

Registration number: 07647805

The Lincolnshire Educational Trust Limited

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 August 2015

The Lincolnshire Educational Trust Limited

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The Lincolnshire Educational Trust Limited

Reference and Administrative Details

Trustees (Directors)	Prof V Braybrooks Prof J Davidson, Chair Mr C Penney (resigned 31 August 2015) Prof M Stuart Mrs J Worth Mrs S Boor Mr A Breckon, Accounting Officer Mrs C Hamblett, Chief Finance Officer Mr S Baragwanath Prof I Abrahams (appointed 8 April 2015)
Chief Executive Officer	Mr A Breckon
Senior Management Team	Mr S Baragwanath, Principal (UAH) Mrs S Boor, Principal (HPA) Mr A Breckon, Chief Executive Officer Mrs C Hamblett, Chief Finance Officer
Chief Executive Officer and Registered Office	Mr A Breckon C/o Vice Chancellor's Office University of Lincoln Brayford Pool Lincoln Lincolnshire LN6 7TS
Company Registration Number	07647805
Auditors	Bulley Davey Limited 33 Boston Road Holbeach Lincolnshire PE12 7LR
Bankers	Lloyds Bank PLC Hall Place Spalding Lincolnshire PE11 1SF
Solicitors	Mossop & Bowser Abbot's Manor 10 Spalding Road Holbeach Lincolnshire PE12 7LP

The Lincolnshire Educational Trust Limited

Trustees' Report for the Year Ended 31 August 2015

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2015. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

Introduction

The Lincolnshire Educational Trust (LET) was created as a Multi-Academy Trust in July 2014 so that the University Academy Holbeach and the newly converting Holbeach Primary Academy could be in the same Trust. The University of Lincoln remains the sponsor of LET, but a new governance structure has been created. The new Trust technically only replaced the old Trust from the 1st September 2014 and the report for this financial year is the first to include both Academies.

The trust has three members Professor Mary Stuart, Vice Chancellor University of Lincoln (Chair), Professor Scott Davidson Deputy Vice Chancellor University of Lincoln and Professor Val Braybrooks University of Lincoln.

The LET has nine Trustees/Directors, which includes the three Trust members as above. The only change during the period was the appointment of Professor Ian Abrahams on 8th April 2015, and the resignation of Mr Christopher Penney on 31st August 2015.

The Trust Board members met four times during the year.

Structure, governance and management

Constitution

The Academy Trust is a company limited by guarantee and is an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Academy Trust. The company registration number is 07647805.

The trustees act for the charitable activities of the Lincolnshire Educational Trust Limited and are also the directors of the charitable company for the purposes of company law.

Details of the trustees who served throughout the year except as noted are included in the Reference and Administrative Details on page 1.

Principal activities

The principal activity of the charitable company is the education or provision of teaching and learning. The principal activity is encapsulated in our vision of creating an environment where effective teaching and learning can take place, endeavouring to remove barriers for learning such as deprivation, behaviour and social issues.

Members' liability

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

Trustees' indemnities

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

The Lincolnshire Educational Trust Limited

Trustees' Report for the Year Ended 31 August 2015 (continued)

Method of recruitment and appointment or election of Trustees

Trustees are appointed under the rules contained within the memorandum and articles of association. The appointments are made by the Academy's sponsors and the trustees who delegate powers to the CEO, CFO, Principals and Academy governing committees.

The membership of the Trustee Board and Academy governing committee is in accordance with the structure contained within its memorandum and articles of association. Trustees and Governors are selected to have a breadth of skills which are beneficial to the committee as a whole.

The Academy governors meet six times a year to discuss the on-going matters of the Academy.

During the year Professor Ian Abrahams was appointed as a director of the Trust on 8th April 2015 and governor of University Academy Holbeach.

Policies and procedures adopted for the induction and training of Trustees

The Lincolnshire Educational Trust was incorporated on 25th May 2011 and commenced operation on 1 September 2011. On 18th July 2014 it changed to become a Multi-Academy trust (MAT). A new governance framework was established to comply with the DFE advice on MATs and new trustees appointed. The creation of the MAT Academy governing committees was to oversee the running of each Academy. The Trust is highly committed to Trustee and Governor training and there are 2 compulsory training sessions for governors each year as well as external opportunities. Newly appointed governors are invited to join appropriate sub-committees which report to the Academy governors committee. Each year governors are able to change committees they sit on. Within the Academy, the governors are provided with access to all policies, procedures and scheme of delegation. Where governors have particular professional skill, the Academy seeks to support and utilise the skill within the relevant committee. Governors are also encouraged to attend "whole school" events and where appropriate staff training sessions.

Organisational structure

The organisational structure consists of three levels of members, trustees/directors, governors and senior leadership teams working under the direction of the Principals. The CEO and CFO have roles across the academies. The Governance framework shows members of the different groups working at differing levels to enable coherence and engagement of the Trust. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels.

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

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

The Academy also accesses a number of external agencies to enable a broader provision of education and learning. The external agencies include alternative, education and vocational provision, careers and guidance services.

Connected organisations, including related party relationships

The Lincolnshire Educational Trust Limited operates as a sole entity and is not part of the wider network or federation. The University of Lincoln is the sole sponsor.

The Lincolnshire Educational Trust Limited

Trustees' Report for the Year Ended 31 August 2015 (continued)

Objectives, mission and values

Objectives and mission

The object of the charity is to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing academies which offering a broad curriculum. The mission is a Trust that seeks to develop academies that are schools of first choice through their educational excellence, developing young people to enhance their life chances through academic, cultural and sporting achievements, personal development and becoming confident life long learners.

Values

- Every child and young person enabled to achieve their maximum potential, with learners and teaching being at the heart of all that we do
- Parent and Carers who support their children's learning
- Our excellent staff who are trained and encouraged to bring out the true potentials in others
- An aspirational, ambitious and innovative can do environment for all our learners and staff
- Partnership working where genuine collaboration, care and collective responsibility for one another takes place and enhances learning for all
- Intelligent accountability that is rigorous in its application and seeks to enable every child and young person to progress their learning
- High levels of integrity from everyone and the development of our learners and staff to take personal responsibility for their actions
- Making education enjoyable and creating a desire to want to learn more.

Public benefit

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

The Lincolnshire Educational Trust Limited

Trustees' Report for the Year Ended 31 August 2015 (continued)

Strategic Report

Achievements and performance

The University Academy Holbeach (UAH) has now been an Academy for 4 years and the merged failing school from Crowland has been fully integrated on the Holbeach site. Holbeach Primary Academy (HPA) has now been in the new MAT for one year. The last Academy year (2014/15) has been a remarkable year for both academies with outstanding performance in both academic, cultural and sporting activities. This has been achieved through outstanding leadership of both academies by Principals highly focussed on pupils' learning, staff working extremely hard in a very dedicated manner, seeking to optimise the performance of every child and a local governing body whose focus within the trust is to monitor and challenge pupil progress.

