
LIONHEART EDUCATIONAL TRUST
(A Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

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 - 73

LIONHEART EDUCATIONAL TRUST
(A Company Limited by Guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS

Members	Mr D Tanna Mr N Swan Mrs D Miller Mr E Lansdown (resigned 23 March 2024) Mr M Rusk
Trustees	Mrs A Lamb (resigned 5 December 2023) Mr M Grant Mr D Dosanjh (appointed 30 September 2024) Mr D Kadodwala Mr I Harris Mr B Chatburn, Chair Mr J Mansfield (resigned 21 September 2023) Mr S Raikundalia Ms K Kelly Ms C Thornton (resigned 12 October 2023) Ms L Vassie Ms Farah Salah (appointed 1 November 2023)
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 (resigned June 2024) A Petrie, Director of Curriculum R Taylor, Director of Estates T Barnard, Head of HR (resigned 9 February 2024) S Kalidoski, Head of Marketing and Communications L Hackett, Head of Governance and Compliance A Lamb, Director of People (appointed April 2024) S Pollard, CFO (appointed August 2024)
Independent auditor	Forvis 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 2024

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 2024

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 2023 to 31 August 2024. 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 sixteen schools and colleges in Leicester and Leicestershire during 2023/24:

- 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)
- Mercia Academy, Swadlincote (ages 11-16) – joined June 2024
- Newhall Junior School, Swadlincote (ages 7-11) – joined July 2024

Lionheart Educational Trust had a combined pupil capacity 13,429 and had 12,151, on roll in the school census in January 2024 (the later transfers of Mercia and Newhall add an extra 1,300 to the pupil capacity for January 2025).

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.

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, Judgemeadow College and Highcliffe Primary School.

LIONHEART EDUCATIONAL TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2024

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 two/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 2024

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 2024

Structure, governance and management (continued)

h. Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the year	21
Full-time equivalent employee number	19

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	18
1%-50%	3
51%-99%	-
100%	-

Percentage of pay bill spent on facility time £000

Total cost of facility time	11
Total pay bill	46,953
Percentage of total pay bill spent on facility time	0.003 %

Paid trade union activities

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

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.

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 2024

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.

Since 2021, the Trust has 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 2023. 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.

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 2024

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 2024, LET was made up of sixteen schools, providing the education for approximately 13,000 students aged 4-19 across Leicester, Leicestershire and South Derbyshire.

Operating across a small geographical area in the East Midlands 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.

LIONHEART EDUCATIONAL TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2024

Objectives and activities (continued)

b. Objectives, strategies and activities (continued)

During 2024/25 and beyond, the Trust will focus on the following strategies:

- Work towards ensuring good and outstanding teaching across all Trust schools.
- Establishing a new approach to school improvement as the Trust grows
- 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 the use of artificial intelligence to enhance the educational experience and support teachers in their work
- 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
-	National(23)	61	74	72	73
61	Brockshill	91.7	95.0	93.3	93.3
58	Highcliffe	71.7	86.7	71.7	86.7
86	Riverside	60.7	70.5	77	77
87	Broom Leys	62.5	71.6	70.5	75.0
30	Hallam Fields	76.7	83.3	80	76.7
299	Trust	70.9	80.3	77.6	81.9
<i>Joined July 2024</i>	New Hall	42	58	56	57

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2024

Strategic report (continued)

Achievements and performance (continued)

a. Key performance indicators

GD

Cohort	%	RWM	Reading	Writing	Maths
-	National (23)				
61	Brockshill	1.7	56.7	1.7	56.7
58	Highcliffe	8.3	30.0	8.3	41.7
86	Riverside	11.5	34.4	13.1	31.1
87	Broom Leys	2.3	21.6	3.4	15.9
87	Hallam Fields	13.3	33.3	16.7	26.7
	Trust	6.4	34.1	7.4	33.4

KS4

Measure	BEA	CED	HUM	JUD	MAR	MER	SJN	TNS	CAS	LHT
Cohort	300	185	158	255	170	91	244	157	191	1751
Average Attainment 8 Grade	5.78	4.56	4.19	5.05	4.33	3.8	5.24	3.96	4.14	4.74
% Students Achieving 9-5 basics	71	43.8	32.3	54.1	45.3	25.3	56.1	34.4	41.9	48.8
% Students Achieving 9-4 basics	83	67.6	60.8	73.7	65.3	48.4	71.3	52.2	58.1	67.4
% Students Entered for EBacc	88	57.3	77.2	86.7	66.5	13.2	88.5	5.7	4.2	61.2
Average Points Score for EBacc	5.38	4.17	3.88	4.76	4.01	2.99	5.14	3.35	3.48	4.72

LIONHEART EDUCATIONAL TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2024

Strategic report (continued)

Achievements and performance (continued)

a. Key performance indicators

KS5

Measure	BEA	BCS	CED	CAS	LHT
Cohort	325	477	26	49	877
L3 Overall Average Points per Entry	38.4	38.4	36.1	25.8	37.6
L3 Overall Average Grade	B=	B=	B-	C-	0
L3 Overall Average Points per Pupil	116.4	118.9	84.6	57.4	113.5
% AAB or higher in at least 2 facilitating subjects	20.5	28.7	25	3.8	24.8
% AAB or higher in at least 3 facilitating subjects	11.9	18.2	18.8	3.8	15.4
% A-levels A* - A	32.9	36.3	29.5	3.7	33.0
% A-levels A* - B	61.5	62.5	47.5	19.3	59.3
% A-levels A* - C	85.3	81.7	78.7	54.1	81.4
% A-levels A* - E	99.1	98.8	100	98.2	98.9

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.

