

Company Registration Number: 08473899 (England & Wales)

LIONHEART ACADEMIES TRUST
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

LIONHEART ACADEMIES TRUST
(A company limited by guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS

Members	Mrs C Swan Mrs D Miller Mr E Lansdown Mr M Rusk Mr A Love
Trustees	Mrs A Lamb, Chair Mr D Tanna Mr M Grant Mr D Kadodwala Mr I Harris Mr S Raivadera Mrs C Swan Mr R Mason Mr J Mansfield Mr C Hall (appointed 30 October 2019) Ms A Wells (appointed 11 November 2020) Miss K Kelly (appointed 16 November 2020)
Company registered number	08473899
Company name	Lionheart Academies Trust
Principal and registered office	Beauchamp College Ridge Way Oadby Leicester Leicestershire LE2 5TP
Chief executive officer	K Kelly
Senior management team	K Kelly, CEO R Taylor, Director of Estates B Jackson, Director of IT J Piper-Gale, Deputy CEO S Allen, Head of HR M Chatra, CFO M Walton, Executive Principal (Primary)
Independent auditors	Mazars LLP Chartered Accountants Statutory Auditor 6 Dominus Way Meridian Business Park Leicester LE19 1RP

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REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Bankers	National Westminster Bank plc 5 The Parade Oadby Leicester LE2 5NT
	National Westminster Bank plc 1 Granby St Leicester LE1 6EJ
Solicitors	Browne Jacobson Mowbray House Castle Meadow Road Nottingham NG2 1BJ

LIONHEART ACADEMIES TRUST
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2020

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 2019 to 31 August 2020. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

Lionheart Academies Trust is a family of eleven schools and colleges in Leicester and Leicestershire:

- Beauchamp College, Oadby (ages 11-19)
- Beauchamp City Sixth Form, Leicester (ages 16-19) - opened August 2020
- Brocks Hill Primary School, Oadby (ages 4-11) - joined 1 November 2019
- Hallam Fields Primary, Birstall (ages 4-11)
- Highcliffe Primary, Birstall (ages 4-11)
- Humphrey Perkins School, Barrow-upon-Soar (ages 11-16)
- Judgemeanow 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)

Lionheart Academies Trust has a combined pupil capacity of 9,130 and had 8,850 on roll in the school census in January 2020. Hallam Fields Primary is a free school which had opened its third year group in 2019/20. Beauchamp City Sixth Form opened at the end of August 2020 as the eleventh school in the trust with an initial intake of 350 students, not included in the figures above.

Structure, governance and management

a. Constitution

The Academy 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 Academy Trust. The trustees of Lionheart Academies Trust are also the directors of the charitable company for the purposes of company law. The charitable company operates as Lionheart Academies Trust and began trading on 1 April 2014.

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 through QBE for 2019/20 and by RPA for 2020/21 onwards.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

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, or with support from Inspiring Governors, Governors for Schools and Academy Ambassadors. 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

One trustee is a National Leader in Governance who mentors and supports new trustees.

Online and face to face induction and further training are provided for all trustees as well as for local and operations 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 visioning evening is held for all trustees and governors in which the vision for the trust is shared and discussed.

Trustees joining through Academy Ambassadors have access to Academy Ambassadors' induction resources and support.

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, 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 and CFO when key decisions are being made. Where major operational decisions are being made, these are also discussed with the Operations Governing Body and key educational issues are discussed with local governing bodies 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 and CEO and involving a local governor and the school's headteacher and finance lead. Each local governing body receives information from these meetings, and the Board and the Operations Governing Body receive overall summaries with KPIs and red flags identified.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Structure, governance and management (continued)

The Board agrees the budget for each school, and the overall operations budget for the trust.

The CEO is the Accounting Officer. The CEO is also Principal of Beauchamp College.

The Trust has a Deputy CEO who is currently the Executive Principal at Humphrey Perkins School.

The Executive Principal (Primary) oversees all four of the primary schools and is also currently Executive Headteacher at Brocks Hill Primary and Highcliffe Primary.

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

Some schools have an Executive Headteacher across two schools.

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

From September 2020 the Trust moved to a new 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 (effective from 1 September 2020) which oversees all financial activities and is headed by the CFO.

Governance

Each layer of governance has a specific role:

Trust Board	Overall responsibility Vision & ethos * Strategic direction * Risks & Opportunities	All schools
Operations Governing Body	HR * Estates * IT * Marketing & Business Enterprise * Operational Support	All schools
Local Governing Body	Teaching & Learning * Pupil & Parent & Staff experience Safeguarding * Business & Community links	Individual school

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

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.

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TRUSTEES' REPORT (CONTINUED)
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Structure, governance and management (continued)

h. Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the year	13
Full-time equivalent employee number	11.22

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	9
1%-50%	4
51%-99%	-
100%	-

Percentage of pay bill spent on facility time £000

Total cost of facility time	2
Total pay bill	41,311
Percentage of total pay bill spent on facility time	0.000048 %

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	100 %
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Structure, governance and management (continued)

i. Related parties and other connected charities and organisations

Beauchamp College is a member of the Oadby Learning Partnership and has a Memorandum of Understanding with the primary schools in the OLP which outlines ways in which the schools will work together to support a 4-19 education. These schools are identified as Primary Learning Partners in Beauchamp College's Admissions Policy.

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

Beauchamp College hosts Oadby Stakeholders and Cedars Academy hosts Birstall Stakeholders. These are networking groups which engage 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.

The trust works with Learners' First 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.

j. Engagement with employees

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.

In academic year 2019/20, Covid-19 had a significant impact on staff and a wide range of communication methods were used to support staff wellbeing, ensure staff voice was available to key decision makers who were leading the complex and ever-changing constraints within which the schools were operating. The vision by which the trust would operate during the pandemic – as civic leaders, public servants and under a moral imperative to support the wider community – was effectively articulated to ensure a common purpose and approach, and to support staff in managing the unprecedented demands made on them professionally and emotionally during this difficult time. Decisions to change the ways of working, such as providing key worker schooling during a wider lockdown, or returning to working in the building in a Covid-secure environment were fully explained. Staff and unions were given the opportunity to comment on the Risk Assessment for Covid-19 and this was then adapted in light of staff and union feedback.

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 Executive Principal (Primary).

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Structure, governance and management (continued)

The trust has regular consultation meetings with regional and local union representatives. In 2019/20 the trust completed a restructure and redundancy process which impacted on high numbers of staff. Union representatives were fully informed and able to comment on, and influence, the process.

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 trust policies.

Objectives and activities

a. Objects and aims

As stated in the Lionheart Academies Trust Articles of Association, the objects of the Trust are to advance for public benefit education in the United Kingdom by establishing, maintaining, managing and developing schools offering a broad and balanced curriculum or educational establishments concerned with providing full or part-time education for children of compulsory school age who, by reason of illness, exclusion from school or otherwise, may not receive an education unless alternative provision is made for them; or 16-19 academies; or schools providing for students with special educational needs.

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.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Objectives and activities (continued)

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 we will use the 5Ps; they are:

- Pupil Centred – Schools are run for pupils and everything we do is for our pupils.
- Positivity – We all embrace challenges and look for opportunities.
- Passionate – We value nothing more than equity and quality learning for all pupils.
- Professional – We model professionalism at all times.
- Practice – Teachers and other staff will be highly qualified. Subject teachers will be passionate specialists; quality first teaching is at our core.

b. Objectives, strategies and activities

The key values of academic excellence and holistic development are at the heart of the Trust. LAT 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 2020, LAT was made up of ten schools, providing the education for approximately 8800 students aged 4-19 across Leicester and Leicestershire.

