
LIONHEART EDUCATIONAL TRUST
(A Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

LIONHEART EDUCATIONAL TRUST
(A Company Limited by Guarantee)

CONTENTS

	Page
Reference and Administrative Details	1 - 2
Trustees' Report	3 - 19
Governance Statement	20 - 26
Statement on Regularity, Propriety and Compliance	27
Statement of Trustees' Responsibilities	28
Independent Auditor's Report on the Financial Statements	29 - 32
Independent Reporting Accountant's Report on Regularity	33 - 34
Statement of Financial Activities Incorporating Income and Expenditure Account	35 - 36
Balance Sheet	37 - 38
Statement of Cash Flows	39
Notes to the Financial Statements	40 - 71

LIONHEART EDUCATIONAL TRUST
(A Company Limited by Guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS

Members	Mr D Tanna (appointed May 2023) Mr N Swan Mrs D Miller Mr E Lansdown Mr M Rusk
Trustees	Mr B Chatburn, Chair Mrs A Lamb (resigned 5 December 2023) Mr M Grant Mr D Kadodwala Mr I Harris Mr J Mansfield (resigned 21 September 2023) Mr S Raikundalia Ms K Kelly Ms C Thornton (resigned 12 October 2023) Ms L Vassie (appointed 1 September 2022)
Company registered number	08473899
Company name	Lionheart Educational Trust
Principal and registered office	Beauchamp City Sixth Form South Albion Street Leicester Leicestershire LE1 6JL
Chief executive officer	K Kelly
Senior management team	K Kelly, CEO J Piper-Gale, Deputy CEO B Jackson, COO P Hunt, CFO (appointed 27 July 2023) A Petrie, Director of Curriculum R Taylor, Director of Estates T Barnard, Head of HR S Kalidoski, Head of Marketing and Communications L Hackett, Head of Governance and Compliance M Chatra, CFO (until 26 July 2023)
Independent auditor	Mazars LLP Chartered Accountants Statutory Auditor 6 Dominus Way Meridian Business Park Leicester LE19 1RP

LIONHEART EDUCATIONAL TRUST
(A Company Limited by Guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Bankers	Lloyds Bank 7 High Street Leicester LE1 4FP
Solicitors	Stone King LLP Upper Borough Court Upper Borough Walls Bath BA1 1RG

LIONHEART EDUCATIONAL TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2023

The Governors/Trustees (who are also Directors of the company for the purposes of the Companies Act) present their annual report together with the financial statements and auditor's report of the charitable company for the year 1 September 2022 to 31 August 2023. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

Lionheart Educational Trust was a family of fourteen schools and colleges in Leicester and Leicestershire during 2022/23:

- Beauchamp College, Oadby (ages 11-19)
- Beauchamp City Sixth Form, Leicester (ages 16-19)
- Brocks Hill Primary School, Oadby (ages 4-11)
- Hallam Fields Primary, Birstall (ages 4-11)
- Highcliffe Primary, Birstall (ages 4-11)
- Humphrey Perkins School, Barrow-upon-Soar (ages 11-16)
- Judgemeadow Community College, Evington (ages 11-16)
- Riverside Primary, Birstall (ages 4-11)
- Sir Jonathan North College, Leicester (ages 11-16, all girls)
- The Cedars Academy, Birstall (ages 11-16)
- The Martin High School, Anstey (ages 11-16)
- The Castle Rock School, Coalville (ages 11-19)
- The Newbridge School, Coalville (ages 11-16)
- Broom Leys Primary School, Coalville (ages 4-11)

Lionheart Educational Trust had a combined pupil capacity 13,016 and had 12,229 on roll in the school census in January 2023.

Structure, governance and management

a. Constitution

The Trust 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 Trust. The Trustees of Lionheart Educational Trust are also the directors of the charitable company for the purposes of company law. The charitable company operates as Lionheart Educational Trust and began trading on 1 April 2014 (the company was previously known as Lionheart Academies Trust and changed its name in July 2021).

Details of the Trustees who served during the year, and to the date these accounts are approved are included in the Reference and administrative details on page 1.

b. Members' liability

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

c. Trustees' indemnities

Indemnity provisions in place for Governors/Trustee are provided by RPA.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Structure, governance and management (continued)

d. Method of recruitment and appointment or election of Trustees

Trustees are appointed on the basis of skills, competencies and experience following a self-review of the Trust Board. Trustees have been recruited from the wider community, from within the team of governors working at local governing body level. As outlined in the Articles of Association, some Trustees are appointed by the Members and some are appointed by the Trustees.

e. Policies adopted for the induction and training of Trustees

Online and face to face induction and further training are provided for all Trustees as well as for local governors through a range of providers, including in-house sessions. Themes for new training sessions arise from the summer governor self-review feedback.

A joint annual vision evening is held for all Trustees and governors in which the vision for the Trust is shared and discussed.

f. Organisational structure

The roles and responsibilities of executive and senior leaders, Trustees, operations and local governors are captured in the Trust's Scheme of Delegation.

The Board has overall responsibility for strategic decision making, working with the CEO, COO, CFO and relevant trust executive leaders in taking key strategic decisions such as trust growth, staffing structures, curriculum models and estates development. The Trust Leadership Team, made up of senior leaders, executive leaders, directors of learning and operational leads from across the Trust, bring recommendations to the Board via the CEO, COO and CFO when key decisions are being made. Where major operational decisions are being made, these are also discussed with the Trust Finance and Operations Committee and key educational issues are discussed with the Education and Engagement Committee and with local governing bodies. These are used to inform decisions made by the Board.

Strategic decisions such as redundancies, admissions policies and senior leadership changes rest with the Board.

The Board holds the CEO to account, and they in turn hold senior and executive leaders to account for the effective use of resources to ensure the best possible outcomes for students.

Overall financial responsibility lies with the Trust Board, with responsibility for oversight delegated to regular meetings for each individual school led by the CFO, COO and CEO and involving a local governor, the Executive Principal and the school's headteacher and finance lead. Each local governing body receives information from these meetings, and the Board and its committees receive overall summaries with KPIs and red flags identified.

The Board agrees the budget for each school, and the overall operations budget for the Trust. The CEO is the Accounting Officer. The CEO also has Ofsted responsibility for Beauchamp College.

The Trust Deputy CEO has Ofsted responsibility for Humphrey Perkins School and Highcliffe Primary School.

LIONHEART EDUCATIONAL TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Structure, governance and management (continued)

f. Organisational structure (continued)

The CEO, Deputy CEO and Executive Principal (Primary) each line manages a group of schools. The CEO line manages the Operations Executive Team.

The role of COO was introduced and appointed in April 2023 to add capacity to the senior leadership team.

Some schools have an Executive Headteacher across three schools.

The Operations Team provide support, guidance and leadership in Finance, HR, IT, Premises and Governance.

The Trust has a budgeting approach which involves amalgamation and redistribution of basic per pupil GAG funding as well as a split educational-operational budget model.

The Trust has a central finance team in place which oversees all financial activities and is headed by the CFO.

Governance

Each layer of governance has a specific role:

Trust Board	Vision and ethos Strategic direction Risks and Opportunities Finance Overall responsibility		
Trust Board Committees In compliance with the Academy Trust Handbook and delegated authority under the Trust Scheme of Delegation			
Audit Compliance and Risk	Finance & Operations	Education & Engagement	Remuneration
Local Governing Bodies (LGB)	Teaching & Learning Pupil & Parent & Staff experience Safeguarding Business & Community links		Each school

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Structure, governance and management (continued)

g. Arrangements for setting pay and remuneration of key management personnel

A system of performance related pay operates across all executive leaders, both educational and operational.

An annual review is held in September involving an external advisor with significant expertise and an understanding of the challenges and strengths within the Trust. The CEO and Chair of the Trust are involved in all educational senior leadership appraisals, with local governing body chairs joining those relating to their schools. The CEO and Chair undertake operational executive appraisals.

All recommendations for performance related pay are then shared with the Trust Remuneration Committee which is made up of three trustees. The Remuneration Committee is mindful of the need to ensure value for public money in all decisions and works within a set of guidelines which include, amongst other factors, the need to consider academic performance, educational challenge, the breadth and responsibility within the role and level of responsibility, experience and skills. All pay is awarded within a pay scale which is benchmarked against similar roles elsewhere. Prior to recruiting new executive or senior leaders, a discussion is held to determine whether the staffing structure should be changed to support a streamlined senior team.

The Pay Policy aims are to:

- (a) Achieve excellent outcomes for all students
- (b) Support the recruitment and retention of a high-quality workforce
- (c) Complement the Trust's Performance Management Policy
- (d) Enable the Trust to recognise and reward staff appropriately for their contribution
- (e) Help to ensure that decisions on pay are managed in a fair, just and transparent way
- (f) Ensure that there is no pay discrimination in decision making and that decisions are based on evidence and can be justified

Pay ranges for Senior Leaders, Heads of School and Deputy Heads of School are determined in line with the School Teacher's Pay and Conditions Document for new appointments. The pay range factors in all permanent responsibilities of the role, any challenges that are specific to the role and all other relevant considerations including the skills and competencies required. Pay ranges allow appropriate scope for performance related progression over time. Eligible members of the leadership group are automatically considered for further progression within their pay scale and no application is necessary. However, annual pay progression within the range is not automatic and decisions regarding pay progression is clearly attributable to the leadership group member's performance with reference to the appraisal process.