HPA start with pupils with skills and abilities below expected levels for their age, but they make good progress in all years reaching higher levels in KS2 in reading, GPS and maths, where significant numbers achieve level 6. The Early Years Foundation Stage achieved 70.6% good level of development and is above the national average. Phonics was assessed at the end of year 1 and the Academy improved from 67% to 87%, which was also 7% above the aspirational target. The KS1 results were also above the predicted targets and above the national average. KS2 results were exceptional with 91% level 4 in reading and mathematics, 87% in writing and 84% GPS. 61% achieved level 5 in mathematics, 48% achieved level 5 in reading, 30% achieved level 5 in writing and 54% achieved level 5 in GPS. 21% achieved level 6 in mathematics and 8% achieved level 6 in GPS. This is an outstanding performance. The performance of disadvantaged pupils was exceptionally good with above national average progress by these students. The results in this Academy show a 3-year upward trend. There is a significant growth in numbers attending the school, which reflects its success.

UAH is a non-selective secondary Academy in a selective area, with selection currently at 34% of the cohort. In this context the results in 2015 at GCSE are outstanding. Over 50% achieved 5A* to C including English and mathematics and over 17% achieved English Baccalaureate. This is 5% increase and 4% respectively when the national position is static and the 2015 year group was weaker on entry than 2014. This is demonstrated with UAH in 2014 which was in the top 20% nationally for value added with a score of 1017. This year the provisional data shows the value added at 1037 or in the top 10% of schools nationally and the provisional Progress 8 measure of 0.45. Disadvantaged pupils have made outstanding progress and currently the provisional data shows an exceptional performance with value added at 1043 and Progress 8 measure of 0.52. The sixth form at UAH continues to thrive with a broad balance of opportunities for students from Academic A levels, to vocational courses, mainly BTEC, and a wide range of apprenticeship programmes. There was a 100% success rate and over 30 students going to University, which is up by one third on the previous year. Success at UAH can easily be measured by the Academy having to go 20 over PAN in year 7 to meet parental choice, sixth form numbers are up by 30 and the apprenticeship programme has increased by a similar number. The Academy also had major achievements in sport, the arts and music and a range of cultural activities to support the local community. The subsidised tablet learning devices are now available to all students throughout the Academy and this ensures all students have up to dates textbooks available on the tablet for ease of access.

Key non-financial performance indicators

The two academies that are members of the Lincolnshire Educational Trust have been able to fulfill the delivery of the curriculum throughout the academic year. Staffing in some areas has not been easy and this has brought about additional expenditure in terms of recruitment. The pupils experience has been very good and the outcomes set out above to demonstrate that our staff provided extremely good value for money.

In all of our expenditure the CEO, CFO, Principal and their staff including the Finance Manager have sought to seek best value for money and question choices and options made. The Trust also has a high level of contract renewal reviews to seek the best value.

The Lincolnshire Educational Trust Limited

Trustees' Report for the Year Ended 31 August 2015 (continued)

Strategic Report

Going concern

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

Financial review

The majority of the Academy's income derives from central government funding via EFA (Education Funding Authority). It also received pupil premium and local authority funding to support special education needs, designated special provision and capital fund towards fixtures, fittings and equipment. In addition the UAH raises funds from the Skills Funding Agency (SFA) through its expertise in apprenticeships and use of its facilities.

During the year ended 31 August 2015 the total operating expenditure of £10.1m was covered by grant funding and other incoming resources. The excess of income over expenditure (excluding depreciation and pension liabilities) was £0.6m.

At 31 August 2015 the net current assets were £2.1m and the net book value of tangible fixed assets was £1.9m. The assets were used exclusively for providing education and the associated support services to the learners of the Academy.

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

Reserves policy

It is the Academies aim to keep the reserves so there is substantially more than one month's salary cost on hand in cash form at any point. A cash flow forecast is prepared by the individual Academies and cash is monitored on a regular basis and money is invested on deposit where considered surplus to foreseeable requirements.

Investment policy

The Governors' policy is to retain the investment property long term in order to generate income from lettings. It is the intention to invest any surplus funds in low risk short term bank deposits.

The Lincolnshire Educational Trust Limited

Trustees' Report for the Year Ended 31 August 2015 (continued)

Strategic Report

Principal risks and uncertainties

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

1. Meeting requisite standards of education for students in core subjects
2. Complying with legislative requirements regarding employment law, data protection, discrimination, Companies House and HMRC, child protection, the Charity commission and the National Curriculum
3. Financial risk - not operating within its budget and running a deficit, changes in funding, inappropriate or insufficient financial controls and systems, fraudulent activity and or financial commitments made without adequate authorisation
4. Operational risks resulting from inexperienced or inappropriate staff being employed and inaccurate, out of date or inappropriate information
5. Inadequate buildings or environmental systems that can lead to school closure
6. Failure to recruit sufficient pupils to make the Academy viable

The key controls used by the Academy include:

1. Detailed terms of reference for all committees
2. Formal agendas for the Academy board and committees
3. Schemes of delegation and formal financial regulations
4. Formal written policies
5. Clear authorisation and approval levels
6. Policies and procedures required by law to protect the vulnerable

Financial and risk management objectives and policies

Most of the Academy's income is obtained from the DfE in the form of recurrent grants, the use of which is restricted to particular purposes in pursuance of the Academy's objects. The grants received from the DfE during the period ended 31 August 2015 and the associated expenditure are shown as restricted general funds in the Statement of Financial Activities.

Risk management

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

Risks to the Academy fall into the following three categories:

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

The Lincolnshire Educational Trust Limited

Trustees' Report for the Year Ended 31 August 2015 (continued)

Employment of disabled persons

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

Buildings will comply with all current legislation, lifts, ramps and disabled toilets will be installed and the door widths will be adequate to enable wheelchair access to all areas of the Academy. The policy of the Academy is to support special education needs and designated special provisions. The Academy does this by adapting the physical environment by making support resources available and through training and career development.

Plans for future periods

Each Academy will maintain its PAN (Published Admission Number)

Ambitious targets have been set for pupil attainment and achievement in each Academy. There will be a continuing emphasis on strategies to improve performance of the pupils receiving pupil premium and also high attaining pupils, being implemented through careful analysis of pupil performance data.

The emphasis on reading will be maintained as whole Academy activities.