Brocks Hill Primary School joined the Trust on 1 November 2019 and Beauchamp City Sixth Form, a new post 16 Free School based in Leicester City Centre opened in September 2020.

Operating across a small geographical area is key to the Trust's success through allowing comprehensive understanding of local context and innate knowledge of each school so we can support and challenge effectively. This is further emphasised by the North and South 'Hubs' model designed to ensure high standards and accelerated improvement in all LAT schools in addition to ensuring efficacy and efficiency in operations.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Objectives and activities (continued)

During 2020/21 and beyond, the Trust will focus on the following strategies:

- Work towards ensuring good and outstanding teaching across all Trust schools.
- Assessing the progress and attainment of students in light of disrupted education during Covid-19 and working to support students in closing gaps in knowledge and skills
- Embedding new whole-trust curricula in Key Stage 3
- Further developing primary literacy, Modern Foreign Languages, RHE and Science
- Embedding RSE in secondary schools
- Developing the VLE to support both remote learning during lockdowns and periods of self-isolation, and for extended learning beyond the classroom
- Further developing the use of technology to allow students unable to attend school to continue their learning through live lessons accessed from home
- Embedding the Learning Scientist approach, Reciprocal Reading and Direct Instruction
- Improving attendance
- Further developing work to support mental and physical wellbeing of staff and pupils
- Embedding the new operational central teams
- 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 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.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Strategic report

Achievements and performance

a. Key performance indicators

The rapid improvements in the quality of educational provision across the Trust are reflected in the below Ofsted judgements:

School	Joined	Ofsted Joined	Ofsted Now
Beauchamp City Sixth Form	01/09/2020	N/A	N/A
Beauchamp College	01/05/2013	Outstanding	Outstanding
Brocks Hill Primary School	01/11/2019	Outstanding	Outstanding
The Cedars Academy	26/03/2015	N/A	Good (20/02/2018)
Hallam Fields	23/08/2017	N/A	N/A
Highcliffe Primary	27/03/2014	Requires improvement	Good (25/04/2017)
Humphrey Perkins	01/10/2018	Inadequate	Good (10/03/2020)
Judgemeadow CC	01/06/2018	Inadequate	N/A – Ofsted visit requested by trust
Martin High School	01/09/2018	Requires improvement	Good (06/02/2019)
Riverside Primary	27/03/2014	Requires improvement	Good (28/04/2017)
Sir Jonathan North College	01/03/2019	Outstanding	Outstanding

In March 2020 we oversaw a successful visit from Ofsted at Humphrey Perkins School and were delighted with the judgement that the school is now performing at a 'Good' level across the board. Neither Hallam Fields Primary School or Judgemeadow Community College have yet been subjected to a visit from Ofsted although we believe that we have significantly raised and/or instilled high standards at each of these schools. Beauchamp City Sixth Form has not yet been inspected, having opened at the start of the 2020/21 academic year.

Student assessment outcomes allow us to monitor and reflect upon student progress and attainment whilst forming a tangible method of measuring the performance of all the schools in the Trust. Internal data was collected across trust schools from September 2019 to March 2020 which demonstrated improvements in most areas but this could not be verified by end of year results as a result of the Covid-19 lockdown.

In March 2020, the country was subjected to a national lockdown which involved all except the children of key workers being sent home. The trust provided online learning through the newly created VLE for all students, with teaching materials created by staff across the trust working collaboratively to develop a whole trust suite of learning.

The trust is fundamentally committed to ensuring equity and, in the light of this, trustees agreed to secure over 1,200 Chromebooks to provide access to remote learning for families who were disadvantaged for a range of reasons which had resulted in them only being able to access paper packs of learning materials. Devices to allow access to a broadband provider were also provided for some students.

All students were still under lockdown conditions when Key Stage 2 SATs, Phonics tests, Grammar Punctuation and Spelling tests, Times Tables tests, GCSEs and A Levels should have taken place. All primary testing ceased.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Strategic report (continued)

Achievements and performance (continued)

GCSEs, Vocational awards and A levels were awarded by examining bodies based on Centre Assessment Grades provided by the schools. Students across the trust were awarded results which demonstrated a rise in progress and attainment.

The Department for Education has stated that these results should not be externally reported.

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.

Trustees have reviewed the Trust's medium term financial plan, a 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. Though Covid is clearly a concern, Trustees are nonetheless confident that the Trust is well placed financially to robustly cope with financial challenges resulting from the pandemic whilst maintaining education delivery and being able to deliver higher value projects and initiatives during 2021.

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

c. Promoting the success of the company

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.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

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.

The amount of total funds at 31 August 2020 was £124,835k (2019: £118,900k).

The amount of restricted funds not available for general purposes of the Academy Trust at 31 August 2020 was £22,143k (2019: £20,299k).

The balance on restricted general funds (excluding pension reserve) plus the balance on unrestricted funds at 31 August 2020 is a net surplus of £4,322k (2019: £2,166k).

The Trust's reserves at the year-end were £124,835k (2019 - £118,900k) of which £4,322k (2019 - £2,166k) 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 £22,143k. This is being addressed by means of increased employer contributions which are currently 24.9% without ill health insurance and 23.9% with ill health insurance.

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, including construction of a new sports hall at Martin High School and a teaching block at Humphrey Perkins School. In addition, the current cost pressures resulting from Covid are likely to require an element of reserves to be called upon to support schools within the Trust with maintaining education delivery.

b. Investment policy

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

There were no funds invested during the year 1 September 2019 – 31 August 2020, though the Trust did generate modest amounts of interest from school bank accounts.

The Policy was updated during 2019/20 and, following amalgamation of the Trust's bank accounts with a move to a central account with Lloyds Bank from September 2020, the Trust is better placed to employ sound yet prudent treasury management in line with the Policy.

c. Principal risks and uncertainties

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

As school funding continues to bring significant challenge, and the new national funding formula is gradually introduced, it is critical that sound financial planning is maintained. Recently announced changes to teacher's pay and pensions for the forthcoming academic year and beyond will have a significant impact on future financial viability if the grants awarded to cover these costs are not replaced by increased funding. The Trust is active in many local and national forums to ensure that a full understanding of funding changes and their impacts can be modelled.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Strategic report (continued)

Financial review (continued)

Like all Trusts across the country, the effects of the pandemic will create financial pressures during 2020/21 and possibly longer term. Additional costs to mitigate covid-related risks (e.g. enhanced cleaning, equipment to maintain social distancing and increased heating bills due to allowing opening of windows to enable greater air circulation), greater use of supply staff, investment in technology (for staff and students) to enable remote learning alongside significantly reduced income from catering and lettings are all going to create a significant strain on budgets.

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 hold termly financial reviews with each academy to ensure that the cost base is under control and any risks identified can be mitigated.

A key determinant of the Trust's ability to drive strong admission numbers is the educational performance of the academies. Fortnightly Trust leadership 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.

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 such as National Lottery funding. 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.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Fundraising (continued)

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.

Streamlined energy and carbon reporting

The following table sets out energy use, emissions and the emissions intensity ratio for the Trust during 2019/20:

Energy consumption used to calculate emissions (kWh)		11,017,282.48
Energy consumption break down (kWh) for electricity, gas and transport fuel.		
Scope	Energy Source	Emissions Tonnes (CO₂e)
1	Gas	1,238.73
	Oil	-
	Academy Vehicles	7.94
2	Electricity Standard	986.57
	Electricity Renewables / Nuclear	-
3	Staff mileage in year on academy business	4.21
Total Emissions		2,237.45
Intensity ratio		0.25

LIONHEART ACADEMIES TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Streamlined energy and carbon reporting (continued)

We have followed the 2019 HM Government Environmental Reporting Guidelines methodologies. We have also used the GHG Reporting Protocol - Corporate Standard and have used the 2020 UK Government's Conversion Factors for Company Reporting.