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 2024

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 £10.8m.

The amount of total reserves at 31 August 2024 was £247,541k (2023 - £243,710k).

The amount of restricted reserves not available for general purposes of the Academy Trust at 31 August 2024 was £340k (2023 - £Nil).

The balance on restricted general reserves (excluding pension reserve) plus the balance on unrestricted reserves at 31 August 2024 is a net surplus of £16,849k (2023 - £14,604k).

The Trust's reserves at the year-end were £247,541k (2023 - £243,710k) of which £16,849k (2023 - £14,604k) 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 £340k.

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.

The Trust has earmarked certain specific capital investment programs and project technology spend in the near future to utilise these reserves.

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 2023/24, 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 2024

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.

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.

LIONHEART EDUCATIONAL TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2024

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.

LIONHEART EDUCATIONAL TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2024

Streamlined energy and carbon reporting

The following table sets out energy use, emissions and the emissions intensity ratio for the Trust during 2023/24:

UK Greenhouse gas emissions and energy use data for the period	1 September 2023 to 31 August 2024	1 September 2022 to 31 August 2023
Energy consumption used to calculate emissions (kWh)	13,221,868	13,034,249
<u>Scope 1 emissions in metric tonnes CO₂e</u> Gas consumption Owned transport – mini-buses	1,697.63 12.26	1,538.83 12.99
<u>Scope 2 emissions in metric tonnes CO₂e</u> Purchased electricity	1,078.96	953.59
<u>Scope 3 emissions in metric tonnes CO₂e</u> Business travel in employee-owned vehicles	8.71	14.09
<u>Total gross emissions in metric tonnes CO₂e</u>	2,797.56	2,564.50
<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 2023/24, 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 2024

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. In 2023/24 the Trust sponsored Mercia Academy in Swadlincote, currently graded requires improvement. This school joined the Trust in June 2024 along with New Hall Junior School in July 2024 which shares the same campus. Future planned growth includes the opening of a brand new primary free school in September 2025 within Leicestershire and an 11-16 free school in September 2026 within Leicester City. The Trust remain open to suitable opportunities which would allow for broader impact whilst not de-stabilising 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, and signed on its behalf by:


Byron Chatburn (Dec 20, 2024 10:14 GMT)

.....
Mr B Chatburn
Chair of Trustees
Date: Dec 20, 2024

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

It is a recommendation that external reviews of governance take place every three years for large organisations. The Trust commissioned an external review of governance during 2023/24. The outcome of which was very positive, although there were a few best practice recommendations, these have been written into a Governance strategic development plan, to be implemented in the year ahead.

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 2023/24. 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, Chair	6	6
Mr M Grant	5	6
Mr D Kadodwala	6	6
Mr I Harris	5	6
Ms K Kelly	6	6
Mr S Raikundalia	6	6
Ms Farah Salah	4	5
Ms L Vassie	6	6
Mrs A Lamb	1	1
Mr D Dosanjh	0	0
Mr J Mansfield	0	0
Ms C Thornton	0	0

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 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 developed to be delivered online using recorded materials produced in-house
- Training delivered on the role of local governing bodies within the Trust structure as part of induction
- Half termly meetings with Chairs, these include both one to one meetings and networking meetings. This gives a total of additional 12 touch points per year.
- Launch of a new visits calendar for 2024/25.
- Increasing the use of Microsoft Teams for remote and hybrid 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
Miss K Kelly	1	1
Mrs A Lamb	1	1
Mr B Chatburn (Chair of Trust Board)	1	1

In 2023/24 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)	3	4
Kath Kelly	4	4
Luise Vassie	4	4
Mark Grant	3	4
Sarju Raikundalia	3	4

Education and Engagement Committee

This committee was formed during the 2020/21 year. It met three times during 2023/24 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
Ian Harris	1	1
Anne Lamb	1	1
Kath Kelly	3	3
Mark Grant	3	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
Farah Salah	2	2
Ian Harris	3	3
Luise Vassie	3	3
Sarju Raikundalia	2	3

Coverage and Impact of the Board's work

Whilst the Board has taken final responsibility for the development of the Trust in 2023/24, 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 2022/23 the board was 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.

To build on this in July 2024, the Trust undertook an external review of governance. Many strengths were commented upon including the wide range of skills and experience among trustees; education, finance (including chartered accountancy), HR, health and safety, business and operations.