LIONHEART EDUCATIONAL TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Structure, governance and management (continued)

h. Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the year	17
Full-time equivalent employee number	15

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	11
1%-50%	6
51%-99%	-
100%	-

Percentage of pay bill spent on facility time £000

Total cost of facility time	6
Total pay bill	61,740
Percentage of total pay bill spent on facility time	0.01 %

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	100 %
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Structure, governance and management (continued)

i. Related parties and other connected charities and organisations

The Trust leads are responsible for the Maths Hub and Computing Hub for the local area.

The CEO networks at both local and national level to share good practice and improve knowledge and financial best practice and the CEO is a member of the Leicestershire Schools Funding Forum.

The Deputy CEO is part of the TSIL steering group for SEND change within Leicestershire Local Authority.

Beauchamp College hosts Oadby Stakeholders. This is a networking group which engages community, faith, business and statutory organisations for mutual benefit.

Schools in the Trust are part of the local Behaviour Partnerships.

The Trust has entered into a partnership with the University of Leicester to support excellent opportunities for students across the family of schools and also works with them for initial teacher training. The Trust also benefits from a partnership with Leicestershire County Cricket Club which includes free attendance at international matches and coaching for secondary pupils.

The Trust works with the Ambition Institute to support the professional development of senior educational and operational leaders.

The Trust is increasingly working alongside other business partners to provide careers opportunities and to bring added value to the educational offer.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Structure, governance and management (continued)

j. Engagement with employees (Section 172 Statement)

All Trust schools have regular staff meetings, briefings and bulletins which inform employees on matters of concern to them. Through line management meetings and senior leader meetings in each school information about the performance of the school is shared and then disseminated to all within departments.

An annual questionnaire involving all staff employed by the Trust is completed each year, and results inform future decisions. Trustees and local governors receive and discuss staff questionnaire results. Staff focus groups are also held.

Shared staff training at the start of each academic year is carried out across the group of schools, involving teaching and associate staff, and the vision for the Trust in the coming year is shared by the CEO, Chair, Deputy CEO and other relevant staff.

Throughout 2021/2022 and 2022/23, the Trust engaged in an extensive programme of work related to diversity, with a focus on the matter both across employees and students. This involved reviews of certain curriculum areas to explore ways in which greater diversity could be introduced into teaching and learning, and engaging with employees through focus groups to gather feedback and ideas which can help the organisation to become even more inclusive. In recognition of this work the Trust were awarded the Inclusivity award at the MAT excellence awards. The award recognises the Trust for putting staff and student voice at the centre of their approach. The judges appreciated the impact of action being taken in a range of areas such as recruitment, career development and the curriculum, and the focus across faith, ethnicity, class and LGBTQ+

The Trust has regular consultation meetings with regional and local union representatives. The importance of strong relationships is fundamental to the work of the Trust. Union representatives were fully informed of developments and were able to comment on, and influence, the work of the Trust.

The Trust welcomes applications for employment from disabled persons. Where a member of staff becomes disabled during the course of their employment, reasonable adjustments will be made and support given both by the school and the Trust's HR team. The Trust provides training and opportunities for disabled members of staff in line with overall policies.

k. Engagement with suppliers, customers and others in a business relation with the Trust (Section 172 Statement)

The Trust continues to review procurement and buying to ensure economies of scale and efficiencies in dealing with suppliers. This has ensured a closer working relationship with the suppliers selected across the Trust schools. In August 2023 we appointed a dedicated, qualified Procurement and Contracts Manager to the Trust, to ensure best value procurement and to engage with our suppliers for contract management.

The Trust recognises its responsibility to all stakeholders including parents, staff, pupils and the wider community and seeks to work in partnership with schools using a range of approaches depending on the individual nature of each community they serve. Parent and pupil feedback is sought in a wide variety of ways including focus groups, forums and questionnaires and the results are then shared with senior leadership teams, the executive teams for education and operations, the Board and local governors. In this way the voice of stakeholders influences decision making across the group.

Lionheart has a strong relationship with unions representing teaching and associate staff. It meets once per term with union representatives and engages regularly with unions throughout the academic year.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Objectives and activities

a. Objects and aims

Our educational mission is simple: any young person from any background deserves an equal chance to be successful in whatever they choose to do. The Trust is committed to supporting young people to open doors to their futures and to feel confident that they can thrive in a competitive world.

Our philosophy is clear. We promote a student-centred approach that is underpinned by the understanding that the highest quality education is a right that all young people deserve regardless of their starting point. We are dedicated to providing young people with the strongest foundations; educational qualifications that they can feel proud about because their education has taught them how to feel proud. We know that promoting a positive, proactive approach that celebrates success unites school communities and breaks down barriers to learning. Students under our care will be taught how to learn in this way. We will encourage students at every level of ability to aspire to develop personally and academically and we will use the '4Rs' as cornerstones of outstanding learning. The '4Rs' encourage students to take responsibility for their own learning, help them to grow in confidence and prepare them for life outside of education.

They are:

- Resilience – The ability to bounce back when the going gets tough.
- Reciprocity – Learning to work together and show care and understanding for each other.
- Resourcefulness – Having the confidence to ask for help and to find answers in new ways.
- Reflectiveness – Considering what needs to be done to make the next steps.

Our pledge is a promise to the communities that we serve that we will work with them with limitless enthusiasm and optimism providing a platform for each young person's light to shine brightly. To fulfil our pledge, our staff promote and embody the 3Ps. They are:

- Pupil Centred – Schools are run for pupils and everything we do is for our pupils.
- Positive – We all embrace challenges and look for opportunities.
- Professional – We model professionalism at all times.

b. Objectives, strategies and activities

The key values of academic excellence and holistic development are at the heart of the Trust. The Trust fervently believes in social mobility by ensuring academic success so that any young person from any background has an equal chance to be successful in whatever they choose to do. Students at every level of ability are encouraged to aspire to develop personally and academically. The Trust always endeavours to ensure that all learners are adaptable and flexible and the schools they attend are exciting and challenging places where students enjoy and thrive in their learning. As of 31 August 2023, LET was made up of fourteen schools, providing the education for approximately 12,300 students aged 4-19 across Leicester and Leicestershire.

Operating across a small geographical area is key to the Trust's success through allowing comprehensive understanding of local context and innate knowledge of each school so we can support and challenge effectively.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Objectives and activities (continued)

b. Objectives, strategies and activities (continued)

During 2023/24 and beyond, the Trust will focus on the following strategies:

- Work towards ensuring good and outstanding teaching across all Trust schools.
- Embedding whole-trust curricula in a range of subjects Curriculum Leads
- Improving attendance of key groups (PP and SEND) and ensuring that the learning gap caused by poor attendance are addressed
- Embedding Instructional Coaching in all schools
- Developing the Trust approach to alternative provision so that suspension rates will be reduced
- Developing a new automated approach to feedback and assessment that uses artificial intelligence to inform teaching and learning in real time
- Further developing work to support diversity in the curriculum
- Further developing lettings and other sources of income generation
- Researching a range of pedagogical areas to inform and challenge the Trust's approach

c. Public benefit

The Board of Trustees have given careful consideration to the Charity Commission general guidance on public benefits and have complied with the duty bestowed on them. The Trust provides education for the public benefit in the Leicestershire County and Leicester City councils as well as a community learning programme for the wider community. Facilities can be booked by the community for social, recreational and pleasure activities. The Trust has strong partnerships with community groups.

Strategic report

Achievements and performance

a. Key performance indicators

ARE+

Cohort	%	RWM	Reading	Writing	Maths	GPS
-	National(23)	59.5	72.6	71.5	72.9	72.3
61	Brockshill	90.2	95.1	96.7	95.1	93.4
58	Highcliffe	72.4	84.5	84.5	86.2	82.8
86	Riverside	57.6	75.3	70.6	78.8	75.3
87	Broom Leys	57.5	77	62.1	79.3	70.1

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Strategic report (continued)

Achievements and performance (continued)

a. Key performance indicators

GD

Cohort	%	RWM	Reading	Writing	Maths	GPS
-	National (23)	8	29	13.3	23.8	30.1
61	Brockshill	18	50.8	18	45.9	68.9
58	Highcliffe	12.1	25.9	15.5	29.3	27.6
86	Riverside	5.9	39.4	8.2	35.3	36.5
87	Broom Leys	3.4	18.4	3.4	28.7	25.3

KS4

Measure	BEA	CED	HUM	JUD	MAR	SJN	TNS	CAS	LHT 2023
Cohort	286	173	160	289	160	242	158	188	1656
Average Attainment 8 Grade	5.52	4.72	4.64	5.05	4.28	5.53	3.77	3.84	4.79
% Students Achieving 9-5 basics	65.4	48	46.3	51.2	39.4	63.6	20.9	33	48.6
% Students Achieving 9-4 basics	81.8	63.6	68.1	65.7	61.3	77.7	49.4	49.5	66.4
% Students Entered for EBacc	89.5	46.2	68.1	88.9	55.6	90.9	6.3	9	62.7
Average Points Score for EBacc	4.96	4.12	4.28	4.7	3.77	5.34	3.18	3.31	4.71

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Strategic report (continued)

Achievements and performance (continued)

a. Key performance indicators

KS5

Measure	BEA	BCS	CED	CAS	LHT
Cohort	350	433	25	85	893
L3 Overall Average Points per Entry	35.72	35.16	30.0 1	24.4 8	34.22
L3 Overall Average Grade	B-	B-	C	D+	C+
L3 Overall Average Points per Pupil	122.9	117.9	92.2	75.2	115.1
% AAB or higher in at least 2 facilitating subjects	19.1	21	15	7	19.4
% AAB or higher in at least 3 facilitating subjects	13.6	11.5	10	0	11.7
% A-levels A* - A	30.2	27.9	11.4	6.6	26.4
% A-levels A* - B	55.7	54.1	35.7	18.9	50.9
% A-levels A* - C	77.8	74.9	61.4	35.2	72.0
% A-levels A* - E	97.4	97.3	97.1	87.8	96.5

b. 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.