There are plans to further enhance arts, cultural, music and sporting activities, including the use of sports premium funding in our primary Academy.

UAH will bring coursework completion to Christmas of Year 11. This will ensure adequate revision and preparation time is made available for youngsters embarking upon their exams. They will also keep under review the new 3 year GCSE courses.

Further resources will be directed towards CPD (Continuous Professional Development) to continue the drive to improve teaching and learning.

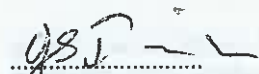
Curriculum and physical links between the two academies will be extended and strengthened.

Auditor

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Approved by order of the members on *16 Dec* and signed on its behalf by:


.....
Prof J Davidson
Trustee, Chair

The Lincolnshire Educational Trust Limited

Governance Statement

Scope of responsibility

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

The Board of Trustees has delegated the day-to-day responsibility to Mr A Breckon as of 1 September 2014, 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 Lincolnshire Educational Trust Limited and the Secretary of State for Education. He is also responsible for reporting to the Board for any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Trust Board has formally met 4 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Governor	Meetings attended	Out of a possible
Mr S Baragwanath	4	4
Mr C Penney	3	4
Prof V Braybrooks	4	4
Mrs J Worth	4	4
Prof M Stuart	4	4
Prof J Davidson	4	4
Mrs C Hamblett	4	4
Prof I Abrahams	2	2
Mrs S Boor	4	4
Mr A Breckon	4	4

Governance reviews

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

The Lincolnshire Educational Trust Limited

Governance Statement (continued)

The Audit Committee is a sub-committee of the main Board of Trustees. Its purpose is to review and control the financial performance of the Academy. There was one meeting of the newly formed Audit Committee during the year, which was held on 11th June 2015. Members of the Audit Committee and their attendance is as follows:

Governor	Meetings attended	Out of a possible
Mrs J Worth	1	1
Prof V Braybrooks	1	1
Mr D Braham	1	1
Mr N Cooper	1	1

Value for Money

The Lincolnshire Educational Trust is fully committed to seeking best value for money; from investing in the future in new infrastructure and educational experiences to ensuring every child and young person can fulfill their potential. We have looked at every contract and determined best value from all suppliers and this is now part of our standard operating procedures across the Trust. We have purchased for UAH the SIM management software, which is fully operational and through this we hope to improve our efficiency in our operations. In January 2016 we are planning to carry out a review of all expenditure to seek savings in the order of 10% across all non-staffing purchases.

The Trust however believes it has provided very good value for money to tax payers in 2014/15 with the provision of a broad, wide ranging curriculum in both academies and very significant extra curricular activities is what we aim to offer and that has been achieved with outstanding results in both of our academies. The two academies work very closely together and expertise is shared and in 2015/16 the University of Lincoln is providing support in the arts and with teacher recruitment and initial teacher training.

One example of our intensive work to seek best value for money is set out below. *“The Principal at UAH believes strongly in trying to provide up to date texts and therefore with the major curriculum changes for next years key stage 4 and year 9 a decision was made to continue to enhance textbook provision in areas including English, Mathematics, Science, Modern Foreign Languages, History and Geography. Because of the use of iPads we can provide licenced copies for all students in a cohort as well as one set of hard copies for those who may need a hard copy. UAH working with Collins have developed the electronic versions for purchase. Instead of leaving Heads of Departments to order separately the Principal consolidated the order for over 5,000 licences and 326 hard copies. Following the discussion with the Collins sales representative an initial discount of 38% was achieved. The Principal then decided to invite the Sales Director of Collins to visit to discuss what we were doing and to seek a better price. The Director was delighted to see the work at UAH and then the Principal and CEO began to seek a further discount as well as some addition books related to vocational education. The result of this was we acquired a further discount of 25% and the additional books free of charge. The total cost of the purchase was £30,000. The total cash saving was £24,945 and all students have up to date copies of the texts for all the new syllabus which should help their learning.”*

The LET takes a top slice of 0.35% to fund the CEO and CFO roles in the Trust which we believe is first class value for Money as both members covering those roles are very experienced. The LET will continue to seek best value whenever it can to ensure maximum resources are available to support the learning of pupils in our academies.

The Lincolnshire Educational Trust Limited

Governance Statement (continued)

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Lincolnshire Educational Trust Limited for the year ended 31 August 2015 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year ending 31 August 2015 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

The risk and control framework

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

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

The Board of Trustees has considered the need for a specific internal audit function and appointed the Trust's external auditor, Bulley Davey Limited, to perform a supplementary programme of work during 2014/15

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Academy's Trust's financial systems. The internal auditor reports to the Board of Trustees, through the Audit Committee, on the operation of the systems of control and on the discharge of the Trustees financial responsibilities.

The internal auditor carried out their schedule of work as planned and no material control issues arose.

The Lincolnshire Educational Trust Limited

Governance Statement (continued)

Review of effectiveness

As Accounting Officer, Mr A Breckon 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 responsible officer ;
- the work of the external auditor;
- the financial management and governance self assessment process;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Audit Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 15/12/15 and signed on its behalf by:



.....
Mr A Breckon
Trustee

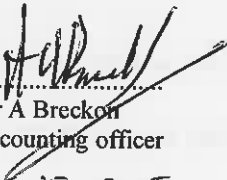
The Lincolnshire Educational Trust Limited

Statement on Regularity, Propriety and Compliance

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

I confirm that I and the Academy Trust Board of Trustees are able to identify any material irregular or improper use of funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook.

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 EFA.


.....
Mr A Breckon
Accounting officer
Date: 15.12.15

The Lincolnshire Educational Trust Limited

Statement of Trustees' Responsibilities

The Trustees (who are the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Academies: Accounts Direction 2014 to 2015 issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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


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

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

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

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

Approved by order of the members of the Board on 15.12.15 and signed on its behalf by:


.....
Prof J Davidson
Trustee, Chair

The Lincolnshire Educational Trust Limited

Independent Auditor's Report on the Financial Statements on the financial statements to the governing body of The Lincolnshire Educational Trust Limited (Formerly University Academy Holbeach Limited)

We have audited the financial statements of The Lincolnshire Educational Trust Limited (formerly University Academy Holbeach Limited) for the year ended 31 August 2015, which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, Balance Sheet, Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies' Accounts Direction 2014 to 2015 issue by the Education Funding Agency.