The review also gave us the opportunity to review the newly created governance structure which was launched in August 23. This included the bringing 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 is adding 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 as appropriate. Processes around managing this were reviewed during 2023/24 and a new electronic system implemented to improve consistency of returns.

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:

- Opening of the Pioneers: an alternative provision facility based at Castle Rock
- Significant investment in LED lighting
- Cedars 3G pitch

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 2023 to 31 August 2024 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 2023 to 31 August 2024 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 2023/24 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 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 school trips 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 2023/24 (e.g. internal audits) and no significant control weaknesses were identified. The internal auditor delivered their schedule of works.

LIONHEART EDUCATIONAL TRUST
(A Company Limited by Guarantee)

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.

Conclusion

Based on the advice of the audit and risk committee and the accounting officer, the board of trustees is of the opinion that the academy trust has an adequate and effective framework for governance, risk management and control.

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


Byron Chatburn (Dec 20, 2024 10:14 GMT)

.....
Mr B Chatburn
Chair of Trustees
Date: Dec 20, 2024


kkelly (Dec 20, 2024 10:08 GMT)

.....
Miss K Kelly
Accounting Officer
Date: Dec 20, 2024

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 terms and conditions of all 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 2023, including responsibilities for estates safety and management.

I confirm that I and the Academy Trust Board of Trustees are able to identify any material irregular or improper use of all funds by the Academy Trust, or material non compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academy Trust Handbook 2023.

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 20, 2024 10:08 GMT)

.....
Miss K Kelly
Accounting Officer

Date: Dec 20, 2024

LIONHEART EDUCATIONAL TRUST
(A Company Limited by Guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2024

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 in the Charities SORP 2019 and the Academies Accounts Direction 2023 to 2024;
- 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, 2024 10:14 GMT)

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

Date: Dec 20, 2024

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 2024 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 2023 to 2024 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 2024 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 2023 to 2024.

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 themselves. 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 has 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 2023 to 2024.

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) 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, 2024 10:36 GMT)

David Hoose (Senior Statutory Auditor)

for and on behalf of

Forvis Mazars LLP

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

Date: Dec 20, 2024

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 30 August 2024 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2023 to 2024, 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 2023 to 31 August 2024 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 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 2023, 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 2023 to 2024. 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 2023 to 31 August 2024 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 2023 to 31 August 2024 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Forvis Mazars LLP

Forvis Mazars LLP (Dec 20, 2024 10:37 GMT)

Forvis Mazars LLP
Chartered Accountants
Statutory Auditor

6 Dominus Way
Meridian Business Park
Leicester
LE19 1RP

Date: Dec 20, 2024

LIONHEART EDUCATIONAL TRUST
(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2024

	Note	Unrestricted funds 2024 £000	Restricted funds 2024 £000	Restricted fixed asset funds 2024 £000	Total funds 2024 £000	Total funds 2023 £000
Income from:						
Donations and capital grants:	3					
Transfer on conversion from local authority		265	(180)	2,525	2,610	-
Transfer of existing academies joining the Academy Trust		33	(250)	2,592	2,375	51,928
Other donations and capital grants		48	-	4,764	4,812	8,858
Other trading activities		1,654	-	-	1,654	1,525
Investments	6	837	-	-	837	180
Charitable activities: Funding for the academy trust's educational operations	4	1,937	87,434	-	89,371	82,125
Total income		4,774	87,004	9,881	101,659	144,616
Expenditure on:						
Raising funds	7	1,057	-	-	1,057	984
Charitable activities: Academy trust educational operations	8	1,876	84,574	9,242	95,692	88,036
Total expenditure		2,933	84,574	9,242	96,749	89,020
Net income/ (expenditure)		1,841	2,430	639	4,910	55,596
Transfers between funds	19	-	(1,287)	1,287	-	-
Net movement in funds before other recognised gains/(losses)		1,841	1,143	1,926	4,910	55,596

LIONHEART EDUCATIONAL TRUST
(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
(CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2024

	Unrestricted funds 2024 £000	Restricted funds 2024 £000	Restricted fixed asset funds 2024 £000	Total funds 2024 £000	Total funds 2023 £000
Note					
Net movement in funds before other recognised gains brought forward	1,841	1,143	1,926	4,910	55,596
Other recognised gains/(losses):					
Actuarial gains/(losses) on defined benefit pension schemes					
27	-	(1,079)	-	(1,079)	14,691
Net movement in funds	1,841	64	1,926	3,831	70,287
Reconciliation of funds:					
Total funds brought forward	6,202	8,402	229,106	243,710	173,423
Net movement in funds	1,841	64	1,926	3,831	70,287
Total funds carried forward	8,043	8,466	231,032	247,541	243,710