In completing an assessment of the Trust as a going concern, Trustees have;

- reviewed the Trust's medium-term financial plan;
- reviewed the cashflow forecast for the next twelve months;
- assessed the level of funds in the Trust's bank accounts; and
- considered the pupil number projections for next year.

Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Strategic report (continued)

Achievements and performance (continued)

c. Promoting the success of the company (Section 172 Statement)

The Board of Trustees recognises that it must act in a way most likely to promote the success of the Trust, and in doing so must have regard to:

- the likely consequences of any decision in the long term – by ensuring long term financial projections, sustainability and succession planning are factored into all decisions
- the interests of the Trust's employees – recognising that our staff team are fundamental to ensuring strong outcomes for our students and their families and communities; factoring staff wellbeing and workload into decisions; working to be an employer of choice.
- the need to foster the Trust's business relationships with suppliers, customers and others – ensuring that the Trust operates as a valued customer of suppliers, and a provider of education for parents and the wider community.
- the impact of the Trust's operations on the community and the environment – ensuring that the community has a voice and senior leaders understand the opportunities and constraints for the communities they serve; working increasingly to reduce the negative impact of the schools on the environment and teaching students to be environmentally responsible.
- the desirability of the Trust maintaining a reputation for high standards of business conduct – working to ensure that all staff work professionally, and that our systems and processes are supportive of positive working relationships with all stakeholders.
- the need to act fairly as between members of the Trust – ensuring that fairness and equity are at the heart of all our work.

LIONHEART EDUCATIONAL TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Strategic report (continued)

Financial review

a. Reserves policy

The Trustees review the reserve levels of the Trust annually. The review includes nature of income and expenditure with the need to match income with commitments. The Trustees have determined an appropriate level of reserves to cover capital expenditure and unexpected emergencies: which is at least six weeks expenditure which is approximately £6.5m.

On 1 September 2022 Apollo Partnership Trust transferred into Lionheart Educational Trust. At the point of transfer all assets were recognised as a donation, including the land and buildings. This has had a significant impact on the level of reserves held by the Trust, as explained below.

The amount of total reserves at 31 August 2023 was £243,710k (2022 - £173,423k). The fixed asset fund balance at 31 August 2023 was £229,106k (2022 - £168,015k), which included the fixed asset transfer on Apollo joining the Trust of £60,172k.

The amount of restricted reserves not available for general purposes of the Academy Trust at 31 August 2023 was £Nil (2022 - £2,519k).

The balance on restricted general reserves (excluding pension reserve) plus the balance on unrestricted reserves at 31 August 2023 is a net surplus of £14,604k (2022 - £7,927k). Apollo's unrestricted reserves on transfer was £3,144k. A combined 2022 position is £11,071k, therefore our overall unrestricted reserve balance at 31 August 2023 represents a £3,533k increase in year.

The Trust's reserves at the year-end were £243,710k (2022 - £173,423k) of which £14,604k (2022 - £7,927k) is held within unrestricted and restricted general funds, before pension liability. The Trustees are also aware of Trust's liability in relation to the Local Government Pension Scheme, which at the year-end amount to £Nil. The pension scheme assets made a significant return in year, reducing the overall liability to £Nil.

Though the Trust does have a healthy reserves position, this is achieved through prudent medium-term planning to ensure delivery of relatively high value capital projects and investment in IT infrastructure. In addition, the Trust expects funding in future years to be less than expected cost increases, so there is a likelihood that reserves will need to be called upon for the Trust to meet its financial obligations.

b. Investment policy

The Trust's Investment Policy states that investments must only be made in risk-averse, ethical funds.

The Trust invested in short term deposit/notice accounts during 2022/23, generating moderate returns in interest through these accounts. Regular cash movements between the everyday main bank account and an instant access interest account have ensured on a daily and weekly basis that the Trust is maximizing returns on its strong cash balance.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

c. Principal risks and uncertainties

The key risks faced by the academies within the Trust can be split into financial viability (including student numbers), safety of the Trust's estate, performance standards and reputational risk.

As school funding continues to bring significant challenges including huge inflationary pressures, particularly utilities, unfunded pay awards and Leicestershire schools continuing to be amongst the lowest funded – per pupil – in the country, it is critical that sound financial planning is maintained.

Pupil numbers are a key driver to academy funding and so strong marketing and close monitoring of pupil numbers is undertaken throughout the year to ensure that the Trust is realising the desired pupil admissions. Modelling of pupil numbers is undertaken to ensure that the Trust can take appropriate actions in regards to changes in these numbers (up or down) in a timely and cost-effective fashion. The Trust also holds termly financial reviews with each academy to ensure that the cost base is under control and any risks identified can be mitigated.

Ensuring the Trust's estate is safe, well maintained and complies with relevant regulations is crucial. Regular Health and safety audits are performed at each site as well as training from our Health and Safety provider surrounding risk management. This year the biggest uncertainty facing the Trust's estate was RAAC – Surveys of each site were performed and swift management of any risk discovered allowed the Trust to maintain safe and compliant facilities at all sites.

A key determinant of the Trust's ability to drive strong admission numbers is the educational performance of the academies. Weekly meetings are held to review standards across the Trust to ensure that the required progress is being made both at a whole school level and within core focus groupings such as Pupil Premium, EAL and LAC students. If necessary, intervention approaches are implemented to ensure that gaps in performance relative to expectation are closed.

Reputational risk can also have an impact on pupil admissions so the Trust keenly promotes positive community links and support programmes with other local schools.

d. Financial risk management objectives and policies

The Trust has a risk register which highlights potential risks. Along with the risk being identified, controls are put in place to minimise the risk and any on-going treatment or action is identified. A termly Audit, Compliance and Risk Committee meeting reviews current risks and the register is regularly updated. Every Local Governing Body, Board and Executive team meeting has Risk as an agenda item and any risks raised in those are fed back to the Audit, Compliance and Risk Committee.

More broadly, the Trust produces monthly budget monitoring reports which contain forecasts which allow Heads and leaders to make informed decisions around mitigating financial risks.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Fundraising

The vast majority of Trust funds are obtained through government funding and grants. However, the Trust is also active in seeking to raise funds through other channels in order to support specific activities which would otherwise be unaffordable.

Our approach to raising funds is predominantly through local business networks or through widely available grants. One of our employees has a responsibility at a Trust level to work closely with the local community and build partnerships with local businesses in order to identify potential sponsorship opportunities and donations as well as to seek out grant funding opportunities to pay for specific project activity.

Whilst we generally do not approach parents directly for fundraising, we do ask for donations to support schools' trips which might otherwise not go ahead without some level of parent support. Disadvantaged families are offered support for these trips in order to ensure their children do not miss out on opportunities.

Because the Trust does not approach the general public directly, we do not feel that there is any risk that the public, especially vulnerable people, will be under any unreasonable pressure to donate. As a Trust we have not received any complaints in regards to our fundraising activities.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Streamlined energy and carbon reporting

The following table sets out energy use, emissions and the emissions intensity ratio for the Trust during 2022/23:

UK Greenhouse gas emissions and energy use data for the period	1 September 2022 to 31 August 2023	1 September 2021 to 31 August 2022
Energy consumption used to calculate emissions (kWh)	13,034,249	10,029,886
<u>Scope 1 emissions in metric tonnes CO₂e</u>		
Gas consumption	1538.83	1141.92
Owned transport – mini-buses	12.99	9.64
<u>Scope 2 emissions in metric tonnes CO₂e</u>		
Purchased electricity	953.59	805.96
<u>Scope 3 emissions in metric tonnes CO₂e</u>		
Business travel in employee-owned vehicles	14.09	10.35
<u>Total gross emissions in metric tonnes CO₂e</u>	2564.50	1922.04
<u>Intensity ratio</u>		
<u>Tonnes CO₂e per pupil</u>	0.21	0.21

Quantification and Reporting Methodology:-

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

Intensity measurement

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO₂e per pupil, the recommended ratio for the sector.

