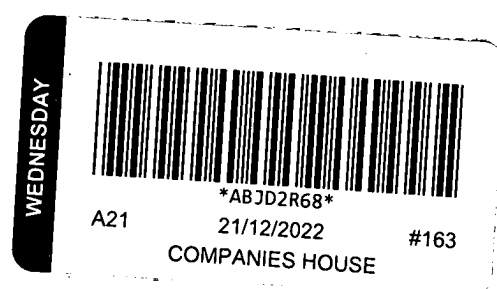


Company registration number 09161091 (England and Wales)

LION ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022



LION ACADEMY TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Members

R A Clare
C Weiss (Appointed 1 September 2021)
G Kerr (Appointed 1 September 2021)
K Hameed (Appointed 1 September 2021)
S Black (co-opted member) (Appointed 29 September 2022)

Trustees

R Thompson-Clarke (Chair of Trustees)
J James (Accounting Officer)
B Hotz (Appointed 1 September 2021)
A Southwick (Appointed 1 September 2021)
N Kruger
O Coleman-Green
N Gordon

Senior leadership team

- Chief Executive Officer and Executive Head of School - Barclay Primary School and Maple Grove Primary	J James
- Deputy Chief Executive Officer	H Tyers
- Chief Financial Officer	D Bond
- Executive Head Teacher - Sybourn Primary School and Thomas Gamuel Primary School	A Bocchi
- Executive Head Teacher - Brook House Primary School and Leigh Beck Junior School	A Wright

Company secretary

D Miller

Company registration number

09161091 (England and Wales)

Principal and registered office

Barclay Primary School
155 Canterbury Road
London
E10 6EJ

LION ACADEMY TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Academies operated	Location	Head Teacher
Barclay Primary School	155 Canterbury Road, London, E10 6EJ	T Mitchell
Sybourn Primary School	3 Sybourn Street, London, E17 8HA	J Boukadida
Thomas Gamuel Primary School	Colchester Road, London, E17 8LG	P Acheson
Warwick Academy	20 Dulley Avenue, Wellingborough, Northamptonshire, NN8 2PS	D Jukes
Ruskin Infant School	Ruskin Avenue, Wellingborough, Northamptonshire, NN8 3EQ	C Starnes
Ruskin Junior School	Ruskin Avenue, Wellingborough, Northamptonshire, NN8 3EQ	S Oswald
Olympic Primary School	Olympic Way, Queensway, Wellingborough, Northamptonshire, NN8 3QA	M Bolger
Brook House Primary School	881 High Road, Tottenham, London, N17 8EY	L Renwick
Maple Grove Primary School	High Road, Pitsea, Basildon, SS13 3AB	D Lough
Leigh Beck Junior School	Point Road, Canvey Island, Essex, SS8 7TD	S Crump
Independent auditor	RSM UK Audit LLP 25 Farringdon Street London EC4A 4AB United Kingdom	
Bankers	Lloyds Bank PO Box 1000 Andover BX1 1LT	
Solicitors	Browne Jacobson LLP 15th Floor 6 Bevis Marks London EC3A 7BA	

LION ACADEMY TRUST

TRUSTEES' REPORT

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year 1 September 2021 to 31 August 2022. The Trustees' Report serves the purposes of both a trustees' report, and a directors' report and strategic report under company law.

The Academy Trust operates seven primary academies in Waltham Forest and Northamptonshire, as well as one academy in Haringey and two in Essex. Its academies have a combined pupil capacity of 4,923 and had a roll of 4,334, in the school census on October 2022. For further information on the structure of the Trust and co-operation with other organisations, see page 4.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The structure of the organisation undertook a significant change at the start of the reporting period, on 1 September 2021. Previous to this date two Trusts, Lionmat Closed and Lion Academy Trust, operated in close partnership. As part of this partnership, group consolidated reporting had previously been undertaken by Lionmat Closed. On 1 September 2021, Lionmat Closed transferred all assets, liabilities, activities and staff to Lion Academy Trust. This was undertaken following the two Trust's engagement with the Education and Skills Funding Agency. Following the transfer a single entity exists, Lion Academy Trust, and our Trustee Report and associated financial statements reflect the former group reporting undertaken by Lionmat Closed and have been prepared to ensure consistency for all relevant stakeholders through the prior year, ending 31 August 2021, values being restated to reflect the overall group organisation.

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 Charitable Company, which is also referred to as "the Company" within this report, is known as Lion Academy Trust.

The trustees of Lion Academy Trust are also the directors of the Charitable Company for the purposes of company law.

Details of the Trustees who served during the year are included in the Reference and Administrative Details on page 1.

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.

Trustees' indemnities

The Academy Trust has opted into the Department for Education's Risk Protection Arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust business. It is not possible to quantify the Trustees and officer's indemnity element from the overall cost of the RPA scheme.

LION ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

Method of recruitment and appointment or election of Trustees

The number of Trustees shall be not less than three but (unless otherwise determined by ordinary resolution) shall not be subject to any maximum.

Subject to Articles 48-49 and 53, the Company shall have the following Trustees:

- a. Up to 5 Trustees, appointed under Article 50;
- b. A minimum of 2 Parent Trustees elected or appointed under Articles 53-56
- c. Providing that the Chief Executive Officer agrees so to act, the Members may by ordinary resolution appoint the Chief Executive Officer as a Trustee (Article 57), and,
- d. The Company may also have any co-opted Trustees under article 58.

Trustees are appointed for a term of 4 years, with the exception of Parent Trustees who are appointed for a term of 1 year. Subject to remaining eligible, any Trustee may be re-appointed or re-elected. The Chief Executive Officer shall be a Trustee for as long as he remains in office as such.

Future Trustees shall be appointed or elected, as the case may be, under the Articles. Where it is not possible for such a Trustee to be appointed or elected due to the fact that an Academy has not yet been established, then the relevant Article or part thereof shall not apply.

The Members may appoint Trustees through such process as they may determine.

Policies and procedures adopted for the induction and training of Trustees

Trustees are recruited to meet with the needs of the Trust to support its continued development and growth. Where a skills gap is identified, or an appropriately experienced candidate for the Board is identified, the interview and appointment of further Trustees is a matter reserved for the Board, subject to the provisions of the Trust's Articles.

Induction will provide training on charity and educational, legal and financial matters. All new Trustees are given a tour of the Academy Trust and the chance to meet with staff and students. All Trustees are provided with copies of policies, procedures, minutes, budgets, plans and other documents that they will need to understand their role as Trustees of the Academy Trust.

Trustees also have access to the Governing Body Services Training provided by London Borough of Waltham Forest as part of the Lion Academy Trust Service Level Agreement. Trustees have access to ongoing training, to meet the requirements of their role, via this service level agreement in addition to training provided by the Trust's continuous professional development platform. Regular reporting against mandatory, and optional, training is maintained by the London Borough of Waltham Forest across both training routes. Training undertaken for Trustees and Parent Advisory Board members during the last year include safeguarding training and specific training to understand and challenge the implementation of the Trust's curriculum and pedagogy within schools.

LION ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

Organisational structure

The Academy Trust has established a management structure to enable its efficient running. The structure consists of three levels: The Members, Trustees and the Executive who are the Senior Leadership Team. The Board of Trustees has considered its role thoughtfully and decided that the role of the Trustees is to approve the strategic direction and objectives of the academies and monitor their progress towards these objectives. The Board of Trustees has delegated authority to the Chief Executive Officer and the Senior Leadership Team (see page 1) to make executive decisions over the day to day running of the Trust, in accordance with the published Scheme of Delegation.

The Board of Trustees has approved a scheme of delegation to three committees. The committees will carry out key duties and make recommendations on the system of internal control, responsibilities, standing orders, a scheme of delegation and terms of reference. Trustees are responsible for setting general policy, adopting an annual plan and budget, monitoring the Academy Trust by use of budgets and making major decisions about the direction of the Academy Trust, including capital expenditure and senior staff appointments. At school level, the Parental Advisory Bodies (PAB) makes recommendations to the three committees with a specific focus on Safeguarding, Curriculum and Standards. The PAB consists of parents, staff and community representatives; the Head of School is a member of the PAB by virtue of their office. Co-opted Members are appointed by the PAB and are people, who in the opinion of the Board, have the skills required to contribute positively to the well-being of the school. Parent and staff members are elected to the PAB by the parent and staff body respectively.