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


BALANCE SHEET
AS AT 31 AUGUST 2024

	Note	2024 £000	2023 £000
Fixed assets			
Intangible assets	14	168	177
Tangible assets	15	227,062	223,879
		227,230	224,056
Current assets			
Debtors	16	3,240	1,799
Investments	17	5,000	5,000
Cash at bank and in hand	24	21,292	20,159
		29,532	26,958
Liabilities			
Creditors: Amounts falling due within one year	18	(8,881)	(7,304)
		20,651	19,654
Net current assets			
		247,881	243,710
Total assets less current liabilities			
		247,881	243,710
Net assets excluding pension liability			
Defined benefit pension scheme liability	27	(340)	-
		247,541	243,710
Total net assets		247,541	243,710
Funds of the Academy Trust			
Restricted funds:			
Fixed asset funds	19	231,032	229,106
Restricted income funds	19	8,806	8,402
Pension reserve	19	(340)	-
		239,498	237,508
Total restricted funds	19		
Unrestricted income funds	19	8,043	6,202
		247,541	243,710
Total funds		247,541	243,710

LIONHEART EDUCATIONAL TRUST
(A Company Limited by Guarantee)

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2024

The financial statements on pages 35 to 73 were approved and authorised for issue by the Trustees and are signed on their behalf, by:


Byron Chatburn (Dec 20, 2024 10:14 GMT)

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

Date: Dec 20, 2024

The notes on pages 40 to 73 form part of these financial statements.

LIONHEART EDUCATIONAL TRUST
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2024

	Note	2024 £000	2023 £000
Cash flows from operating activities			
Net cash provided by operating activities	21	2,443	1,494
Cash flows provided by/(used in) by investing activities	23	(1,256)	174
Cash flows used in financing activities	22	(54)	(54)
Change in cash and cash equivalents in the year		1,133	1,614
Cash and cash equivalents at the beginning of the year		20,159	18,545
Cash and cash equivalents at the end of the year	24, 25	<u>21,292</u>	<u>20,159</u>

The notes on pages 40 to 73 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

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 2023 to 2024 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 2024

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 on conversion**

Where assets and liabilities are received by the Academy Trust on conversion to an academy, 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 as a transfer on conversion within 'Income from Donations and Capital Grants' to the net assets received.

• **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 2024

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
-------------------	-----------

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

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 2024

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 note 18. 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 2024

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 31.

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 2024

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 27, 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 2022 has been used by the actuary in valuing the pensions liability at 31 August 2024. 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 2024 was £57,747k. Note 27 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 2024

3. Income from donations and capital grants

	Unrestricted funds 2024 £000	Restricted funds 2024 £000	Restricted fixed asset funds 2024 £000	Total funds 2024 £000	Total funds 2023 £000
Transfer on conversion from local authority	265	(180)	2,525	2,610	-
Transfer of existing academies joining the Academy Trust	33	(250)	2,592	2,375	51,928
Other donations	48	-	-	48	20
Capital grants	-	-	4,764	4,764	8,838
Total 2024	346	(430)	9,881	9,797	60,786
Total 2023	3,164	(11,388)	69,010	60,786	

LIONHEART EDUCATIONAL TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

4. Funding for the Academy Trust's educational operations

	Unrestricted funds 2024 £000	Restricted funds 2024 £000	Total funds 2024 £000	Total funds 2023 £000
DfE/ESFA grants				
General Annual Grant (GAG)	-	73,211	73,211	68,466
Other DfE/ESFA grants				
Pupil Premium	-	2,448	2,448	2,472
Teachers' Pay/Pension Grant	-	2,133	2,133	381
Schools Supplementary Grant	-	-	-	1,741
Mainstream School Additional Grant	-	2,057	2,057	856
Others	-	1,703	1,703	1,638
	-	81,552	81,552	75,554
Other Government grants				
Local Authority Grants	-	3,214	3,214	2,485
	-	3,214	3,214	2,485
Other income from the Academy Trust's educational operations				
	1,937	2,668	4,605	4,086
Total 2024	1,937	87,434	89,371	82,125
Total 2023	1,705	80,420	82,125	

5. Income from other trading activities

	Unrestricted funds 2024 £000	Total funds 2024 £000	Total funds 2023 £000
Hire of facilities	1,306	1,306	1,181
Income from other charitable activities	348	348	344
Total 2024	1,654	1,654	1,525
Total 2023	1,525	1,525	

LIONHEART EDUCATIONAL TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

6. Investment income

	Unrestricted funds 2024 £000	Total funds 2024 £000	Total funds 2023 £000
Short term deposits	837	837	180
Total 2023	180	180	

7. Expenditure

	Staff Costs 2024 £000	Premises 2024 £000	Other 2024 £000	Total 2024 £000	Total 2023 £000
Expenditure on raising funds: Allocated support costs	-	37	1,020	1,057	984
Academy Trust's educational operations:					
Direct costs	51,207	9,074	7,186	67,467	61,220
Allocated support costs	15,198	8,157	4,702	28,057	26,816
Direct costs - Activity 12:					
Restricted fixed asset grant expenditure	-	168	-	168	-
Total 2024	66,405	17,436	12,908	96,749	89,020
Total 2023	61,740	15,418	11,862	89,020	