Measures taken to improve energy efficiency

During 2022/23, we continued to invest in LED lighting across a number of schools within the Trust. We also continued with use of Teams to hold meetings which resulted in substantially less business travel due to fewer face-to-face meetings compared to pre-pandemic levels.

LIONHEART EDUCATIONAL TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Plans for future periods

Following a period of consolidation, the Trust expanded in September 2022 by merging with the Apollo Trust consisting of two inadequate secondary schools and one good Primary. The merger has been successful and the schools are now fully embedded in Trust working and culture. Future planned growth includes the opening of a brand new 11-16 free school in September 2025 within Leicester City. The Trust remain open to suitable opportunities which would allow for broader impact whilst not destabilising any of the existing schools.

Funds held as custodian on behalf of others

Lionheart Educational Trust does not hold funds as custodian trustee on behalf of others.

Disclosure of information to auditor

Insofar as the Trustees are aware:

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

The Trustees' Report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on Dec 20, 2023 and signed on its behalf by:


Byron Chatburn (Dec 20, 2023 15:20 GMT)

.....
Mr B Chatburn
Chair of Trustees

GOVERNANCE STATEMENT

Scope of responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that Lionheart Educational 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.

As Trustees, we have reviewed and taken account of the guidance in DfE's Governance Handbook and Competency Framework for Governance.

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 Lionheart Educational 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 Board of Trustees undertook an external review of governance in 2020/21 led by Confederation of Schools, as a result, changes were made to the governance structure which included new trustees being appointed based on their skills, knowledge and experience, and new committees formed with clear terms of reference, Trustees were appointed to committees based on their skills and experience.

It is a recommendation that external reviews of governance take place every three years for large organisations. The Trust commissioned a review of governance during 2022/23, with a view to a further external review of governance to take place during 2023/24.

The Trust Board monitors all Education and Operational areas of the organisation via data which is provided to the committees and Trust board. The data produced by the central data management team.

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 2022/23. To ensure that governance is robust and that there is effective oversight, the Trust Board delegates areas of business to several committees, which with the exception of the Remuneration committee, all meet three times each year, these are named as Finance and Operations, Audit Compliance and Risk, Education and Engagement and Remuneration, the committees provide the Trust Board the opportunity to look into greater strategic depth and report back to the main Trust Board.

LIONHEART EDUCATIONAL TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
Mr B Chatburn	4	6
Mrs A Lamb	0	0
Mr M Grant	6	6
Mr D Kadodwala	6	6
Mr I Harris	6	6
Mr J Mansfield	3	6
Mr S Raikundalia	6	6
Ms K Kelly	5	6
Ms C Thornton	2	5
Ms L Vassie	5	5

Each year, Lionheart Educational Trust carries out a review of governance led by the Head of Governance. This includes:

- Trustees and governors completing survey to identify ways in which they have individually contributed to the work of governance, training they feel they may benefit from in the coming year, and suggested improvements to trust governance and the wider work of the Trust going forward.
- Discussions with chairs of local governing bodies as to changes which may improve governance in the coming year which are led in the Chair and Vice chair meetings.
- The board reviews the structure of the board and its committees within its annual review of the Terms of Reference document.
- Each meeting of local governing bodies includes an agenda item in which governors are able to make suggestions or challenges to the board on the nature of governance and the wider work of the Trust. These are collated and shared with Trustees for discussion and action.
- An annual governor and trustee vision evening is held each autumn term, with discussion and presentations, in which informal suggestions and comments are taken on board.

This has led to:

- Training sessions delivered online using recorded materials produced in-house
- Training delivered on the role of local governing bodies within the Trust structure
- A visits programme for 2023/24
- Increasing the use of Microsoft Teams for remote and blended meetings and training.

Information provided to Trustees

Trustees are actively involved in requesting information and in outlining both the content and the presentation of documents to support efficient and effective governance. Executive leaders respond positively to all requests and information has been refined during the past year to develop this further.

LIONHEART EDUCATIONAL TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

Remuneration Committee

This committee oversees pay and remuneration within the Trust.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Mr D Kadodwala (Chair)	1	1
Mrs A Lamb	1	1
Mr B Chatburn	1	1

In 2022/23 the Audit, Compliance & Risk Committee met four times. The purpose of this committee was to oversee the Trustees' responsibilities with regard to audit, compliance and risk, reporting back to the board.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Ian Harris (Chair)	4	4
Cat Thornton	0	2
Kath Kelly	4	4
Luise Vassie	4	4
Mark Grant	4	4
Sarju Raikundalia	3	4

Education and Engagement Committee

This committee was formed during the 2020/21 year. It met three times during 2022/23 with a Teaching and Learning focus and looks in greater depth at information being shared within the Board meeting including School Development Plans, data, Trust reviews, Safeguarding reviews. It does not have delegated powers but can bring recommendations to the Board.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Dilip Kadodwala (Chair)	3	3
Cat Thornton	1	3
Anne Lamb	1	3
Jonathan Mansfield	1	3
Kath Kelly	3	3
Mark Grant	2	3

LIONHEART EDUCATIONAL TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

Finance and Operations Committee

This committee was formed in 2020/21 year. It meets three times with a Finance and Operations focus and looks in greater depth at information being shared within the Board meeting including budget monitoring and budget plans. The committee meets its statutory responsibilities noted in the Academy Trust Handbook.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Byron Chatburn (Chair)	3	3
Dilip Kadodwala	1	1
Ian Harris	1	3
Luise Vassie	1	3
Sarju Raikundalia	3	3

Coverage and Impact of the Board's work

Whilst the Board has taken final responsibility for the development of the Trust in 2022/23, the success of the Trust, and the creativity and skill with which the best possible outcomes for students in an ever changing educational and national landscape were secured, was driven by senior educational and operational leaders who brought recommendations to the Board for discussion, amendment, challenge and approval.

Board self-evaluation

In July 2023, the Trust undertook an external review of governance. Many strengths were commented upon including the board for having a wide range of skills present; education, finance (including chartered accountancy), HR, health and safety, business and operations. The board has been strengthened by the addition of two highly skilled Trustees who were previously members of the Apollo board. Following a previous review of governance which focused on the work of Trustees, the board has embedded a revised structure and new working practices which are operating very effectively.

The decision to bring together governance and DPO/compliance work in the Trust under the leadership of the newly appointed Head of Governance and Compliance who is, in turn, managed by the COO. The review assessed that this new structure would add significant capacity, sustainability, scalability and greater consistency across local governance specifically. The governance team includes a Senior Governance Officer and two Governance Officers, each of whom is assigned to a particular group of schools.

The Head of Governance and Compliance, Lauren Hackett, was appointed in May 2023.

Conflicts of Interest

The Trust maintains registers of interest both at Trust level and across individual schools. They are reviewed by the Governance Team and any declarations that could be a potential conflict of interest are then escalated to the relevant leads/Heads. Processes around managing this will be reviewed during 2022/23.

GOVERNANCE STATEMENT (CONTINUED)

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, as well as estates safety and management, 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:

- The use of Integrated Curriculum Financial Planning
- Sharing resources, including staffing, across schools
- Ensuring procurement savings through shared purchasing
- Continued use of centralised teams to ensure economies of scale

As Accounting Officer, the Chief Executive Officer has considered how to effectively utilise available funding to ensure that the Trust's estate is safe, well-maintained and compliant with all relevant regulations. Examples of such projects in the past year include:

- Humphrey Perkins new Maths and English block
- Humphrey Perkins hall block refurbishment including pupil toilets
- Martin High School new Sports Hall
- Martin High School new six classroom block
- Beauchamp College new six classroom STEM block
- Beauchamp College Social Sciences block refurbishment
- Brocks Hill Library refurbishment
- Sir Jonathan North Z and W block refurbishment including pupil toilets
- The Newbridge School Performing Arts and Science block roof replacement
- Broom Leys School main block roof and window replacement
- The Castle Rock School pupil toilet refurbishment

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 on-going process designed to identify and prioritise the risks to the achievement of 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 Lionheart Educational Trust for the period 1 September 2022 to 31 August 2023 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the 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 on-going process for identifying, evaluating and managing the Trust's significant risks that has been in place for the period 1 September 2022 to 31 August 2023 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the full Board of Trustees and in 2022/23 by the Audit, Compliance and Risk Committee.

GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework

The 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
- Reviews of reports which indicate financial performance against the forecasts and of major purchase plans by the Board in focused Finance and Operations meetings, supported by finance committee pre-meetings in which reports are discussed in greater depth
- setting targets to measure financial and other performance
- clearly defined purchasing (asset purchase or capital investment) guidelines
- delegation of authority and segregation of duties
- identification and management of risks

The Board of Trustees has considered the need for a specific internal audit function and has appointed MHA as internal auditor.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. In particular the checks carried out in the current period included:

- testing of payroll systems
- testing of financial systems and controls
- testing of control account/ bank reconciliations
- review of the procedures and controls in place over lettings across the Trust

On an annual basis, the auditor reports to the Board of Trustees, Audit, Compliance and Risk Committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities. On an annual basis the auditor prepares a summary report to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress.

Various internal reviews were undertaken as planned during 2022/23 (e.g. internal audits) and no significant control weaknesses were identified. The internal auditor delivered their schedule of works.

