

**LINK ACADEMY TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2018**

**LINK ACADEMY TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

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

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<b>Members</b>	Julian Charles Ould Gill Golder Douglas Dettmer Yvonne Short (resigned 3 June 2018) Isabel Cherrett (appointed 5 July 2017)
<b>Trustees</b>	Nicola Dunford, CEO <sup>2,3</sup> Antony Callcut, Executive Principal (resigned 19 July 2018) <sup>2,3</sup> Isabel Cherrett, Chair <sup>2,4</sup> Iain Grafton (resigned 16 July 2018) <sup>1,3</sup> Simon Niles <sup>3</sup> Charlotte Power, Deputy Chair (resigned 9 December 2018) <sup>1,3</sup> Fiona Walters <sup>2</sup> Roy Gillard <sup>2,4</sup> Peter Bethel (appointed 2 October 2017) <sup>1</sup> Cheryl Mathieson (appointed 2 October 2017) <sup>2,4</sup> Jason Hayward-Jones (appointed 10 October 2018) <sup>3</sup>

- 1 Audit Committee
- 2 Finance and General Purposes Committee
- 3 Standards and Curriculum Committee
- 4 Remuneration Committee

<b>Company registered number</b>	10049068
<b>Company name</b>	Link Academy Trust
<b>Principal and registered office</b>	Landscope C of E Primary School Landscope Ashburton Newton Abbot TQ13 7LY
<b>Corporate secretary</b>	Michelmores Secretaries Woodwater House Pynes Hill Exeter Devon EX2 5WR
<b>Chief executive officer</b>	Nicola Dunford
<b>Senior management team</b>	Nicola Dunford, CEO Antony Callcut, Executive Principal Matt Matthew, Business Manager
<b>Independent auditors</b>	Bishop Fleming LLP Chartered Accountants Statutory Auditors Salt Quay House 4 North East Quay Sutton Harbour Plymouth PL4 0BN

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY TRUST, ITS TRUSTEES AND  
ADVISERS  
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**Advisers (continued)**

<b>Bankers</b>	Lloyds Bank plc Chapel Hill 11 Treyew Road Truro Cornwall TR1 3AN
<b>Solicitors</b>	Michelmores LLP Woodwater House Pynes Hill Exeter Devon EX2 5WR

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

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The Trustees present their annual report together with the financial statements and auditors' report of the Charitable Company for the year ended 31 August 2018. The annual report serves the purpose of both a Trustees' report, and a Directors' report under company law.

The Academy Trust operates nine primary Academies in Totnes, Newton Abbot & Teign Valley region and Woodleigh, Nr Crediton. The Academy Trust expanded on 1 March 2018, following a period of Management Partnership, when the three primary schools of the Woodleigh Federation joined the Link Academy Trust (then six small primary schools). The six Academies of the Link Academy Trust at the start of 2017 had a combined overall pupil capacity of 536, with the number of pupils on roll of 479 which is 89.4 per cent of capacity. From 1 March 2018, the combined overall capacity increased to 795, with numbers of pupils on roll of 697, which is 87.7 per cent of capacity, on the 31 January 2018 census.

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Constitution**

The Academy Trust was incorporated on 8 March 2016 and opened as a Trust on 1 April 2016, is a company limited by guarantee and an exempt charity. The Charitable Company's Memorandum and Articles of Association are the primary governing documents of the Academy Trust.

The Trustees of Link Academy Trust are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Link Academy Trust.

Details of the Trustees who served throughout the year, are included in the Reference and Administration Details on pages 1 to 2.

**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 they ceased to be a member.

**Trade union facility time**

**Relevant union officials**

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

**Percentage of time spent on facility time**

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

  

<b>Percentage of pay bill spent on facility time</b>	<b>£</b>
Total cost of facility time	396
Total pay bill	2,391,507
Percentage of total pay bill spent on facility time	- %

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

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**Paid trade union activities**

Time spent on paid trade union activities as a percentage of total paid facility time hours - %

**Trustees' Indemnities**

Trustees benefit from indemnity insurance purchased at the Academy Trust's expense to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy Trust, provided that any such insurance shall not extend to any claim arising from any act or omission which the Trustees knew to be a breach of trust or breach of duty or which was committed by the Trustees in reckless disregard to whether it was a breach of trust or breach of duty or not and provided also that any such insurance shall not extend to the costs of any unsuccessful defence to a criminal prosecution brought against the Trustees in their capacity as Directors of the Academy Trust. The limit of this indemnity is £10,000,000.

**TRUSTEES**

**Method of Recruitment and Appointment or Election of Trustees**

On 1 April 2016 the Members appointed those Trustees that had been recruited and selected to be Trustees of the newly formed Academy Trust. In accordance with the Articles of Association, the Academy Trust's Board of Trustees shall not be less than three and no more than fifteen. For the period of this report, the Board comprised the Chief Executive Officer (CEO), Executive Principal and eight appointed Trustees which reduced to seven in July when the Executive Principal also resigned from the Board.

Trustees are appointed for a four year period, except that this time limit does not apply to the CEO. Subject to remaining eligible to be a particular type of Trustee, any Trustee can be re-appointed or re-elected.

The Diocese of Exeter is empowered under Articles 48-49 to appoint Trustees.

When appointing new Trustees, the Board will give consideration to the skills and experience mix of existing Trustees in order to ensure that the Board has the necessary skills to contribute fully to the Academy Trust's development.

**Policies and Procedures Adopted for the Induction and Training of Trustees**

The training and induction provided for new Trustees will depend upon their existing experience but would always include a tour of the Academy Trust and a chance to meet staff and pupils. All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Trustees. As there are normally only two or three new Trustees a year, induction tends to be done informally and is tailored specifically to the individual. Advantage is taken of specific courses offered by the Local Authority and other bodies. The Academy Trust has in place robust appointment procedures and it is anticipated that two or three new Directors will be joining the Board during the following financial year 2018-19, following the departure of the Executive Principal and another Trustee in July 2018.

**Organisational Structure**

The Board of Trustees normally meets once each half term. The Board establishes an overall framework for the governance of the Academy Trust and determines membership, terms of reference and procedures of Committees and other groups. It receives reports including policies from its Committees for approval. It monitors the activities of the Committees through the minutes of their meetings. The Board may from time to time establish Working Groups to perform specific tasks over a limited timescale.

During the period under report, the Board met six times and the committees working within the Board are as follows:

- Finance and General Purposes Committee - this meets at least four times a year and is responsible for monitoring, evaluating and reviewing policy and performance in relation to financial management, drafting the annual budget for the Board's approval and, once agreed, monitoring performance against the budget; setting the Academy Trust's staffing establishment based on a staffing needs analysis; the Academy

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

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Trust's estate development and maintenance as well as compliance with reporting and regulatory requirements. In 2017-18 it met six times.

- Standards and Curriculum Committee - this meets three times a year to monitor, evaluate and review Academy Trust policy, practice and performance in relation to curriculum planning, communications, target setting and assessment, teaching and learning data and all pastoral issues. Its duties include responsibility for all policies related to Standards and Curriculum. It will monitor pupil performance data and monitor the Academy Trust Improvement Plan. It links with Local Governing Bodies (LGBs) regarding the day to day operation of schools. The Committee also monitors the Link Academy Trust website to ensure it complies with statutory requirements. Checking school attendance and all aspects of safeguarding also fall within its duties. In 2017-18 it met three times.
- The Remuneration Committee which meets three times a year to deal with all matters relating to pay. The Committee is authorised to approve expenditure within the levels agreed by the Board of Directors, in accordance with the Link Academy Trust's Financial Regulations, funding bodies' and other legal requirements. These duties include the detailed employment arrangements of the Senior Management Team; the Committee conducts the appraisals of the CEO and Executive Principal; pay awards for the Senior Management Team are subject to the approval of the full Board. The Committee is responsible for all HR Policies. In 2017-18 it met four times.
- Audit Committee which meets at least three times a year and is authorised to approve expenditure within the levels agreed by the Board of Directors, in accordance with the Link Academy Trust's Financial Regulations, funding bodies' and other legal requirements. Its duties include the appointment of the Internal Audit Service, setting the annual programme of reviews and receiving reports thereon and ensuring the timely completion of any recommendations. The Committee met with the External Audit Service at the conclusion of the annual audit to discuss its findings prior to presentation to the Board and will monitor the timely completion of recommendations. The Committee also oversees compliance testing for Legionella, health & safety and environmental protection. The Committee scrutinises all audit reviews by the Educational and Skills Funding Agency (ESFA) and monitors the completion of recommendations. Overall it also takes responsibility for the Audit and Annual Risk Management Plan and all aspects of Business Recovery. It met three times in 2017-18. During the year, the Audit Committee reviewed the provision of the External Audit Service and obtained three quotations. Based on the level of service and sector experience, the Board approved the Committee's recommendation to appoint Bishop Fleming LLP for a period of five years from 2018-19 with a review in Year 3; this appointment is subject to annual confirmation by the Members in accordance with the Articles of Association.

**Communication and Reporting Procedures**

The minutes of the committees' meetings will be circulated to the next meeting of the Board of Directors. Subject to any items deemed confidential, the minutes will be made available to the Academies within the Academy Trust once agreed by the Chair and then posted on the website once formally approved at the next meeting.

**Clerking Arrangements**

The Clerk to the Board of Directors acts as the Clerk of the Committees.

The following decisions are reserved to the Board of Trustees: to consider any proposals for changes to the status or constitution of the Academy Trust and its committee structure, to appoint or remove the Chairperson and/or Vice Chairperson, to appoint the CEO, Executive Principal and Clerk to the Trustees, to approve the Annual Academy Trust Development Plan, budget and financial forecasts.

The Trustees are responsible for setting general policy, adopting an annual plan and budget, approving the statutory accounts, monitoring the Academies and Academy Trust by the use of budgets and other data, and making major decisions about the direction of the Academies and Academy Trust, capital expenditure and staff appointments.

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**TRUSTEES' REPORT (continued)  
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The Board of Trustees have devolved responsibility for day to day management of the Academy Trust to the CEO, Executive Principal and Business Manager, known as the Senior Management Team (SMT) in collaboration with Heads of Schools.

The Academy Trust has a leadership structure which consists of the Members, Trustees, Governors and SMT. The aim of the leadership structure is to devolve responsibility and encourage involvement in decision making at all levels. The CEO, Business Manager and Finance & General Purposes Committee are responsible for the authorisation of spending within agreed budgets; a summary of this is in the Scheme of Delegation. Some spending control is devolved to budget holders which must be authorised in line with the Scheme of Delegation. The CEO and Executive Principal are responsible for the appointment of staff, through appointment panels for teaching posts that always include a Director.