LIONHEART EDUCATIONAL TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

8. Charitable activities

	2024 £000	2023 £000
Direct costs - educational operations	67,467	61,220
Support costs - educational operations	28,057	26,816
	<u>95,524</u>	<u>88,036</u>

	2024 £000	2023 £000
Analysis of support costs		
Support staff costs	15,198	16,173
Technology costs	1,179	1,265
Premises costs	8,157	6,151
Legal costs - conversion	5	5
Legal costs - other	96	14
Other support costs	3,351	3,109
Governance costs	71	99
	<u>28,057</u>	<u>26,816</u>

9. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2024 £000	2023 £000
Operating lease rentals	211	435
Depreciation of tangible fixed assets	9,059	9,196
Amortisation of intangible assets	39	-
Fees paid to auditor for:		
- audit	41	36
- other services	11	12
	<u>9,361</u>	<u>9,343</u>

LIONHEART EDUCATIONAL TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

10. Staff

a. Staff costs and employee benefits

Staff costs during the year were as follows:

	2024	2023
	£000	£000
Wages and salaries	48,825	44,658
Social security costs	5,029	4,544
Pension costs	11,164	11,104
	<hr/>	<hr/>
	65,018	60,306
Agency staff costs	1,369	1,316
Staff restructuring costs	18	118
	<hr/>	<hr/>
	<u>66,405</u>	<u>61,740</u>

Staff restructuring costs comprise:

	2024	2023
	£000	£000
Redundancy payments	18	104
Severance payments	-	14
	<hr/>	<hr/>
	<u>18</u>	<u>118</u>

b. Special staff severance payments

Included in staff restructuring costs are special severance payments totalling £Nil (2023 - £3k).

LIONHEART EDUCATIONAL TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

10. Staff (continued)

c. Staff numbers

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

	2024	2023
	No.	No.
Management	5	9
Teachers	769	695
Administrative staff	898	976
	<u>1,672</u>	<u>1,680</u>

d. Higher paid staff

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

	2024	2023
	No.	No.
In the band £60,001 - £70,000	41	17
In the band £70,001 - £80,000	14	18
In the band £80,001 - £90,000	8	9
In the band £90,001 - £100,000	9	2
In the band £100,001 - £110,000	-	5
In the band £110,001 - £120,000	4	1
In the band £140,001 - £150,000	-	1
In the band £150,001 - £160,000	1	-
In the band £180,001 - £190,000	1	1
	<u>1</u>	<u>1</u>

e. Key management personnel

The key management personnel of the Academy Trust comprise the Trustees and the senior management team as listed on page 1. 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 £1,151k (2023 - £1,132k).

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 2024

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:

		2024	2023
		£000	£000
Miss K Kelly	Remuneration	180 - 185	185 - 190
	Pension contributions paid	40 - 45	40 - 45

During the year ended 31 August 2024, travel and subsistence expenses totalling £950 were reimbursed or paid directly to 2 Trustees (2023 - £1,374 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.

LIONHEART EDUCATIONAL TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

14. Intangible assets

	Computer software £000
Cost	
At 1 September 2023	177
Additions	30
At 31 August 2024	<u>207</u>
Amortisation	
At 1 September 2023	-
Charge for the year	39
At 31 August 2024	<u>39</u>
Net book value	
At 31 August 2024	<u><u>168</u></u>
At 31 August 2023	<u><u>177</u></u>

LIONHEART EDUCATIONAL TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

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 2023	18,349	221,197	4,536	9,285	32	524	253,923
Additions	5	715	1,293	1,016	-	4,096	7,125
Acquisitions	-	5,082	-	35	-	-	5,117
Disposals	-	-	(243)	(3,085)	-	-	(3,328)
Transfers between classes	-	1,592	26	-	-	(1,618)	-
At 31 August 2024	<u>18,354</u>	<u>228,586</u>	<u>5,612</u>	<u>7,251</u>	<u>32</u>	<u>3,002</u>	<u>262,837</u>
Depreciation							
At 1 September 2023	983	19,535	3,420	6,077	29	-	30,044
Charge for the year	356	6,528	528	1,645	2	-	9,059
On disposals	-	-	(243)	(3,085)	-	-	(3,328)
At 31 August 2024	<u>1,339</u>	<u>26,063</u>	<u>3,705</u>	<u>4,637</u>	<u>31</u>	<u>-</u>	<u>35,775</u>
Net book value							
At 31 August 2024	<u>17,015</u>	<u>202,523</u>	<u>1,907</u>	<u>2,614</u>	<u>1</u>	<u>3,002</u>	<u>227,062</u>
At 31 August 2023	<u>17,366</u>	<u>201,662</u>	<u>1,116</u>	<u>3,208</u>	<u>3</u>	<u>524</u>	<u>223,879</u>

LIONHEART EDUCATIONAL TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

16. Debtors

	2024	2023
	£000	£000
Due within one year		
Trade debtors	110	106
Other debtors	444	113
Prepayments and accrued income	1,873	1,135
VAT repayable	813	445
	<u>3,240</u>	<u>1,799</u>