On 1 September 2021, the Trustees of Lionmat transferred the assets and activities of Lionmat to the Academy Trust at which point the Academy Trusts reviewed its governance structures and documents in order to ensure the new organisational structure is reflective of a strong and modern multi-academy trust.

Up to the comparative reporting date, Lionmat Closed ('Lionmat') was a member of the Academy Trust and the two Academy Trusts, whilst legally separate, functioned in accordance with the terms of the Trust Organisational Service Level Agreement (the 'SLA'). Lionmat provided the function and services to the Academy Trust as agreed by the Board who evaluated and assessed the impact of this agreement. The Board functioned outside of Lionmat but both Boards worked closely together to impact directly on the schools they served. The Academy Trust was also a part of the multi-academy Trust formally run by the Lionmat. Refer to note 25 - Related party transactions for further details.

Examples of the improved organisational structure within the newly merged Academy Trust include a clear separation between members and Trustees, with no person holding both roles. We have also ensured that the number of staff acting as Trustees reflects the Department for Education's preference that only the employee acting as a Trustee is the Chief Executive Officer. Additionally, no employees are members. This clarity of structures ensures segregation of duties and increases the ability of each successive governance layer to execute the duties of their offices independently.

Arrangements for setting pay and remuneration of key management personnel

Key management personnel comprise the Trustees and Senior Leadership Team as listed on page 1.

The Academy Trust has clear processes and policies set out in the Pay Policy Document for all school staff and school senior leaders. The Academy Trust's Senior Leadership Team are employed in line with single status requirements and all roles are benchmarked via Human Resources (HR). Trust Executive appointments and remuneration are agreed via the Finance and Resources Committee through a process annually of setting budgets and staffing structures. These are approved by the Board. All senior executive roles are also benchmarked to ensure consistency and value for money by HR. Trustees are involved in all appraisal processes for Head of Schools and Senior Executives which is reported back to the Board. The Trust Financial Management Policy outlines the rules around appointments in line with the Academies Financial Handbook.

The Pay Policy Document and Financial Management Policy are reviewed and updated annually.

Trade union facility time

There were no Trade Union representatives or time spent on Trade Union activities during the year or comparative year.

Streamlined energy and carbon reporting

This content is included under that heading within the strategic report section.

LION ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

Related parties

Trustees have processes in place to monitor potential conflicts of interest and transactions with related parties. Transactional reporting against the register of interests, for Trustees and senior management, are produced regularly and provided to Trustees. There have been no related party transactions during the year which require disclosure to, or permission of, the Education and Skills Funding Agency as per the Academy Trust Handbook.

It should be noted, that until 31 August 2021 the Trust had an extensive relationship with Lionmat Closed. This was expressed through an organisational level agreement, Lionmat Closed having control over Lion Academy Trust, and resultant group statutory reporting under Lionmat Closed. Lionmat Closed charged Lion Academy Trust during prior reporting years, up to 31 August 2021, for services provided. Following the merger on 1 September 2021, where all activities of Lionmat Closed were transferred to Lion Academy Trust, this organisational agreement, and the control of Lion Academy Trust by Lionmat Closed, was dissolved. No related party exists during the 2021/22 reporting year between Lionmat Closed and Lion Academy Trust as a result.

Engagement with employees (s172 reporting)

Employee engagement during the 2021/22 financial year has been regular and continues to operate at an increased level, as per 2020/21, as a result of the pandemic that affected the UK since late January 2020. Clear understanding of issues impacting employees has been critical to ensure every team member is available and ready to productively support childrens' learning.

The Academy Trust has developed its arrangements for providing information on matters that concern employees. Regular updates from the Executive team, school leadership teams and the finance team ensure that employees are well informed of developments. Safeguarding forums and inclusion teams continued to be effective to support this.

The Academy Trust has continued the processes implemented during 2019/2020 for consulting employees regularly so that their views can be considered in making decisions that affect their interests. Throughout the year, regular staff surveys were completed to support the development of the appropriate risk assessment and safety measures throughout the periods of closure and reopening. This focused on safety measures, wellbeing of staff and the views of all stakeholders in what additional measures or training needs were required as education returns to normal. The Trust is pleased to have been able to work constructively with staff to respond to the needs of our community and the reopening of our schools to all children during the year.

The schools within the Academy Trust use online solutions and staff view from OFSTED to survey staff on an annual basis. Staff complete an in-depth confidential online questionnaire covering all aspects of their employment experience including continuous professional development (CPD), how they feel supported by their peers, colleagues, line managers and the leadership teams and giving staff the opportunity to address issues.

The Academy Trust has also continued the working party across its schools to reduce workload for staff which it implemented but still ensured quality education provision.

LION ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

Our Senior Leadership Team operate an 'Open Door' policy whereby staff are encouraged to engage with managers and through appraisal the professional development and support for staff is identified and put in place. Staff are also allocated mentors to support their development and through the Trust, staff received bespoke CPD support and training. This offer is supplemented by a training and development programme that has been designed to support staff at all levels to be able to develop. This is through the national college.

The Academy Trust engages the services of Human Resource, Finance and Legal experts and offers an Occupational Health Service through Maitland Medical to meet employees' needs.

The Academy Trust undertook consultation on employee policy changes to staffing conditions following the merger of the two Academy Trusts, engaging both unions and employees directly.

The Academy Trust has further developed its processes to achieve a common awareness of the Trust's performance. All educational staff benefitted from regular training days delivered by the Executive team and all training sessions focused on the Trust's priorities, progress against these, as well as the performance of the Trust over time. Non-educational teams continued to be a priority for 2021/22 with the embedding of an appraisal process to support career development and give opportunity to celebrate the successes of those who support our educational teams. In addition to this, the Senior Leadership Team meet regularly to review these and to support the local delivery of the overarching priorities. These were also incorporated into the appraisal process. This also ensured that staff are aware of the common factors affecting the performance of the Trust. During 2022/23 the embedding of the appraisal process for non-educational teams will continue to be a priority.

The Academy Trust has maintained its arrangements and policies in respect of applications for employment from disabled persons, the treatment of employees who become disabled and the training, career development and promotion of disabled persons. The Trust considers all applications from people with a disability bearing in mind the aptitudes of the individuals concerned. Where an existing employee becomes disabled, every effort is made to ensure that employment with the school continues and provides appropriate training, career development and opportunities for promotion.

Engagement with suppliers, customers and others in a business relationship with the Academy Trust

The Trust has ongoing engagement strategies with ongoing suppliers to secure supplies and services for the Trust and its schools; while ensuring value for money is achieved. This typically includes regular supplier reviews in addition to ensuring key performance indicators are met by suppliers.

We understand that a supplier knowing they will be paid promptly, to enable them to maintain their business and pay their staff is critical. We are proud to take part in the Department for Business, Energy & Industrial Strategy reporting on Prompt Payment Practices and are pleased to compare favourably to our peers, and UK averages, in terms of time taken to pay suppliers with an average of 7 days taken from invoice to receipt to pay suppliers.

The Trust maintains engagement with the families who we serve in a number of manners. There are the communication types typical of the primary school sector to inform parents of school activity such as; newsletters, mobile apps, text services, and information via the school websites. In the prior year the opportunity to meet with parents and families face-to-face decreased due to restrictions in relation to the pandemic. However, we are pleased to have been able to re-engage parents through community events, regular meetings, and parents evenings. At a strategic level parents' representation is directly engaged at the Trust level through the Trust Board appointment of a minimum of two parents from our community. Also, at the school strategic level each school has a Parent Advisory Board to input into critical issues for each school. We have in place a parent communication phone app to ensure all schools have a clear communication channel with parents bringing together the most important functions to parents in a single platform. We have also engaged in parental surveys, across the whole Trust, to understand how our remote educational offering was meeting the needs of pupils during school closure periods.

LION ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

OBJECTIVES AND ACTIVITIES

Objects and aims

The principal objective and activity of the Academy Trust is the operation of its current and prospective schools to provide a broad and balanced education for pupils of all abilities.

The main objectives of the academies during the period are summarised below:

- To establish, maintain, carry on, manage and develop the efficient operation and quality of education within each school in the Academy Trust.
- To provide outstanding educational facilities, a high standard of teaching and learning and a diverse range of extra-curricular opportunities for all the pupils and the community.
- To provide a broad and balanced curriculum including English, Mathematics, Science, Religious Education, specialist teaching, innovation, specialist ICT and a daily act of collective worship through a broad pastoral programme.
- To ensure an outstanding level of education achievement of all pupils and for those schools not yet judged as "good" to make rapid and sustained progress so as to be judged minimum good in the shortest space of time.
- To provide value for money for the funds expended.
- To comply with all appropriate statutory requirements; and
- To conduct the Academy Trust's business in accordance with the highest standards of integrity, probity and openness.