GOVERNANCE STATEMENT (CONTINUED)

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 financial management and governance self-assessment process;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.
- correspondence from ESFA e.g. FNtl/Ntl and 'minded to' letters.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Audit, Compliance & Risk Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place. This includes a full review of financial policy, processes and structure which is taking place in the light of growth in the Trust, to ensure consistency, efficiency and value for money.

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


Byron Chatburn (Dec 20, 2023 15:20 GMT)

.....
Mr B Chatburn
Chair of Trustees

Date: Dec 20, 2023


kkelly (Dec 19, 2023 15:00 GMT)

.....
Miss K Kelly
Accounting Officer

Date: Dec 19, 2023

LIONHEART EDUCATIONAL TRUST
(A Company Limited by Guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Lionheart Educational Trust, I have considered my responsibility to notify the Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non compliance with the ESFA terms and conditions of funding, including for estates safety and management, under the funding agreement 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 Academy Trust Handbook 2022, including responsibilities for estates safety and management.

I confirm that I and the Multi Academy Trust Board of Trustees are able to identify any material irregular or improper use of funds by the Multi Academy Trust, or material non compliance with the terms and conditions of funding under the Multi Academy Trust's funding agreement and the Academy Trust Handbook 2022.

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 the ESFA.


kkelly (Dec 19, 2023 15:00 GMT)

.....
Miss K Kelly
Accounting Officer

Date: Dec 19, 2023

LIONHEART EDUCATIONAL TRUST
(A Company Limited by Guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2023

The Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with the Academies Accounts Direction published by the Education and 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 2019 and the Academies Accounts Direction 2022 to 2023;
- make judgements 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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


Byron Chatburn (Dec 20, 2023 15:20 GMT)

.....
Mr B Chatburn, Chair
for and on behalf of the Board of Trustees

Date: Dec 20, 2023

LIONHEART EDUCATIONAL TRUST
(A Company Limited by Guarantee)

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

Opinion

We have audited the financial statements of Lionheart Educational Trust (the 'Academy Trust') for the year ended 31 August 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, 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, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice), Accounting and Reporting by Charities; Statement of Recommended Practice applicable to Charities (Charities SORP 2019) and the Academies Accounts Direction 2022 to 2023 issued by the Education & Skills Funding Agency.

In our opinion, the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs at 31 August 2023 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;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2019 and Academies Accounts Direction 2022 to 2023.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

LIONHEART EDUCATIONAL TRUST
(A Company Limited by Guarantee)

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. 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.

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 course of 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 this gives rise to a material misstatement in the financial statement. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' report including the incorporated strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' report including the incorporated strategic report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

LIONHEART EDUCATIONAL TRUST
(A Company Limited by Guarantee)

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

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement set out on page 28, the Trustees (who are also the directors for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the 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.

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

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

Based on our understanding of the Academy Trust and its activities, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: employment regulation, health and safety regulation and anti-money laundering regulation.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Inquiring of management and, where appropriate, those charged with governance, as to whether the Academy Trust is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the Academy Trust which were contrary to applicable laws and regulations, including fraud.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as the funding agreement with the Department of Education, tax legislation, pension legislation, the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023.

LIONHEART EDUCATIONAL TRUST
(A Company Limited by Guarantee)

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

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

In addition, we evaluated the Trustees' and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of override of controls, and determined that the principal risks related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to revenue recognition (which we pinpointed to the cut off assertion subject to your revenue recognition significant fraud risk) and significant one-off or unusual transactions.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the Trustees and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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

Use of the audit 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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Academy Trust and the Academy Trust's members as a body for our audit work, for this report, or for the opinions we have formed.



David Hoose (Dec 20, 2023 16:04 GMT)

David Hoose (Senior Statutory Auditor)

for and on behalf of

Mazars LLP

Chartered Accountants and Statutory Auditor
6 Dominus Way
Meridian Business Park
Leicester
LE19 1RP

Date: Dec 20, 2023

LIONHEART EDUCATIONAL TRUST
(A Company Limited by Guarantee)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO LIONHEART EDUCATIONAL TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 17 October 2023 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2022 to 2023, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Lionheart Educational Trust during the year 1 September 2022 to 31 August 2023 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Lionheart Educational Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Lionheart Educational 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 Lionheart Educational Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Lionheart Educational Trust's Accounting Officer and the Reporting Accountant

The accounting officer is responsible, under the requirements of Lionheart Educational Trust's funding agreement with the Secretary of State for Education dated 1 May 2013 and the Academy Trust Handbook, extant from 1 September 2022, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2022 to 2023. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2022 to 31 August 2023 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

- Planning our assurance procedures including identifying key risks;
- Carrying out sample testing on controls;
- Carrying out substantive testing including analytical review; and
- Concluding on procedures carried out.

LIONHEART EDUCATIONAL TRUST
(A Company Limited by Guarantee)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO LIONHEART EDUCATIONAL TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2022 to 31 August 2023 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Mazars LLP (Dec 20, 2023 16:05 GMT)

Mazars LLP
Chartered Accountants
Statutory Auditor

6 Dominus Way
Meridian Business Park
Leicester
LE19 1RP

Date: Dec 20, 2023

LIONHEART EDUCATIONAL TRUST
(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2023

	Note	Unrestricted funds 2023 £000	Restricted funds 2023 £000	Restricted fixed asset funds 2023 £000	Total funds 2023 £000	Total funds 2022 £000
Income from:						
Donations and capital grants:	3					
Transfer of existing academies joining the Academy Trust		3,144	(11,388)	60,172	51,928	-
Other donations and capital grants		20	-	8,838	8,858	2,182
Other trading activities	5	1,525	-	-	1,525	984
Investments	6	180	-	-	180	37
Charitable activities:						
Funding for the academy trust's educational operations	4	1,705	80,420	-	82,125	59,823
Total income		6,574	69,032	69,010	144,616	63,026
Expenditure on:						
Raising funds	7	984	-	-	984	585
Charitable activities:						
Academy trust educational operations	8	1,885	76,945	9,206	88,036	64,090
Total expenditure		2,869	76,945	9,206	89,020	64,675
Net income/ (expenditure)		3,705	(7,913)	59,804	55,596	(1,649)
Transfers between funds	20	-	(1,287)	1,287	-	-
Net movement in funds before other recognised gains/(losses)		3,705	(9,200)	61,091	55,596	(1,649)
Other recognised gains/(losses):						
Actuarial gains/(losses) on defined benefit pension schemes	28	-	14,691	-	14,691	30,701
Net movement in funds		3,705	5,491	61,091	70,287	29,052

LIONHEART EDUCATIONAL TRUST
(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
(CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

	Unrestricted funds 2023 £000	Restricted funds 2023 £000	Restricted fixed asset funds 2023 £000	Total funds 2023 £000	Total funds 2022 £000
Note					
Reconciliation of funds:					
Total funds brought forward	2,497	2,911	168,015	173,423	144,371
Net movement in funds	3,705	5,491	61,091	70,287	29,052
Total funds carried forward	6,202	8,402	229,106	243,710	173,423

LIONHEART EDUCATIONAL TRUST
(A Company Limited by Guarantee)
REGISTERED NUMBER: 08473899

BALANCE SHEET
AS AT 31 AUGUST 2023

	Note	2023 £000	2022 £000
Fixed assets			
Intangible assets	14	177	-
Tangible assets	15	223,879	165,788
		<u>224,056</u>	<u>165,788</u>
Current assets			
Debtors	16	1,799	1,651
Investments	17	5,000	-
Cash at bank and in hand	25	20,159	18,545
		<u>26,958</u>	<u>20,196</u>
Liabilities			
Creditors: Amounts falling due within one year	18	(7,304)	(9,988)
		<u>19,654</u>	<u>10,208</u>
Net current assets			
		<u>243,710</u>	<u>175,996</u>
Total assets less current liabilities			
Creditors: Amounts falling due after more than one year	19	-	(54)
		<u>243,710</u>	<u>175,942</u>
Net assets excluding pension liability			
Defined benefit pension scheme liability	28	-	(2,519)
		<u>243,710</u>	<u>173,423</u>
Total net assets		<u>243,710</u>	<u>173,423</u>
Funds of the Academy Trust			
Restricted funds:			
Fixed asset funds	20	229,106	168,015
Restricted income funds	20	8,402	5,430
Pension reserve	20	-	(2,519)
		<u>237,508</u>	<u>170,926</u>
Total restricted funds	20		
Unrestricted income funds	20	6,202	2,497
		<u>243,710</u>	<u>173,423</u>
Total funds		<u>243,710</u>	<u>173,423</u>

LIONHEART EDUCATIONAL TRUST
(A Company Limited by Guarantee)

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2023

The financial statements on pages 35 to 71 were approved and authorised for issue by the Trustees and are signed on their behalf, by:

Byron Chatburn
Byron Chatburn (Dec 20, 2023 15:20 GMT)

.....
Mr B Chatburn, Chair
Chair of Trustees

Date: Dec 20, 2023

The notes on pages 40 to 71 form part of these financial statements.