The Academy Trust comprises nine primary schools: Bearnese, Cheriton Bishop, Diptford, Harbertonford, Hennock, Landscope, Stoke Gabriel, Tedburn St Mary and Yeoford which are grouped in Hubs based on previous Federations with a Local Governing Board (LGB). These Hubs are: Newton and Teign (Bearnese and Hennock), Totnes (Diptford, Harbertonford, Landscope and Stoke Gabriel) and Woodleigh (Cheriton Bishop, Tedburn St Mary and Yeoford). The LGBs oversee day to day school operation in terms of safeguarding, teaching and learning. The Academy Trust Board comprises up to fifteen Directors that are separate from the Local Governing Bodies.

The Chief Executive is the Accounting Officer.

**Arrangements for Setting Pay and Remuneration of Key Management Personnel**

The Trustees consider the Board of Trustees and the SMT comprise the key management personnel of the Academy Trust in charge of directing and controlling, running and operating the Academy Trust on a day to day basis. All Trustees give their time freely and no Trustee received remuneration in the year.

Details of Trustees' expenses and related party transactions are disclosed in the notes to the accounts.

The Trustees benchmark against pay levels in other Academies of a similar size.

**Connected Organisations, including Related Party Relationships**

The Academy Trust has strong collaborative links across the nine primary schools forming the Academy Trust and with primary schools which form the Totnes, Teign Valley & Newton Abbot and Crediton learning communities.

There are no related parties which either control or significantly influence the decisions and operations of Link Academy Trust. There are no sponsors or formal Parent Teacher Associations associated with the Academy Trust.

**OBJECTIVES AND ACTIVITIES**

**Objects and Aims**

The principal object and activity of the Academy Trust is to advance for the public benefit education in the United Kingdom, in particular by establishing, maintaining, carrying on, managing and developing nine primary academies, offering a broad range of curriculum for pupils of different abilities, with a strong emphasis on inclusion, a supporting network of teaching and learning expertise to deliver high level experiential learning.

The aims of the Academy Trust during the 1 September 2017 to 31 August 2018 financial year are summarised below:

- continue to raise the standard of educational attainment and achievement of all pupils further;
- provide an inspirational, broad and balanced curriculum, enhanced through regular experiential opportunities, to develop students as more effective, independent and aspirational learners;
- enhance the preschool provision and outcomes;
- develop the individual Academy sites to provide more effective learning environments and enable students to achieve their full potential;



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**TRUSTEES' REPORT (continued)  
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- ensure that every child enjoys the same high quality education in terms of resourcing, tuition and care which is tailored to fully meet their individual needs;
- improve the effectiveness of the Academies by keeping the curriculum and organisational structure under continual review in order to effect improvement;
- maximise the number of students who achieve age related expectations or above at KS1 and KS2;
- provide value for money for the funds expended;
- develop the Inclusion Hub located at Bearnas Primary school to ensure specialist provision for SEND children across the Academy Trust in the form of bespoke staff training, pupil interventions and access to professional third party organisations;
- work closely with families and the community in order to enhance further the outcomes for children;
- develop greater coherence, clarity and effectiveness in school systems;
- comply with all appropriate statutory and curriculum requirements;
- maintain close links with industry and commerce;
- develop the Academy Trust's capacity to manage change;
- conduct the Academy Trust's business in accordance with the highest standards of integrity, probity and openness; and
- grow the Academy Trust through the capacity of the current Academies and encouraging schools to convert to Academy status and join the Link Academy Trust.

At the Link Academy Trust we aim to achieve the best for, and from, each child. We intend to enable each child to realise his or her full academic, creative and physical potential and to develop positive social and moral values. Our Academy Trust is a community in which children, staff and parents should be part of a happy and caring environment. Our visions and values are reviewed annually and form the foundations of how we operate.

**Objectives, Strategies and Activities**

Key priorities for the period 1 September 2017 to 31 August 2018 are contained in our Academy Trust Improvement Plan which is available from the Trust Head Office. Improvement foci identified for this year included:

**Leadership and Management:**

To have a professional development programme which supports learning at all levels, encourages, challenges and supports all staff, embracing opportunities for collaboration within and beyond individual schools and the Academy Trust. To have strategic sharing of practice, protocols and resources across the Academy Trust to benefit all pupils.

**Outcomes for Pupils:**

All Academies to be at or above the National Average for progress in Reading, Writing and Maths. The gap between pupil premium and not pupil premium children to be below the National Average.

**Provision:**

All Academies to have strong links with feeder pre-schools, to have effective transition arrangements and to improve school readiness for children.

Recruitment and retention in Academies will drive to ensure there is a strategic focus on ensuring every Academy achieves the Pupil Admission Number (PAN) for entry into Reception and as far as possible every cohort maintains PAN in every cohort to achieve overall high capacity in schools.

**Teaching and Learning:**

All schools deliver an engaging curriculum that challenges pupils' thinking and provides exciting and memorable learning experiences.

**Personal Development, Behaviour and Welfare:**

All schools will be above the National Average for attendance and below the National Average for fixed term and permanent exclusions.

Alongside the above, all individual Academies continued during the 2017-18 academic year to complete their own Improvement Plans which are specific to the individual needs of the setting. These were focused on the areas that Ofsted use for their inspection of schools – Overall effectiveness; Effectiveness of leadership and management; Personal development, behaviour and welfare; Quality of teaching, learning and assessment and

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Outcomes for pupils. Each of the Academy Trust Improvement Plan foci was interpreted for the individual Academy and the improvement plan captured the actions each setting needed to focus on to ensure the Academy Trust plan achieved the overall outcomes, for example, in fulfilling Outcomes for Children, one of the Academies pinpointed Writing at KS1&2, Spelling and writing at Greater Depth.

This is the second complete year of a Link Academy Trust Improvement Plan and it was established through collaboration and consultation with the Heads of School across the Academy Trust. The Link Academy Trust Improvement Plan operates alongside the individual Academy plans which address specific areas required for the individual settings; these are then monitored and evaluated for impact throughout the year.

**Public Benefit**

The Trustees confirm that they have complied with the duty in Section 17(5) of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the Academy Trust's aims and objectives and in planning its future activities.

The Academy Trust aims to advance for the public benefit, education in Totnes, Newton Abbot & Teign Valley, Crediton and the surrounding area. In particular, but without prejudice to the generality of the foregoing by estimating, maintaining, managing and developing schools, offering a broad primary curriculum.

The Academy Trust provides facilities for recreational and other leisure time occupation for the community at large in the interests of social welfare and with the interest of improving the life of the said community wherever possible.

**STRATEGIC REPORT**

**Achievements and Performance**

**Headline success rates**

Link Academy Trust KS2 SATS Analysis 2018, percentage of pupils achieving the Expected Standard. SPAG – Spelling, Punctuation and Grammar.

Overall results have improved this year and all schools are at/ above floors, given the % value for each child in such small cohorts. Bearnas in particular has improved where the negative effect of high mobility level last year resulted in low results, this year has seen a significant increase in the percentage of pupils achieving age-related. The Accelerated Reader programme and the extensive Maths CPD programme has had a positive impact on reading and maths results which we expect to continue to see improve. Writing will be a future and ongoing focus. Greater Depth percentages have been tracked this year and will be a focus of future improvement.

The Academy Trust continues to implement a full plan of growth in the Academies to ensure all schools are operating as near capacity as possible - including a proactive PR and marketing campaign, open events and exploring transport opportunities for those parents located in the more rural areas to enhance the already inclusive nature of our schools. In parallel with this development, the Academy Trust continued to strengthen its links with surrounding preschool providers and develop its own provision within schools as Foundation Units, extending the age range of schools where appropriate. Six schools now have Pre-school provision all of which are operating at profitable capacity. Diptford had a purpose-built Foundation Stage Unit built with funds provided through a Charitable Trust which opened in September 2017. Hennock's Pre School has gone from strength to strength, now operating 10 sessions a week, not only is it full but there is a waiting list and a number of new joiners have increased the school roll as a result of its success. Bearnas and Harbertonford continue to operate expanding Pre-schools, the latter has a waiting list for many sessions. Of the Woodleigh Schools, Cheriton Bishop has a successful pre-school which has had a positive impact on numbers on roll and Yeoford is preparing to open a Foundation Unit in September 2018.

The Inclusion Hub, established from the inauguration of the Academy Trust has extended its remit and now supports schools within the Academy Trust and also schools in the Newton Abbot area, Teignbridge schools and is closely linked with Plymouth Excellence Centre. It provides training and support for SENCOs, teachers and teaching assistants thereby developing their effectiveness to support vulnerable & challenging pupils. It is now

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**TRUSTEES' REPORT (continued)  
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offering therapeutic courses to challenging pupils which has been highly successful in supporting effective integration of these children into the classroom environment. This year it has also supported Academies with Disadvantaged Pupils, identifying their barriers to learning and ensuring their progress is a foremost consideration in every school.

Every school is well supported by parent volunteers who are increasingly developing their income generation skills alongside supporting activities within schools. All of the Trust schools are currently judged to be Good or Outstanding by OFSTED, however only one school (Cheriton Bishop) has been inspected this year. We anticipate that at least five schools will be due for inspection, not including two Woodleigh schools as they have only just joined the Trust.

The Academy Trust was successful with three of its eight Condition Improvement Fund bids which has resulted in a complete refurbishment of the mechanical and electrical services at Bearnas and Harbertonford and replacement windows at Stoke Gabriel primary school. All schools have seen improvements in general maintenance and decoration over the year and grants for individual projects amounting to over £23,000 have been achieved through a dedicated member of staff focusing on bidding for one day per week.

To ensure standards are continually assessed, the Academies operate a mutual termly learning walk programme of lesson observations, book scrutiny and data analysis reviews that are undertaken by the Heads of Schools, the CEO and Executive Principal. From this, teachers and support staff receive feedback and internal programmes of continuous professional development are run for identified staff.

The Link Academy Trust has continued to work with a number of individual schools and small federations to promote the ethos and vision that drives the Academy Trust and expects to develop further links with schools in the geographical area and focus on collaborating with federations of small schools.