The Academy Trust's objectives for 2021/22 academic year were as follows:

Priority 1

To continue to improve the quality of education for all pupils, so that outcomes improve, but especially for:

- Those that are disadvantaged.
- Those that are looked after.
- Those with special educational needs.

This means that:

- Pupils develop detailed knowledge and skills across the curriculum and this means that they achieve consistently well and make strong progress from their starting point.
- SEND pupils achieve exceptionally well.
- Pupils' work across the curriculum is consistently of a high quality.
- Pupils read widely and often, with fluency and comprehension appropriate to their age and are able to access the full curriculum offer.
- They are able to apply mathematical knowledge, concepts and procedures appropriately for their age
- In Olympic Primary School and Warwick Academy, the standards improve rapidly and these are in line with national standards.

Priority 2

To further develop the leadership teams so that they are sustainable, highly effective and are able to lead the curriculum, particularly through the implementation of the trusts reading, writing, mathematics and spelling strategies. They are able to model and deliver on the secure, consistent and effective implementation of all strategies and policies across the school and are able to rigorously and impartially analyse the impact.

This means that:

- It is evident from what teachers do that they have a firm and common understanding of the trust strategies and what this means for their practice.
- Across the school, series of lessons contribute well to delivering the strategies.
- Lessons are well sequenced and address the curriculum content gaps in learning using the trust pedagogy that supports the development of assessment proficiency.
- Leaders are able to analyse the vast range of information within the school, particularly assessment information, so that the necessary changes are made in a timely manner.
- Children's work across the curriculum is of a high quality.
- In addition to this, the culture within the Trust and each school supports the development of discretionary effort with all staff.

LION ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

Priority 3

To further improve teaching across all subjects and to ensure that the early years education delivered is of an excellent standard.

This means that all educational staff:

- Use all assessment effectively to plan lessons that meet the needs of all the children.
- Present subject matter clearly, through effective modelling and precise learning intentions and success criteria.
- Check pupils' understanding systematically, identify misconceptions accurately, and provide clear and direct feedback. This includes in focus groups, mini plenaries and the use of ABC's to support the development of assessment proficiency.
- Make sure that the work given to pupils is demanding, and matches the aims of the curriculum.
- Prioritise reading, including early reading and the provision for the lowest 20%, that allows children to access the full curriculum offer.
- Teachers develop the subject knowledge, particularly in mathematics that enables them to effectively deliver high quality lessons that leads to rapid and sustained progress across the schools.
- Develop children's assessment proficiency through giving children regular and meaningful opportunities to discuss, reason, justify and apply their thinking (particularly in Numeracy).
- Ensuring that all adults, including those that are 1:1 and delivering intervention, have a strong impact on the progress that children make.

Priority 4

Ensure that the non-educational staff are efficient, effective and support the schools to provide a high quality education.

Whilst educational staff are working hard to improve teaching and outcomes for children, the rest of the team are focusing on improving the efficiencies across the schools so that:

- There is consistent and accurate implementation of the Trust operational strategies, processes, policies and procedures across all aspects of school and Trust operational management.
- Staff are well led and supported to develop.
- The implementation of all HR policies is consistent across all schools.
- The schools and the Trust are financially healthy and the children benefit from this.
- The schools are healthy and safe places to learn.
- Outsourced providers are managed effectively and provide a high quality service for the trust.
- Financial management of the schools and trust means that there are sufficient resources to deliver a high quality education.

Priority 5

To continue to ensure that leaders deliver a high quality education in the Early Years Foundation Stage ('EYFS') that is of an exceptional quality and gives the children the best possible start to school.

This means that leaders are expert in the delivery of the EYFS handbooks and all trust processes are implemented to the standard required and leads to:

- Staff that are knowledgeable about the areas that they teach and the typical development and learning of children in the EYFS including the emotional and physical dependence on adults.
- Staff who present information clearly to children. They are able to develop the foundations of assessment proficiency through promoting appropriate discussions, communicating well to check understanding, identify misconceptions, and respond and adapt their teaching and the provision so that it meets the needs of all children.
- Children develop a love of reading and early mathematics through learning that is developed in a way that excites and engages them with new ideas, concepts and vocabulary.
- There is a learning environment, both indoor and outdoor, that supports the delivery of an ambitious and coherently planned curriculum that is rich in resources that meet the needs of all groups of learners.
- The staff support the children's emotional security development of their character.

LION ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

Public benefit

In setting the objectives, the Trustees have given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education. The Trust operates a number of primary schools, providing EYFS, Key Stage 1 (KS1), Key Stage 2 (KS2) education to pupils in its catchment areas of Waltham Forest, Haringey, Essex and Northamptonshire.

STRATEGIC REPORT

Achievements and performance

Key Success of the Academy Trust in 2021 – 2022

Whilst the below results have not been published, the trust have retained these as a key measure of performance. Despite the significant impact of the pandemic on education, the trust continued to focus on improving teaching and outcomes across the schools and as a result, as a trust, the outcomes were significantly above the national average in all key stages.

In the Early Years Foundation Stage, 72% of children met the early learning goal. This is significantly above the national average of 65%. Disadvantaged children also outperformed their peers nationally.

In Phonics, the trust's excellent record has been maintained and 83% of the children passed the phobics test. This is significantly above the national average of 76%. Disadvantaged children performed as well as their peers nationally.

In key stage 1, the proportion of children that achieved the expected standard in reading, writing, mathematics and the combined RVM was significantly above the national average. Disadvantaged children also outperformed their peers nationally.

- In reading, 78% of children met the expected standard which is significantly above the national average of 67%
- In writing, 75% of children met the expected standard which is significantly above the national average of 58%
- In mathematics, 73% of children met the expected standard which is significantly above the national average of 54%
- When looking at the proportion of children who achieved the expected standard in reading, writing and mathematics, 73% of the children achieved this compared to the national average of 54%

In Key Stage 2, the proportion of children that achieved the expected standard in reading, writing, mathematics and the combined RVM was significantly above the national average. Disadvantaged children outperformed their peers nationally in reading and writing and were in line with mathematics and the combined standard.

- In reading, 79% of children met the expected standard which is above the national average of 74%
- In writing, 84% of children met the expected standard which is significantly above the national average of 69%
- In mathematics, 78% of children met the expected standard which is significantly above the national average of 71%

When looking at the proportion of children who achieved the expected standard in reading, writing and mathematics, 69% of the children achieved this which is significantly above the national average of 59%.

LION ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

COVID-19 impact

The impact of the pandemic continued to be noticeable in early 2021/22, through the need to manage infection risk and related pupil and staff absence. As the year progressed, this risk significantly reduced with our actions reflecting regularly updated government guidelines. There was no significant cost or educational impact as a result of COVID-19 during the year.

Volunteers and Fundraising

Volunteers were not used to support the Trust in managing the changed circumstances.

The Trust does not use any external bodies to fundraise on its behalf. Any fundraising conducted by the Trust is through the individual schools and relates to events participated in by its students. These events are opt-in activities that families and students may choose to participate in, such as a fete or fireworks event, and care is taken to ensure vulnerable persons do not feel pressured into participation. Funds raised through these events are reflected in our Statement of Financial Activities. These are reported to the respective school's local governing body, which has oversight of such activities. There is no targeting of related parties and no complaints have been received during this or the preceding year.

Financial review

Most of the Academy Trust's income is obtained from the Education and Skills Funding Agency (ESFA) or relevant local authority in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received during the 12-month period ended 31 August 2022 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The Academy Trust also received grants for capital expenditure from the ESFA. In accordance with the Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), such grants are shown in the Statement of Financial Activities as restricted income in the restricted fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

Operating Income

Total operating income for year ended 31 August 2022 was £27.7m (2021: £27.9m). For the year ended 31 August 2022 DfE revenue was £23.2m (2021: £23.0m) which included recovery premium funding of £0.2m (2021: £0.3m of catch up premium), other DfE/ESFA COVID-19 funding of £0.2m (2021: £nil), capital grants and donations were £0.7m (2021: £1.1m), other government grants were £2.7m (2021: £2.1m), while trading and miscellaneous revenues were £1.0m (2021: £0.5m). In addition, during the year, other non-DfE/ESFA COVID-19 funding of £0.01m (2021: £0.1m) was received by the Trust to aid the Trust in dealing with the impact of the COVID-19 pandemic on both the students and the schools' ability to provide teaching. In the prior year, the Academy Trust also received net funds amounting to £1.2m in respect of the transfer on conversion of Ruskin Infant School.