LIONHEART EDUCATIONAL TRUST
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2023

	Note	2023 £000	2022 £000
Cash flows from operating activities			
Net cash provided by operating activities	22	1,494	5,912
Cash flows provided by/(used in) by investing activities	24	174	(6,562)
Cash flows used in financing activities	23	(54)	(54)
Change in cash and cash equivalents in the year		1,614	(704)
Cash and cash equivalents at the beginning of the year		18,545	19,249
Cash and cash equivalents at the end of the year	25, 26	<u>20,159</u>	<u>18,545</u>

The notes on pages 40 to 71 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

1. Accounting policies

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

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 historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2022 to 2023 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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 2023

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**

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

- **Donations**

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

- **Other income**

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

- **Transfer of existing academies into the Academy Trust**

Where assets and liabilities are received on the transfer of an existing academy into the Academy Trust, the transferred assets are measured at fair value and recognised in the Balance Sheet at the point when the risks and rewards of ownership pass to the Academy Trust. An equal amount of income is recognised for the transfer of an existing academy into the Academy Trust within 'Income from Donations and Capital Grants' to the net assets acquired.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

1. Accounting policies (continued)

1.4 Expenditure

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

- **Expenditure on raising funds**

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

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

1.5 Intangible assets

Intangible assets costing £NIL or more are capitalised and recognised when future economic benefits are probable, and the cost or value of the asset can be measured reliably.

Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment.

Amortisation is provided on intangible assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life.

The estimated useful lives are as follows:

Computer software	- 5 years
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

1. Accounting policies (continued)

1.6 Tangible fixed assets

Assets costing £2,500 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. 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 and assets under construction, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Freehold property	- 2% straight line
Long-term leasehold property	- 2% straight line
Furniture, fixtures and equipment	- 6.7% - 33% straight line
Computers	- 33% straight line
Motor vehicles	- 20% 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 and reclassified to freehold or leasehold land and buildings.

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.

1.7 Leased assets

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

1.8 Current asset investments

Cash held in deposit accounts with a notice period greater than 3 months are classified as current asset investments. They are measured at cost less impairment.

1.9 Liabilities

Liabilities 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

1. Accounting policies (continued)

1.10 Provisions

Provisions are recognised when the Academy Trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.11 Financial instruments

The Academy Trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Academy Trust and their measurement bases 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 16. 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 cost as detailed in notes 18 and 19. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.12 Taxation

The Academy Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Accordingly, the Academy Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by part 11, chapter 3 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

1. Accounting policies (continued)

1.13 Pensions

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes.

The TPS is an unfunded scheme and contributions are calculated to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary based on quadrennial valuations using a prospective unit credit method. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded multi-employer 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.

1.14 Agency arrangements

The Academy Trust acts as an agent in distributing 16-19 bursary funds from the ESFA. Payments received from the ESFA and subsequent disbursements to students are excluded from the Statement of Financial Activities as the Academy Trust does not have control over the charitable application of the funds. The funds received and paid and any balances held are disclosed in note 33.

1.15 Fund accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the 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.

Investment income, gains and losses are allocated to the appropriate fund.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

2. Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions:

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

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 or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 28, 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 2019 has been used by the actuary in valuing the pensions liability at 31 August 2023. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

The asset on 31 August 2023 was £50,269k. Note 28 includes details of the effects of changes in the key assumptions on this liability. As the present value of the defined benefit obligation at the reporting date is less than the fair value of plan assets at that date, the plan has a notional surplus. As management do not consider that the association will be able to recover the surplus either through reduced contributions in the future or through refunds from the plan, the surplus has not been recognised in these financial statements in line with paragraph 28.22 of FRS102.

The Trust occupies certain land and buildings under a Private Finance Initiative (PFI) agreement until a certain future date at which point the lease transfers to the Trust. As the Trust benefits from the risks and rewards of the asset already, the land and buildings have been included on the balance sheet as a fixed asset.

LIONHEART EDUCATIONAL TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

3. Income from donations and capital grants

	Unrestricted funds 2023 £000	Restricted funds 2023 £000	Restricted fixed asset funds 2023 £000	Total funds 2023 £000	Total funds 2022 £000
Transfer of existing academies joining the Academy Trust	3,144	(11,388)	60,172	51,928	-
Other donations	20	-	-	20	14
Capital grants	-	-	8,838	8,838	2,168
Total 2023	3,164	(11,388)	69,010	60,786	2,182
Total 2022	14	-	2,168	2,182	

LIONHEART EDUCATIONAL TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

4. Funding for the Academy Trust's educational operations

	Unrestricted funds 2023 £000	Restricted funds 2023 £000	Total funds 2023 £000	Total funds 2022 £000
DfE/ESFA grants				
General Annual Grant (GAG)	-	68,466	68,466	52,116
Other DfE/ESFA grants				
Pupil Premium	-	2,472	2,472	1,435
Teachers' Pay/Pension Grant	-	381	381	473
Schools Supplementary Grant	-	1,741	1,741	551
Others	-	2,494	2,494	1,251
	-	75,554	75,554	55,826
Other Government grants				
Local Authority Grants	-	2,485	2,485	1,658
	-	2,485	2,485	1,658
Other income from the Academy Trust's educational operations	1,705	2,381	4,086	2,339
Total 2023	1,705	80,420	82,125	59,823
Total 2022	1,369	58,454	59,823	

5. Income from other trading activities

	Unrestricted funds 2023 £000	Total funds 2023 £000	Total funds 2022 £000
Hire of facilities	1,181	1,181	758
Income from other charitable activities	344	344	226
Total 2023	1,525	1,525	984
Total 2022	984	984	

LIONHEART EDUCATIONAL TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

6. Investment income

	Unrestricted funds 2023 £000	Total funds 2023 £000	Total funds 2022 £000
Short term deposits	180	180	37
Total 2022	37	37	

7. Expenditure

	Staff Costs 2023 £000	Premises 2023 £000	Other 2023 £000	Total 2023 £000	Total 2022 £000
Expenditure on raising funds: Allocated support costs	-	61	923	984	585
Academy Trust's educational operations:					
Direct costs	45,567	9,206	6,447	61,220	41,781
Allocated support costs	16,173	6,151	4,492	26,816	22,309
Total 2023	61,740	15,418	11,862	89,020	64,675
Total 2022	47,630	9,677	7,368	64,675	

LIONHEART EDUCATIONAL TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

8. Charitable activities

	2023 £000	2022 £000
Direct costs - educational operations	61,220	41,781
Support costs - educational operations	26,816	22,309
	<u>88,036</u>	<u>64,090</u>

	2023 £000	2022 £000
Analysis of support costs		
Support staff costs	16,173	14,282
Technology costs	1,265	760
Premises costs	6,151	4,812
Legal costs - conversion	5	21
Legal costs - other	14	19
Other support costs	3,109	2,371
Governance costs	99	44
	<u>26,816</u>	<u>22,309</u>

9. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2023 £000	2022 £000
Operating lease rentals	435	295
Depreciation of tangible fixed assets	9,196	4,826
Loss on disposal of fixed assets	-	1,031
Fees paid to auditor for:		
- audit	36	32
- other services	12	8
	<u></u>	<u></u>

LIONHEART EDUCATIONAL TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

10. Staff

a. Staff costs

Staff costs during the year were as follows:

	2023 £000	2022 £000
Wages and salaries	44,658	32,483
Social security costs	4,544	3,283
Pension costs	11,104	11,120
	<hr/>	<hr/>
	60,306	46,886
Agency staff costs	1,316	688
Staff restructuring costs	118	56
	<hr/>	<hr/>
	<u>61,740</u>	<u>47,630</u>

Staff restructuring costs comprise:

	2023 £000	2022 £000
Redundancy payments	104	25
Severance payments	14	31
	<hr/>	<hr/>
	<u>118</u>	<u>56</u>

b. Severance payments

The Academy Trust paid 12 severance payments in the year, disclosed in the following bands:

	2023 No.
£0 - £25,000	12
£25,001 - £50,000	-
	<hr/>

c. Special staff severance payments

Included in staff restructuring costs are special severance payments totalling £3k (2022 - £9k). Individually, there were 8 payments all less than £1k.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

10. Staff (continued)

d. Staff numbers

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

	2023 No.	2022 No.
Management	9	9
Teachers	695	596
Administrative staff	976	656
	<u>1,680</u>	<u>1,261</u>

e. Higher paid staff

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

	2023 No.	2022 No.
In the band £60,001 - £70,000	17	12
In the band £70,001 - £80,000	18	10
In the band £80,001 - £90,000	9	3
In the band £90,001 - £100,000	2	3
In the band £100,001 - £110,000	5	3
In the band £110,001 - £120,000	1	1
In the band £130,001 - £140,000	-	1
In the band £140,001 - £150,000	1	-
In the band £160,001 - £170,000	-	1
In the band £180,001 - £190,000	1	-
	<u>1</u>	<u>-</u>

f. Key management personnel

The key management personnel of the Academy Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £1,132k (2022 - £1,174k).

11. Central services

No central services were provided by the Academy Trust to its academies during the year and no central charges arose.