This report is made solely to the charitable company's trustees, 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 charity's trustees 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 its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of governors and auditors

As explained more fully in the Statement of Trustees' Responsibilities (set out on page 14), the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on the financial statements

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 2015 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including the Academies' Account Direction 2014 to 2015 issued by the Education Funding Agency; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

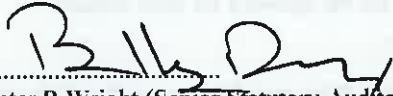
The Lincolnshire Educational Trust Limited

**Independent Auditor's Report on the Financial Statements on the financial statements
to the governing body of The Lincolnshire Educational Trust Limited (Formerly
University Academy Holbeach Limited)**

Matters on which we are required to report by exception

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

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



Peter R Wright (Senior Statutory Auditor)
For and on behalf of Bulley Davey Limited, Statutory Auditor

33 Boston Road
Holbeach
Lincolnshire
PE12 7LR

Date: 16th December 2015

The Lincolnshire Educational Trust Limited

Independent Reporting Accountant's Report on Regularity to The Lincolnshire Educational Trust Limited and the Education Funding Agency

In accordance with the terms of our engagement letter dated 17 December 2014 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2014 to 2015, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Lincolnshire Educational Trust Limited during the period 1 September 2014 to 31 August 2015 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of the Governing Body's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of the Board of Trustees' funding agreement with the Secretary of State for Education and the Academies Financial Handbook extant from 1 September 2012, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2014 to 2015. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year from 1 September 2014 to 31 August 2015 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

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

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

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

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the Academy Trust's income and expenditure. The work undertaken to draw to our conclusion includes a review of the design and implementation of the Academy's internal controls and review processes on regularity, supported by detailed tests on samples of costs incurred by the Academy and specific transactions identified from our review.

The Lincolnshire Educational Trust Limited

Independent Reporting Accountant's Report on Regularity to The Lincolnshire Educational Trust Limited and the Education Funding Agency (continued)

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year from 1 September 2014 to 31 August 2015 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.


.....
Bulley Davey Limited
Chartered Certified Accountants

33 Boston Road
Holbeach
Lincolnshire
PE12 7LR

Date: 16th December 2015

The Lincolnshire Educational Trust Limited

Statement of Financial Activities for the Year Ended 31 August 2015 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2015 £	Total 2014 £
Incoming resources						
<i>Incoming resources from generated funds:</i>						
Voluntary income						
transfer on conversion	2	-	58,732	15,000	73,732	-
Activities for generating funds	3	11,066	507,189	-	518,255	429,250
Investment income	4	25,277	-	-	25,277	30,804
<i>Incoming resources from charitable activities:</i>						
Funding for the Academy's educational operations						
	5	-	9,246,746	97,742	9,344,488	8,924,900
School fund income		-	103,802	-	103,802	132,303
<i>Other incoming resources</i>						
Other incoming resources	6	3,219	82,785	-	86,004	40,015
Total incoming resources		<u>39,562</u>	<u>9,999,254</u>	<u>112,742</u>	<u>10,151,558</u>	<u>9,557,272</u>
Resources expended						
<i>Cost of generating funds:</i>						
Costs of generating voluntary income						
		-	607,071	-	607,071	400,200
<i>Charitable activities:</i>						
Academy's educational operations						
		-	8,875,388	530,362	9,405,750	8,166,337
School fund expenditure		-	51,635	-	51,635	130,289
Governance costs	9	-	12,066	-	12,066	9,841
Total resources expended	7	<u>-</u>	<u>9,546,160</u>	<u>530,362</u>	<u>10,076,522</u>	<u>8,706,667</u>
Net incoming/(outgoing) resources before transfers		39,562	453,094	(417,620)	75,036	850,605
Gross transfers between funds		<u>-</u>	<u>(468,207)</u>	<u>468,207</u>	<u>-</u>	<u>-</u>
Net income/(expenditure) for the year		39,562	(15,113)	50,587	75,036	850,605

The Lincolnshire Educational Trust Limited

**Statement of Financial Activities for the Year Ended 31 August 2015
(Including Income and Expenditure Account and Statement of Total Recognised Gains
and Losses) (continued)**

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2015 £	Total 2014 £
Other recognised gains and (losses)						
Opening defined benefit pension scheme liability		-	(287,000)	-	(287,000)	-
Actuarial gains/(losses) on defined benefit pension schemes	27	-	(170,000)	-	(170,000)	(404,000)
Net movement in funds/(deficit)		39,562	(472,113)	50,587	(381,964)	446,605
Reconciliation of funds						
Funds brought forward at 1 September 2014		<u>52,747</u>	<u>281,950</u>	<u>1,836,942</u>	<u>2,171,639</u>	<u>1,725,034</u>
Funds/(deficit) carried forward at 31 August 2015		<u>92,309</u>	<u>(190,163)</u>	<u>1,887,529</u>	<u>1,789,675</u>	<u>2,171,639</u>

All of the Academy's activities derive from continuing operations during the above two periods.

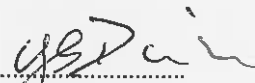
A Statement of Total Recognised Gains and Losses is not required as all gains and losses are included in the Statement of Financial Activities.

The Lincolnshire Educational Trust Limited

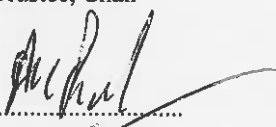
(Registration number: 07647805)
Balance Sheet as at 31 August 2015

	Note	2015 £	2014 £
Fixed assets			
Tangible assets	14	1,887,529	1,836,941
Current assets			
Stocks	15	29,620	35,177
Debtors	16	626,354	336,822
Cash at bank and in hand		<u>2,165,703</u>	<u>2,284,656</u>
		2,821,677	2,656,655
Creditors: Amounts falling due within one year	17	<u>(724,469)</u>	<u>(552,460)</u>
Net current assets		<u>2,097,208</u>	<u>2,104,195</u>
Total assets less current liabilities		3,984,737	3,941,136
Creditors: Amounts falling due after more than one year	18	<u>(101,062)</u>	<u>(132,497)</u>
Net assets excluding pension liability		3,883,675	3,808,639
Pension scheme liability	27	<u>(2,094,000)</u>	<u>(1,637,000)</u>
Net assets including pension liability		<u>1,789,675</u>	<u>2,171,639</u>
Funds of the Academy:			
Restricted funds			
Restricted general fund		1,903,837	1,918,950
Restricted fixed asset fund		1,887,529	1,836,942
Restricted pension fund		<u>(2,094,000)</u>	<u>(1,637,000)</u>
		1,697,366	2,118,892
Unrestricted funds			
Unrestricted Funds		<u>92,309</u>	<u>52,747</u>
Total funds		<u>1,789,675</u>	<u>2,171,639</u>

The financial statements on pages 19 to 43 were approved by the Trustees, and authorised for issue on 15.12.15. and signed on their behalf by:



Prof J Davidson
Trustee, Chair



Mr A Breckon
Trustee, Accounting Officer

The Lincolnshire Educational Trust Limited

Cash Flow Statement for the Year Ended 31 August 2015

	Note	2015 £	2014 £
Net cash inflow from operating activities	22	399,814	619,707
Financing		(31,435)	(30,372)
Cash transferred on conversion to an Academy Trust		58,732	
Returns on investments and servicing of finance	23	19,886	25,615
Capital expenditure and financial investment	24	<u>(565,950)</u>	<u>(1,324,394)</u>
Decrease in cash in the year	25	<u>(118,953)</u>	<u>(709,444)</u>

Reconciliation of net cash flow to movement in net funds

Decrease in cash in the year	(118,953)	(709,444)
Net funds at 1 September 2014	<u>2,284,656</u>	<u>2,994,100</u>
Net funds at 31 August 2015	<u>2,165,703</u>	<u>2,284,656</u>

All of the cash flows are derived from continuing operations during the above two periods.

The Lincolnshire Educational Trust Limited

Notes to the Financial Statements for the Year Ended 31 August 2015

1 Accounting policies

Basis of preparation

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

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 one year from the date of approval of the financial statements.

Incoming resources

All incoming resources are recognised when the Academy Trust has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

Grants receivable

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

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund. Capital grants are recognised when receivable and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are treated as deferred income.

Sponsorship income

Sponsorship income provided to the Academy Trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable, where there is certainty of receipt and it is measurable.

Donations

Donations are recognised on a receivable basis where there is certainty of receipt 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 goods have been provided or on completion of the service.

The Lincolnshire Educational Trust Limited

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

1 Accounting policies (continued)

Donated services and gifts in kind

The value of donated services and gifts in kind provided to the Academy Trust are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the Academy Trust can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the Statement of Financial Activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with Academy Trust's policies.

Resources expended

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

All resources expended are inclusive of irrecoverable VAT.

Cost of generating funds

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

Charitable activities

These are costs incurred on the Academy Trust's educational operations.

Governance costs

These include the costs attributable to the Academy Trust's compliance with constitutional and statutory requirements, including audit, strategic management and Governor's meetings and reimbursed expenses.

The Lincolnshire Educational Trust Limited

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

1 Accounting policies (continued)

Tangible fixed assets

Assets costing £1,000 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 so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy Trust's depreciation policy.

Assets in the course of 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.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset over its expected useful lives, per the table below.

Asset class	Depreciation method and rate
Land and buildings	10% straight line
Furniture and equipment	20% straight line
Motor vehicles	20% straight line
Computer equipment	33% straight line
Integral features	Straight line over 20 years

Leased assets

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

Stock

All items are valued at the lower of cost or net realisable value.

Taxation

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

The Lincolnshire Educational Trust Limited

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

1 Accounting policies (continued)

Pension benefits

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, are contracted out of the State Earnings-Related Pension Scheme ('SERPS'), and the assets are held separately from those of the Academy Trust.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in the notes to the financial statements, the TPS is a multi-employer scheme and the Academy Trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

The LGPS is a funded scheme and the assets are held separately from those of the Academy 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 method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

Fund accounting

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

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

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

2 Voluntary income

	Restricted funds £	Restricted fixed asset funds £	Total 2015 £
Transfer on conversion	<u>58,732</u>	<u>15,000</u>	<u>73,732</u>

The Lincolnshire Educational Trust Limited

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

3 Activities for generating funds

	Unrestricted funds £	Restricted funds £	Total 2015 £	Total 2014 £
Hire of facilities	11,066	-	11,066	2,650
Catering income	-	249,096	249,096	208,417
Apprenticeship income	-	237,454	237,454	189,038
Music tuition	-	2,637	2,637	4,535
Outside bodies	-	15,386	15,386	24,047
Sales to pupils	-	2,616	2,616	563
	<u>11,066</u>	<u>507,189</u>	<u>518,255</u>	<u>429,250</u>

4 Investment income

	Unrestricted funds £	Total 2015 £	Total 2014 £
Investment income	<u>25,277</u>	<u>25,277</u>	<u>30,804</u>

5 Funding for Academy's educational operations

	Restricted funds £	Restricted fixed asset funds £	Total 2015 £	Total 2014 £
DfE/EFA revenue grants				
General Annual Grant (GAG)	8,373,114	-	8,373,114	7,812,397
Start Up Grants	25,000	-	25,000	-
Other DfE Income	632,762	97,742	730,504	324,179
	<u>9,030,876</u>	<u>97,742</u>	<u>9,128,618</u>	<u>8,136,576</u>
Other government grants				
Local authority grants	215,870	-	215,870	788,324
Total grants	<u>9,246,746</u>	<u>97,742</u>	<u>9,344,488</u>	<u>8,924,900</u>

The Lincolnshire Educational Trust Limited

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

6 Other incoming resources

	Unrestricted funds £	Restricted funds £	Total 2015 £	Total 2014 £
Gifts and donations	-	2,152	2,152	80
Insurance claims	-	7,000	7,000	27,699
Other income	-	932	932	3,016
Reimbursement for use of staff	-	400	400	2,755
Feed in tariff receipts	-	9,147	9,147	6,465
iPad contributions	-	63,154	63,154	-
Corporation tax refund	3,219	-	3,219	-
	<u>3,219</u>	<u>82,785</u>	<u>86,004</u>	<u>40,015</u>

7 Resources expended

	Staff costs £	Premises £	Other costs £	Total 2015 £	Total 2014 £
Costs of generating voluntary income	-	-	607,071	607,071	400,200
Academy's educational operations					
Direct costs	5,433,329	55,059	626,572	6,114,960	5,406,570
Allocated support costs	<u>2,074,459</u>	<u>901,943</u>	<u>314,388</u>	<u>3,290,790</u>	<u>2,759,767</u>
	7,507,788	957,002	940,960	9,405,750	8,166,337
School fund expenditure					
Allocated support costs	-	-	51,635	51,635	130,289
Governance costs including allocated support costs	-	-	12,066	12,066	9,841
	<u>7,507,788</u>	<u>957,002</u>	<u>1,611,732</u>	<u>10,076,522</u>	<u>8,706,667</u>

The Lincolnshire Educational Trust Limited

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

7 Resources expended (continued)

Net incoming/outgoing resources for the year include:

	2015 £	2014 £
Fees payable to auditor - audit	12,000	9,500
- non-audit services	5,360	4,340
	5,360	4,340