Operating Expenditure

Total operating expenditure for the year ended 31 August 2022, excluding depreciation and pension scheme adjustments, was £31.0m (2021: £25.3m). Direct costs (excluding depreciation) accounted for 63% (2021: 61%) of the total operating expenditure.

Impact of capital items, depreciation and pension scheme adjustments

Once depreciation and pension scheme adjustments are included, total income for the Trust was £27.7m (2021: £28.0m) offset by total expenditure of £31.0 (2021: £28.1m), resulting in a net decrease in funds of £3.3m (2021: £0.1m).

LION ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

COVID-19

It should be noted that the Trust's finances have been secure during the year and into the 2021/22 year. The core funding the individual academies receive is derived from Government Funding; either via the ESFA or the Local Authorities. Where the Trust has seen some impact, such as a reduction in sales of paid for school meals or educational visits, the Trust has seen a subsequent reduction in the associated cost basis. It is worth noting constraints were in place to the ability of our schools to offer extended services such as breakfast clubs early in the year, however these returned to normal operation within the second half of the year.

Whilst the Trust did not require access to the Coronavirus Job Retention Scheme, additional recovery premium and other non-ESFA/DfE funding was received in order to combat the impact of COVID-19 on the Trust.

No additional expenditure, beyond normally incurred cleaning operations, was incurred in the year to support virus control measures.

As the Academy Trust does not hold any investments, beyond cash and cash equivalents with Lloyds, the market volatility arising from COVID-19 does not have a direct impact on the Trust. However, it is noted the LGPS defined benefit pensions do hold investments as part of the investment strategies they follow which may result in short to medium term impact to the LGPS valuations.

Reserves policy

The level of reserves held takes into account the nature of income and expenditure streams, the need to match them with commitments, including future capital projects, and the nature of reserves. The Trustees will keep this level of reserves under review but will seek to maintain a contingent reserve at any one time equivalent to 10-15% of the total revenue received by the Company during the year; with the total revenue in 2021/22 at £27,666,822 this equates to between £2,766,682 and £4,150,023. The Academy Trust's unrestricted funds as at 31 August 2022 were £1,903,602 (2021: £1,889,446) and the Academy Trust's restricted funds (excluding pension reserve and restricted fixed asset reserves) were £3,026,613 (2021: £3,499,412). At the reporting date, the Academy Trust's reserves exceeded the target range above as a result of pragmatic savings. Trustees had targeted £313,000 in the prior year of these reserves on a catch-up programme during 2021/22, where an additional twelve teachers were put in place across the Trust, supported through recovery premium of £189,134 which was received in 2021/22. The Trustees have also set an ambitious investment from the centrally held School Improvement Reserve of £487,000 in 2022/23 directly aligned at supporting pupil outcomes.

In prior years, the Academy Trust decided to internally manage staff absenteeism insurance and school improvement reserves. These reserves have been earmarked by the Academy Trust to provide support to children outside existing budgeted interventions. The Trustees have maintained these reserves, at a similar level as 2020/21 having replenished these in-year. At the reporting date, these reserves totalled £751,401 (2021: £755,600) and are included in restricted funds carried forward.

Academy Trust funds that can only be realised by disposing of tangible fixed assets were £40,509,162 (2021: £40,714,549).

The Academy Trust's share of the Local Government Pension Scheme currently has a deficit of £5,558,000 (2021: £16,021,000). Under the Charities SORP, it is necessary to charge projected deficits on the Local Government Pension Scheme (LGPS), which is provided to support staff, to a restricted fund. This results in reducing reserves shown in the total funds of the Academy Trust. It should be noted that this does not present the Academy Trust with any current liquidity problem. During the year the employer contributions were assessed, and employer contribution rates adjusted to bring a further reduction in this pension deficit in future, although this may not be achieved until stock market investment values start to recover.

Disclosure of funds is also provided in note 25 to the financial statements.

LION ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

Investment policy

Investments must be made only in accordance with written procedures approved by the Board of Trustees. All investments must be recorded in sufficient detail to identify the investment and to enable the current market value to be calculated. The information required will normally be the date of purchase, the cost and a description of the investment. Additional procedures may be required to ensure any income receivable from the investment is received.

The Academy Trust aims to manage its cash balances to provide for the day to day working capital requirements of its operations, whilst protecting the real long-term value of any surplus cash balances against inflation. In addition, the Academy Trust aims to invest surplus cash funds to optimise returns but ensuring the investment instruments are such that there is no risk to the loss of these cash funds. Guiding principles are as follows:

- To ensure adequate cash balances are maintained in the current account to cover day to day working capital requirements.
- To ensure there is no risk of loss in the capital value of any cash funds invested.
- To protect the capital value of any invested funds against inflation; and
- To optimise returns on invested funds.

Regular cash flows are to be prepared and monitored to ensure there are adequate liquid funds to meet all payroll related commitments and outstanding supply creditors that are due for payment. Where the cash flow identifies a base level of cash funds that will be surplus to requirements, these may be invested only in the following:

- Lloyds Bank 32-day or 95-day notice account and Lloyds Bank 1-year deposit

The strategic centralisation of the school bank accounts has provided additional long-term investment opportunities. All long-term investment proposals will undergo a risk and liquidity assessment and will require Board's approval.

Key performance indicators

The Trust measures a number of financial and non-financial KPIs in order to assess the Trust's performance. Financial KPIs include a consideration of the Trust's levels of funding, overheads and reserves held by the Trust. Specifically:

- Funding levels are proportionate. Total income, excluding Donations – transfers from local authorities, was £27,667k (2021: £26,786k) representing an increase of 3.3%;
- Overheads charges were budgeted at 7.4% (2021: 8.1%) of overall school income. During 2022 total overhead charges for central services were decreased to £1,917k (2021: £2,029k). This equates to 6.9% of income (2021: 7.6%). Of the budgeted 7.4% (2021: 8.1%) overhead charges 1.0% (2021: 1.4%) were in relation to the cost of operating the Trust and 6.4% (2021: 6.7%) on the provision of services the schools would normally buy direct. The efficiency in this area is achieved through group purchasing, efficient processes, and a strong ethos of control within the Trust;
- Reserves are built within the Trust to enable reinvestment in educational and environmental improvements at the schools. During the year, the General Annual Grant reserve, which is restricted for use for the Trust's educational purpose, has reduced to £3,027k (2021: £3,324k). The Trustees are reviewing reserve levels during the coming year to ensure strategic opportunities for use are considered. This has been achieved through pragmatic savings achieved in supplies and services.

The Trust's non-financial KPIs normally include nationally published measures on pupil attainment and progress, however these have not been available due to the pandemic for the 2020/21 or 2021/22 periods. The Trust also considers the Ofsted ratings achieved are an important KPI, with the expectation all schools receive a 'Good' or 'Outstanding' rating on inspection. During the year five schools were inspected by Ofsted, receiving four 'Good' ratings and one 'Outstanding'. At the year end six schools in the Trust had current Ofsted ratings; five were good and one outstanding.

The Trustees have considered the Trust's financial performance against the KPIs set for the year and consider the performance to be satisfactory. Further analysis of actual performance against target can be found within the Financial Review and Reserves Policy sections of this report above. The Academy Trust member schools are continuing to generate a positive cash flow operationally through effective budget analysis and regular monitoring despite significant financial pressure within the sector. The Trust has worked with schools to invest from school fund reserves during the current period, contributing to site improvements, which has contributed to a net reduction in cash held by the Trust.

LION ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

Infrastructure and Build Environments

The successful deployment of capital grants and Trust-generated reserve funds to tackle ongoing estate condition and suitability challenges remains a feature of how well the Trust marries the challenges of taking schools with significant legacy issues (including mismanagement by the formerly responsible bodies) and transforms schools into meeting the 'Trust standard' - whereby all pupils are guaranteed an equitable and positive learning environment.