<b>KS2 - Yr6</b>	<b>No of pupils</b>	<b>% per pupil</b>	<b>% Combin ed R/W/ M</b>	<b>% Writing</b>	<b>% Readin g</b>	<b>% Maths</b>	<b>% SPAG*</b>
All Schools							
Bearnas	15	6.7	65	60	67	67	60
Bearnas - Greater Depth				13.4	13.4	6.7	13.4
Cheriton Bishop	15	6.7	67	73	80	67	73
Cheriton Bishop - Greater Depth				21	27	14	42
Diptford	12	8	75	75	100	83	75
Diptford - Greater Depth				8	50	17	50
Harbertonford	13	7.6	62	69	77	85	69
Harbertonford - Greater Depth				0	23	23	31
Henock	4	25	75	75	100	100	75
Henock - Greater Depth				25	25	25	25
Landscope	13	7.7	93	93	100	100	93
Landscope - Greater Depth					54	38	46
Stoke Gabriel	17	5.9	82	88	94	88	94
Stoke Gabriel - Greater Depth				35	65	35	53
Tedburn St Mary	18	5.5	100	100	100	100	94
Tedburn St Mary - Greater Depth				22	28	61	28
Yeoford	7	14	86	86	86	100	29
Yeoford - Greater Depth				28	28	0	14

**Key Performance Indicators**

The Academy Trust is working with its appointed accountants and has started to develop a full range of KPIs, including percentage carry forward, pupil/teacher ratio, staffing costs versus General Academic Grant (GAG)/income, these have now been extended and form part of the rigorous scrutiny of the financial position at month end and with the F&GP Committee.

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**TRUSTEES' REPORT (continued)  
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**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 Going concern policy.

**FINANCIAL REVIEW**

**Financial Review**

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

The Academy Trust also receives grants for fixed assets from the DfE which are shown in the Statement of Financial Activities as restricted income in the Fixed Asset Fund. The Restricted Fixed Asset Fund balance is reduced by annual depreciation charges over the useful life of the assets concerned, as defined in the Academy Trust's accounting policies.

During the year ended 31 August 2018, the Academy Trust received total income of £5,942,670 and incurred total expenditure of £3,822,347. The excess of income over expenditure for the year was £2,120,323, however this includes capital grants and the value of assets transferred on schools converting to academies.

At 31 August 2018 the net book value of fixed assets was £6,768,240 and movements in tangible fixed assets are shown in note 14 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy Trust.

The land, buildings and other assets were transferred to the Academy Trust upon conversion. Land and buildings were valued on 1 March 2018 at £2,154,999. Other assets have been included in the financial statements at a best estimate, taking into account purchase price and remaining useful lives.

The balance of the former schools' budget share (£6,220) was transferred across on conversion and is shown as Unrestricted Funds.

The Trustees have determined that the appropriate level of free reserves should be approximately 2 months of operating costs (£500,000). The Trust currently has free reserves of £453,642.

Key financial policies adopted or reviewed during the year include the Finance Procedures Manual which lays out the framework for financial management, including financial responsibilities of the Board, CEO, Executive Principal, Business Manager, Heads of Schools, Administrators, as well as delegated authority for spending. Other policies reviewed and updated included Charges and Lettings, Asset Management and Insurance.

**Reserves Policy**

The Trustees review the reserve levels of the Academy Trust annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Trustees take into consideration the future plans of the Academy Trust, the uncertainty over future income streams and other key risks identified during the risk review. This is reviewed on a continual basis and, where possible, funds will be invested and/or used for capital expenditure to promote and develop the individual school sites.

The defined benefit pension scheme reserve has a negative balance. The effect of the deficit position of the pension scheme is that the Academy Trust is paying higher employers' pension contributions over a period of years. The higher employers' pension contributions will be met from the Academy Trust's budgeted annual income. Whilst the deficit will not be immediately eliminated, there should be no actual cash flow deficit on the fund, nor any direct impact on the free reserves of the Academy Trust.

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**TRUSTEES' REPORT (continued)  
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**Investment Policy**

Trustees are committed to ensuring that all funds under their control are managed in such a way as to maximise return whilst minimising risk. Due to the nature and timing of receipt of funding, the Academy Trust may at times hold cash balances surplus to its short term requirements. The Trustees have authorised the opening of additional short term bank investment accounts to take advantage of higher interest rates. No other form of investment is authorised.

**Principal Risks And Uncertainties**

The Board of Trustees has reviewed the major 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 principal risks and uncertainties facing the Academy Trust are as follows:

**Financial** - the Academy Trust has considerable reliance on continued Government funding through the ESFA. In the last year 76.4% of the Academy Trust's incoming resources, excluding transfers on conversion, were ultimately Government funded and whilst this level is expected to continue, there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

**Failures in governance and/or management** - the risk in this area arises from potential failure to manage effectively the Academy Trust's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Trustees continue to review and ensure that appropriate measures are in place to mitigate these risks.

**Reputational** - the continuing success of the Academy Trust is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk Trustees ensure that student success and achievement are closely monitored and reviewed.

**Safeguarding and child protection** - the Trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline.

**Staffing** - the success of the Academy Trust is reliant upon the quality of its staff and so the Trustees monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning.

**Fraud and mismanagement of funds** - The Academy Trust has appointed a Responsible Officer/internal audit to carry out checks on financial systems and records as required by the Academies Financial Handbook. All finance staff receive training to keep them up to date with financial practice requirements and develop their skills in this area.

The Academy Trust has continued to strengthen its risk management process throughout the year by improving the process and enhancing staff awareness. A risk register is maintained, reviewed and updated on a regular basis. It was noted in 2017-18 that local risks in schools were difficult to identify by Directors and therefore Academy Heads have a duty identifying and monitoring these risks, reporting them to the Audit Committee and ensuring mitigation. Two Directors have had an Academy visit programme over the year to monitor the risk register in depth.

The Academy Trust has agreed a Risk Management Strategy, a Risk Register and a Risk Management Plan. These have been discussed by Trustees and include the financial risks to the Academy Trust. The register and plan are regularly reviewed in the light of any new information and formally reviewed annually.

The Trustees have assessed the major risks to which the Academy Trust is exposed, in particular those relating to its finances, teaching, facilities and other operational areas. The Trustees have implemented a number of systems to assess and minimise those risks, including internal controls described elsewhere. Where significant financial risk still remains they have ensured there is adequate insurance cover.

Risks to revenue funding from a falling roll are small. However, the freeze on the Government's overall education

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

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budget, changes in funding arrangements for High Needs and increasing employment and premises costs mean that budgets will be increasingly tight in coming years.

The Trustees examine the financial health formally every term. They review performance against budgets and overall expenditure by means of regular update reports at all Board and Finance & General Purposes Committee meetings. The Trustees also regularly review cash flow forecasts and ensure sufficient funds are held to cover all known and anticipated commitments.

At the year end, the Academy Trust had no significant liabilities arising from trade creditors or debtors that would have a significant effect on liquidity.

The Board of Trustees recognises that the defined benefit pension scheme deficit (Local Government Pension Scheme), which is set out in Note 26 to the financial statements, represents a significant potential liability. However as the Trustees consider that the Academy Trust is able to meet its known annual contribution commitments for the foreseeable future, the risk from this liability is minimised.

**FUNDRAISING**

A robust approach to fundraising is adopted by the Trust with an Administrator funded a day per week to work across the schools in the submission of funding bids. We do not currently work to any recognised standards, however utmost care and attention, and monitoring is given to the activities to ensure good working practices. In particular care is taken to protect the public from unreasonably intrusive or persistent approaches. During the year there have been no complaints. Working with moderate success, the schools have received an additional £23,000 of funding in, mostly from local businesses and other grant awarding bodies, as opposed to members of the public, this year that have provided improvements to libraries and playground spaces.

**PLANS FOR FUTURE PERIODS**

The Academy Trust will continue to strive to provide outstanding education and improve the levels of performance of all its stakeholders at all levels. The Academy Trust will continue to aim to attract high quality teachers and support staff in order to deliver its objectives. The 2017-18 priorities for the Academy Trust are set out in the Academy Trust Improvement Plan, alongside the individual Academy Improvement plans which contribute to overall Academy Trust Improvement, these are monitored by LGBs on an annual cycle and reports are shared with the Standards and Curriculum Committee termly.

The Academy Trust will continue to work with partner schools to improve the educational opportunities for students in the wider community, an effective example has been through the Improvement and Inclusion Hub which has been able to extend its remit through MDIF Funding and supports other schools as well as the Academies within the Academy Trust with training for inclusive practice and supporting vulnerable and challenging pupils with specific needs.

As two important capital funding bids for building improvements were unsuccessful, the Academy Trust will continue to explore the possibility of independently raising funds for the construction of a new mezzanine floor at Bearn's Primary school which is desperately needed as pupils continue to be taught in unacceptable conditions with growing health and safety issues.

The building of a preschool area at Diptford Primary school was completed during the summer break 2017 as a result of private funding which has led to the restructuring of the school into four classes for 2017-18 and the creation of a Foundation Unit which is expected to ensure the school's ongoing sustainability.

The School Improvement Structure will change for 2018-19 as a result of the Executive Principal leaving the Trust (July 2018) and a model of Distributed Leadership will be in place to develop a Senior Leadership Team which will afford more scope to the Improvement of all Academies. This will also offer expanded career opportunities in future.

Full details of our plans for the future are available in our Academy Trust Development Plan, which is on our website or from the Clerk to the Trustees.

Woodleigh Federation successfully became part of the Link Academy Trust on 1 March 2018 after working in a Management Partnership which ensured an effective and smooth transition, we will continue to look at

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

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opportunities to work with other schools to build the Academy Trust based on geographical 'hubs'.

The Link Academy Trust now feels in a position to support schools which maybe experiencing difficulties. Therefore an application to become a Sponsor Academy has been submitted to the Head Teacher Board (HTB) during summer 2018 and will hopefully be approved during the coming year.

Initial discussions with a possible local 'joiner' school have been instigated.

A Capacity Growth Plan, part of the overall Academy Trust Business Plan, is in place to ensure the Academy Trust can expand in order to continue to provide efficient, highly skilled and effective services thereby ensuring high quality education is viable for the small schools we serve.

**FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS**

The Academy Trust and its Trustees do not act as the Custodian of any other Charity.

**AUDITORS**

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 auditors, Bishop Fleming LLP, are willing to continue in office and a resolution to appoint them will be proposed at the annual general meeting.