8 Charitable activities

	Restricted funds £	Restricted fixed asset funds £	Total 2015 £	Total 2014 £
Direct costs				
Teaching and educational support staff costs	5,433,329	-	5,433,329	4,850,839
Depreciation	-	55,059	55,059	27,767
Educational supplies	371,466	-	371,466	331,654
Examination fees	163,811	-	163,811	167,447
Apprenticeship costs	36,152	-	36,152	22,328
Other direct costs	55,143	-	55,143	6,535
	6,059,901	55,059	6,114,960	5,406,570
Allocated support costs				
Support staff costs	2,074,459	-	2,074,459	1,744,925
Depreciation	-	475,303	475,303	328,513
Maintenance of premises and equipment	166,386	-	166,386	213,795
Cleaning	15,703	-	15,703	12,413
Rent, rates and utilities	172,024	-	172,024	140,985
Insurance	93,431	-	93,431	86,159
Transport	48,358	-	48,358	34,216
Catering	238,982	-	238,982	192,945
Bank interest and charges	753	-	753	627
Other support costs	51,635	-	51,635	130,289
Interest payable	5,391	-	5,391	5,189
	2,867,122	475,303	3,342,425	2,890,056
	8,927,023	530,362	9,457,385	8,296,626

The Lincolnshire Educational Trust Limited

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

9 Governance costs

	Restricted funds £	Total 2015 £	Total 2014 £
Auditors' remuneration			
Audit of financial statements	12,000	12,000	9,500
Governors' reimbursed expenses	66	66	341
	<u>12,066</u>	<u>12,066</u>	<u>9,841</u>

10 Staff costs

	2015 £	2014 £
Staff costs during the year were:		
Wages and salaries	6,029,369	5,265,175
Social security costs	451,668	410,143
Pension costs	822,401	707,818
Supply teacher costs	204,351	212,628
	<u>7,507,789</u>	<u>6,595,764</u>

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £10,000 (2014: £Nil). Payments exceeding £5,000 individually are as follows:

Non-contractual payments £10,000

The average number of persons (including senior management team) employed by the Academy during the year expressed as full time equivalents was as follows:

	2015 No	2014 No
Charitable Activities		
Teachers	113	111
Administration and support	71	58
Management	11	8
	<u>195</u>	<u>177</u>

The Lincolnshire Educational Trust Limited

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

10 Staff costs (continued)

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

	2015 No	2014 No
£60,001 - £70,000	3	4
£70,001 - £80,000	1	-
£90,001 - £100,000	1	1

5 (2014 - 5) of the above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2015, pension contributions for these staff amounted to £50,544 (2014 - £49,040).

11 Central services

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

- • Consultancy services

The trust charges for these services on the following basis:

- • Time apportioned (based on actual time spent)

The actual amounts charged during the year were as follows:

	2015 £
University Academy Holbeach	27,295
Holbeach Primary Academy	3,009
	30,304

12 Trustees' remuneration and expenses

The Principal and staff trustees only receive remuneration in respect of services they provide undertaking the roles of Principal and staff and not in respect of their services as trustees. Other trustees did not receive any payments, other than expenses, from the Academy in respect of their role as trustees. The value of trustees' remuneration was as follows:

Mr S Baragwanath (Principal of UAH and Trustee): £95,000 - £100,000 (2014 - £95,000 - £100,000)

Mrs S Boor (Principal of HPA and Trustee): £60,000 - £65,000 (2014 - £Nil)

Related party transactions involving the trustees are set out in note 28.

The Lincolnshire Educational Trust Limited

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

13 Trustees' and officers' insurance

In accordance with normal commercial practice the Academy has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £1,000,000 on any one claim and for the year ended 31 August 2015 was covered by way of risk protection arrangement (RPA) for £25 per pupil taken from the GAG.

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

14 Tangible fixed assets

	Freehold land and buildings £	Furniture and equipment £	Motor vehicles £	Computer equipment £	Integral features £	Total £
Cost						
At 1 September 2014	918,462	414,141	33,978	1,014,235	-	2,380,816
Additions	275,164	46,070	-	152,833	92,789	566,856
Transferred on conversion	-	15,000	-	-	-	15,000
Disposals	-	-	-	(2,724)	-	(2,724)
At 31 August 2015	<u>1,193,626</u>	<u>475,211</u>	<u>33,978</u>	<u>1,164,344</u>	<u>92,789</u>	<u>2,959,948</u>
Depreciation						
At 1 September 2014	79,843	140,417	20,388	303,227	-	543,875
Charge for the year	55,059	95,047	6,796	373,460	-	530,362
Eliminated on disposals	-	-	-	(1,818)	-	(1,818)
At 31 August 2015	<u>134,902</u>	<u>235,464</u>	<u>27,184</u>	<u>674,869</u>	<u>-</u>	<u>1,072,419</u>
Net book value						
At 31 August 2015	<u>1,058,724</u>	<u>239,747</u>	<u>6,794</u>	<u>489,475</u>	<u>92,789</u>	<u>1,887,529</u>
At 31 August 2014	<u>838,619</u>	<u>273,724</u>	<u>13,590</u>	<u>711,008</u>	<u>-</u>	<u>1,836,941</u>

The Lincolnshire Educational Trust Limited

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

15 Stock

	2015	2014
	£	£
Books and stationery	6,827	12,578
Catering	1,531	2,313
Cleaning	2,411	4,026
Clothing	3,803	-
Shop stock	8,781	10,760
Computer consumables	6,267	5,500
	<u>29,620</u>	<u>35,177</u>

16 Debtors

	2015	2014
	£	£
Trade debtors	24,449	25,320
Prepayments	188,376	157,093
VAT recoverable	88,050	57,762
Other debtors	325,479	96,647
	<u>626,354</u>	<u>336,822</u>

17 Creditors: amounts falling due within one year

	2015	2014
	£	£
Trade creditors	178,892	60,733
Other taxation and social security	136,898	129,551
Other creditors	6,730	3,903
Pension scheme creditor	114,222	92,135
Accruals	220,607	156,387
Deferred income	35,685	79,379
Public works board loan	31,435	30,372
	<u>724,469</u>	<u>552,460</u>

The Lincolnshire Educational Trust Limited

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

18 Creditors: amounts falling due after one year

	2015 £	2014 £
Public works board loan	<u>101,062</u>	<u>132,497</u>

The Academy took control over the Public Works Board loan which funded the extension to the 6th form block when it was part of the George Farmer Technology and Language College. The length of repayment has been set at 10 years and the interest rate at 3.470%, the loan is due to be repaid by August 2019.