17. Current asset investments

	2024	2023
	£000	£000
Deposit accounts	<u>5,000</u>	<u>5,000</u>

LIONHEART EDUCATIONAL TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

18. Creditors: Amounts falling due within one year

	2024	2023
	£000	£000
Other loans (Note 19)	-	54
Trade creditors	1,993	1,610
Other taxation and social security	1,151	970
Other creditors	2,056	1,538
Accruals and deferred income	3,681	3,132
	<hr/>	<hr/>
	8,881	7,304
	<hr/> <hr/>	<hr/> <hr/>
	2024	2023
	£000	£000
Deferred income at 1 September	1,163	258
Resources deferred during the year	1,287	1,163
Amounts released from previous periods	(1,163)	(258)
	<hr/>	<hr/>
Deferred income at 31 August	1,287	1,163
	<hr/> <hr/>	<hr/> <hr/>

Deferred income includes the following:

£371k (2023 - £296k) Trips

£916k (2023 - £867k) Other grants and income

LIONHEART EDUCATIONAL TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

19. Statement of funds

	Balance at 1 September 2023 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2024 £000
Unrestricted funds						
General Funds	6,202	4,774	(2,933)	-	-	8,043
Restricted general funds						
Restricted Funds - all funds	8,402	73,210	(71,519)	(1,287)	-	8,806
Pupil premium	-	2,448	(2,448)	-	-	-
Other grants and income	-	9,719	(9,719)	-	-	-
Mainstream additional schools grant	-	2,057	(2,057)	-	-	-
Pension reserve	-	(430)	1,169	-	(1,079)	(340)
	<u>8,402</u>	<u>87,004</u>	<u>(84,574)</u>	<u>(1,287)</u>	<u>(1,079)</u>	<u>8,466</u>
Restricted fixed asset funds						
DfE capital funds	220,356	9,881	(8,910)	-	-	221,327
Capital expenditure from GAG	8,750	-	(332)	1,287	-	9,705
	<u>229,106</u>	<u>9,881</u>	<u>(9,242)</u>	<u>1,287</u>	<u>-</u>	<u>231,032</u>
Total Restricted funds	<u>237,508</u>	<u>96,885</u>	<u>(93,816)</u>	<u>-</u>	<u>(1,079)</u>	<u>239,498</u>
Total funds	<u><u>243,710</u></u>	<u><u>101,659</u></u>	<u><u>(96,749)</u></u>	<u><u>-</u></u>	<u><u>(1,079)</u></u>	<u><u>247,541</u></u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

19. 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 2024.

LIONHEART EDUCATIONAL TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

19. Statement of funds (continued)

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

	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	-
	<u>2,911</u>	<u>69,032</u>	<u>(76,945)</u>	<u>(1,287)</u>	<u>14,691</u>	<u>8,402</u>
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
	<u>168,015</u>	<u>69,010</u>	<u>(9,206)</u>	<u>1,287</u>	<u>-</u>	<u>229,106</u>
Total Restricted funds	<u>170,926</u>	<u>138,042</u>	<u>(86,151)</u>	<u>-</u>	<u>14,691</u>	<u>237,508</u>
Total funds	<u><u>173,423</u></u>	<u><u>144,616</u></u>	<u><u>(89,020)</u></u>	<u><u>-</u></u>	<u><u>14,691</u></u>	<u><u>243,710</u></u>

LIONHEART EDUCATIONAL TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

19. Statement of funds (continued)

Total funds analysis by academy

Fund balances at 31 August 2024 were allocated as follows:

	2024 £000	2023 £000
Trust	16,849	14,604
Restricted fixed asset fund	231,032	229,106
Pension reserve	(340)	-
Total	<u>247,541</u>	<u>243,710</u>

LIONHEART EDUCATIONAL TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

19. 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 2024 £000	Total 2023 £000
Beauchamp College	8,021	1,546	1,354	2,261	13,182	11,721
The Cedars Academy	4,032	658	457	1,063	6,210	5,745
Highcliffe Primary School	1,447	203	78	342	2,070	1,955
Riverside Primary School	1,576	281	118	334	2,309	2,148
Judgemeadow Community College	5,000	1,108	383	2,256	8,747	8,684
Hallam Fields Primary School	804	86	70	160	1,120	880
The Martin High School	3,315	601	347	791	5,054	4,488
Sir Jonathan North College	5,000	857	519	1,295	7,671	6,820
Humphrey Perkins School	3,069	700	402	608	4,779	4,373
Brocks Hill Primary School	1,574	187	55	341	2,157	1,847
Beauchamp City Sixth Form	2,779	635	364	621	4,399	3,956
Broom Leys School	2,222	421	110	416	3,169	2,925
The Castle Rock School	5,102	1,137	623	1,171	8,033	8,686
The Newbridge School	3,439	646	368	875	5,328	4,927
Mercia Academy	641	177	423	230	1,471	-
Newhall Junior School	213	43	40	55	351	-
Trust	2,974	5,911	728	2,011	11,624	10,659
Academy Trust	51,208	15,197	6,439	14,830	87,674	79,814