Trustees' Report, incorporating a strategic report, was approved by order of the Board of Trustees, as company directors, on 10.12.18..... and signed on the board's behalf by:



Isabel Cherrett  
Chair of Trustees

**LINK ACADEMY TRUST  
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**GOVERNANCE STATEMENT**

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**SCOPE OF RESPONSIBILITY**

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

The Board of Trustees has delegated the day-to-day responsibility to the Chief Executive Officer, 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 Link Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

**GOVERNANCE**

The information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees' responsibilities. The Board of Trustees has formally met six times during the year. During the year, two Trustees, Peter Bethel and Cheryl Mathieson, joined the Board, effective date 2 October 2017. Attendance during the year at meetings of the Board of Trustees was as follows:

<b>Trustee</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Peter Bethel	5	5
Antony Calcutt (Resigned 19 July 2018)	6	6
Isabel Cherrett, Chair	6	6
Nicola Dunford, CEO	6	6
Roy Gillard	6	6
Iain Grafton (Resigned 16 July 2018)	2	6
Cheryl Mathieson	5	5
Simon Niles	2	6
Charlotte Power	4	6
Fiona Walters	5	6

The Finance and General Purposes Committee is a sub-committee of the main Board of Trustees. Its purpose is to:

- Oversee preparation of Budget and recommendation to Board
- Periodically monitor actual v budget (quarterly)
- Give consideration to draft accounts and recommendation to Board
- Maintain oversight of financial policies: Treasury Management
- Oversee the Maintenance Plan, Environment/Energy and Health & Safety

During the period to 31 August 2018, one new Trustee joined the committee. Attendance at meetings in the year was as follows:

<b>Trustee</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Antony Callcut	6	6
Isabel Cherrett	6	6
Nicola Dunford	6	6
Roy Gillard, Chair	6	6
Cheryl Mathieson	6	6
Fiona Walters	5	6

The Audit Committee is a sub-committee of the main Board of Trustees. Its purpose is to review the work of the Internal and External Audit Service. It sets the programme of audit reviews, ensures that agreed audit recommendations are completed, ensures that risk management is embedded throughout the organisation and monitors compliance testing for Legionella, Health & Safety, Environmental Protection and DBS checks.

During the period to 31 August 2018, one new Trustee joined the committee. Attendance at meetings in the year was as follows:



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**GOVERNANCE STATEMENT (continued)**

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<b>Trustee</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Peter Bethel	3	3
Iain Grafton	0	3
Charlotte Power, Chair	3	3

The Chief Executive Officer attended all meetings as an officer.

The Remuneration Committee is a sub-committee of the main Board of Trustees. Its purpose is to monitor:

- Staffing Needs & Budget
- The approval of pay progression for teaching staff, subject to satisfactory completion of their objectives set for the previous year
- Appraisal arrangements of the Chief Executive and Executive Principal and making recommendations to the non-Executive Trustees on their remuneration
- HR Policies:
  - o Performance Management
  - o Equality & Diversity
  - o Adoption
  - o Staff Absence and Discipline
  - o Staff Grievance
  - o CPD
  - o Public Interest Disclosure (Whistle-blowing)
  - o Maternity
  - o Maternity & Adoption Support Leave
  - o Sickness Absence
  - o Flexible Working

During the year to 31 August 2018, one new Trustee joined the committee.

Attendance at meetings in the year was as follows:

<b>Trustee</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Isabel Cherrett, Chair	4	4
Roy Gillard	4	4
Cheryl Mathieson	4	4

The Chief Executive Officer attended three of the four meetings but was not present for any issues relating to their own employment.

The Standards & Curriculum Committee is a sub-committee of the main Board of Trustees. Its purpose is to:

- Review all policies related to Standards and Curriculum e.g. EYFS, School Behaviour, Sex & Relationships, SEND, Behaviour Principle, Home School Agreement, Child Protection, Teaching & Learning, Assessment, Literacy, Numeracy & Marking.
- Monitor pupil performance data from detailed 'group' reports, including by year, gender, Pupil Premium etc across all Academies in the Academy Trust to look at progress, achievement, attainment and identified areas for improvement. Case studies will be included in the data provided.
- Monitor the Academy Improvement Plan in collaboration with the Executive Principal and Heads of School for impact.
- Link with the Local Governing Body (LGB) regarding day to day operation of schools.
- Overview of the School Curriculum to ensure its comprehensive delivery.
- Monitor The Link Academy Trust website to ensure it complies with statutory requirements.
- Understanding of school attendance across The Link Academy Trust, ensuring systems and procedures fulfil statutory requirements, especially around children missing from education.
- Monitor safeguarding procedures across the Academy Trust to ensure duty of care.

**LINK ACADEMY TRUST  
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**GOVERNANCE STATEMENT (continued)**

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Attendance at meetings in the year was as follows:

<b>Trustee</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Antony Callcut	3	3
Nicola Dunford	2	3
Iain Grafton, Chair of Committee	3	3
Simon Niles	2	3
Charlotte Power	3	3
Representatives of the three LGBs attended as follows:		
David Gay	1	3
Alexis Saffin	1	1
Yvonne Short	3	3

**REVIEW OF VALUE FOR MONEY**

As Accounting Officer, the Chief Executive Officer has responsibility for ensuring that the Academy Trust delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The Accounting Officer considers how the Academy Trust's use of its resources has provided good value for money during each academic year, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer for the Academy Trust has delivered improved value for money during the year by:

- Robust financial governance and budget management, through the employment of a full time Academy Trust Business Manager leading a Central Services team, which includes a dedicated Finance Officer, consolidated across all schools to ensure consistency and efficiency.
- Value for money purchasing, examples include:  
Significant savings achieved on IT purchasing,  
Reviewing the use of supply staff and replacing with internal staff creating substantial savings,  
Balancing staffing structures within each Academy to achieve a range of expertise/ cost levels and  
Further improved service level agreements with Intoheat, Babcock and other local contractors.
- Reviewing controls and managing risk to ensure accurate monthly figures scrutinised at 3 levels to ensure rapid reaction to any perceived issues and confidence in accounting precision.
- Considering allocation/targeting/use of resources which has enabled improved quality of provision.
- Deploying staff effectively including the roles of administrators in each academy with specific targets and high expectations of delivery.
- Reviewing quality of curriculum provision and quality of teaching through the establishment of a trust wide Leadership team involved in cross Academy Trust scrutiny, monitoring, evaluation and shared high quality practice.
- Regular review protocols with regard to the quality of children's learning across 9 schools to enable children to achieve nationally expected progress; inter-Academy learning walks raise standards and share expertise.
- Outlining procedures for accepting best value quotes, noting that this is not necessarily the cheapest quote.

**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, 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 Link Academy Trust for the period from 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements.

**GOVERNANCE STATEMENT (continued)**

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**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 have been in place for the period from 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

**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, having been scrutinised at various levels within the organisation's Central Business team;
- Regular reviews by the Finance and General Purposes Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes, prior to which fortnightly meetings with the Chair of F&GP ensure scrutiny throughout the process;
- Setting targets to measure financial and other performance and using KPIs to make appropriate judgements;
- Clearly defined purchasing (asset purchase or capital investment) guidelines and systems, which are regularly monitored and checked;
- Delegation of authority and segregation of duties;
- Identification and management of risks through robust systems and checks by experienced personnel.

The Board of Trustees has considered the need for a specific internal audit function and has decided to appoint St Kew Accountancy as internal auditor. Charlotte Power and Peter Bethel, Trustees and members of the Audit Committee also carry out a programme of internal checks and reviews.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. A full programme of checks, based on quarterly visits, for the financial year 2017-18 was agreed and included:

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

On a quarterly basis, 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 Board of Trustees' financial responsibilities. The programme of work for 2017-18 has been completed.

**REVIEW OF EFFECTIVENESS**

As Accounting Officer the Chief Executive Officer 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 work of the assurance report provided by the Academy Trust's accountants
- Recognition of good practice initially through the DfE's invitation to take part in important research by Aldaba into how successful small school academies operate and subsequent inclusion of a number of case studies of The Link Academy Trust practice in the Report
- The work of the Academy Trust Business Manager to the Board who has daily responsibility for the development and maintenance of the internal control framework that include:
  - o Full monthly management reports
  - o The introduction of rolling checks and controls taken from the FMGS evaluation

**LINK ACADEMY TRUST  
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**GOVERNANCE STATEMENT (continued)**

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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/Finance and General Purposes 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 30/11/18 and signed on their behalf, by:



**Isabel Cherrett  
Chair of Trustees**



**Nicola Dunford  
Accounting Officer**

**LINK ACADEMY TRUST  
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**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

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As Accounting Officer of the Link Academy Trust I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education and Skills Funding Agency of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2017.

I confirm that I and the Academy Trust Board of Trustees are able to identify any material irregular or improper use of funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook 2017.

I confirm that 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.

**Nicola Dunford  
Accounting Officer**

A handwritten signature in black ink, appearing to read 'Nicola Dunford', written in a cursive style.

**LINK ACADEMY TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

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

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

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



**Isabel Cherrett  
Chair of Trustees**

Date: 10/12/18

**LINK ACADEMY TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

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

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**OPINION**

We have audited the financial statements of Link Academy Trust (the 'Academy Trust') for the year ended 31 August 2018 which comprise the Statement of Financial Activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

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

**BASIS FOR OPINION**

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

**CONCLUSIONS RELATING TO GOING CONCERN**

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

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

**OTHER INFORMATION**

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

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

**LINK ACADEMY TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

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

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required to report that fact.

We have nothing to report in this regard.

**OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006**

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

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

**MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

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

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

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

**RESPONSIBILITIES OF TRUSTEES**

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

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

**AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS**

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' report.



**LINK ACADEMY TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

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

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**USE OF OUR REPORT**

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

*Bishop Fleming LLP*

Pamela Tuckett FCA DChA (Senior Statutory Auditor)

for and on behalf of

**Bishop Fleming LLP**

Chartered Accountants

Statutory Auditors

Salt Quay House

4 North East Quay

Sutton Harbour

Plymouth

PL4 0BN

Date: 17/12/18

**LINK ACADEMY TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT REPORTING AUDITORS' ASSURANCE REPORT ON REGULARITY TO LINK ACADEMY TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY**

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In accordance with the terms of our engagement letter dated 21 May 2016 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Link Academy Trust during the year 1 September 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

**RESPECTIVE RESPONSIBILITIES OF LINK ACADEMY TRUST'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT**

The Accounting Officer is responsible, under the requirements of Link Academy Trust's funding agreement with the Secretary of State for Education dated 29/03/16, and the Academies Financial Handbook extant from 1 September 2017, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

**APPROACH**

We conducted our engagement in accordance with the Academies Accounts Direction 2017 to 2018 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

Our work on regularity included a review of the internal controls policies and procedures that have been implemented and an assessment of their design and effectiveness to understand how the academy complied with the framework of authorities. We also reviewed the reports commissioned by the Trustees to assess the internal controls throughout the year.

We performed detailed testing based on our assessment of the risk of material irregularity, impropriety and non-compliance. This work was integrated with our audit on the financial statements where appropriate and included analytical review and detailed substantive testing of transactions.