LIONHEART EDUCATIONAL TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

12. Trustees' remuneration and expenses

One or more Trustees has been paid remuneration or has received other benefits from an employment with the Academy Trust. The principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment. The value of Trustees' remuneration and other benefits was as follows:

		2023	2022
		£000	£000
Miss K Kelly	Remuneration	185 - 190	165 - 170
	Pension contributions paid	40 - 45	35 - 40

During the year ended 31 August 2023, travel and subsistence expenses totalling £1,374 were reimbursed or paid directly to 2 Trustees (2022 - £957 to 2 Trustees).

13. Trustees' and Officers' insurance

The Academy Trust has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects Trustees and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust business, and provides unlimited cover (as per the RPA certificate). It is not possible to quantify the Trustees' and Officers' indemnity element from the overall cost of the RPA scheme membership.

14. Intangible assets

	Computer software
	£000
Cost	
At 1 September 2022	-
Additions	177
At 31 August 2023	177
At 1 September 2022	-
Charge for the year	-
Net book value	
At 31 August 2023	177
At 31 August 2022	-

LIONHEART EDUCATIONAL TRUST
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

15. Tangible fixed assets

	Freehold property £000	Long-term leasehold property £000	Furniture and equipment £000	Computer equipment £000	Motor vehicles £000	Assets under construction £000	Total £000
Cost or valuation							
At 1 September 2022	18,311	153,104	3,837	7,819	32	3,534	186,637
Additions	38	5,229	464	1,352	-	446	7,529
Acquisitions	-	59,307	235	114	-	102	59,758
Transfers between classes	-	3,558	-	-	-	(3,558)	-
At 31 August 2023	18,349	221,198	4,536	9,285	32	524	253,924
Depreciation							
At 1 September 2022	630	12,975	2,946	4,272	26	-	20,849
Charge for the year	354	6,560	474	1,805	3	-	9,196
At 31 August 2023	984	19,535	3,420	6,077	29	-	30,045
Net book value							
At 31 August 2023	17,365	201,663	1,116	3,208	3	524	223,879
At 31 August 2022	17,681	140,129	891	3,547	6	3,534	165,788

LIONHEART EDUCATIONAL TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

16. Debtors

	2023 £000	2022 £000
Due within one year		
Trade debtors	106	148
Other debtors	113	15
Prepayments and accrued income	1,135	1,206
VAT repayable	445	282
	<hr/>	<hr/>
	1,799	1,651
	<hr/>	<hr/>

17. Current asset investments

	2023 £000	2022 £000
Deposit accounts	5,000	-
	<hr/>	<hr/>

LIONHEART EDUCATIONAL TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

18. Creditors: Amounts falling due within one year

	2023	2022
	£000	£000
Other loans (Note 19)	54	54
Trade creditors	1,610	1,729
Other taxation and social security	970	742
Other creditors	1,538	976
Accruals and deferred income	3,132	6,487
	<hr/>	<hr/>
	7,304	9,988
	<hr/>	<hr/>
	2023	2022
	£000	£000
Deferred income at 1 September	258	-
Resources deferred during the year	1,163	1,107
Amounts released from previous periods	(258)	(849)
	<hr/>	<hr/>
Deferred income at 31 August	1,163	258
	<hr/>	<hr/>

Deferred income includes the following:

£296k (2022 - £77k) Trips

£867k (2022 - £1,030k) Other grants and income

19. Creditors: Amounts falling due after more than one year

	2023	2022
	£000	£000
Other loans	-	54
	<hr/>	<hr/>

Loans relate to an ESFA loan received for IT related capital works. There is no interest charged on the loan and the loan is unsecured.

LIONHEART EDUCATIONAL TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

20. Statement of funds

	Balance at 1 September 2022 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2023 £000
Unrestricted funds						
General Funds	2,497	6,574	(2,869)	-	-	6,202
Restricted general funds						
General Annual Grant (GAG)	5,430	68,466	(64,207)	(1,287)	-	8,402
School Supplementary Grant	-	1,741	(1,741)	-	-	-
Pupil premium	-	2,472	(2,472)	-	-	-
Other grants	-	7,741	(7,741)	-	-	-
Pension reserve	(2,519)	(11,388)	(784)	-	14,691	-
	2,911	69,032	(76,945)	(1,287)	14,691	8,402
Restricted fixed asset funds						
DfE capital funds	160,250	69,010	(8,904)	-	-	220,356
Capital expenditure from GAG	7,765	-	(302)	1,287	-	8,750
	168,015	69,010	(9,206)	1,287	-	229,106
Total Restricted funds	170,926	138,042	(86,151)	-	14,691	237,508
Total funds	173,423	144,616	(89,020)	-	14,691	243,710

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

20. Statement of funds (continued)

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

- Unrestricted funds represent those resources which may be used towards meeting any of the charitable objects of the academy at the discretion of the Trustees;
- Restricted funds (excluding pension and other restricted reserves) represent funds received from the Department for Education and is specifically spent on the running of the academy;
- Pension reserve represents the liability on the Local Government Pension Scheme liability;
- Other restricted reserve represents funds which are restricted by the donor including school trip income;
- Restricted fixed asset funds represent resources which are applied to specific capital purposes imposed by the Department for Education where the asset acquired or created is held for a specific purpose. The transfer between Restricted and Restricted Fixed Asset funds relates to GAG funds used for capital expenditure;
- Transfers relate to GAG funds for capital expenditure.

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG it could carry forward at 31 August 2023.

LIONHEART EDUCATIONAL TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

20. Statement of funds (continued)

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

	Balance at 1 September 2021 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2022 £000
Unrestricted funds						
General Funds - all funds	2,408	2,404	(2,315)	-	-	2,497
Restricted general funds						
General Annual Grant (GAG)	5,419	52,116	(46,288)	(5,817)	-	5,430
Pupil premium	-	1,435	(1,435)	-	-	-
Teachers' Pay/P ension Grant	-	473	(473)	-	-	-
Other grants and income	-	4,430	(4,430)	-	-	-
Pension reserve	(29,342)	-	(3,878)	-	30,701	(2,519)
	<u>(23,923)</u>	<u>58,454</u>	<u>(56,504)</u>	<u>(5,817)</u>	<u>30,701</u>	<u>2,911</u>

LIONHEART EDUCATIONAL TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

20. Statement of funds (continued)

	Balance at 1 September 2021 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2022 £000
Restricted fixed asset funds						
DfE capital funds	157,890	2,168	(5,625)	5,817	-	160,250
Capital expenditure from GAG	7,996	-	(231)	-	-	7,765
	<u>165,886</u>	<u>2,168</u>	<u>(5,856)</u>	<u>5,817</u>	<u>-</u>	<u>168,015</u>
Total Restricted funds	<u>141,963</u>	<u>60,622</u>	<u>(62,360)</u>	<u>-</u>	<u>30,701</u>	<u>170,926</u>
Total funds	<u>144,371</u>	<u>63,026</u>	<u>(64,675)</u>	<u>-</u>	<u>30,701</u>	<u>173,423</u>

Total funds analysis by academy

Fund balances at 31 August 2023 were allocated as follows:

	2023 £000	2022 £000
Trust	14,604	7,927
Restricted fixed asset fund	229,106	168,015
Pension reserve	-	(2,519)
Total	<u>243,710</u>	<u>173,423</u>

LIONHEART EDUCATIONAL TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

20. Statement of funds (continued)

Total cost analysis by academy

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

	Teaching and educational support staff costs £000	Other support staff costs £000	Educational supplies £000	Other costs excluding depreciation £000	Total 2023 £000	Total 2022 £000
Beauchamp College	7,163	1,686	1,087	1,785	11,721	10,990
The Cedars Academy	3,609	1,008	330	798	5,745	4,898
Highcliffe Primary School	1,370	196	69	320	1,955	1,775
Riverside Primary School	1,520	241	60	327	2,148	2,191
Judgemeadow Community College	5,157	1,069	467	1,991	8,684	8,389
Hallam Fields Primary School	624	76	36	144	880	751
The Martin High School	2,897	638	242	711	4,488	4,321
Sir Jonathan North College	4,668	819	428	905	6,820	6,438
Humphrey Perkins School	2,844	567	224	738	4,373	4,592
Brocks Hill Primary School	1,301	169	60	317	1,847	1,818
Beauchamp City Sixth Form	2,392	539	347	678	3,956	3,126
Broom Leys School	2,035	421	109	360	2,925	-
The Castle Rock School	4,729	1,486	1,159	1,312	8,686	-
The Newbridge School	3,060	663	363	841	4,927	-
Trust	2,199	6,594	491	1,375	10,659	10,560
Academy Trust	45,568	16,172	5,472	12,602	79,814	59,849

LIONHEART EDUCATIONAL TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

21. Analysis of net assets between funds

Fund balances at 31 August 2023 are represented by:

	Unrestricted funds 2023 £000	Restricted funds 2023 £000	Restricted fixed asset funds 2023 £000	Total funds 2023 £000
Tangible fixed assets	-	-	223,879	223,879
Intangible fixed assets	-	-	177	177
Current assets	6,202	15,706	5,050	26,958
Creditors due within one year	-	(7,304)	-	(7,304)
Total	6,202	8,402	229,106	243,710