During 2019/20, we invested in LED lighting across a number of schools within the Trust. We also began to use Skype and then Teams to conduct more meetings remotely to reduce travel and, with it, cost; this commenced before lockdown came into effect in March but use of this technology became more widespread during lockdown. We also invested a significant sum at our largest school – Beauchamp College – in replacing boilers with more energy efficient models that should also bring to bear energy efficiency. These actions/initiatives will continue into 2020/21.

Plans for future periods

Following an extensive growth period over the last three years, the Trust is to enter a period of consolidation with the only planned growth being the opening of a brand new 11-16 free school in September 2022 or 2023 within Leicester City.

The work done collaboratively across the trust during the Covid-19 lockdown has significantly increased the levels of coherence and consistency across the trust. Going forwards, trust schools will increasingly work together to share best practice, CPD, staffing and skills to align as closely as possible to the philosophy and pledge of the Trust and fulfil our mission that any young person from any background deserves an equal chance to be successful in whatever they choose to do.

The Trust centralised core support functions with effect from September 2020 to help achieve greater efficiency and effectiveness in service delivery for finance, IT and premises.

Funds held as custodian on behalf of others

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

Disclosure of information to auditors

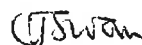
Insofar as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are 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 auditors are aware of that information.

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



Mrs A Lamb
Chair of Trustees
16 December 2020



Mrs C Swan
Director
16 December 2020

LIONHEART ACADEMIES TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT

Scope of responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that Lionheart Academies 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 Academies Trust and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of Trustees has formally met ten times during the year including two extraordinary meetings as a result of the Covid-19 pandemic.

The Board meets its duty to have a Finance Committee through three of the Board meetings each year which are named as Finance and Operations meetings of the full Board and oversee finance within the trust as well as agreeing financial strategies. The remaining five Board meetings are named as Teaching and Learning meetings of the full Board and focus mainly on educational aspects of the trust's work.

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

Trustee	Meetings attended	Out of a possible
Mrs A Lamb, Chair	8	10
Mr D Tanna	4	10
Mr M Grant	7	10
Mr D Kadodwala	9	10
Mr I Harris	9	10
Mr S Raivadera	8	10
Mrs C Swan	10	10
Mr R Mason	9	10
Mr J Mansfield	7	10
Mr C Hall (appointed 30 October 2019)	7	8

In the summer term each year, Lionheart Academies Trust carries out a review of governance led by the Chair who is a National Leader in Governance. This includes:

- All trustees and governors completing self-reflection forms to identify ways in which they have individually contributed to the work of governance, training they feel they may benefit from in the coming year, and suggested improvements to trust governance and the wider work of the trust going forward.
- Discussions with chairs of local governing bodies as to changes which may improve governance in the coming year
- The board reviews the structure of the board and its committees within its annual review of the Terms of Reference document.

LIONHEART ACADEMIES TRUST
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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

- Each meeting of local governing bodies includes an agenda item in which governors are able to make suggestions or challenges to the board on the nature of governance and the wider work of the trust. These are collated and shared with trustees for discussion and action.
- An annual governor and trustee vision evening is held each autumn term, with discussion and presentations, in which informal suggestions and comments are taken on board.

This has led to:

- Training sessions delivered online using recorded materials produced in-house
- Training delivered on the role of local governing bodies within the trust structure
- A visits programme for 2020-21 factoring in Covid-19 restrictions
- Increasing the use of Microsoft Teams for remote and blended meetings, including governor visits 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.

Remuneration Committee

This committee oversees pay and remuneration within the Trust.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Mr I Harris	1	1
Mrs A Lamb, Chair	1	1
Mrs C Swan	1	1

LIONHEART ACADEMIES TRUST
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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

Audit Committee

In 2019/20 this was a meeting of all trustees, and as such was a board meeting not a sub-committee. From 2020-21 onwards this work will be incorporated into the Audit, Compliance and Risk Committee which will report to the Board.

The Audit Committee met in December 2019 to receive the external audit report and recommend the Annual Report.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Mrs C Swan, Chair	1	1
Mr D Tanna	0	1
Mr M Grant	0	1
Mr D Kadodwala	0	1
Mr I Harris	1	1
Mr S Raivadera	1	1
Mrs A Lamb	0	1
Mr R Mason	1	1
Mr J Mansfield	1	1
Mr C Hall	1	1

Audit, Compliance and Risk Committee

In 2019/20 the Audit, Compliance & Risk Committee met 3 times. The purpose of this committee was to oversee the trustees' responsibilities with regard to audit, compliance and risk, reporting back to the board. In 2020-21 this committee will also incorporate a wider role in internal scrutiny.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Mr I Harris, Chair	3	3
Mr R Mason	3	3
Mr C Hall	2	2
Mrs C Swan	3	3

This committee includes trustee C Hall who is a chartered accountant.

LIONHEART ACADEMIES TRUST
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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

Curriculum and Data Committee

This committee was formed during the 2019/20 year. It meets immediately prior to the five Board meetings 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
Mr D Kadodwala, Chair	2	2
Mrs C Swan	2	2

Finance Committee

This committee was formed part way through the 2019/20 year. It meets immediately prior to the three Board meetings 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. It does not have delegated powers but can bring recommendations to the Board.

This committee is in addition to the statutory Finance Committee noted in the Academies Financial Handbook. This duty is met through full Board meetings named Finance and Operations.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Mr C Hall, Chair	2	2
Mr R Mason	2	2

Following a review of the skills within the Board, C Hall was appointed as a trustee with a chartered accountant qualification to complement the finance skills of R Mason (also a chartered accountant) in October 2019.

The Board is currently working to appoint an additional trustee with educational skills and aims to secure an odd number of trustees in the near future.

C Swan stepped down as Chair of the Board at the end of October 2020 and A Lamb was appointed Chair from 1 November 2020. C Swan remains as a trustee and is supporting governance in a voluntary capacity as interim Governance Professional alongside the trust's 2 professional clerks. The role of Governance Professional will be filled by a paid employee appointed from early summer 2021.

The Finance Committee and the Teaching and Learning Committee have been added during 2019/20 and the Audit Committee has been replaced with the Audit, Compliance and Risk Committee.

LIONHEART ACADEMIES TRUST
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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

Coverage and Impact of the Board's work

Whilst the Board has taken final responsibility for the development of the trust in 2019/20, 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.

Focus	Action	Impact
Setting direction <ul style="list-style-type: none"> • Strategy • Change management 	Ensuring effective direction and response during Covid-19	Effective and Covid-secure key worker provision. Shared VLE with high quality learning for students and less workload / greater partnership working for staff. Measured and successful return to school of students in a Covid-secure environment. Risk assessments and planning in place for return in September within DfE guidelines.
	Free School Meal vouchers provided, including when funding was uncertain	Families in poverty supported.
	Investment in 1,200 Chromebooks for home use by students based on commitment to most vulnerable	Students have greater equity in accessing VLE offer; greater cultural capital; greater sense of belonging.
	Brocks Hill Primary joining the trust	Educational consistency and standards across all 4 primary schools have risen.
Developing / embedding culture, values & ethos	Consideration of issues related to Black Lives Matter supported, including appointment of curriculum development lead with commitment to implement throughout the curriculum	Increasing awareness and focus. Foundations in place for further development.