**LINK ACADEMY TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

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

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**CONCLUSION**

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

*Bishop Fleming LLP*

Pamela Tuckett FCA DChA (Reporting Accountant)

**Bishop Fleming LLP**  
Chartered Accountants  
Statutory Auditors  
Salt Quay House  
4 North East Quay  
Sutton Harbour  
Plymouth  
PL4 0BN

Date: 17/12/18

**LINK ACADEMY TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

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

	Note	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
<b>INCOME FROM:</b>						
Donations & capital grants:						
Transfers on conversion	2	6,220	(184,173)	2,199,032	2,021,079	-
Other donations and capital grants	2	57,168	78,210	411,409	546,787	499,820
Charitable activities	3	283,868	3,074,744	-	3,358,612	2,714,593
Other trading activities	4	15,698	-	-	15,698	12,652
Investments	5	494	-	-	494	433
<b>TOTAL INCOME</b>		<b>363,448</b>	<b>2,968,781</b>	<b>2,610,441</b>	<b>5,942,670</b>	<b>3,227,498</b>
<b>EXPENDITURE ON:</b>						
Charitable activities		285,490	3,333,977	202,880	3,822,347	3,196,198
<b>TOTAL EXPENDITURE</b>	6	<b>285,490</b>	<b>3,333,977</b>	<b>202,880</b>	<b>3,822,347</b>	<b>3,196,198</b>
<b>NET INCOME / (EXPENDITURE) BEFORE TRANSFERS</b>						
Transfers between Funds	18	77,958 (16,579)	(365,196) 77,142	2,407,561 (60,563)	2,120,323 -	31,300 -
<b>NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES</b>						
		61,379	(288,054)	2,346,998	2,120,323	31,300
Actuarial gains on defined benefit pension schemes	26	-	215,000	-	215,000	56,000
<b>NET MOVEMENT IN FUNDS</b>		<b>61,379</b>	<b>(73,054)</b>	<b>2,346,998</b>	<b>2,335,323</b>	<b>87,300</b>
<b>RECONCILIATION OF FUNDS:</b>						
Total funds brought forward		223,565	(246,304)	4,502,567	4,479,828	4,392,528
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>284,944</b>	<b>(319,358)</b>	<b>6,849,565</b>	<b>6,815,151</b>	<b>4,479,828</b>

The notes on pages 29 to 55 form part of these financial statements.

**LINK ACADEMY TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**REGISTERED NUMBER: 10049068**

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

	Note	£	2018 £	£	2017 £
<b>FIXED ASSETS</b>					
Tangible assets	14		<b>6,768,240</b>		4,418,907
<b>CURRENT ASSETS</b>					
Debtors	15	195,203		116,740	
Cash at bank and in hand		<b>1,165,539</b>		<b>875,053</b>	
			<b>1,360,742</b>	<b>991,793</b>	
<b>CREDITORS:</b> amounts falling due within one year	16	<b>(551,831)</b>		<b>(360,872)</b>	
<b>NET CURRENT ASSETS</b>			<b>808,911</b>		630,921
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<b>7,577,151</b>		5,049,828
Defined benefit pension scheme liability	26		<b>(762,000)</b>		(570,000)
<b>NET ASSETS</b>			<b>6,815,151</b>		4,479,828
<b>FUNDS OF THE ACADEMY TRUST</b>					
Restricted funds:					
General funds	18	442,642		323,696	
Fixed asset funds	18	<b>6,849,565</b>		<b>4,502,567</b>	
Restricted funds excluding pension liability		<b>7,292,207</b>		<b>4,826,263</b>	
Pension reserve		<b>(762,000)</b>		<b>(570,000)</b>	
Total restricted funds			<b>6,530,207</b>		4,256,263
Unrestricted funds	18		<b>284,944</b>		223,565
<b>TOTAL FUNDS</b>			<b>6,815,151</b>		4,479,828

The financial statements on pages 26 to 55 were approved by the Trustees, and authorised for issue, on 10/12/18 and are signed on their behalf, by:

  
**Isabel Cherrett**  
**Chair of Trustees**

The notes on pages 29 to 55 form part of these financial statements.

**LINK ACADEMY TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

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

	Note	2018 £	2017 £
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	20	<u>199,938</u>	<u>214,021</u>
<b>Cash flows from investing activities:</b>			
Dividends, interest and rents from investments		494	433
Purchase of tangible fixed assets		(368,880)	(203,867)
Capital grants from DfE Group		411,409	193,511
Cash transferred on conversion from the local authority		47,525	-
<b>Net cash provided by/(used in) investing activities</b>		<u>90,548</u>	<u>(9,923)</u>
<b>Change in cash and cash equivalents in the year</b>		<b>290,486</b>	<b>204,098</b>
Cash and cash equivalents brought forward		<u>875,053</u>	<u>670,955</u>
<b>Cash and cash equivalents carried forward</b>	21	<u><u>1,165,539</u></u>	<u><u>875,053</u></u>

The notes on pages 29 to 55 form part of these financial statements.

**LINK ACADEMY TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

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

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**1. ACCOUNTING POLICIES**

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

**1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Link Academy Trust constitutes a public benefit entity as defined by FRS 102.

**1.2 GOING CONCERN**

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

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

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**1. ACCOUNTING POLICIES (continued)**

**1.3 INCOME**

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

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 not unconditional 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.

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 in full when there is an unconditional entitlement to the grant. 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.

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 are no performance-related conditions), where the receipt is probable and it can be measured reliably.

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

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 and services.

**1.4 EXPENDITURE**

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

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

All expenditure is inclusive of irrecoverable VAT.



**LINK ACADEMY TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

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

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**1. ACCOUNTING POLICIES (continued)**

**1.5 TANGIBLE FIXED ASSETS AND DEPRECIATION**

All assets costing more than £1,000 are capitalised and are carried at cost, net of depreciation and any provision for impairment.

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

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

Leasehold property	-	Land: 125 years/Lease term, Buildings: 50 years
Furniture and fixtures	-	4 years straight line
Computer equipment	-	3 years straight line

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.

On conversion the Academy Trust was granted a 125 year lease from the Local Authority for the land and buildings previously occupied by the Local Authority schools. On conversion the long term leasehold property was recognised as a donation from the Local Authority and was valued using the depreciated replacement cost method.

Where the Academy Trust has been granted use of the school buildings from the Diocese under Supplemental Agreements, the Academies Accounts Direction prescribes that under this agreement the risks and rewards of ownership remain with the Diocese. A donation from the Diocese has been recognised equal to the deemed rental expense, based on the rateable value of the buildings.

**1.6 DEBTORS**

Trade and other debtors with no stated interest rate and due within one year are recorded at the amount of the cash or other consideration expected to be received. Prepayments are valued at the amount paid.

**1.7 CASH AT BANK AND IN HAND**

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account and cash on deposit that has a notice period of less than 30 days.

**1. ACCOUNTING POLICIES (continued)**

**1.8 LIABILITIES AND PROVISIONS**

Liabilities and provisions are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Academy Trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation.

**1.9 FINANCIAL INSTRUMENTS**

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in note 16. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instruments.

**1.10 TAXATION**

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

**1.11 PENSIONS**

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 is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method.

As stated in note 26, 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.

**1. ACCOUNTING POLICIES (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 net income / expenditure 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.

**1.12 FUND ACCOUNTING**

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

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

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

Transfers are made between restricted funds and restricted fixed asset funds where restricted funds are used to purchase fixed assets

**1. ACCOUNTING POLICIES (continued)**

**1.13 CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGMENT**

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 26, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2018 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

The Academy Trust obtains use of fixed assets as a lessee. The classification of such leases as operating or finance lease requires the Academy Trust to determine, based on an evaluation of the terms and conditions of the arrangements, whether it retains or acquires the significant risks and rewards of ownership of these assets and accordingly whether the lease requires an asset and liability to be recognised in the Balance Sheet.

**1.14 OPERATING LEASES**

Rentals under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

**1.15 CONVERSION TO AN ACADEMY TRUST**

The conversion from a state maintained school to an Academy Trust involved the transfer of identifiable assets and liabilities and the operation of the school for £NIL consideration. The substance of the transfer is that of a gift and it has been accounted for on that basis as set out below.

The assets and liabilities transferred on conversion from the predecessor schools to an Academy Trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in Donations - transfer from local authority on conversion in the Statement of Financial Activities and analysed under unrestricted funds, restricted funds and restricted fixed asset funds.

Land and Buildings have been included as per the valuation by the ESFA whilst other fixed assets have been included at amounts valued by the Trustees. Pension assets and liabilities have been valued by Barnett Waddingham.

Further details of the transaction are set out in note 22.

**LINK ACADEMY TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

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

**2. INCOME FROM DONATIONS AND CAPITAL GRANTS**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
Transfers on conversion	6,220	(184,173)	2,199,032	2,021,079	-
Donations	57,168	78,210	-	135,378	306,309
Capital Grants	-	-	411,409	411,409	193,511
Subtotal	57,168	78,210	411,409	546,787	499,820
	63,388	(105,963)	2,610,441	2,567,866	499,820
Total 2017	29,510	236,819	233,491	499,820	

**3. INCOME FROM CHARITABLE ACTIVITIES**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Education	157,145	3,074,744	3,231,889	2,619,067
Nursery	126,723	-	126,723	95,526
	283,868	3,074,744	3,358,612	2,714,593
Total 2017	211,908	2,502,685	2,714,593	

**LINK ACADEMY TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

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

**FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
<b>DfE/ESFA grants</b>				
General Annual Grant	-	2,535,873	2,535,873	2,132,826
Start up Grants	-	75,000	75,000	-
Other DfE Group grants	-	344,342	344,342	260,296
	-	2,955,215	2,955,215	2,393,122
<b>Other Government grants</b>				
High Needs	-	37,764	37,764	64,508
Other Government grants non capital	-	3,358	3,358	39,100
	-	41,122	41,122	103,608
<b>Other funding</b>				
Internal catering income	67,347	-	67,347	58,142
Sales to students	2,174	-	2,174	11,352
Other	87,624	78,407	166,031	52,843
	157,145	78,407	235,552	122,337
	157,145	3,074,744	3,231,889	2,619,067
Total 2017	116,382	2,502,685	2,619,067	

**4. OTHER TRADING ACTIVITIES**

	Unrestricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Lettings	3,253	3,253	282
Fees received	12,445	12,445	12,370
	15,698	15,698	12,652
Total 2017	12,652	12,652	

**LINK ACADEMY TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

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

**5. INVESTMENT INCOME**

	<b>Unrestricted funds 2018 £</b>	<b>Total funds 2018 £</b>	<b>Total funds 2017 £</b>
Bank interest	494	494	433
	<u>433</u>	<u>433</u>	
Total 2017	<u>433</u>	<u>433</u>	

**6. EXPENDITURE**

	<b>Staff costs 2018 £</b>	<b>Premises 2018 £</b>	<b>Other costs 2018 £</b>	<b>Total 2018 £</b>	<b>Total 2017 £</b>
Education:					
Direct costs	2,166,449	116,518	209,189	2,492,156	2,024,067
Support costs	352,393	458,395	400,238	1,211,026	1,079,783
Nursery:					
Direct costs	104,158	-	-	104,158	83,788
Support costs	-	7,800	7,207	15,007	8,560
	<u>2,623,000</u>	<u>582,713</u>	<u>616,634</u>	<u>3,822,347</u>	<u>3,196,198</u>
Total 2017	<u>2,130,883</u>	<u>188,820</u>	<u>876,495</u>	<u>3,196,198</u>	