LIONHEART EDUCATIONAL TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

20. Analysis of net assets between funds

Fund balances at 31 August 2024 are represented by:

	Unrestricted funds 2024 £000	Restricted funds 2024 £000	Restricted fixed asset funds 2024 £000	Total funds 2024 £000
Tangible fixed assets	-	-	227,062	227,062
Intangible fixed assets	-	-	168	168
Current assets	8,043	17,687	3,802	29,532
Creditors due within one year	-	(8,881)	-	(8,881)
Provisions for liabilities and charges	-	(340)	-	(340)
Total	8,043	8,466	231,032	247,541

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

	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

LIONHEART EDUCATIONAL TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

21. Reconciliation of net income to net cash flow from operating activities

	2024	2023
	£000	£000
Net income for the period (as per Statement of Financial Activities)	4,910	55,596
Adjustments for:		
Amortisation	39	-
Depreciation	9,059	9,196
Capital grants from DfE and other capital income	(4,764)	(8,838)
Interest receivable	(837)	(180)
Defined benefit pension scheme obligation inherited	430	11,388
Defined benefit pension scheme cost less contributions payable	(972)	324
Defined benefit pension scheme finance cost	(197)	460
(Increase)/decrease in debtors	(1,441)	1,016
Increase/(decrease) in creditors	1,631	(4,152)
Transfer on conversion from local authority	(265)	-
Transfer from existing Academy Trust	(33)	(3,558)
Donated fixed assets	(5,117)	(59,758)
Net cash provided by operating activities	2,443	1,494

22. Cash flows from financing activities

	2024	2023
	£000	£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 2024

23. Cash flows from investing activities

	2024	2023
	£000	£000
Interest received	837	180
Purchase of intangible fixed assets	(30)	(177)
Purchase of tangible fixed assets	(7,125)	(7,529)
Capital grants from DfE Group	4,764	8,838
Transfer on conversion from local authority	265	-
Transfer from existing Academy Trust	33	3,862
Increase in current asset investments	-	(5,000)
Net cash (used in)/provided by investing activities	(1,256)	174

24. Analysis of cash and cash equivalents

	2024	2023
	£000	£000
Cash in hand and at bank	21,292	20,159

25. Analysis of changes in net debt

	At 1		At 31
	September	Cash flows	August
	2023	£000	2024
	£000		£000
Cash at bank and in hand	20,159	1,133	21,292
Debt due within 1 year	(54)	54	-
Current asset investments	5,000	-	5,000
	25,105	1,187	26,292

26. Capital commitments

	2024	2023
	£000	£000
Contracted for, but not provided in the financial statements	412	47

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

27. 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 and Derbyshire County Council. Both are multi-employer defined benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2020 and of the LGPS 31 March 2022.

Contributions amounting to £1,470k were payable to the schemes at 31 August 2024 (2023 - £1,200k) 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 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 ensure scheme costs are recognised and managed appropriately and the review specifies 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 2020. The valuation report was published by the Department for Education on 27 October 2023, with the SCAPE rate, set by HMT, applying a notional investment return based on 1.7% above the rate of CPI. The key elements of the valuation outcome are:

- Employer contribution rates set at 28.68% of pensionable pay (including a 0.08% administration levy). This is an increase of 5% in employer contributions and the cost control result is such that no change in member benefits is needed.
- Total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £262,000 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £222,200 million, giving a notional past service deficit of £39,800 million

The result of this valuation will be implemented from 1 April 2024. The next valuation result is due to be implemented from 1 April 2028.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

27. Pension commitments (continued)

The employer's pension costs paid to TPS in the year amounted to £7,972k (2023 - £6,663k).

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 is unable to identify its share of the underlying assets and liabilities of the plan. Accordingly, the academy trust has taken advantage of the exemption in FRS 102 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy trust has set out above, the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate Trustee-administered funds. The total contribution made for the year ended 31 August 2024 was £5,060k (2023 - £4,478k), of which employer's contributions totalled £4,038k (2023 - £3,612k) and employees' contributions totalled £1,022k (2023 - £866k). 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 32 and 33 the LGPS obligation relates to the employees of the Academy Trust, who were the employees transferred as part of the transfer on conversion or transferred from an existing academy 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.

In June 2023, the High Court ruled in the case of Virgin Media Limited v NTL Pension Trustees. The ruling was that certain pension scheme rule amendments were invalid if they were not accompanied by the correct actuarial confirmation.

This High Court ruling was appealed. In a judgement delivered on 25 July 2024, the Court of Appeal unanimously upheld the decision of the High Court.

At the date of approval of these financial statements, while it is known there is potential for additional pension liabilities to be recognised as a result of this ruling, the impact in monetary terms is not known and it is reasonable to form the view that it cannot be reasonably estimated. Accordingly, no adjustments to reflect the impact of the ruling have been made in these financial statements.