LIONHEART ACADEMIES TRUST
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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

Collaborative working of trust <ul style="list-style-type: none"> • Children & families • Staff • Governors • Wider communities • Local schools • Wider education sector • Civic leadership 	Staff, student and parent voice obtained through formal questionnaires across all schools and informal staff and parent focus groups	Trust decision making informed and influenced by stakeholder voice.
	Governors kept informed of developments during Covid-19 through weekly detailed bulletins.	Transparency and opportunity for challenge.
	Senior leaders linked with local authority & national networks, particularly during Covid-19	Wider range of approaches accessed impacting provision. Greater cohesion for parents and staff in local response. Greater influence in supporting the sector to perform effectively during crisis.
	Chair engaged with national forums	Wider range of approaches accessed. Greater influence in supporting the sector.
Educational offer <ul style="list-style-type: none"> • Narrowing the gap • Raising standards • Quality of curriculum 	Monitoring of Humphrey Perkins	Good Ofsted judgement.
	History, MFL & PE leads appointed to prepare trust curricula	Overarching curricula in place for further development 2020-21.
	Curriculum renewal and embedding	Coherent, robust curricula across all schools. Staff able to articulate intent, implementation, impact.
	Shared curriculum further developed within VLE	Students have consistently high offer, regardless of school. Less experienced staff supported. Resources available for long term use, including during further waves of Covid-19.
	Regional Computer Hub embedded	Greater computing skill and capacity within trust. Support for schools beyond the trust. Greater access to potential computing teachers.
Growth	Beauchamp City 6 th Form prepared for opening	College ready to open, fully staffed in refurbished building, despite Covid-19.

LIONHEART ACADEMIES TRUST
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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

Collaborative working of trust <ul style="list-style-type: none"> • Children & families • Staff • Governors • Wider communities • Local schools • Wider education sector • Civic leadership 	Staff, student and parent voice obtained through formal questionnaires across all schools and informal staff and parent focus groups	Trust decision making informed and influenced by stakeholder voice.
	Governors kept informed of developments during Covid-19 through weekly detailed bulletins.	Transparency and opportunity for challenge.
	Senior leaders linked with local authority & national networks, particularly during Covid-19	Wider range of approaches accessed impacting provision. Greater cohesion for parents and staff in local response. Greater influence in supporting the sector to perform effectively during crisis.
	Chair engaged with national forums.	Wider range of approaches accessed. Greater influence in supporting the sector.
Financial framework & accountability	Finance team centralised through restructure and new appointments. Finance Policy refreshed. Centralised team trained in new processes. Single bank account & payroll provider	Effective, consistent financial management across the trust secured. Staff team working within their skills and strengths.
	Trust finances pooled and managed through operational and educational budgets.	Greater efficiencies. More effective and efficient management of finances in place. Decisions made by those with senior level skills.
	ICFP used in all schools to provide curriculum and staffing model 2020-21	Better outcomes for students; greater value for money.
	Procurements reviewed and new contracts agreed	Over £400k of savings. Admin efficiency savings.

LIONHEART ACADEMIES TRUST
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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

Estates	Estates team centralised	More efficient and effective use of premises teams. Greater flexibility to respond to needs within each school. Greater sustainability and capacity, with 2x Hub Leaders in place.
	<p>Significant building programme including</p> <ul style="list-style-type: none"> • Beauchamp HIU • Beauchamp 3G pitch • Cedars science block • Humphreys – major building works and repairs across the site <p>and a wide range of maintenance. Section 106 money secured to enable works.</p>	High quality learning environments in place. Removal of buildings causing risks. Sustainability of estates increased.
Catering	Catering provision reviewed and actions taken in light of findings	Higher quality. Greater value for money.

LIONHEART ACADEMIES TRUST
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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

IT	IT team centralised	More efficient and effective use of IT teams. Greater flexibility to respond to needs within each school. Greater sustainability and capacity, with 2x Hub Leaders in place.
	Creation of trust VLE for use during Covid-19 and beyond.	Framework for staff to create resource bank, and students to access high level educational support from home.
	Demonstrator role secured and implemented.	Schools beyond the trust supported to secure effective IT framework during Covid-19.
	Microsoft Teams embedded,	Significant efficiency savings (time, travelling etc) – and safe working during Covid-19. Far greater staff networking to ensure improved offer to students. Much stronger sense of family across trust schools. Increased staff wellbeing during Covid-19, minimising isolation.
	Brocks Hill linked to trust network.	IT security. More efficient working across the trust, particularly with Birstall primaries.
HR	Restructure and Redundancy across trust	Central teams in place. Beauchamp and Sir Jonathan North staffing teams meet the needs of the schools.
	Support and guidelines for staff during Covid-19	Staff wellbeing supported. Statutory obligations met.
	Review of all policies.	Greater consistency, transparency and efficiency in HR processes. Less risk of litigation.
	Initial Teacher Training cohort	Successful completion of ITT despite Covid-19. NQT positions secured in the trust for high proportion of trainees.
Operations Managers	New Operations Manager role developed to be in place Sept 20	Foundations in place for stronger oversight and the benefit of skills and networks used across a group of schools; value for money.

LIONHEART ACADEMIES TRUST
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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

Health & Safety	Educational and premises risk assessments refreshed across the trust, full set of templates created	Reduced risk of accidents and litigation.
	Covid-19 risk assessment in place, regularly updated in line with new guidance	Covid-secure working environment
Business Continuity	Refreshed Trust Business Continuity Plan signed off and cascaded to schools	Trust more secure in time of crisis.
Compliance framework	ACR Committee embedded and monitoring compliance	Risk of non-compliance reduced.
Risk framework	Trust Risk Assessment used effectively to manage risk	Risks mitigated.
Governance	New governing body for Beauchamp City 6 th Form	College opens with LGB in place, Ofsted & DfE confident of readiness for opening.
	Change from 2x Hub GB to Operations GB	Stronger single team in line with centralised operations team.

LIONHEART ACADEMIES TRUST
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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

Board self-evaluation

The then-Chair of the trust, who is an NLG, undertook a self-evaluation of the Board using CST's self-evaluation tool in June 2020.

The next steps identified through this process are:

- Trustees will have access to more information regarding the approach of other trusts.
- Trustees would like further information relating to local / national benchmarks and greater depth in reviewing performance against the trust's own targets, strengths and areas for development.
- Trustees have committed to enhance the quality of discussion at meetings to ensure that challenge and questioning are shared more equally.
- This has been a challenging year with constraints and responsibilities changing rapidly, making the presentation of paperwork in advance of meetings difficult. In 2020-21 there is a commitment to ensure as many papers as possible are tabled in advance to support trustees in their role of questioning and challenging.
- Review where tasks sit across the Board and sub committees, and further develop the role of sub committees.
- Where possible, ensure that senior leaders (Headteachers, Directors of Learning, Executive leaders) are provided opportunities to present to the Board.
- Link each trustee with one or more schools, committing to attend the September meeting and then be particularly alert to Board discussions impacting on this school throughout the year.
- Ensure clarity regarding the role of Chair as distinct from Governance Professional.
In Spring 2021 the trust will complete an external review with CST / TGI.

Review of value for money

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

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

- The use of Integrated Curriculum Financial Planning
- Sharing resources, including staffing, across schools
- Ensuring procurement savings through shared purchasing

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 Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Lionheart Academies Trust for the period 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements.

LIONHEART ACADEMIES TRUST
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GOVERNANCE STATEMENT (CONTINUED)

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the period 1 September 2019 to 31 August 2020 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 2019/20 by the Audit, Compliance and Risk Committee.