**7. DIRECT COSTS**

	<b>Education £</b>	<b>Nursery £</b>	<b>Total 2018 £</b>	<b>Total 2017 £</b>
Pension income	11,000	-	11,000	5,000
Educational supplies	106,340	-	106,340	69,141
Staff development	16,375	-	16,375	29,883
Other costs	44,893	-	44,893	41,914
Supply teachers	6,155	-	6,155	15,795
Technology costs	35,001	-	35,001	60,503
Wages and salaries	1,662,036	77,860	1,739,896	1,497,682
National insurance	137,450	9,586	147,036	67,002
Pension cost	356,388	16,712	373,100	242,086
Depreciation	116,518	-	116,518	78,849
	<u>2,492,156</u>	<u>104,158</u>	<u>2,596,314</u>	<u>2,107,855</u>
Total 2017	<u>2,024,067</u>	<u>83,788</u>	<u>2,107,855</u>	

**LINK ACADEMY TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

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

**8. SUPPORT COSTS**

	Education £	Nursery £	Total 2018 £	Total 2017 £
Pension income	6,000	-	6,000	5,000
Recruitment and support	5,820	-	5,820	9,931
Maintenance of premises and equipment	96,654	3,383	100,037	51,098
Cleaning	72,073	1,667	73,740	56,549
Rent and rates	115,429	1,395	116,824	101,151
Energy costs	38,982	1,077	40,059	37,441
Insurance	12,171	278	12,449	12,231
Security and transport	28,003	-	28,003	14,771
Catering	179,489	5,055	184,544	153,612
Technology costs	39,757	-	39,757	37,668
Office overheads	29,211	2,152	31,363	28,802
Legal and professional	101,288	-	101,288	69,136
Bank interest and charges	431	-	431	422
Improvements to Diocesan-controlled property	-	-	-	141,605
Governance	39,242	-	39,242	25,653
Wages and salaries	247,088	-	247,088	208,895
National insurance	15,318	-	15,318	7,048
Pension cost	88,987	-	88,987	82,495
Depreciation	95,083	-	95,083	44,835
	<u>1,211,026</u>	<u>15,007</u>	<u>1,226,033</u>	<u>1,088,343</u>
Total 2017	<u>1,079,783</u>	<u>8,560</u>	<u>1,088,343</u>	

**9. NET INCOME/(EXPENDITURE)**

This is stated after charging:

	2018 £	2017 £
Depreciation of tangible fixed assets: - owned by the Academy Trust	211,601	123,684
Auditors' remuneration - audit	8,500	8,800
Auditors' remuneration - other services	3,967	4,850
Operating lease rentals	2,645	2,645
	<u>211,601</u>	<u>123,684</u>



**LINK ACADEMY TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

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

**10. STAFF COSTS**

**a. Staff costs**

Staff costs were as follows:

	<b>2018</b>	2017
	<b>£</b>	£
Wages and salaries	<b>1,921,050</b>	1,697,327
Social security costs	<b>162,354</b>	74,050
Pension schemes	<b>462,087</b>	324,581
	<b>2,545,491</b>	2,095,958
Agency staff costs	<b>5,420</b>	25,675
Staff restructuring costs	<b>65,934</b>	9,250
Other Supply teacher costs	<b>6,155</b>	-
	<b>2,623,000</b>	2,130,883

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

Included in staff restructuring costs are non-statutory/non-contractual severance payments totaling £37,000 (2017: £nil). Individually, the payments were £37,000 and are in accrued costs at the year end.

**c. Staff numbers**

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

	<b>2018</b>	2017
	<b>No.</b>	No.
Teachers	<b>58</b>	37
Educational Support	<b>63</b>	42
Administration and Clerical	<b>15</b>	11
Management	<b>2</b>	2
	<b>138</b>	92

Average headcount expressed as a full time equivalent:

	<b>2018</b>	2017
	<b>No.</b>	No.
Teachers	<b>39</b>	28
Educational Support	<b>30</b>	22
Administration and Clerical	<b>12</b>	9
Management	<b>2</b>	2
	<b>83</b>	61

**d. Higher paid staff**

The number of employees whose employee benefits (excluding employer's National Insurance contributions and employer pension costs) exceeded £60,000 was:

	<b>2018</b>	2017
	<b>No.</b>	No.
In the band £60,001 - £70,000	<b>2</b>	2

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**10. STAFF COSTS (continued)**

**e. Key management personnel**

The key management personnel of the Academy Trust comprise the Trustees (who do not receive remuneration for their role as Trustees) and the Senior Management Team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £205,020 (2017: £204,992).

As staff trustees are not remunerated in respect of their role as a trustee, where staff trustees do not form part of the key management personnel other than in their role as trustee, their remuneration as set out in note 12 has not been included in the total benefits received by key management personnel above.

**11. CENTRAL SERVICES**

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

- HR & Payroll
- Administration Support
- Legal
- Estate Management
- IT Support
- H&S
- School Improvement
- Management

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

The cost of provision of central services is recharged to the academies on the basis of pupil numbers.

The actual amounts charged during the year were as follows:

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Bearnes Voluntary Primary School	<b>77,506</b>	60,885
Cheriton Bishop Primary School	<b>8,509</b>	-
Diptford C of E Primary School	<b>75,615</b>	57,345
Harbertonford Primary School	<b>77,506</b>	56,637
Hennock Community Primary School	<b>32,136</b>	26,903
Landscope C of E Primary School	<b>96,409</b>	71,504
Stoke Gabriel Primary School	<b>88,848</b>	67,257
Tedburn St Mary Primary School	<b>8,509</b>	-
Yeoford Primary School	<b>3,144</b>	-
Total	<b>468,182</b>	<b>340,531</b>

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	<b>2018</b>	2017
	<b>£</b>	£
Central staffing	<b>326,029</b>	253,219
Other expenditure	<b>142,153</b>	87,312
<b>Total</b>	<b>468,182</b>	340,531

The Central staff costs increased in 2017-18 owing to the growth of the Central Business Support Team (CBST) as the Trust has grown and in preparation for predicted growth in 2018-19. The Central Business team are continually looking at ways in which to provide savings or generate income and it is worth noting their successes over the period of this report. The CBST continued their successes in applications to the ESFA's Condition Improvement Fund winning 3 bids in 2017-18 to the value of £367,589 with further coordinated capital expenditure in all schools and the start of a rollout programme for classroom interactive screens. Procurement efficiencies are a continual driver for the team with a central contracts register in place for 2018-19, the Trust Business Manager is in discussion with other schools, academies and Multi Academy Trusts over the opportunity for collaborative purchasing and continues his work with the DfE's Network Leaders group and Schools Commercial Team. Other improvements without a specific value include:

- Reputational improvement of the Trust through the Woodleigh Federation joining
- Other schools shown interest during the year included Princetown and ongoing work with Abbotskerswell
- RSC now engaging with the Trust for future growth – good MAT Review and Sponsor Academy application submitted
- Increased public profile – CEO attendance at Diocese CEO meetings, Involvement with SW CEO Pilot- working with 4 MATs in SW, Substitute member of Devon Educational Forum
- Trust Business Manager set up Coast & Moors, part of DfE's School Business Professionals network & part of 2 DfE User Groups
- Future aim to engage with more businesses.
- Increased media profile, including LinkedIn
- Use of social media to increase stakeholder engagement.
- Working with Fundraisers to establish Community 'farm' project at Stoke Gabriel
- Networking across other schools not part of the Trust and working in partnership, i.e. Abbotskerswell- working on Shanghai Maths
- Working with Teaching Schools Alliance- including SWTSA, All Saints and Crediton Learning Community
- The Link Academy Inclusion Hub working with all schools across the Newton Abbot Learning Community and Teignbridge, supporting other schools with a range of issues around Inclusion, including SENDCo annual conferences and offering therapy placement projects for pupils with challenging behaviours. Initiative in Mental Health and working with Kidstime- London based charity supporting children with parents having mental health issues

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**12. TRUSTEES' REMUNERATION AND EXPENSES**

The Chief Executive Officer and other staff Trustees only receive remuneration in respect of services they provide undertaking roles under their contracts of employment, and not in respect of their services as Trustees. Other Trustees did not receive any payments, other than expenses, from the Academy Trust in respect of their role as Trustees. The value of trustees' remuneration and other benefits was as follows: Mrs N Dunford: Remuneration £65,000 - £70,000 (2017: £60,000 - £65,000), Employer's pension contributions £10,000 - £15,000 (2017: £10,000 - £15,000), Mr A Callcut: Remuneration £60,000 - £65,000 (2017: £60,000 - £65,000), Employers' pension contributions £10,000 - £15,000 (2017: £10,000 - £15,000).

Other related party transactions involving the trustees are set out in note 25.

During the year ended 31 August 2018, expenses totalling £3,706 (2017: £97) were reimbursed to four Trustees (2017: two).

**13. TRUSTEES' AND OFFICERS' INSURANCE**

In accordance with normal commercial practice the Academy Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust business. The insurance provides cover up to £5,000,000 on any one claim. For the year ended 31 August 2018 the cover was provided through the Education & Skills Funding Agency's Risk Protection Arrangement. Accordingly, the cost of the trustee indemnity element is not separately identifiable.

**14. TANGIBLE FIXED ASSETS**

	Long-term leasehold property £	Furniture and fixtures £	Computer equipment £	Total £
<b>COST</b>				
At 1 September 2017	4,486,086	109,136	52,654	4,647,876
Additions	2,371,885	146,091	42,958	2,560,934
At 31 August 2018	<u>6,857,971</u>	<u>255,227</u>	<u>95,612</u>	<u>7,208,810</u>
<b>DEPRECIATION</b>				
At 1 September 2017	154,588	52,038	22,343	228,969
Charge for the year	116,518	63,213	31,870	211,601
At 31 August 2018	<u>271,106</u>	<u>115,251</u>	<u>54,213</u>	<u>440,570</u>
<b>NET BOOK VALUE</b>				
At 31 August 2018	<u>6,586,865</u>	<u>139,976</u>	<u>41,399</u>	<u>6,768,240</u>
At 31 August 2017	<u>4,331,498</u>	<u>57,098</u>	<u>30,311</u>	<u>4,418,907</u>

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**15. DEBTORS**

	<b>2018</b>	2017
	£	£
Trade debtors	<b>163</b>	872
VAT recoverable	<b>81,330</b>	38,701
Other debtors	-	1,210
Prepayments and accrued income	<b>113,710</b>	75,957
	<u><b>195,203</b></u>	<u>116,740</u>

**16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>2018</b>	2017
	£	£
Trade creditors	<b>306,395</b>	47,035
Other taxation and social security	<b>43,741</b>	27,049
Other creditors	<b>46,312</b>	31,822
Accruals and deferred income	<b>155,383</b>	254,966
	<u><b>551,831</b></u>	<u>360,872</u>

	<b>2018</b>	2017
	£	£
<b>DEFERRED INCOME</b>		
Deferred income at 1 September 2017	<b>68,501</b>	115,489
Resources deferred during the period	<b>65,225</b>	68,501
Amounts released from previous years	<b>(68,501)</b>	(115,489)
	<u><b>65,225</b></u>	<u>68,501</u>

Deferred income relates to grant funding received in advance for the 2018-19 accounting year.