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

	Unrestricted funds 2022 £000	Restricted funds 2022 £000	Restricted fixed asset funds 2022 £000	Total funds 2022 £000
Tangible fixed assets	-	-	165,788	165,788
Current assets	2,497	13,402	4,297	20,196
Creditors due within one year	-	(7,918)	(2,070)	(9,988)
Creditors due in more than one year	-	(54)	-	(54)
Pension scheme liability	-	(2,519)	-	(2,519)
Total	2,497	2,911	168,015	173,423

LIONHEART EDUCATIONAL TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

22. Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2023 £000	2022 £000
Net income/(expenditure) for the year (as per Statement of Financial Activities)	55,596	(1,649)
Adjustments for:		
Depreciation	9,196	4,826
Capital grants from DfE and other capital income	(8,838)	(2,168)
Interest receivable	(180)	(37)
Loss on sale of fixed assets	-	1,031
Defined benefit pension scheme obligation inherited	11,388	-
Defined benefit pension scheme cost less contributions payable	324	3,366
Defined benefit pension scheme finance cost	460	512
Decrease/(increase) in debtors	1,016	(307)
(Decrease)/increase in creditors	(4,152)	338
Transfer from existing Academy Trust	(3,558)	-
Donated fixed assets	(59,758)	-
Net cash provided by operating activities	1,494	5,912

23. Cash flows from financing activities

	2023 £000	2022 £000
Cash outflows from borrowing	(54)	(54)

LIONHEART EDUCATIONAL TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

24. Cash flows from investing activities

	2023 £000	2022 £000
Interest received	180	37
Purchase of intangible fixed assets	(177)	-
Purchase of tangible fixed assets	(7,529)	(10,837)
Capital grants from DfE Group	8,838	3,108
Capital funding received from sponsors and other	-	1,130
Transfer from existing Academy Trust	3,862	-
Increase in current asset investments	(5,000)	-
Net cash provided by/(used in) investing activities	174	(6,562)

25. Analysis of cash and cash equivalents

	2023 £000	2022 £000
Cash in hand and at bank	20,159	18,545

26. Analysis of changes in net debt

	At 1 September 2022 £000	Cash flows £000	Cash on conversion £000	At 31 August 2023 £000
Cash at bank and in hand	18,545	(2,248)	3,862	20,159
Debt due within 1 year	(54)	-	-	(54)
Debt due after 1 year	(54)	54	-	-
Current asset investments	-	5,000	-	5,000
	18,437	2,806	3,862	25,105

27. Capital commitments

	2023 £000	2022 £000
Contracted for, but not provided in the financial statements	47	4,032

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

28. Pension commitments

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 March 2019.

Contributions amounting to £1,200k were payable to the schemes at 31 August 2023 (2022 - £818k) and are included within creditors.

Teachers' Pension Scheme

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

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary - these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

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

The next valuation result is due to be implemented from 1 April 2024.

The employer's pension costs paid to TPS in the year amounted to £6,663k (2022 - £4,977k).

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

28. Pension commitments (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate Trustee-administered funds. The total contribution made for the year ended 31 August 2023 was £4,478k (2022 - £2,838k), of which employer's contributions totalled £3,612k (2022 - £2,260k) and employees' contributions totalled £866k (2022 - £578k). The agreed contribution rates for future years are 24.3 per cent for employers and 5.5% - 12.5% per cent for employees.

As described in note the LGPS obligation relates to the employees of the Academy Trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Academy Trust at the balance sheet date.

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 and on 21 July 2022, the Department for Education reaffirmed its commitment to the guarantee, with a parliamentary minute published on GOV.UK.

Principal actuarial assumptions

	2023	2022
	%	%
Rate of increase in salaries	3.50	3.05
Rate of increase for pensions in payment/inflation	3.00	3.55
Discount rate for scheme liabilities	5.20	4.25

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

	2023	2022
	Years	Years
Retiring today		
Males	20.9	21.5
Females	24.1	24.0
Retiring in 20 years		
Males	21.5	22.4
Females	25.4	25.7

LIONHEART EDUCATIONAL TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

28. Pension commitments (continued)

Sensitivity analysis on the defined benefit obligations

	2023 £000	2022 £000
Discount rate -0.1%	1,150	919
Mortality assumption - 1 year increase	2,011	1,531
CPI rate +0.1%	1,075	841
Salary rate +0.1%	97	86
	=====	=====

Share of scheme assets

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

	2023 £000	2022 £000
Equities	30,695	21,815
Corporate bonds	18,309	10,014
Property	3,770	3,219
Cash	1,076	715
	=====	=====
Total market value of assets	53,850	35,763

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

	2023 £000	2022 £000
Current service cost	(3,702)	(5,626)
Past service cost	(234)	-
Interest income	2,032	570
Interest cost	(2,492)	(1,082)
	=====	=====
Total amount recognised in the Statement of Financial Activities	(4,396)	(6,138)

LIONHEART EDUCATIONAL TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

28. Pension commitments (continued)

Changes in the present value of the defined benefit obligations were as follows:

	2023 £000	2022 £000
At 1 September	38,282	62,738
Current service cost	3,702	5,626
Interest cost	2,492	1,082
Employee contributions	866	578
Actuarial gains	(20,247)	(31,320)
Benefits paid	(771)	(422)
Past service costs	234	-
Transferred in on existing academies joining the Academy Trust	25,711	-
At 31 August	50,269	38,282

Changes in the fair value of the Academy Trust's share of scheme assets were as follows:

	2023 £000	2022 £000
At 1 September	35,763	33,396
Interest income	2,032	570
Actuarial losses	(5,556)	(619)
Employer contributions	3,612	2,260
Employee contributions	866	578
Benefits paid	(771)	(422)
Transferred in on existing academies joining the Academy Trust	14,323	-
At 31 August	50,269	35,763

Included in the actuarial gains/(losses) within the scheme assets table above is £3,581k of notional surplus not recognised.

LIONHEART EDUCATIONAL TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

29. Operating lease commitments

At 31 August 2023 the Academy Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2023 £000	2022 £000
Not later than 1 year	346	270
Later than 1 year and not later than 5 years	416	343
Later than 5 years	1,269	-
	<hr/>	<hr/>
	2,031	613
	<hr/>	<hr/>

The Academy Trust also has a commitment to the LA under a service concession arrangement which was novated to the academy upon conversion of Judgemeanow Community College. The commitment is for a period to May 2034 and is currently £1,316k per annum for the year ended 31 March 2023, indexed by inflation each year. The charge for the period is included within support costs.

30. 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

31. Related party transactions

Owing to the nature of the Academy Trust and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the Trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academy Trust Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the Academy Trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

Expenditure Related Party Transaction

D Kadodwala (a Trustee) provided educational services to the Trust totalling £4,000 (2022 - £7,500). There is no year end creditor.

C Swan (spouse of a Member of the Academy Trust) provided educational services to the Trust totalling £7,500 (2022 - £6,300). There is no year end creditor.

T Piper, daughter of J Piper-Gale, a member of the key management personnel, is employed by the Academy Trust. T Piper's appointment was made in open competition and J Piper-Gale was not involved in the decision-making process regarding the appointment. T Piper is paid within the normal pay scale for their role and receives no special treatment as a result of their relationship to a member of the senior management team.

S Swan, daughter in law of N Swan, a member of the Academy Trust, is employed by the Academy Trust. S Swan's appointment was made in open competition and N Swan was not involved in the decision-making process regarding the appointment. S Swan is paid within the normal pay scale for their role and receives no special treatment as a result of their relationship to a member of the Trustee.

In entering into the transactions, the Academy Trust has complied with the requirements of the Academies Financial Handbook.

32. Agency arrangements

The Academy Trust distributes 16-19 bursary funds to students as an agent for the ESFA. In the year it received income of £230k (2022 - £220k) and disbursed expenditure £224k (2022 - 153k) from the fund. An amount of £73k (2022 - £67k) is included in other creditors relating to undistributed funds that are repayable to the ESFA.

LIONHEART EDUCATIONAL TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

33. Transfer of existing academies into the Academy Trust

On 1 September 2022 Apollo Partnership Trust was transferred to Lionheart Educational Trust 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 heading with a corresponding net amount recognised as a net loss in the Statement of Financial Activities as Income from Donations and Capital Grants - transfer from existing academies.

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.

Apollo Partnership Trust

	Value reported by transferring trust £000	Fair value adjustments £000	Transfer in recognised £000
Intangible assets			
Tangible fixed assets	24,267	35,491	59,758
Current assets			
Stocks	1	-	1
Debtors due after one year	1,146	17	1,163
Cash at bank and in hand	3,862	-	3,862
Liabilities			
Creditors due within one year	(1,468)	-	(1,468)
Pensions			
Pensions - pension scheme liabilities	(177)	(11,211)	(11,388)
Net assets	<u>27,631</u>	<u>24,297</u>	<u>51,928</u>

The land and buildings acquired from Apollo Partnership Trust were valued by Wilks Head & eve chartered Surveyors at the date of acquisition giving rise to the above fair value adjustment.

The fair value adjustment in respect of the Local Government Pension Scheme arises due to the need to reflect the LGPS valuation at the date of acquisition.