19 Funds

	Balance at 1 September 2014 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2015 £
Restricted general funds					
Restricted General Funds	1,918,950	9,999,254	(9,546,160)	(468,207)	1,903,837
Restricted fixed asset funds					
Restricted Fixed Asset Funds	1,836,942	112,742	(530,362)	468,207	1,887,529
Restricted pension funds					
Restricted Pension Funds	<u>(1,637,000)</u>	<u>-</u>	<u>-</u>	<u>(457,000)</u>	<u>(2,094,000)</u>
Total restricted funds	2,118,892	10,111,996	(10,076,522)	(457,000)	1,697,366
Unrestricted funds					
Unrestricted general funds	<u>52,747</u>	<u>39,562</u>	<u>-</u>	<u>-</u>	<u>92,309</u>
Total funds	<u>2,171,639</u>	<u>10,151,558</u>	<u>(10,076,522)</u>	<u>(457,000)</u>	<u>1,789,675</u>

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2015

Analysis of academies by fund balance

Fund balances at 31 August 2015 were allocated as follows:

	Total £
University Academy Holbeach	1,911,745
Holbeach Primary Academy	<u>84,401</u>
Total before fixed assets and pension reserve	1,996,146
Restricted Fixed Asset Funds	1,887,529
Restricted Pension Funds	<u>(2,094,000)</u>
Total	<u>1,789,675</u>

The Lincolnshire Educational Trust Limited

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

19 Funds (continued)

Analysis of academies by cost

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

	Teaching and Educational Support Staff Costs £	Other Support Staff Costs £	Educational Supplies £	Other Costs (excluding Depreciation) £	Total £
University Academy					
Holbeach	4,949,978	1,726,180	334,473	1,454,517	8,465,148
Holbeach Primary Academy	<u>483,351</u>	<u>348,279</u>	<u>36,993</u>	<u>212,389</u>	<u>1,081,012</u>
Academy Trust	<u>5,433,329</u>	<u>2,074,459</u>	<u>371,466</u>	<u>1,666,906</u>	<u>9,546,160</u>

20 Analysis of net assets between funds

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	-	1,887,529	1,887,529
Current assets	92,309	2,729,368	-	2,821,677
Current liabilities	-	(724,469)	-	(724,469)
Creditors over 1 year	-	(101,062)	-	(101,062)
Pension scheme liability	-	<u>(2,094,000)</u>	-	<u>(2,094,000)</u>
Total net assets	<u>92,309</u>	<u>(190,163)</u>	<u>1,887,529</u>	<u>1,789,675</u>

The Lincolnshire Educational Trust Limited

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

21 Capital commitments

	2015	2014
	£	£
Contracted for, but not provided in the financial statements	<u>-</u>	<u>320,947</u>

Financial Commitments

Operating leases

At 31 August 2015 the Academy had annual commitments under non-cancellable operating leases as follows:

Operating leases which expire:

	2015	2014
	£	£
Other		
Within one year	5,493	-
Within two to five years	994	6,986
	<u>6,487</u>	<u>6,986</u>

22 Reconciliation of net income to net cash inflow/(outflow) from operating activities

	2015	2014
	£	£
Net income	1,304	850,605
Depreciation	530,362	356,280
Interest receivable	(25,277)	(30,804)
Interest payable	5,391	5,189
Decrease/(increase) in stocks	5,557	(6,430)
(Increase)/decrease in debtors	(289,532)	29,498
Increase/(decrease) in creditors	172,009	(584,631)
Net cash inflow from operating activities	<u>399,814</u>	<u>619,707</u>

The Lincolnshire Educational Trust Limited

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

23 Returns on investments and servicing of finance

	2015	2014
	£	£
Interest received	25,277	30,804
Interest payable	<u>(5,391)</u>	<u>(5,189)</u>
Net cash inflow from returns on investments and servicing of finance	<u>19,886</u>	<u>25,615</u>

24 Capital expenditure and financial investment

	2015	2014
	£	£
Purchase of tangible fixed assets	(566,856)	(1,326,932)
Sale of tangible fixed assets	<u>906</u>	<u>2,538</u>
Net cash outflow from capital expenditure and financial investment	<u>(565,950)</u>	<u>(1,324,394)</u>

25 Analysis of changes in net funds

	At 1	Cash flows	At 31 August
	September		2015
	2014	£	£
	£	£	£
Cash at bank and in hand	<u>2,284,656</u>	<u>(118,953)</u>	<u>2,165,703</u>

26 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.

The Lincolnshire Educational Trust Limited

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

27 Pension and similar obligations

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS was 31 March 2004 and of the LGPS 31 August 2013.

Contributions amounting to £(114,222) (2014 - (92,135)) were payable to the schemes at 31 August and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

The Teachers' Pensions Regulations require an annual account to be kept of receipts and expenditure (including the cost of pensions' increases). From 1 April 2001, the account has been credited with a real rate of return, which is equivalent to assuming that the balance in the account is invested in notional investments that produce that real rate of return.

Valuation of the Teachers' Pension Scheme

At the last valuation, the contribution rate to be paid into the TPS was assessed in two parts. First, a standard contribution rate ("SCR") was determined. This is the contribution, expressed as a percentage of the salaries of teachers and lecturers in service or entering service during the period over which the contribution rate applies, which if it were paid over the entire active service of these teachers and lecturers would broadly defray the cost of benefits payable in respect of that service. Secondly, a supplementary contribution is payable if, as a result of the actuarial review, it is found that accumulated liabilities of the account for benefits to past and present teachers, are not fully covered by standard contributions to be paid in future and by the notional fund built up from past contributions. The total contribution rate payable is the sum of the SCR and the supplementary contribution rate.

The latest valuation of the TPS related to the period 1 April 2001 - 31 March 2004. The GA's report of October 2006 revealed that the total liabilities of the Scheme (pensions currently in payment and the estimated cost of future benefits) amounted to £166.500m. The value of the assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) was £163.240m. The assumed real rate of return is 3.5% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 1.5%. The assumed gross rate of return is 6.5%.

The Public Service Pensions Bill provides for future scheme valuations to be conducted in accordance with Treasury directions. The actuarial valuation report in summer 2014 takes effect from September 2015.

The Lincolnshire Educational Trust Limited

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

27 Pension and similar obligations (continued)

Teachers' Pension Scheme Changes

Lord Hutton made recommendations in 2011 about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation with trade unions and other representative bodies. In March 2012 the Department for Education published proposals for the design for a reformed TPS.

The key provisions of the reformed scheme include: a pension based on career average earnings; an accrual rate of 1/57th; and a Normal Pension Age equal to State Pension Age, but with options to enable members to retire earlier or later than their Normal Pension Age. Pension benefits built up before 1 April 2015 will be fully protected.