The risk and control framework

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

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

The Board of Trustees has considered the need for a specific internal audit function and has appointed Leicestershire County Council 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 purchase systems
- testing of control account/ bank reconciliations

In 2019/20 the auditor reported to the board of trustees in the summer term on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities. The trust requires an annual internal audit and the management reports were taken to the trust board for oversight in 2019/20. Going forward, these reports will be shared with all trustees, with the Audit, Compliance and Risk committee monitoring the management reports and subsequent action plans.

LIONHEART ACADEMIES TRUST
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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 auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Audit, 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 significant growth in the trust in the past 18 months, to ensure consistency, efficiency and value for money.

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



Mrs A Lamb
Chair of Trustees

Date: 16 December 2020



K Kelly
Accounting Officer

Date: 16 December 2020

LIONHEART ACADEMIES TRUST
(A company limited by guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Lionheart Academies Trust I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education and Skills Funding Agency ('the ESFA') of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy Trust, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2019.

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 Academies Financial Handbook 2019.

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.



K Kelly
Accounting Officer

Date: 16 December 2020

LIONHEART ACADEMIES TRUST
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**STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2020**

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020;
- 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

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



Mrs A Lamb, Chair
for and on behalf of the Board of Trustees

Date: 16 December 2020

LIONHEART ACADEMIES TRUST
(A company limited by guarantee)

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

Opinion

We have audited the financial statements of Lionheart Academies Trust (the 'Academy Trust') for the year ended 31 August 2020 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 (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 2020 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

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

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

LIONHEART ACADEMIES TRUST
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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
LIONHEART ACADEMIES TRUST (CONTINUED)**

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the Academy Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report 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 ACADEMIES TRUST
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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
LIONHEART ACADEMIES TRUST (CONTINUED)**

Responsibilities of Trustees

As explained more fully in the trustees' responsibilities statement set out on page 32, the Trustees (who are also the directors of the Academy Trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

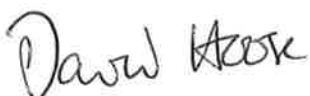
Auditors' responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' 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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Academy Trust and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



David Hoose (Senior Statutory Auditor)
for and on behalf of
Mazars LLP

Chartered Accountants
Statutory Auditor

6 Dominus Way
Meridian Business Park
Leicester
LE19 1RP

Date: 17/12/2020

LIONHEART ACADEMIES TRUST
(A company limited by guarantee)

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

In accordance with the terms of our engagement letter dated 24 September 2020 and further to the requirements of the Education and Skills Funding Agency ('the ESFA') as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Lionheart Academies Trust during the year 1 September 2019 to 31 August 2020 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 Academies 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 Academies 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 Academies Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Lionheart Academies Trust's Accounting Officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of Lionheart Academies Trust's funding agreement with the Secretary of State for Education dated 1 May 2013 and the Academies Financial Handbook, extant from 1 September 2019, 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 2019 to 2020. 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 2019 to 31 August 2020 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2019 to 2020 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 ACADEMIES TRUST
(A company limited by guarantee)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO LIONHEART ACADEMIES 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 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Mazars LLP

Mazars LLP

6 Dominus Way
Meridian Business Park
Leicester
LE19 1RP

Date:

17/12/2020

LIONHEART ACADEMIES TRUST
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2020

	Note	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Restricted fixed asset funds 2020 £000	Total funds 2020 £000	Total funds 2019 £000
Income from:						
Donations and capital grants:	3					
Transfer on conversion from local authority		745	-	215	960	-
Transfer from existing Academy Trust		147	(493)	806	460	64,807
Other donations and capital grants		215	-	7,375	7,590	8,708
Charitable activities	4	958	48,434	-	49,392	38,719
Teaching schools	34	-	108	-	108	30
Other trading activities	5	898	19	-	917	2,177
Investments	6	17	-	-	17	17
Total income		2,980	48,068	8,396	59,444	114,458
Expenditure on:						
Raising funds	7	586	-	-	586	2,132
Charitable activities	8	1,396	48,498	3,977	53,871	45,925
Teaching schools	34	-	75	-	75	-
Total expenditure		1,982	48,573	3,977	54,532	48,057
Net income		998	(505)	4,419	4,912	66,401

LIONHEART ACADEMIES TRUST
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
(CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Restricted fixed asset funds 2020 £000	Total funds 2020 £000	Total funds 2019 £000
Note					
Net income brought forward	998	(505)	4,419	4,912	66,401
Transfers between funds	-	(1,204)	1,204	-	-
Net movement in funds before other recognised gains/(losses)	998	(1,709)	5,623	4,912	66,401
Other recognised gains/(losses):					
Actuarial gains/(losses) on defined benefit pension schemes	-	1,023	-	1,023	(5,623)
Net movement in funds	998	(686)	5,623	5,935	60,778
Reconciliation of funds:					
Total funds brought forward	1,545	(19,678)	137,033	118,900	58,122
Net movement in funds	998	(686)	5,623	5,935	60,778
Total funds carried forward	2,543	(20,364)	142,656	124,835	118,900

LIONHEART ACADEMIES TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 08473899

BALANCE SHEET
AS AT 31 AUGUST 2020

	Note	2020 £000	2019 £000
Fixed assets			
Tangible assets	14	138,660	134,435
		<u>138,660</u>	<u>134,435</u>
Current assets			
Stocks	15	-	11
Debtors	16	1,743	3,286
Cash at bank and in hand	24	12,087	6,885
		<u>13,830</u>	<u>10,182</u>
Liabilities			
Creditors: Amounts falling due within one year	17	(5,349)	(5,137)
		<u>8,481</u>	<u>5,045</u>
Net current assets			
		<u>147,141</u>	<u>139,480</u>
Total assets less current liabilities			
Creditors: Amounts falling due after more than one year	18	(163)	(281)
		<u>146,978</u>	<u>139,199</u>
Net assets excluding pension liability			
Defined benefit pension scheme liability	27	(22,143)	(20,299)
		<u>124,835</u>	<u>118,900</u>
Total net assets			
Funds of the Academy Trust			
Restricted funds:			
Fixed asset funds	19	142,656	137,033
Restricted income funds	19	1,779	621
		<u>144,435</u>	<u>137,654</u>
Restricted funds excluding pension asset	19	144,435	137,654
Pension reserve	19	(22,143)	(20,299)
		<u>122,292</u>	<u>117,355</u>
Total restricted funds	19	122,292	117,355
Unrestricted income funds	19	2,543	1,545
		<u>124,835</u>	<u>118,900</u>
Total funds		124,835	118,900

LIONHEART ACADEMIES TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 08473899

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2020

The financial statements on pages 38 to 73 were approved and authorised for issue by the Trustees and are signed on their behalf, by:

ACP Lamb

Mrs A Lamb, Chair
Chair of Trustees

Date: 16 December 2020

The notes on pages 43 to 73 form part of these financial statements.

LIONHEART ACADEMIES TRUST
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2020

	Note	2020 £000	2019 £000
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	21	4,203	(318)
Cash flows from investing activities	23	1,120	2,006
Cash flows from financing activities	22	(121)	348
Change in cash and cash equivalents in the year		5,202	2,036
Cash and cash equivalents at the beginning of the year		6,885	4,849
Cash and cash equivalents at the end of the year	24, 25	<u>12,087</u>	<u>6,885</u>

The notes on pages 43 to 73 form part of these financial statements.

LIONHEART ACADEMIES TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

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 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Lionheart Academies Trust meets the definition of a public benefit entity under FRS 102.