**17. FINANCIAL INSTRUMENTS**

	<b>2018</b>	2017
	£	£
Financial assets measured at amortised cost	<b>1,279,412</b>	964,571
Financial liabilities measured at amortised cost	<b>314,598</b>	262,486

Financial assets measured at amortised cost comprise cash at bank, trade debtors, other debtors and accrued income.

Financial liabilities measured at amortised cost comprise trade creditors and accruals.

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**18. STATEMENT OF FUNDS**

	Brought forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Carried forward £
<b>DESIGNATED FUNDS</b>						
MAT Growth and Development	120,000	-	-	-	-	120,000
<b>GENERAL FUNDS</b>						
General Funds	97,080	363,448	(276,768)	(39,172)	-	144,588
PTFA	6,485	-	(8,722)	22,593	-	20,356
	103,565	363,448	(285,490)	(16,579)	-	164,944
Total Unrestricted funds	223,565	363,448	(285,490)	(16,579)	-	284,944
<b>RESTRICTED FUNDS</b>						
General Annual Grant (GAG)	257,030	2,592,700	(2,649,513)	88,481	-	288,698
Pupil Premium	-	126,826	(126,826)	-	-	-
Academy Conversion Grants	5,613	75,000	(55,934)	-	-	24,679
Higher Needs	-	37,764	(37,764)	-	-	-
Inclusion Hub	25,346	-	(25,346)	-	-	-
Inclusion Hub Awards for All	7,403	-	(7,403)	-	-	-
G&T Programme	25,000	-	-	-	-	25,000
Foyles	3,304	-	(3,304)	-	-	-
MDIF	-	81,765	-	-	-	81,765
Donated rent on Diocese buildings	-	78,210	(78,210)	-	-	-
Other	-	217,516	(183,677)	(11,339)	-	22,500
Pension reserve	(570,000)	(241,000)	(166,000)	-	215,000	(762,000)
	(246,304)	2,968,781	(3,333,977)	77,142	215,000	(319,358)
<b>RESTRICTED FIXED ASSET FUNDS</b>						
Fixed Assets transferred on conversion	4,216,680	2,192,054	(152,875)	-	-	6,255,859
DfE/ESFA Capital grants	88,689	50,798	(19,175)	(4,056)	-	116,256
Condition Improvement Fund	159,748	367,589	(15,606)	(77,929)	-	433,802
Awards for All	37,450	-	(8,183)	(4,875)	-	24,392
Other Restricted	-	-	(7,041)	26,297	-	19,256
	4,502,567	2,610,441	(202,880)	(60,563)	-	6,849,565
Total restricted funds	4,256,263	5,579,222	(3,536,857)	16,579	215,000	6,530,207
Total of funds	4,479,828	5,942,670	(3,822,347)	-	215,000	6,815,151

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**18. STATEMENT OF FUNDS (continued)**

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

- General Annual Grant - Income from the ESFA which is to be used for the normal running costs of the Academy Trust, including education and support costs.
- Pupil Premium - Pupil premium represents funding received from the ESFA for children that qualify for free school meals to enable the Academy Trust to address the current underlying inequalities between those children and their wealthier peers.
- High Needs - Funding received by the Local Authority to fund further support for students with additional needs.
- Inclusion Hub Grants - This represents one off funding received from the local authority and other grant providers for inclusion projects.
- G&T Programme - This represents a donation from a charitable foundation for the provision of a five year gifted and talented programme.
- Foyles - This represents a donation from a charitable trust to encourage children to read widely from an early age to provide a major boost to improving literacy levels, which is a current key educational objective.
- MDIF - This represents MAT Development and Improvement Funding awarded to the Trust from the Department for Education.
- Other - This represents all other funding from restricted sources.
- Pension reserve – This represents the Academy Trust’s share of the assets and liabilities in the Local Government Pension Scheme. As with most pension schemes this is currently in deficit due to an excess of scheme liabilities over scheme assets which was inherited on conversion to an Academy Trust. The Academy Trust is following the recommendations of the actuary to reduce the deficit by making additional contributions over a number of years.
- Capital Grants – These funds are received for direct expenditure on fixed asset projects. The fixed asset fund balance at the year end represents the NBV of assets and any unspent grant amounts.
- Fixed assets transferred on conversion – This represent the buildings and equipment donated to the School from the Local Authority on conversion to an Academy.
- DfE/ESFA Capital Grants - This represents funding from the ESFA to cover the maintenance and purchase of the Academy Trust’s assets.
- Condition Improvement Fund - This represents funding from the ESFA for projects at Stoke Gabriel, Harbertonford and Bearnas.
- GAG deficits in individual schools has been covered by a transfer out of unrestricted funds. Additionally non capital expenditure funded by the Condition Improvement Fund has been transferred to GAG.
- Awards for All - This represents funding obtained to build outdoor learning space.

**OTHER INFORMATION**

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

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

**ANALYSIS OF ACADEMIES BY FUND BALANCE**

Fund balances at 31 August 2018 were allocated as follows:

	<b>Total 2018 £</b>	<b>Total 2017 £</b>
Bearnes Voluntary Primary School	<b>149,427</b>	171,686
Cheriton Bishop Primary School	<b>31,265</b>	-
Diptford C of E Primary School	<b>9,548</b>	11,498
Harbertonford C of E Primary School	<b>80,942</b>	72,246
Hennock Community Primary School	<b>67,974</b>	63,060
Landscope C of E Primary School	<b>26,135</b>	25,380
Stoke Gabriel Community Primary School	<b>85,730</b>	74,465
Tedburn St Mary Primary School	<b>37,150</b>	-
Yeoford Primary School	<b>39,391</b>	-
Central Function (including start up grants)	<b>200,024</b>	128,926
	<hr/>	<hr/>
Total before fixed asset fund and pension reserve	<b>727,586</b>	547,261
Restricted fixed asset fund	<b>6,849,565</b>	4,502,567
Pension reserve	<b>(762,000)</b>	(570,000)
	<hr/>	<hr/>
Total	<b>6,815,151</b>	4,479,828
	<hr/> <hr/>	<hr/> <hr/>



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

**ANALYSIS OF ACADEMIES BY COST**

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2018 £	Total 2017 £
Bearnes Voluntary Primary School	339,955	28,871	23,279	84,793	476,898	477,676
Cheriton Bishop Primary School	142,134	10,780	19,196	52,420	224,530	-
Diptford C of E Primary School	249,219	17,860	28,428	89,640	385,147	547,027
Harbertonford C of E Primary School	272,770	24,340	20,779	152,345	470,234	459,696
Hennock Community Primary School	165,847	23,255	15,246	38,629	242,977	238,779
Landscope C of E Primary School	304,583	31,634	26,515	87,677	450,409	496,839
Stoke Gabriel Community Primary School	254,916	17,938	26,515	75,997	375,366	402,623
Tedburn St Mary Primary School	129,540	12,293	6,467	56,470	204,770	-
Yeoford Primary School	70,769	13,155	7,191	40,124	131,239	-
Central Function	243,454	121,087	-	118,307	482,848	346,874
	<b>2,173,187</b>	<b>301,213</b>	<b>173,616</b>	<b>796,402</b>	<b>3,444,418</b>	<b>2,969,514</b>

**STATEMENT OF FUNDS - PRIOR YEAR**

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
MAT Growth and Development	-	-	-	120,000	-	120,000
<b>GENERAL FUNDS</b>						
General Funds	292,080	253,051	284,346	163,705	-	993,182
PTFA	8,983	1,452	(3,950)	-	-	6,485
	<b>301,063</b>	<b>254,503</b>	<b>280,396</b>	<b>163,705</b>	<b>-</b>	<b>999,667</b>

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**18. STATEMENT OF FUNDS (continued)**

**RESTRICTED FUNDS**

General Annual Grant (GAG)	75,934	2,132,826	(2,008,671)	56,941	-	257,030
Pupil Premium	-	134,489	(134,489)	-	-	-
Academy Conversion Grants	112,319	-	(106,706)	-	-	5,613
Higher Needs	-	63,508	(63,508)	-	-	-
Inclusion Hub	3,611	32,999	(11,264)	-	-	25,346
Inclusion Hub Awards for All	-	10,000	(2,597)	-	-	7,403
G&T Programme	-	25,000	-	-	-	25,000
Foyles	-	6,000	(2,696)	-	-	3,304
Other	-	131,472	(131,472)	-	-	-
Diptford Pre School Build	-	125,000	(141,605)	16,605	-	-
Donated rent on Diocese buildings	-	78,210	(78,210)	-	-	-
Pension reserve	(523,000)	-	(103,000)	-	56,000	(570,000)
	<u>(331,136)</u>	<u>2,739,504</u>	<u>(2,784,218)</u>	<u>73,546</u>	<u>56,000</u>	<u>(246,304)</u>

**RESTRICTED FIXED ASSET FUNDS**

Fixed Assets transferred on conversion	4,321,141	-	(104,461)	-	-	4,216,680
DfE/ESFA Capital grants	101,460	30,574	(13,504)	(29,841)	-	88,689
Condition Improvement Fund	-	162,937	(3,189)	-	-	159,748
Awards for All	-	39,980	(2,530)	-	-	37,450
	<u>4,422,601</u>	<u>233,491</u>	<u>(123,684)</u>	<u>(29,841)</u>	<u>-</u>	<u>4,502,567</u>
Total restricted funds	<u>4,091,465</u>	<u>2,972,995</u>	<u>(2,907,902)</u>	<u>43,705</u>	<u>56,000</u>	<u>4,256,263</u>
Total of funds	<u><u>4,392,528</u></u>	<u><u>3,227,498</u></u>	<u><u>(2,627,506)</u></u>	<u><u>327,410</u></u>	<u><u>56,000</u></u>	<u><u>5,375,930</u></u>