The range of issues across the existing schools in the Academy Trust are actively understood and assessed on a regular basis via the Infrastructure, IT and Premises sub-committee - acting as a forum for capital and revenue upgrades and remedial activities across the estate to be evaluated. The definition of a Trust-wide estates strategy and improving on the use of estate and condition data has allowed schools to focus their efforts in-year towards addressing programmes of improvement or enhancement - with support from the Trust; or where health and safety issues or larger, more complex technical schemes emerge, then working with the Trust to fund these directly.

In terms of SCA-funded projects, the Trust has worked to ensure that there has been both a targeting of funds to meet the more pressing needs but also that there has been an equitable distribution across all sites within the Trust's domain. Following the whole-estate review of roofing and WC areas within the schools; work commenced through SCA to address known conditions with roofing and toilet programmes across a number of schools commencing in the summer of 2022.

Capital Funding - EFSA / DfE

The Trust continues to benefit from the SCA funding - based on a formula-driven approach from the EFSA. This, linked with the operational efficiencies driven by the Trust central operational leadership structure, has generated substantial capital funding opportunities within the Trust for the benefit of the pupils and schools - and remains a hallmark of the leadership of the Trust in meeting the serial challenges that require capital funding to address.

Health and Safety

The Academy Trust continues to work diligently to meet our Health and Safety compliance requirements. No new or priority issues were reported for this period either by Worknest (Academy Trust's procured Health and Safety Inspectors) or our Senior Safety Officer ("SSO") and local estates teams.

Going concern

The Academy Trust derives the majority of its funding from the Education and Skills Funding Agency; either directly or via Local Authorities disbursement of funds they receive for educational services. There are no material uncertainties regarding the going concern of the Academy Trust.

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

Promoting the success of the Charitable Company

The success of the Charitable Company is maintained through long term strategic planning by the Board of Trustees through ensuring the needs of the families we serve are being met. At the heart of the Academy Trust is our belief that School sets children up for life. Every activity the Trust undertakes is directly related to this belief and through this we make certain we deliver positive outcomes for our pupils and the wider community. The membership of the Board of Trustees includes a minimum of two parents, from our school communities, to ensure direct alignment of the decisions made against this important stakeholder group. The Parent Advisory Boards at each school, acting as a committee of the Board of Trustees, also ensures representation of the views of the wider parent and staff community and provides relevant feedback to the Board.

When making decisions, the Board of Trustees considers the impacts on our stakeholder groups, as discussed in the prior sections regarding Engagement with employees and Engagement with suppliers, customers, and others in a business relationship with the Trust. The Board of Trustees makes all decisions mindfully to ensure alignment with our educational purpose while ensuring we maintain high standards of business conduct. The Trustees are also mindful of the need to act fairly in its decision making for each of our schools. To see further details of how the Trust engages employees, suppliers, and customers, and others; please see pages 5 and 6 of this report.

LION ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

Plans for future periods

Educational

- Continue to address the educational needs of the communities within which we operated.
- Continue to improve standards of achievement for all pupils so that they are in line or above national standards or benchmarks.
- Ensure that all pupils, including those that are disadvantaged, receive high quality teaching that enables them to make better progress than pupils nationally and their attainment is in line or above national benchmarks.
- Increase pupil numbers so that all the schools are full and oversubscribed on entry due to being the school of choice in the local area.
- Continue the school improvement cycle so that schools improve the judgements by OFSTED within the next cycle so that they are at least good/outstanding.
- Contribute to system leadership by providing innovative and quality education practice in each region.
- All teachers provide an educational offer that is of a good standard.
- Continue to invest in educational and infrastructure projects that impact directly on pupil outcomes.
- Continue to develop the Academy Trust's training and development programme so that staff are highly trained, and the schools have sustainable leadership and staffing; and
- To develop a wide range of training programmes as a revenue source.

Growth

- To continue to monitor the opportunity to add further schools to the North London cluster – but based purely on ability of any new schools being willing to comply with the defined "School in a Box" operating requirements and to be additive to the Academy Trust's overall capacity.
- Encouraging good local schools to join the multi-academy Trust to benefit from school improvement and bespoke services. All growth will be risk assessed against sustainability and capacity as part of our risk assessment processes; and
- The Trust continues to work with the relevant Regional Schools Commissioners and their teams to assess further growth through supporting existing schools in difficulties. This will remain centred around the three existing Hubs (London, Essex and Northamptonshire).

Trust

- Continue to enhance the financial security of the schools through the maximisation of pupil places, efficiencies and brand management.
- All financial and procurement processes are directly aligned to the updated Academy Trust Handbook 2022/23.
- Provide an outstanding service to the schools to ensure educational excellence and focus.
- Manage all estate projects to ensure leaders in school are fully focussed on school improvement.
- Fulfil the corporate landlord function ensuring all statutory obligations are met at a high standard.
- Recruitment and retention of staff is secure and the Academy Trust is the employer of choice.
- Build capacity in quality senior leaders and Academy Trust's officers to ensure sustainable and quality growth.
- Continue to develop innovative practice based on research-based projects through the Institute of Education; and
- Continue to develop relationships corporately within the identified Hub localities.

LION ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

Principal risks and uncertainties

The Academy Trust is exposed to a number of financial risks including credit, cash flow and liquidity risks. Given the Academy Trust's exposure to financial instruments is limited, the exposure principally relates to bank balances, cash and trade creditors, with limited trade (and other) debtors. The Academy Trust's system of internal controls ensures risk is minimal in these areas. The risk exposure from the Local Government Pension Scheme deficit is restricted through three-yearly valuations which adjust the employer contribution rate and are incorporated at that time as a cost within budget forecasting to mitigate risk.

The core function of the Senior Leadership Team is to precisely target and change educational outcomes and experiences for each of the schools against the Academy Trust's executive and monitoring framework. This combined with a clear focus and strategy around Academy Trust's non-negotiables for operational and educational expectations, targeted parental engagement combined with the maximisation of grant funding e.g. PPG, SEN and EYFS, will provide a positive parental and pupil experience to start the process of reputational and educational change. The Trust has developed a risk register which identifies all the risks associated with the monitoring framework and defines the mitigation strategies and controls.

This risk is duly recorded in the risk register with mitigating controls. Additionally, a three lines of defence approach has been adopted to ensure there is management oversight of controls, internal control and oversight such as through Board Committees, and external validation of the control environment. Risks are profiled against the likelihood of occurrence and the impact whether financial, service quality, health and safety, or reputation. Key risk areas, and associated impacts and controls include:

- Compliance with the terms of funding such as funds being utilised outside the funding conditions or if there was a culture of poor control. Failure to comply with the funding terms would threaten the continued revenue of the Trust, significantly impact its reputation, and impact whether it remains a going concern. This is controlled and mitigated through:

Line of Defence 1: System controls and oversight of the central Finance Team.

Line of Defence 2: Scrutiny from Trust Senior Leadership Team, Finance and Resource Committee and the Audit Committee.

Line of Defence 3: External validation of control environment through Internal Audit.

- The quality of Education Provided by the Schools. Non-compliance with the Trust's agreed educational approach and monitoring of all pupil groups to ensure each pupil is meeting expectations. Failure to provide a consistent high-quality education would damage pupils life chances, bring the schools and Trust into disrepute, and threaten the pupil numbers at our schools should parents choose non-Trust schools for their child's education.

Line of Defence 1: Monitoring framework in place across the Trust to ensure clear and concise educational performance measurement and comparison. School leadership undertaken peer review of other Trusts' schools to ensure best practice sharing and alignment.

Line of Defence 2: Senior Leadership Team and Parent Advisory Boards scrutiny of educational performance measures. Senior Leadership Team lead reviews of standards and quality of teaching across each of the schools.

Line of Defence 3: Validated through external reviews with educational specialists.

- Compliance with Health and Safety legislation and regulations. If non-compliant the Trust could place individuals, and groups, at risk of injury and loss of life. This would result in reputational and financial impacts.

Line of Defence 1: Management team have clear processes and procedures in place for clear and consistent compliance with Health and Safety Requirements. School leadership teams have assigned members responsible for Health and Safety on their sites.

Line of Defence 2: The Trust has appointed an Operations Manager (Estates) to oversee and ensure compliance Trust wide. Additionally, the infrastructure, ICT and Premises committee of the Board provide validation of control environment.

Line of Defence 3: External provider undertake annual Health and Safety audits of all sites to ensure external validation.