1.2 Going concern

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

LIONHEART ACADEMIES TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

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 year 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 year 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.

LIONHEART ACADEMIES TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.3 Income (continued)

- **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.

- **Donated fixed assets (excluding transfers on conversion or into the Academy Trust)**

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as 'Income from Donations and Capital Grants' and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Academy Trust's accounting policies.

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.

LIONHEART ACADEMIES TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.5 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:

Depreciation is provided on the following bases:

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.

1.6 Leased assets

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

1.7 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.8 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.

LIONHEART ACADEMIES TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.9 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.

1.10 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 16. Prepayments are not financial instruments.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 17 and 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.

1.11 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.

LIONHEART ACADEMIES TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.12 Pensions

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

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

1.13 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.

LIONHEART ACADEMIES TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

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 2016 has been used by the actuary in valuing the pensions liability at 31 August 2020. 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.

3. Income from donations and capital grants

	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Restricted fixed asset funds 2020 £000	Total funds 2020 £000	Total funds 2019 £000
Transfer on conversion from local authority	745	-	215	960	-
Transfer from existing Academy Trust	147	(493)	806	460	64,807
Donations	215	-	-	215	1,074
Capital Grants	-	-	3,405	3,405	4,321
Donated fixed assets	-	-	3,970	3,970	3,313
Total 2020	1,107	(493)	8,396	9,010	73,515
Total 2019	621	(3,327)	76,221	73,515	

The transfer on conversion from the local authority relates to the surplus on conversion received for a 2018/2019 convertor school. The surplus on conversion balance was not finalised as at 31 August 2019.

LIONHEART ACADEMIES TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

4. Funding for the Academy Trust's educational operations

	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Total funds 2020 £000	Total funds 2019 £000
DfE/ESFA grants				
General Annual Grant (GAG)	-	41,834	41,834	35,047
Other DfE Group grants	-	4,486	4,486	2,743
	-	46,320	46,320	37,790
Other Government grants				
Local authority grants	-	1,764	1,764	409
Other income from the Academy Trust's educational operations	958	304	1,262	520
	958	2,068	3,026	929
Exceptional government funding				
Coronavirus exceptional support	-	46	46	-
Total 2020	958	48,434	49,392	38,719
Total 2019	-	38,719	38,719	

The Academy Trust has been eligible to claim additional funding in year from government support schemes in response to the coronavirus outbreak. The funding received is shown above under "exceptional government funding".

The funding received for coronavirus exceptional support covers £46k of premises and FSM costs. These costs are included in notes 7 and 8 below as appropriate.

LIONHEART ACADEMIES TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

5. Income from other trading activities

	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Total funds 2020 £000	Total funds 2019 £000
Lettings	383	-	383	522
Income from other charitable activities	515	19	534	1,655
Total 2020	898	19	917	2,177
Total 2019	2,177	-	2,177	

6. Investment income

	Unrestricted funds 2020 £000	Total funds 2020 £000	Total funds 2019 £000
Investment income	17	17	17
Total 2019	17	17	

LIONHEART ACADEMIES TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

7. Expenditure

	Staff Costs	Premises	Other	Total	Total
	2020	2020	2020	2020	2019
	£000	£000	£000	£000	£000
Expenditure on raising funds	-	-	586	586	2,132
Academy Trust's educational operations:					
Direct costs	30,114	3,977	2,598	36,689	33,974
Allocated support costs	11,127	1,627	4,428	17,182	11,951
Teaching school	70	-	5	75	-
Total 2020	41,311	5,604	7,617	54,532	48,057
Total 2019	34,491	5,636	7,930	48,057	

8. Charitable activities

	2020	2019
	£000	£000
Direct costs - educational operations	36,689	33,974
Support costs - educational operations	17,182	11,951
	53,871	45,925
Support staff costs	11,127	6,900
Technology costs	802	-
Premises costs	1,627	1,861
Other support costs	3,559	3,116
Governance costs	67	74
	17,182	11,951

LIONHEART ACADEMIES TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

9. Net income

Net income for the year includes:

	2020	2019
	£000	£000
Operating lease rentals	57	194
Depreciation of tangible fixed assets	3,902	3,775
Fees paid to auditors for:		
- audit	35	35
- other services	11	14
	<u> </u>	<u> </u>

10. Staff

a. Staff costs

Staff costs during the year were as follows:

	2020	2019
	£000	£000
Wages and salaries	29,250	25,420
Social security costs	2,828	2,427
Pension costs	8,992	6,598
	<u> </u>	<u> </u>
	41,070	34,445
Staff restructuring costs	241	46
	<u> </u>	<u> </u>
	41,311	34,491
	<u> </u>	<u> </u>
	2020	2019
	£000	£000
Redundancy payments	241	40
Severance payments	-	6
	<u> </u>	<u> </u>
	241	46
	<u> </u>	<u> </u>

LIONHEART ACADEMIES TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

10. Staff (continued)

b. Staff numbers

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

	2020	2019
	No.	No.
Management	12	12
Teachers	654	566
Administrative staff	499	489
	<u>1,165</u>	<u>1,067</u>

c. Higher paid staff

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

	2020	2019
	No.	No.
In the band £60,001 - £70,000	10	8
In the band £70,001 - £80,000	10	7
In the band £80,001 - £90,000	3	3
In the band £90,001 - £100,000	4	-
In the band £100,001 - £110,000	1	1
In the band £120,001 - £130,000	1	-
In the band £140,001 - £150,000	-	1
In the band £150,001 - £160,000	1	-
	<u>1</u>	<u>-</u>

d. 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 £893k (2019 - £650k).

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

11. Central services

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

- Central service charge cover support for School Leaders by Executive Principal, executive support from HR, Estates, Business Management, governance, IT, legal.

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

The charges detailed below are calculated at 5.5% of GAG income for each school.

The actual amounts charged during the year were as follows:

	2020	2019
	£000	£000
Beauchamp College	647	571
The Cedars Academy	247	241
Highcliffe Primary School	81	78
Riverside Primary School	91	88
Judgemeadow Community College	393	347
Hallam Fields Primary School	27	20
The Martin High School	193	187
Sir Jonathan North College	347	174
Humphrey Perkins School	210	181
Brocks Hill Primary School	68	-
Total	<u>2,304</u>	<u>1,887</u>

12. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2019 - £NIL).

During the year ended 31 August 2020, 3 Trustees received reimbursement of travel expenses totalling £1k (2019 - £2k to 3 Trustees).

13. Trustees' and Officers' insurance

In accordance with normal commercial practice, the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £3,000,000 on any one claim. The cost of this insurance is included in the total insurance cost.

