
- ◆ the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI. The assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

The latest actuarial TPS valuation results, as at 31 March 2020, were released in October 2023. The valuation result is due to be implemented from 1 April 2024, from this date employer contribution rates will increase to 28.6% (including a 0.08% administration levy).

The employer's pension costs paid to TPS in the period amounted to £3,143,000 (2022 – £2,889,000).

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

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

22 Pension and similar obligations (continued)

Local Government Pension Scheme (LGPS) (continued)

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2023 was £2,656,000 (2022 – £2,387,000), of which employer’s contributions totalled £2,143,000 (2022 – £1,931,000) and employees’ contributions totalled £513,000 (2022 – £456,000). The agreed contribution rates for future years are 20% of employers and vary by Local Authority for employees. Depending on pensionable pay, the range for employees due from April 2021 will be from 5.5% to 12.5%.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of an academy trust closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013 and on 21 July 2022, the Department for Education reaffirmed its commitment to the guarantee, with a parliamentary minute published on the GOV.UK website.

Principal Actuarial Assumptions	At 31 August 2023	At 31 August 2022
Rate of increase in salaries	3.8%	3.9%
Rate of increase for pensions in payment / inflation	2.9%	3.0%
Discount rate for scheme liabilities	4.9%	4.3%

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

	At 31 August 2023	At 31 August 2022
<i>Retiring today</i>		
Males	22.2	22.2
Females	23.7	24.5
<i>Retiring in 20 years</i>		
Males	22.8	23.3
Females	24.9	26.3

22 Pension and similar obligations (continued)

Local Government Pension Scheme (LGPS) (continued)

The Academy's share of the assets and liabilities in the scheme were:

	Fair value at 31 August 2023 £'000	Fair value at 31 August 2022 £'000
Equities	11,567	10,167
Other bonds	4,164	3,076
Property	2,933	2,962
Cash and other liquid assets	746	427
Other	343	420
Total market value of assets	19,753	17,052
Share of scheme obligations	(25,375)	(27,856)
Share of net scheme liabilities	(5,622)	(10,804)
Adjustment recognised in actuarial gains to cap scheme surplus*	(237)	—
Net defined benefit liability	(5,859)	(10,804)

*As the LGPS surplus is irrecoverable, recognition of the surplus in respect of Forest Approach Academy and Ravensbourne Academy on the balance sheet has been restricted to £nil. The adjustment of £237k has been offset against the overall actuarial gain for the year.

The approximate deficit for the schemes under the following conditions is as below:

	At 31 August 2023 £'000	At 31 August 2022 £'000
Sensitivity analysis – increase (decrease) in obligation		
Discount rate -0.1%	591	406
Mortality assumption - 1 year increase	786	766
CPI rate +0.1%	572	589

	2023 £'000	2022 £'000
Amounts recognised in statement of financial activities		
Current service cost (net of employee contributions)	(2,102)	(4,264)
Interest income	778	281
Interest cost	(1,212)	(765)
Admin expenses	(32)	(25)
Total operating charge	(2,568)	(4,773)
Analysis of pension finance income/(costs)		
Expected return on pension scheme assets	778	281
Interest on pension liabilities	(1,212)	(765)
Pension finance income/(costs)	(434)	(484)

22 Pension and similar obligations (continued)

Local Government Pension Scheme (LGPS) (continued)

Changes in the present value of defined benefit obligations were as follows:	2023 £'000	2022 £'000
At 1 September 2022	27,856	44,475
Current service cost	2,127	4,264
Interest cost	1,212	765
Employee contributions	513	456
Actuarial gains	(5,871)	(21,739)
Benefits paid	(462)	(365)
At 31 August 2023	25,375	27,856

Changes in the fair value of the Academy's share of scheme assets:	2023 £'000	2022 £'000
At 1 September 2022	17,052	15,922
Interest income	778	281
Actuarial losses	(239)	(1,148)
Employer contributions	2,143	1,931
Employee contributions	513	456
Benefits paid	(462)	(365)
Admin expenses	(32)	(25)
At 31 August 2023	19,753	17,052

23 Related party transactions

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

The Academy Trust did not enter into any related party transactions in the year.