LION ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

Through the process of restructuring, tight financial controls and prudent spending, the Trustees are expecting the academies to continue to build operating surplus and contingency to further target academy improvement and capital works.

Specific in year risks arising from COVID-19 were monitored and evaluated against the Trust's risk framework and approach. Specific analysis was undertaken of the risk arising from amended ways of working, in relation to the Trust Finance and Operations processes, which was presented to the Board for scrutiny. Risks reviewed included the potential for internal and external fraud, security of systems, and actions in place to mitigate these. Wider risk issues were reviewed for their impact, and mitigation actions; these included staff availability, health and safety, and funding streams. Throughout 2021/22 the risk profile in relation to COVID-19 continued to reduce, however, vigilance still remains for opportunistic external fraud due to other organisations continued impacted ways of working.

Streamlined energy and carbon reporting

The March 2019 HM Government Environmental Reporting Guidelines were followed, and the Streamlined Energy and Carbon Report has been reviewed independently by Briar Consulting Engineers Limited. The Trust have utilised a third-party specialist reporting organisation to ensure consistency in reporting against required standards. As the specialist organisation had access to much of the AcademyTrust's energy consumption data, as part of their wider group of companies, the option to use their service achieved value for money against other potential solutions such as an increase in internal resources to meet the need.

The electricity, gas, and heat consumption were compiled from invoice records. Minibus and grey fleet usage were calculated from litres of fuel used and mileage claims respectively. Generally gross calorific values were used except for grey fleet mileage energy calculations as per Government GHG Conversion Factors.

The energy data was converted to carbon emissions using the 2022 UK Government GHG Conversion Factors for Company Reporting. The associated emissions are divided into mandatory and voluntary emissions according to the 2018 Regulations, then further divided into the combustion of fuels and the operation of facilities (scope 1), purchased electricity (scope 2) and indirect emissions that occur as a consequence of company activities (scope 3).

	2021/22	2020/21
	kWh	kWh
<i>Mandatory energy consumption</i>		
Aggregate of energy consumption in the year		
- Gas combustion	2,254,122	2,652,411
- Fuel consumed for transport	25,773	16,544
- Electricity purchased	1,385,554	1,352,279
Total mandatory energy consumption	3,665,449	4,021,234

LION ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

	2021/22 kWh	2020/21 kWh
<i>Voluntary energy consumption</i>		
Aggregate of energy consumption in the year		
- Purchased heat	173,450	215,410
Total voluntary energy consumption	173,450	215,410
Total mandatory and voluntary energy consumption	3,838,899	4,236,644
	2021/22 metric tonnes	2020/21 metric tonnes
<i>Mandatory emissions of CO2 equivalent</i>		
Scope 1 - direct emissions		
- Gas combustion	411.50	485.80
- Fuel consumed for owned transport	1.40	0.70
	412.90	486.50
Scope 2 - indirect emissions		
- Electricity purchased	267.90	287.10
Scope 3 - other indirect emissions		
- Fuel consumed for transport not owned by the Academy Trust	5.00	3.30
Total gross mandatory emissions	685.80	776.90
<i>Intensity ratio (mandatory emissions only)</i>		
Tonnes CO2e per pupil (FTE)	0.17	0.19
Tonnes CO2e per square meter floor area	0.03	0.03

(Values of FTE and square meter floor area are 3,964 (2021: 4,033) and 24,493 (2021: 24,301) respectively)

	2021/22 metric tonnes	2020/21 metric tonnes
<i>Voluntary emissions of CO2 equivalent</i>		
Scope 2 - indirect emissions		
- Purchased heat	29.60	36.80
Total gross mandatory emissions	29.60	36.80
Total gross voluntary and mandatory emissions	715.40	813.70

Intensity measurement

The primary intensity ratio is total gross emissions in metric tonnes CO2e (mandatory emissions) per pupil, which is the recommended ratio for the sector for consistency and comparability. Pupil numbers are based on the Autumn 2019 Census, including full time equivalent (FTE) nursery children.

Measures taken to improve energy efficiency

The Trust has continued with its on-going, ad-hoc programme of replacing old lighting with more energy efficient LEDs, into this reporting year.

LION ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

AUDITOR

RSM UK Audit LLP has indicated its willingness to continue in office.

Statement as to disclosure of information to auditors

The Trustees have confirmed that, as far as they are aware, there is no relevant audit information of which the auditor is unaware. Each of the Trustees have confirmed that they have taken all the steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

The Trustees' report is approved by order of the Board of Trustees and the strategic report (included therein) is approved by the Board of Trustees in their capacity as the directors at a meeting on 19 December 2022 and signed on its behalf by:

Robin Thompson-Clarke
Robin Thompson-Clarke (Dec 19, 2022 14:30 GMT)

R Thompson-Clarke
Chair of Trustees

Justin James
Justin James (Dec 19, 2022 13:46 GMT)

J James
Accounting Officer

LION ACADEMY TRUST

GOVERNANCE STATEMENT

Scope of responsibility

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

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 CEO, 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 Lion Academy Trust and the Secretary of State for Education. The accounting officer is 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 4 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustees	Meetings attended	Out of possible
R Thompson-Clarke (Chair of Trustees)	3	4
J James (Accounting Officer)	4	4
B Hotz (Appointed 1 September 2021)	3	4
A Southwick (Appointed 1 September 2021)	4	4
N Kruger	1	4
O Coleman-Green	4	4
N Gordon	3	4

While the Board did meet less than 6 times in the year, effective oversight of funds was maintained. This was achieved through regular meetings between the Chair of the Trust and the Chief Financial Officer. The monthly management accounts for the Trust were also shared with Trustees and members monthly via the online governance portal.

The Trust maintains governance oversight through its committees who report to the Board. Additionally, the Chairs meet monthly with the Finance team to understand the financial performance, risk environment, and matters arising. Records are kept of these meetings and shared with all the Trustees, electronically, no less than six times per year.

A part of our function within governance is the annual review and skills audit that highlights areas or requirement on our Boards or relevant committees. All Parent Advisory Board (PAB) members and Trustees are asked to complete and return an annual skills analysis using the NGA skills proforma. The information this gathers is retained and utilised by our service providers to target and attract all governance volunteers to training sessions relevant to their roles.

With this in mind, the Senior Leadership Team has invested considerable time and resource to draft three key documents for formal adoption by the Trusts at the local governance. These are:

- PAB Scheme of Delegation;
- PAB Code of Conduct; and
- PAB Terms of Reference.

These documents continue to be reviewed on an annual basis by the executive, the PABs and the Trustees to ensure they remain fit for purpose and are understood by all.

LION ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

All three documents reflect the growing trend towards having independent organisations which reflect a mature approach to risk management and adhering to the vision and ethos of the organisation - where every school and every pupil is afforded the same support and is driven to meet the same set of expectations. The Executive drew on the expertise and advice of Nick MacKenzie from Browne Jacobson (as our legal advisors) as the change in language and clarification around the roles of every tier of governance represents a step-change in how the Boards can intervene should governance locally not be performing to the standards required.

Governance reviews

The Executive recognises the on-going need to support all levels of governance across the Academy Trust to better understand the functioning of our pedagogical and operational structures – and hence be more able to challenge and hold the Executive to account.

The Trust utilises external provision, from the London Borough of Waltham Forest, to ensure that governance arrangements within the Trust are suitable. This provides ongoing feedback to the Chair, and Accounting Officer, to support governance development. As a result of this, further training available to all governance volunteers has been enhanced; the Trust enables a variety of ways for volunteers to access sessions from the Local Authority, the National Governors Association and our online Child Protection provider. Annual training sessions are hosted by the executive to focus on the pedagogy and the role in governors offered as face-to-face training as well as accessible online.

Specific Committees

The Finance and Resources Committee is a sub-committee of the main Board of Trustees. Its purpose is to give detailed consideration to the best means of fulfilling the delegated responsibility to ensure sound management of all the Academy Trust's finances, resources including proper planning, monitoring, probity and business professionalism. The Committee will make recommendations to the Board for consideration and ratification including the strategic and operational direction of the Academy Trust as a whole based on the financial, operational, staffing and other resource demands known and forecast to occur.

Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
R Thompson-Clarke (Chair of Trustees)	3	3
J James (Accounting Officer)	3	3
O Coleman-Green	3	3
K Hameed (Member of the Academy Trust)	3	3

The Audit Committee is also a sub-committee of the main Board of Trustees. Its purpose is to ensure the Local Advisory Body has adhered to the Scheme of Delegation (Annex A - Finance Scheme of Delegation) and has given detailed consideration to the best means of fulfilling the Advisory Body's delegated responsibility to ensure sound management of the Academy Trust's finances, premises, IT infrastructure and resources, including proper planning, monitoring and probity.

1. The Audit Committee is an advisory body with no executive powers. However, it is authorised by the Board to investigate any activity within its terms of reference, and to seek any information it requires from staff, who are requested to cooperate with the Committee in the conduct of its enquiries.
2. The Audit Committee is authorised to obtain the Academy Trust's approved independent professional advice if it considers this necessary.
3. The Audit Committee is authorised to review internal and external audit plans and approve such plans.
4. The Audit Committee will review, comment on, and accept on behalf of the Academy Trust reports from both internal and external audit.
5. The Audit Committee will review and provide feedback to the Board on management actions arising from internal and external audits.

LION ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

Attendance at Audit Committee meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
N Gordon	2	3
C Weiss (Member of committee only)	2	3
H Redgewell (Member of committee only)	2	3
K Hameed (Member of the Academy Trust)	3	3

Review of value for money

As Accounting Officer, the CEO 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 available. The Accounting Officer for the Academy Trust has delivered improved value for money during the year by centralising the following functions and processes:

- Procurement; internally and externally managed depending on the scope of the remit and expertise available.
- Estate and Project Management function so that projects and estate development (refurbishment and facilities improvement) and investment are completed and delivered via projects that ensures economies of scale and efficiencies.
- Financial Management and processing reducing costs within the schools by ensuring the role of the Operations Managers is targeted on operational efficiencies and focused on working across a number of schools.
- Academy Trust's staffing structures are reviewed annually to meet the needs of the school but also to ensure value for money and impact. Shared resources and expertise further support schools in providing better value for money.
- School Improvement is centralised and draws on expertise from staff with the necessary skills and abilities across the Academy Trust to share good practice and collegiality. Leaders are a part of the Trust Community and share resources and support so that staff can continue their professional development efficiently and effectively; and
- Use of the Google Platform has ensured a decreased cost in licensing, IT infrastructure costs, and having shared drives has meant staff are more efficient and focused on teaching and learning.

We are creating a more efficient and cost-effective model for operational management which will future proof the continued expansion of the Academy Trust.

All schools in the Academy Trust that were subject to an Ofsted review during the year were graded as good or outstanding and children's outcomes are in line or above national expectations in all our schools.

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 Lion Academy Trust for the period 1 September 2021 to 31 August 2022 and up to the date of approval of the annual report and financial statements.

LION ACADEMY TRUST

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 ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the period 1 September 2021 to 31 August 2022 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees. COVID-19 related risks were monitored as part of the risk management approach of the Trust as it arose as noted within the Principal Risks and Uncertainties section.

The risk and control framework

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

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

The Board of Trustees has considered the need for a specific internal audit function. Following the introduction of the FRC Ethical Standard for auditors the Board of Trustees decided to appoint Haslers LLP as internal auditor in 2020/21 and continued this relationship in 2021/22. This does not constitute a full internal audit service with a formal opinion, but instead involves a programme of work to perform specific procedures in agreed areas.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems.

During the year, the internal audit services covered the following areas:

- Consistency of financial systems following the Trust merger.
- Academies Financial Handbook compliance.
- Management Accounts review.
- Payroll systems; and
- Procurement and payments.

A number of low priority observations were identified, and the Senior Leadership Team have provided their responses to the Audit Committee, in terms of agreed actions and timescales for implementation, in order to address the key findings. The Audit Committee members received this report and update during the Autumn of 2021 in relation to the final report of 2020/21. It received reports for 2021/22 scheme of work in the Spring and Summer 2022. Further updates, and progress made against the recommendations, are scheduled for the December 2022 committee meeting.

Managing conflicts of interest

The Academy Trust is conscious of managing conflicts of interest. It is a requirement that all Trustees and Members review their conflicts of interest and provide details of any engagements they have that may influence decision making. This is completed through the Governance portal. Employees, including senior management, responsible for either; decision making, delegated financial authorisation, or ability to influence decision making, are required to complete an annual declaration of interests. For all the above, any changes to potential sources of conflict must be updated. This information is regularly reviewed by Trustees and enhanced through integrated reporting against financial expense or commitments built within the finance system. At all Trustee, and Member meetings, a register of interest is reviewed in addition to reports on any potential expenses or commitments at relevant committees, Trustee, and Member meetings.

LION ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

Review of effectiveness

As Accounting Officer, the Head Teacher has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the internal auditor;
- the work of the external auditor;
- the financial management and governance self-assessment process; and
- 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 Finance and Resources Committee and Audit Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the Board of Trustees on 19 December 2022 and signed on its behalf by:

Robin Thompson-Clarke
Robin Thompson-Clarke (Dec 19, 2022 14:30 GMT)

R Thompson-Clarke
Chair of Trustees

J James
Justin James (Dec 19, 2022 13:46 GMT)

J James
Accounting Officer


LION ACADEMY TRUST

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Lion Academy Trust, I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education and Skills Funding Agency ('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 Academy Trust Handbook 2021.

I confirm that I and the Academy Trust's Board of Trustees are able to identify any material irregular or improper use of funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academy Trust Handbook 2021.

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date. If any instances are identified after the date of this statement, these will be notified to the Board of Trustees and ESFA.


Justin James (Dec 19, 2022 13:46 GMT)

J James
Accounting Officer

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LION ACADEMY TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

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

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company will continue in business.

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


The Trustees are responsible for ensuring that in its conduct and operation the Charitable Company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring that 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 on 19 December 2022 and signed on its behalf by:


Robin Thompson-Clarke (Dec 19, 2022 14:30 GMT)

R Thompson-Clarke
Chair of Trustees


Justin James (Dec 19, 2022 13:46 GMT)

J James
Accounting Officer

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LION ACADEMY TRUST

Opinion

We have audited the financial statements of Lion Academy Trust (the "charitable company") for the year ended 31 August 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice), and the Academies Accounts Direction 2021 to 2022 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 charitable company's affairs as at 31 August 2022 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Academies Accounts Direction 2021 to 2022 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 Auditor's 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 UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report, which includes the Directors' Report and the Strategic Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report and the Strategic Report included within the Trustees' Report have been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LION ACADEMY TRUST (CONTINUED)

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report or the Strategic Report included within the Trustees' Report.

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

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

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on page 26, the Trustees (who act as trustees for the charitable activities of the charitable company are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, 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 charitable company'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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory framework that the charitable company operates in and how the charitable company is complying with the legal and regulatory framework;
- *inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;*
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LION ACADEMY TRUST (CONTINUED)

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Companies Act 2006, Education and Skills Funding Agency's Academy Trust Handbook and Academies Accounts Direction . We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Trustees' Report and reviewing the disclosures within the Annual Report.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to the Education Inspection Framework under the Education Act 2005 (as amended), Keeping Children Safe in Education under the Education Act 2002, the UK General Data Protection Regulation (UK GDPR) and the Data Protection Act 2018. We performed audit procedures to inquire of management and those charged with governance whether the charitable company is in compliance with these law and regulations and inspected critical internal documentation including committee minutes and transactional activity for any evidence of non-compliance.

The audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business, challenging judgments and estimates.