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NOTES TO THE FINANCIAL STATEMENTS
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14. Tangible fixed assets

	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 2019	134,547	4,939	2,813	32	717	143,048
Additions	6,017	493	850	-	32	7,392
Acquisitions	762	33	-	-	-	795
Disposals	(98)	-	-	-	-	(98)
Transfers between classes	3,120	(2,403)	-	-	(717)	-
At 31 August 2020	144,348	3,062	3,663	32	32	151,137
Depreciation						
At 1 September 2019	5,386	1,592	1,621	14	-	8,613
Charge for the year	2,632	645	620	5	-	3,902
Disposals	(38)	-	-	-	-	(38)
Transfers between classes	430	(430)	-	-	-	-
At 31 August 2020	8,410	1,807	2,241	19	-	12,477
Net book value						
At 31 August 2020	135,938	1,255	1,422	13	32	138,660
At 31 August 2019	129,161	3,347	1,192	18	717	134,435

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

15. Stocks

	2020	2019
	£000	£000
Books and materials	-	11
	<u> </u>	<u> </u>

16. Debtors

	2020	2019
	£000	£000
Due within one year		
Trade debtors	388	395
Other debtors	147	1,198
Prepayments and accrued income	1,208	1,693
	<u> </u>	<u> </u>
	<u>1,743</u>	<u>3,286</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

17. Creditors: Amounts falling due within one year

	2020	2019
	£000	£000
Other loans	64	67
Trade creditors	873	1,110
Other taxation and social security	438	1,277
Other creditors	524	416
Accruals and deferred income	3,450	2,267
	<u>5,349</u>	<u>5,137</u>
	2020	2019
	£000	£000
Deferred income at 1 September 2019	-	-
Resources deferred during the year	275	-
Amounts released from previous periods	-	-
	<u>275</u>	<u>-</u>

Deferred income includes the following:

Rates Rebate	£34k
Trips	£45k
SEN funding cashflow recovery	£12k
Smart card income	£29k
FSM	£130k
Capita Meals Inc	£1k
International School Grant	£2k
Catering Income	£11k
GAG overpaid	£8k
Other	£3k

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

	2020	2019
	£000	£000
Other loans	<u>163</u>	<u>281</u>

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

19. Statement of funds

	Balance at 1 September 2019 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2020 £000
Unrestricted funds						
General Funds	1,545	2,980	(1,982)	-	-	2,543
Restricted general funds						
GAG	(136)	41,834	(38,715)	(1,204)	-	1,779
Pupil premium	-	1,512	(1,512)	-	-	-
Other government grants	757	5,217	(5,974)	-	-	-
Pension reserve	(20,299)	(495)	(2,372)	-	1,023	(22,143)
	<u>(19,678)</u>	<u>48,068</u>	<u>(48,573)</u>	<u>(1,204)</u>	<u>1,023</u>	<u>(20,364)</u>
Restricted fixed asset funds						
DfE capital funds	134,438	4,991	(3,813)	-	-	135,616
Capital expenditure from GAG	2,595	3,405	(164)	1,204	-	7,040
	<u>137,033</u>	<u>8,396</u>	<u>(3,977)</u>	<u>1,204</u>	<u>-</u>	<u>142,656</u>
Total Restricted funds	<u>117,355</u>	<u>56,464</u>	<u>(52,550)</u>	<u>-</u>	<u>1,023</u>	<u>122,292</u>
Total funds	<u>118,900</u>	<u>59,444</u>	<u>(54,532)</u>	<u>-</u>	<u>1,023</u>	<u>124,835</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

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 2020.

Total funds analysis by academy

Fund balances at 31 August 2020 were allocated as follows:

	2020	2019
	£000	£000
Beauchamp College	2,702	1,862
The Cedars Academy	679	463
Highcliffe Primary School	40	(97)
Riverside Primary School	97	(7)
Judgemeadow Community College	(9)	(339)
Hallam Fields Primary School	308	222
The Martin High School	148	166
Sir Jonathan North College	571	(172)
Humphrey Perkins School	(114)	(44)
Central Services	(197)	112
Brocks Hill Primary School	97	-
	<hr/>	<hr/>
Total before fixed asset funds and pension reserve	4,322	2,166
Restricted fixed asset fund	142,656	137,033
Pension reserve	(22,143)	(20,299)
	<hr/>	<hr/>
Total	124,835	118,900
	<hr/> <hr/>	<hr/> <hr/>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

19. Statement of funds (continued)

The following academies are carrying a net deficit on their portion of the funds as follows:

	Deficit £000
Judgemeadow Community College	9
Humphrey Perkins School	114
Central Services	197
	<hr/> <hr/>

The Academy Trust is taking the following action to return the academies to surplus:

Judgemeadow Community College and Humphrey Perkins School

The deficits for the two schools are expected to reduce through efficiencies being derived through restructuring as well as from Trust-wide procurement, we anticipate these deficits further reducing during 2020/21.

Central Services

The deficit sat at Trust level was due to the Trust incurring the cost of a £400,000 Chromebook programme (to provide access to online learning for students across the Trust who did not have PCs/laptops/devices to access this learning); this cost was incurred on the basis that the Trust schools would achieve a reasonable surplus during 2019/20.

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NOTES TO THE FINANCIAL STATEMENTS
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19. Statement of funds (continued)

Total cost analysis by academy

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

	Direct staff costs £000	Other support staff costs £000	Educational supplies £000	Other costs excluding depreciation £000	Total 2020 £000	Total 2019 £000
Beauchamp College	7,186	2,331	1,042	1,433	11,992	14,510
The Cedars Academy	3,006	1,169	249	685	5,109	5,568
Highcliffe Primary School	1,068	215	43	241	1,567	1,512
Riverside Primary School	1,314	271	66	250	1,901	1,816
Judgemeadow Community College	5,052	1,325	217	1,635	8,229	7,868
Hallam Fields Primary School	334	84	28	83	529	-
The Martin High School	2,636	624	175	491	3,926	3,776
Sir Jonathan North College	4,453	1,264	432	698	6,847	3,342
Humphrey Perkins School	2,853	482	187	541	4,063	3,975
Central LAT	1,189	3,284	94	381	4,948	1,915
Brocks Hill Primary School	1,023	149	64	283	1,519	-
Academy Trust	30,114	11,198	2,597	6,721	50,630	44,282

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

19. Statement of funds (continued)

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

	Balance at 1 September 2018 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2019 £000
Unrestricted funds						
General Funds	1,106	2,814	(2,370)	(5)	-	1,545
Restricted general funds						
GAG	(65)	35,275	(35,027)	(319)	-	(136)
Other Government grants	830	4,366	(4,439)	-	-	757
Pension reserve	(8,459)	(4,218)	(1,999)	-	(5,623)	(20,299)
	<u>(7,694)</u>	<u>35,423</u>	<u>(41,465)</u>	<u>(319)</u>	<u>(5,623)</u>	<u>(19,678)</u>
Restricted fixed asset funds						
Fixed Assets	63,303	71,900	(4,222)	3,457	-	134,438
Capital Fund	1,407	4,321	-	(3,133)	-	2,595
	<u>64,710</u>	<u>76,221</u>	<u>(4,222)</u>	<u>324</u>	<u>-</u>	<u>137,033</u>
Total Restricted funds	<u>57,016</u>	<u>111,644</u>	<u>(45,687)</u>	<u>5</u>	<u>(5,623)</u>	<u>117,355</u>
Total funds	<u>58,122</u>	<u>114,458</u>	<u>(48,057)</u>	<u>-</u>	<u>(5,623)</u>	<u>118,900</u>

LIONHEART ACADEMIES TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

20. Analysis of net assets between funds

	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Restricted fixed asset funds 2020 £000	Total funds 2020 £000
Tangible fixed assets	-	-	138,660	138,660
Current assets	2,543	7,291	3,996	13,830
Creditors due within one year	-	(5,349)	-	(5,349)
Creditors due in more than one year	-	(163)	-	(163)
Provisions for liabilities and charges	-	(22,143)	-	(22,143)
Total	2,543	(20,364)	142,656	124,835

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

	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Restricted fixed asset funds 2019 £000	Total funds 2019 £000
Tangible fixed assets	-	-	134,435	134,435
Current assets	1,545	6,039	2,598	10,182
Creditors due within one year	-	(5,137)	-	(5,137)
Creditors due in more than one year	-	(281)	-	(281)
Provisions for liabilities and charges	-	(20,299)	-	(20,299)
Total	1,545	(19,678)	137,033	118,900