**19. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	19,253	-	6,748,987	6,768,240
Current assets	265,691	725,712	369,339	1,360,742
Creditors due within one year	-	(283,070)	(268,761)	(551,831)
Pension scheme liability	-	(762,000)	-	(762,000)
	<u>284,944</u>	<u>(319,358)</u>	<u>6,849,565</u>	<u>6,815,151</u>

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**19. ANALYSIS OF NET ASSETS BETWEEN FUNDS (continued)**

**ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR**

	Unrestricted funds	Restricted funds	Restricted fixed asset funds	Total funds
	2017 £	2017 £	2017 £	2017 £
Tangible fixed assets	-	5,379	4,413,528	4,418,907
Current assets	223,565	679,189	89,039	991,793
Creditors due within one year	-	(360,872)	-	(360,872)
Pension scheme liability	-	(570,000)	-	(570,000)
	<u>223,565</u>	<u>(246,304)</u>	<u>4,502,567</u>	<u>4,479,828</u>

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

	2018 £	2017 £
Net income for the year (as per Statement of Financial Activities)	<b>2,120,323</b>	31,300
<b>Adjustment for:</b>		
Depreciation charges	<b>211,601</b>	123,684
Dividends, interest and rents from investments	<b>(494)</b>	(433)
(Increase)/decrease in debtors	<b>(78,463)</b>	63,938
Increase in creditors	<b>190,959</b>	86,043
Capital grants from DfE and other capital income	<b>(411,409)</b>	(193,511)
Defined benefit pension scheme obligation inherited	<b>241,000</b>	93,000
Defined benefit pension scheme cost less contributions payable	<b>149,000</b>	10,000
Defined benefit pension scheme finance cost	<b>17,000</b>	-
Assets and liabilities from local authority on conversion	<b>(2,239,579)</b>	-
<b>Net cash provided by operating activities</b>	<u><b>199,938</b></u>	<u>214,021</u>

**21. ANALYSIS OF CASH AND CASH EQUIVALENTS**

	2018 £	2017 £
Cash at bank and in hand	<b>1,165,539</b>	875,053
	<u><b>1,165,539</b></u>	<u>875,053</u>

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**22. CONVERSION TO AN ACADEMY TRUST**

On 01/03/18 Cheriton Bishop Primary School, Tedburn St Mary Primary School and Yeoford Primary School converted to Academy Trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Link Academy Trust from Devon County Council for £NIL consideration.

The transfer has been accounted for as a combination that is in substance a gift. 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 as a net gain in the Statement of Financial Activities as Donations - transfer from local authority on conversion.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of Financial Activities.

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets				
- Leasehold land and buildings	-	-	2,154,999	2,154,999
- Other tangible fixed assets	-	-	37,055	37,055
Budget surplus/(deficit) on LA funds	6,220	56,827	6,978	70,025
LGPS pension surplus/(deficit)	-	(241,000)	-	(241,000)
Net assets	<u>6,220</u>	<u>(184,173)</u>	<u>2,199,032</u>	<u>2,021,079</u>

The above net assets include £70,025 that were transferred as cash.

**CHERITON BISHOP PRIMARY SCHOOL**

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets				
- Leasehold land and buildings	-	-	653,030	653,030
- Other tangible fixed assets	-	-	11,229	11,229
Budget surplus/(deficit) on LA funds	4,382	20,028	288	24,698
LGPS pension surplus/(deficit)	-	(73,000)	-	(73,000)
Net assets	<u>4,382</u>	<u>(52,972)</u>	<u>664,547</u>	<u>615,957</u>

The above net assets include £24,698 that were transferred as cash.

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**TEDBURN ST MARY PRIMARY SCHOOL**

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets				
- Leasehold land and buildings	-	-	979,545	979,545
- Other tangible fixed assets	-	-	16,843	16,843
Budget surplus/(deficit) on LA funds	63	19,378	1,970	21,411
LGPS pension surplus/(deficit)	-	(110,000)	-	(110,000)
	<u>63</u>	<u>(90,622)</u>	<u>998,358</u>	<u>907,799</u>
Net assets	<u>63</u>	<u>(90,622)</u>	<u>998,358</u>	<u>907,799</u>

The above net assets include £21,411 that were transferred as cash.

**YEOFORD PRIMARY SCHOOL**

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets				
- Leasehold land and buildings	-	-	522,424	522,424
- Other tangible fixed assets	-	-	8,983	8,983
Budget surplus/(deficit) on LA funds	1,775	17,421	4,720	23,916
LGPS pension surplus/(deficit)	-	(58,000)	-	(58,000)
	<u>1,775</u>	<u>(40,579)</u>	<u>536,127</u>	<u>497,323</u>
Net assets	<u>1,775</u>	<u>(40,579)</u>	<u>536,127</u>	<u>497,323</u>

The above net assets include £23,916 that were transferred as cash.

**23. MEMBERS' LIABILITY**

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

**24. GENERAL INFORMATION**

Link Academy Trust is a company limited by guarantee, incorporated in England and Wales. The registered office is Lanscove C Of E Primary School, Lanscove, Ashburton, Newton Abbot, Devon, England, TQ13 7LY.

**NOTES TO THE FINANCIAL STATEMENTS**  
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**25. RELATED PARTY TRANSACTIONS**

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

The following related party transactions took place in the period:

The Academy Trust procured services amounting to £54,241 (2017: £9,024) from Michelmores LLP. Charlotte Power's (Trustee) husband is a member of Michelmores LLP. A balance of £5,588 (2017: £Nil) is included in creditors. The business arrangement with Michelmores LLP was entered into before Charlotte Power was appointed as a Trustee. The at cost principal did not apply to this transaction.

The stepdaughter of Isabel Cherrett (a Trustee) is employed by the Academy Trust as a teacher. Her appointment was made in open competition and Isabel Cherrett was not involved in the decision making process. Her stepdaughter is paid within the normal pay scales for her role and received no special treatment as a result of her relationship with a Trustee. She was appointed pre conversion to the Academy Trust.

Peter Bethel (Trustee) is a member of The Rotary Club of Totnes. The Academy Trust procured services amounting to £300 (2017: £nil) from The Rotary Club of Totnes during the year.

Cheryl Mathieson's (Trustee) husband is employed by Torbay Coast and Countryside Trust. The Academy Trust procured services amounting to £252 (2017: £nil) from Torbay Coast and Countryside Trust during the year.

**26. PENSION COMMITMENTS**

The Academy Trust's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Devon County Council. Both are multi-employer Defined Benefit Pension Schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2018.

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

**Teachers' Pension Scheme**

**Introduction**

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

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

**26. PENSION COMMITMENTS (continued)**

**Valuation of the Teachers' Pension Scheme**

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

- employer contribution rates set at 16.48% of pensionable pay, including a 0.08% employer administration charge.
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

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

The employer's pension costs paid to TPS in the period amounted to £211,680 (2017: £180,600).

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

Under the definitions set out in FRS 102, the TPS is 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.

**Local Government Pension Scheme**

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £120,000 (2017: £133,000), of which employer's contributions totalled £88,000 (2017: £106,000) and employees' contributions totalled £32,000 (2017: £27,000). The agreed contribution rates for future years are 15.4% for employers and 5.5-12.5% for employees.

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

The scheme is administered by Devon County Council

Principal actuarial assumptions:

	<b>2018</b>	2017
Discount rate for scheme liabilities	<b>2.65 %</b>	2.60 %
Rate of increase in salaries	<b>3.80 %</b>	4.20 %
Rate of increase for pensions in payment / inflation	<b>2.30 %</b>	2.70 %

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**26. PENSION COMMITMENTS (continued)**

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

	<b>2018</b>	2017
Retiring today		
Males	<b>23.5</b>	23.4
Females	<b>25.6</b>	25.5
Retiring in 20 years		
Males	<b>25.8</b>	25.7
Females	<b>28.0</b>	27.9

<b>Sensitivity analysis</b>	<b>At 31 August 2018</b>	At 31 August 2017
	£	£
Discount rate +0.1%	<b>39,000</b>	25,000
Discount rate -0.1%	<b>40,000</b>	26,000
Mortality assumption - 1 year increase	<b>51,000</b>	34,000
Mortality assumption - 1 year decrease	<b>49,000</b>	33,000
CPI rate +0.1%	<b>37,000</b>	23,000
CPI rate -0.1%	<b>36,000</b>	23,000

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

	<b>Fair value at 31 August 2018</b>	Fair value at 31 August 2017
	£	£
Equities	<b>485,000</b>	263,000
Gilts	<b>154,000</b>	91,000
Other	-	-
Property	<b>71,000</b>	39,000
Cash and other liquid assets	<b>12,000</b>	10,000
Other - user input	<b>68,000</b>	41,000
Total market value of assets	<b>790,000</b>	444,000

The actual return on scheme assets was £41,000 (2017: £41,000).

The amounts recognised in the Statement of Financial Activities are as follows:

	<b>2018</b>	2017
	£	£
Current service cost	<b>(237,000)</b>	(199,000)
Interest income	<b>15,000</b>	8,000
Interest cost	<b>(32,000)</b>	(18,000)
Total	<b>(254,000)</b>	(209,000)



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**26. PENSION COMMITMENTS (continued)**

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

	<b>2018</b>	2017
	£	£
Opening defined benefit obligation	<b>1,014,000</b>	816,000
Transferred in on existing academies joining the trust	<b>430,000</b>	-
Current service cost	<b>237,000</b>	199,000
Interest cost	<b>32,000</b>	18,000
Employee contributions	<b>32,000</b>	27,000
Actuarial gains	<b>(189,000)</b>	(23,000)
Benefits paid	<b>(4,000)</b>	(23,000)
	<u><b>1,552,000</b></u>	<u>1,014,000</u>
Closing defined benefit obligation	<u><b>1,552,000</b></u>	<u>1,014,000</u>

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

	<b>2018</b>	2017
	£	£
Opening fair value of scheme assets	<b>444,000</b>	293,000
Transferred in on existing academies joining the trust	<b>189,000</b>	-
Interest income	<b>15,000</b>	8,000
Actuarial losses	<b>26,000</b>	33,000
Employer contributions	<b>88,000</b>	106,000
Employee contributions	<b>32,000</b>	27,000
Benefits paid	<b>(4,000)</b>	(23,000)
	<u><b>790,000</b></u>	<u>444,000</u>
Closing fair value of scheme assets	<u><b>790,000</b></u>	<u>444,000</u>

**27. OPERATING LEASE COMMITMENTS**

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

	<b>2018</b>	2017
	£	£
<b>AMOUNTS PAYABLE:</b>		
Within 1 year	<b>3,848</b>	2,645
Between 1 and 5 years	<b>1,731</b>	2,696
	<u><b>5,579</b></u>	<u>5,341</u>
Total	<u><b>5,579</b></u>	<u>5,341</u>