The Trustees will continue to monitor the developments and consider the impact on the LGPS liabilities recognised by the Trust.

LIONHEART EDUCATIONAL TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

27. Pension commitments (continued)

Principal actuarial assumptions

	2024	2023
	%	%
Rate of increase in salaries	3.15 - 3.65	3.5
Rate of increase for pensions in payment/inflation	2.65	3.00
Discount rate for scheme liabilities	5.00	5.20

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

	2024	2023
	Years	Years
Retiring today		
Males	20.8 - 20.9	20.9
Females	23.8 - 24.1	24.1
Retiring in 20 years		
Males	21.4 - 21.5	21.5
Females	25.3	25.4

Sensitivity analysis on the defined benefit obligations

	2024	2023
	£000	£000
Discount rate -0.1%	1,329	1,150
Mortality assumption - 1 year increase	2,324	2,011
CPI rate +0.1%	1,303	1,075
Salary rate +0.1%	52	97

Share of scheme assets

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

	2024	2023
	£000	£000
Equities	34,809	30,695
Corporate bonds	22,393	18,309
Property	4,008	3,770
Cash	5,228	1,076
Total market value of assets	66,438	53,850

LIONHEART EDUCATIONAL TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

27. Pension commitments (continued)

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

	2024 £000	2023 £000
Current service cost	(3,066)	(3,702)
Past service cost	-	(234)
Interest income	2,980	2,032
Interest cost	(2,783)	(2,492)
Total amount recognised in the Statement of Financial Activities	<u>(2,869)</u>	<u>(4,396)</u>

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

	2024 £000	2023 £000
At 1 September	50,269	38,282
Current service cost	3,066	3,702
Interest cost	2,783	2,492
Employee contributions	1,022	866
Actuarial gains	(348)	(20,247)
Benefits paid	(929)	(771)
Past service costs	-	234
Transferred in on existing academies joining the Academy Trust	1,603	25,711
Conversion of academy trust	621	-
At 31 August	<u>58,087</u>	<u>50,269</u>

LIONHEART EDUCATIONAL TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

27. Pension commitments (continued)

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

	2024	2023
	£000	£000
At 1 September	50,269	35,763
Interest income	2,980	2,032
Actuarial losses	(1,427)	(5,556)
Employer contributions	4,038	3,612
Employee contributions	1,022	866
Benefits paid	(929)	(771)
Transferred in on existing academies joining the Academy Trust	1,353	14,323
Conversion of academy trust	441	-
At 31 August	<u>57,747</u>	<u>50,269</u>

As at 31 August 2024, there was a notional surplus of £8,691k which has not been recognised. Included in the current year actuarial gains/(losses) within the scheme assets table above is £5,110k (2023: £3,581k) of notional surplus not recognised.

28. Operating lease commitments

At 31 August 2024 the Academy Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2024	2023
	£000	£000
Not later than 1 year	213	346
Later than 1 year and not later than 5 years	872	416
Later than 5 years	1,186	1,269
	<u>2,271</u>	<u>2,031</u>

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 £1,485k per annum for the year ended 31 March 2024, indexed by inflation each year. The charge for the period is included within support costs.

29. 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 2024

30. 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 £2,500 (2023 - £4,000). There is no year end creditor.

C Swan (spouse of a Member of the Academy Trust) provided educational services to the Trust totalling £450 (2023 - £7,500). 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.

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

31. 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 £232k (2023 - £230k) and disbursed expenditure £252k (2023 - £224k) from the fund. An amount of £53k (2023 - £73k) 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 2024

32. Transfer of existing academies into the Academy Trust

On 1 June 2024 Mercia Academy 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 gain 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.

Mercia Academy

	Value reported by transferring trust £000	Fair value adjustments £000	Transfer in recognised £000
Tangible fixed assets			
Leasehold land and buildings	1,775	795	2,570
Computer equipment	22	-	22
Current assets			
Cash at bank and in hand	33	-	33
Pensions			
Pensions - pension scheme liabilities	(250)	-	(250)
Net assets	<u>1,580</u>	<u>795</u>	<u>2,375</u>

LIONHEART EDUCATIONAL TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

33. Conversion to an academy trust

On 1 July 2024 Newhall Junior School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Lionheart Educational Trust from Derbyshire Local Authority 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 gain in the Statement of Financial Activities as Income from Donations and Capital Grants - transfer from local authority on conversion.

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

	Unrestricted funds £000	Restricted funds £000	Restricted fixed asset funds £000	Total funds £000
Tangible fixed assets				
Leasehold land and buildings	-	-	2,525	2,525
Current assets				
Cash - representing budget surplus on LA funds	265	-	-	265
Non-current liabilities				
LGPS pension surplus / (deficit)	-	(180)	-	(180)
Net assets/(liabilities)	<u>265</u>	<u>(180)</u>	<u>2,525</u>	<u>2,610</u>