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NOTES TO THE FINANCIAL STATEMENTS
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21. Reconciliation of net income to net cash flow from operating activities

	2020	2019
	£000	£000
Net income for the period (as per statement of financial activities)	4,912	66,401
Adjustments for:		
Depreciation	3,902	3,775
Capital grants from DfE and other capital income	(3,405)	(4,321)
Interest receivable	(17)	(17)
Loss on sale of fixed assets	60	455
Defined benefit pension scheme obligation inherited	495	4,218
Defined benefit pension scheme cost less contributions payable	1,981	1,657
Defined benefit pension scheme finance cost	391	342
Decrease/(increase) in stocks	11	(11)
Decrease/(increase) in debtors	1,543	(1,720)
Increase in creditors	215	803
Transfer on conversion from local authority	(960)	-
Transfer from existing Academy Trust	(955)	-
Donated fixed assets	(3,970)	(71,900)
Net cash provided by/(used in) operating activities	4,203	(318)

22. Cash flows from financing activities

	2020	2019
	£000	£000
Cash (outflows)/inflows from new borrowing	(121)	348

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NOTES TO THE FINANCIAL STATEMENTS
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23. Cash flows from investing activities

	2020	2019
	£000	£000
Interest received	17	17
Purchase of tangible fixed assets	(3,422)	(2,328)
Proceeds from the sale of tangible fixed assets	-	(4)
Capital grants from DfE Group	3,405	4,321
Transfer on conversion from local authority	960	-
Transfer from existing Academy Trust	160	-
Net cash provided by investing activities	1,120	2,006

24. Analysis of cash and cash equivalents

	2020	2019
	£000	£000
Cash in hand	12,087	6,885

25. Analysis of changes in net debt

	At 1		Transfer on	At 31
	September	Cash flows	conversion	August 2020
	2019	£000	from local	2020
	£000	£000	authority/	£000
			existing	
			Academy	
			Trust	
			£000	
Cash at bank and in hand	6,885	4,082	1,120	12,087
Debt due within 1 year	(67)	3	-	(64)
Debt due after 1 year	(281)	118	-	(163)
	6,537	4,203	1,120	11,860

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NOTES TO THE FINANCIAL STATEMENTS
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26. Capital commitments

	2020	2019
	£000	£000
Contracted for but not provided in these financial statements	-	757

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. Both are multi-employer defined benefit schemes.

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

Contributions amounting to £512k were payable to the schemes at 31 August 2020 (2019 - £364k) and are included within creditors.

Teachers' Pension Scheme

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

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

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NOTES TO THE FINANCIAL STATEMENTS
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27. Pension commitments (continued)

Valuation of the Teachers' Pension Scheme

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

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

The next valuation result is due to be implemented from 1 April 2023.

The employer's pension costs paid to TPS in the year amounted to £4,551k (2019 - £4,079k).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>).

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate Trustee-administered funds. The total contribution made for the year ended 31 August 2020 was £2,510k (2019 - £2,177k), of which employer's contributions totalled £2,011k (2019 - £1,732k) and employees' contributions totalled £499k (2019 - £445k). The agreed contribution rates for future years are 24.3% for employers and 5.5% - 12.5% for employees.

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

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NOTES TO THE FINANCIAL STATEMENTS
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27. Pension commitments (continued)

Principal actuarial assumptions

	2020	2019
	%	%
Rate of increase in salaries	2.70	3.30
Rate of increase for pensions in payment/inflation	2.20	2.30
Discount rate for scheme liabilities	1.70	1.80

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

	2020	2019
	Years	Years
<i>Retiring today</i>		
Males	21.5	21.2
Females	23.8	23.4
<i>Retiring in 20 years</i>		
Males	22.2	22.2
Females	25.2	24.7

Sensitivity analysis

	2020	2019
	£000	£000
Discount rate -0.5%	5,916	5,740
CPI rate +0.5%	5,198	4,554
Salary rate +0.5%	612	1,044

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

	2020	2019
	£000	£000
Equities	14,682	13,422
Property	7,216	1,851
Cash	1,991	694
Debt instruments	995	7,174
Total market value of assets	24,884	23,141

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NOTES TO THE FINANCIAL STATEMENTS
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27. Pension commitments (continued)

The amounts recognised in the statement of financial activities are as follows:

	2020	2019
	£000	£000
Current service cost	(3,974)	(2,787)
Past service cost	(18)	(602)
Interest income	450	544
Interest cost	(841)	(886)
Total amount recognised in the statement of financial activities	(4,383)	(3,731)

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

	2020	2019
	£000	£000
At 1 September	43,440	22,264
Effect of business combinations	1,356	9,980
Current service cost	3,974	2,787
Interest cost	841	886
Employee contributions	499	445
Actuarial (gains)/losses	(2,771)	6,597
Benefits paid	(330)	(121)
Past service costs	18	602
At 31 August	47,027	43,440

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

	2020	2019
	£000	£000
At 1 September	23,141	13,805
Effect of business combinations	861	5,762
Interest income	450	544
Actuarial (losses)/gains	(1,748)	974
Employer contributions	2,011	1,732
Employee contributions	499	445
Benefits paid	(330)	(121)
At 31 August	24,884	23,141

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NOTES TO THE FINANCIAL STATEMENTS
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28. Operating lease commitments

At 31 August 2020 the Academy Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2020	2019
	£000	£000
Not later than 1 year	61	-
Later than 1 year and not later than 5 years	131	-
	<u>192</u>	<u>-</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 Judgemeadow Community College. The commitment is for a period to May 2034 and is currently £1,070k per annum for the year ended 31 March 2021, indexed by inflation each year. The charge for the period is £1,046k which 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.

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 Academies Financial 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. The following related party transactions took place in the financial period.

Expenditure Related Party Transaction:

D Kadodwala (a trustee) provided educational services to the Trust totalling £2,000. There is no year end creditor.

In entering into the transaction, the academy trust has complied with the requirements of the Academies Financial Handbook.

31. Post balance sheet events

Beauchamp City 6th Form, a new free school of the Trust, opened from September 2020.

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NOTES TO THE FINANCIAL STATEMENTS
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32. Agency arrangements

The Academy Trust distributes 16-19 bursary funds to students as an agent for the ESFA. In the year it received income of £87k and disbursed expenditure £77k from the fund. An amount of £10k is included in other creditors relating to undistributed funds that are repayable to the ESFA.

33. Transfer of existing academies into the Academy Trust

Brocks Hill Primary School

	Value reported by transferring trust £000	Transfer in recognised £000
Tangible fixed assets		
Long-term leasehold property	762	762
Furniture and equipment	33	33
Current assets		
Cash at bank and in hand	160	160
Pensions		
Pensions - pension scheme assets	861	861
Pensions - pension scheme liabilities	(1,356)	(1,356)
Net assets	<u>460</u>	<u>460</u>

LIONHEART ACADEMIES TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

34. Teaching school trading account

	2020	2020	2019	2019
	£000	£000	£000	£000
Income				
Direct income				
Other income	108		30	
Total income		108		30
Expenditure				
Direct expenditure				
Direct staff costs	70		28	
Other direct costs	5		10	
Total direct expenditure	<u>75</u>		<u>38</u>	
Total expenditure		<u>75</u>		<u>38</u>
Surplus/(deficit) from all sources		<u>33</u>		<u>(8)</u>
Teaching school balances at 1 September 2019		(8)		-
Teaching school balances at 31 August 2020		<u><u>25</u></u>		<u><u>(8)</u></u>