In addition, the proposed final agreement includes a Government commitment that those within 10 years of normal pension age on 1 April 2012 will see no change to the age at which they can retire, and no decrease in the amount of pension they receive when they retire. There will also be further transitional protection, tapered over a three and a half year period, for people who would fall up to three and a half years outside of the 10 year protection.

In his interim report of October 2010, Lord Hutton recommended that short-term savings were also required, and that the only realistic way of achieving these was to increase member contributions. At the Spending Review 2010 the Government announced an average increase of 3.2 percentage points on the contribution rates by 2014-15. The increases have been phased in since April 2012 on a 40:80:100% basis.

The Department for Education has continued to work closely with trade unions and other representatives bodies to develop the reformatted Teachers' Pension Scheme and regulations giving effect to it came into force on 1 April 2014. Communications are being rolled out and the reformatted scheme will commence on 1 April 2015.

Under the definitions set out in Financial Reporting Standard 17 (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The Academy is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the Academy has taken advantage of the exemption in FRS 17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Academy has set out above the information available on the scheme.

Local government pension scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2015 was £338,000, of which employer's contributions totalled £275,000 and employees' contributions totalled £63,000.

Principal actuarial assumptions

	At 31 August 2015 %	At 31 August 2014 %
Rate of increase in salaries	4.00	3.90
Rate of increase for pensions in payment/inflation	2.60	2.60
Discount rate for scheme liabilities	3.70	3.70

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

The Lincolnshire Educational Trust Limited

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

27 Pension and similar obligations (continued)

	At 31 August 2015	At 31 August 2014
Retiring today		
Males retiring today	22.20	22.20
Females retiring today	24.40	24.40
Retiring in 20 years		
Males retiring in 20 years	24.50	24.50
Females retiring in 20 years	<u>26.80</u>	<u>26.80</u>

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

	At 31 August 2015	At 31 August 2014
	£	£
Equities	1,774,000	1,431,000
Other bonds	307,000	245,000
Property	<u>284,000</u>	<u>207,000</u>
Total market value of assets	2,365,000	1,883,000
Present value of scheme liabilities - funded	<u>(4,459,000)</u>	<u>(3,520,000)</u>
Deficit in the scheme	<u>(2,094,000)</u>	<u>(1,637,000)</u>

The Lincolnshire Educational Trust Limited

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

27 Pension and similar obligations (continued)

The expected rates of return were:

	At 31 August 2015 %	At 31 August 2014 %
Equities	3.70	6.30
Other bonds	3.70	3.60
Property	3.70	4.50
Cash	3.70	3.30

The expected return on assets is based on the long-term future expected investment return for each asset class at the beginning of the period. The returns on gilts and other bonds are assumed to be the gilt yield and corporate bond yield (with an adjustment to reflect the default risk) respectively at the relevant date. The returns on equities and property are then assumed to be a margin above gilt yields.

The actual return on scheme assets was £52,000 (2014 - £202,000).

Amounts recognised in the statement of financial activities

	2015 £	2014 £
Current service cost	339,000	213,000
Total operating charge	339,000	213,000

Analysis of pension finance income/(costs)

	2015 £	2014 £
Expected return on pension scheme assets	124,000	103,000
Interest on pension liabilities	(151,000)	(133,000)
Pension finance costs	(27,000)	(30,000)

The actuarial gains and losses for the current year are recognised in the statement of financial activities. The cumulative amount of actuarial gains and losses recognised in the statement of financial activities since the adoption of FRS 17 is (£1,083,000) (2014 - (£972,000)).

The Lincolnshire Educational Trust Limited

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

27 Pension and similar obligations (continued)

Movements in the present value of defined benefit obligation

	2015 £	2014 £
At 1 September	3,520,000	2,790,000
Current service cost	339,000	213,000
Interest cost	151,000	133,000
Employee contributions	72,000	53,000
Actuarial losses	39,000	369,000
Liabilities assumed in a business combination	390,000	-
Benefits paid	<u>(52,000)</u>	<u>(38,000)</u>
At 31 August	<u>4,459,000</u>	<u>3,520,000</u>

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

	2015 £	2014 £
At 1 September	1,883,000	1,557,000
Expected return on assets	124,000	103,000
Actuarial losses	(72,000)	(26,000)
Employer contributions	307,000	234,000
Employee contributions	72,000	53,000
Assets acquired in a business combination	103,000	-
Benefits paid	<u>(52,000)</u>	<u>(38,000)</u>
At 31 August	<u>2,365,000</u>	<u>1,883,000</u>

The schemes assets and liabilities were valued by a qualified actuary.

The estimated value of employer contributions for next period is £369,000 (2014 - £245,000).

History of experience adjustments

	2015 £	2014 £	2013 £	2012 £
Experience adjustments arising on scheme assets	(72,000)	(26,000)	116,000	27,000
Experience adjustments arising on scheme liabilities	<u>5,000</u>	<u>(31,000)</u>	<u>-</u>	<u>-</u>

Comparative figures have not been restated as permitted by FRS 17.

The Lincolnshire Educational Trust Limited

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

28 Related party transactions

During the year the Academy made the following related party transactions:

University of Lincoln (Sponsor)

During the year the University of Lincoln recharged time for services to The Lincolnshire Educational Trust Limited totalling net £34,866 (2014 - £nil). This includes time recharged for Mrs C Hamblett of £5,454 which have been noted in note 11 as central services. At the balance sheet date the amount due to University of Lincoln was £34,866 (2014 - £Nil).

AMB Education Consultancy Limited (Director in common Mr A Breckon)

During the year The Lincolnshire Educational Trust Limited received consultancy services from AMB Education Consultancy Limited for £24,850 (2014 - £nil). These have been noted in note 11 as central services. At the balance sheet date the amount due to AMB Education Consultancy Limited was £7,600 (2014 - £Nil).

29 Conversion to an Academy Trust

On 1 September 2014 the Holbeach Primary School converted to Academy trust status under the Academies Act 2010 and all the operations assets and liabilities were transferred to The Lincolnshire Educational Trust Limited from the Lincolnshire County Council Local Authority for £Nil consideration.

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

The following table sets out the fair values of the identifiable assets and liabilities and an analysis of their recognition in the SOFA.

	Restricted general fund £	Restricted fixed asset fund £	Total £
Tangible fixed assets			
Other tangible fixed assets	-	15,000	15,000
LGPS pension deficit	(287,000)	-	(287,000)
Other identified assets and liabilities	58,732	-	58,732
Net (liabilities)/assets	<u>(228,268)</u>	<u>15,000</u>	<u>(213,268)</u>

The above net liabilities include £58,732 that were transferred as cash.