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

Use of our report

This report is made solely to the charitable company'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 charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RSM UK Audit LLP

Hannah Catchpool (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
25 Farringdon Street
London
EC4A 4AB
United Kingdom

20th December 2022

LION ACADEMY TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2022

	Notes	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2021/22 £	Total 2021 £
Income and endowments from:						
Donations and capital grants	3	8,467	-	706,723	715,190	1,108,746
Donations - transfer from local authority on conversion		-	-	-	-	1,215,692
Charitable activities:						
- Funding for educational operations	4	364,910	25,999,231	-	26,364,141	25,280,796
Other trading activities	5	585,290	-	-	585,290	395,369
Investments	6	2,201	-	-	2,201	1,216
Total		<u>960,868</u>	<u>25,999,231</u>	<u>706,723</u>	<u>27,666,822</u>	<u>28,001,819</u>
Expenditure on:						
Charitable activities:						
- Educational operations	8	946,812	28,151,683	1,869,262	30,967,757	28,136,034
Total	7	<u>946,812</u>	<u>28,151,683</u>	<u>1,869,262</u>	<u>30,967,757</u>	<u>28,136,034</u>
Net income/(expenditure)		14,056	(2,152,452)	(1,162,539)	(3,300,935)	(134,215)
Transfers between funds	18	-	(80,347)	80,347	-	-
Other recognised gains/(losses)						
Actuarial gains/(losses) on defined benefit obligations	25	-	12,223,000	-	12,223,000	(1,560,000)
Net movement in funds		14,056	9,990,201	(1,082,192)	8,922,065	(1,694,215)
Reconciliation of funds						
Total funds brought forward		1,889,446	(12,521,588)	41,636,740	31,004,598	32,698,813
Total funds carried forward		<u>1,903,502</u>	<u>(2,531,387)</u>	<u>40,554,548</u>	<u>39,926,663</u>	<u>31,004,598</u>

LION ACADEMY TRUST**BALANCE SHEET****AS AT 31 AUGUST 2022**

	Notes	2021/22 £	2021 £
Fixed assets			
Tangible assets	13	40,509,162	40,714,549
Current assets			
Debtors	14	1,187,734	1,102,763
Short term deposits		1,000,929	1,413,854
Cash at bank and in hand		6,373,262	6,053,140
		8,561,925	8,569,757
Current liabilities			
Creditors: amounts falling due within one year	15	(3,376,016)	(2,258,708)
Net current assets		5,185,909	6,311,049
Total assets less current liabilities		45,695,071	47,025,598
Provisions for liabilities	16	(210,408)	-
Net assets before defined benefit pension scheme liability		45,484,663	47,025,598
Defined benefit pension scheme liability	25	(5,558,000)	(16,021,000)
Total net assets		39,926,663	31,004,598
Funds of the Academy Trust:			
Restricted funds	18		
- Restricted fixed asset funds		40,554,548	41,636,740
- Restricted income funds		3,026,613	3,499,412
- Pension reserve		(5,558,000)	(16,021,000)
Total restricted funds		38,023,161	29,115,152
Unrestricted income funds	18	1,903,502	1,889,446
Total funds		39,926,663	31,004,598

The financial statements on pages 30 to 59 were approved by the Board of Trustees and authorised for issue on 19 December 2022 and are signed on their behalf by:

Robin Thompson-Clarke
Robin Thompson-Clarke (Dec 19, 2022 14:30 GMT)

R Thompson-Clarke
Chair of Trustees

Justin James
Justin James (Dec 19, 2022 13:46 GMT)

J James
Accounting Officer

LION ACADEMY TRUST

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 AUGUST 2022

	Notes	2021/22 £	£	2021 £	£
Cash flows from operating activities					
Net cash provided by operating activities	22		862,148		1,017,914
Cash flows from investing activities					
Dividends, interest and rents from investments		2,201		1,216	
Capital grants from DfE Group		618,223		1,102,854	
Purchase of tangible fixed assets		(1,575,375)		(1,043,331)	
Net cash (used in)/provided by investing activities			(954,951)		60,739
Net (decrease)/increase in cash and cash equivalents in the reporting period			(92,803)		1,078,653
Cash and cash equivalents at beginning of the year			7,466,994		6,388,341
Cash and cash equivalents at end of the year			7,374,191		7,466,994
Relating to:					
Bank and cash balances			6,373,262		6,053,140
Short term deposits			1,000,929		1,413,854
			7,374,191		7,466,994

LION ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies

General information

Lion Academy Trust is a Charitable Company limited by guarantee. The address of its principal place of business is given on page 1 and the nature of its operations are set out in the Trustees' report.

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.

Basis of preparation

The financial statements of the Academy Trust have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements 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 2021 to 2022 issued by ESFA and the Companies Act 2006. The Academy Trust is a public benefit entity under FRS 102 and has therefore applied the relevant public benefit requirements of FRS 102.

The financial statements are presented in sterling which is also the functional currency of the Academy Trust.

Monetary amounts in these financial statements are rounded to the nearest whole £1, except where otherwise indicated.

Going concern

The Trustees assess whether the use of going concern is appropriate. These are two separate assessments:

- 1) whether going concern basis of preparation is appropriate, and if the answer to this is "yes" then:
- 2) whether any material uncertainties then exist which impact this assessment. 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.

On 1 September 2021, the Trustees of Lionmat Closed transferred the assets, liabilities, activities and personnel of Lionmat Closed to the Academy Trust at which point the Academy Trust reviewed its governance structures and documents in order to ensure the new organisational structure is reflective of a strong and modern multi-academy trust. Prior to this the two Academy Trusts worked closely which permitted clarity for Trustees in understanding the impact of the merger in terms of budgets, reserves, forecasts, and risks. In reviewing these the Trustees 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.

The Academy Trust derives the majority of its funding from the Education and Skills Funding Agency; either directly or via Local Authorities' disbursement of funds they receive for educational services. As such the Trust has encountered minimal funding uncertainty as a result of COVID-19 and the Board remains confident of the financial security of the Trust. This security enables the delivery of our educational purpose and there are no concerns regarding the going concern of the Trust.

While the Academy Trust operated at a net expense of £1.5m for the year, this was largely as a result of the depreciation charges and does not reflect the cash balance of the Trust. There has been a small reduction in overall level of cash and a small reduction in the availability of general funds tied directly to capital and non-capital investments within our schools. However, the Trust continues to have sufficient cash balances to meet its obligations. Thus, the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

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.

LION ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies (Continued)

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 period for which it is receivable, and any abatement in respect of the period is deducted from income and recognised as a liability.

Capital grants are recognised in full when there is an unconditional entitlement to the grant. Unspent amounts of capital grants are reflected in the Balance Sheet in the restricted fixed asset fund. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

Donations

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

Other income

Other income, including income from professional services, catering income, trip income and self-generated income, is recognised at fair value of the consideration received or receivable in the period it is receivable and to the extent the Academy Trust has provided the goods or services.

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 are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

Charitable activities

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

Employee benefits

The best estimate of the expenditure required to settle an obligation for termination benefits is recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Short term employee benefits such as salaries and compensated absences are recognised as an expense in the year in which the employees render services to the Academy Trust.

LION ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies (Continued)

Tangible fixed assets and depreciation

Assets costing £5,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment. Subsequent costs are capitalised only when it is probable that such costs will generate future economic benefits. All other costs of repairs and maintenance are charged to the Statement of Financial Activities as incurred.

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 that require 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, a transfer is made from unrestricted funds to restricted fixed asset funds where depreciation on such assets is charged.

Depreciation is provided on all tangible fixed assets other than freehold land, so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Land and buildings	20-125 years on a straight line basis, or over the remaining lease term, if shorter
Leasehold improvements	25 years on a straight line basis
Computer equipment	3 years on a straight line basis
Fixtures, fittings and equipment	4 years on a straight line basis
Motor vehicles	5 years on a straight line basis

Residual value is calculated on prices prevailing at the reporting date, after estimated costs of disposal, for the asset as if it were at the age and in the condition expected at the end of its useful life.

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.

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.

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 as a financing cost in the period it arises in the statement of financial activities and is allocated to the appropriate expenditure heading.

Leased assets

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

LION ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies (Continued)

Financial instruments

The Academy Trust has chosen to adopt Sections 11 and 12 of FRS 102 in full in respect of financial instruments. All financial instruments included in the financial statements are considered basic financial instruments.

Financial assets and liabilities

Financial assets and financial liabilities are recognised when the Academy Trust becomes a party to the contractual provisions of the instrument.

Financial liabilities are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form.

Financial assets, which include trade debtors, other debtors and accrued income, are initially measured at transaction price (including transaction costs) and subsequently carried at amortised cost, being transaction price less any amounts settled and impairment losses.

Financial liabilities, which include trade creditors, other creditors and accruals, are initially measured at transaction price (including transaction costs) and subsequently carried at amortised cost, being transaction price less any amounts settled.

Financial assets and financial liabilities are offset only when there is a current legally enforceable right to set off the recognised amounts and the intention to either settle on a net basis, or to realise the asset and settle the liability simultaneously.

Investments

Current asset investments are financial instruments and comprise short-term investments in the Lloyds bank 32 day notice account.

Taxation

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

Accordingly, the Academy Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by chapter 3 part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Pensions benefits

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'), which are multi-employer 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 projected unit method. The TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently there is insufficient information to use defined benefit accounting, it is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

LION ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies (Continued)

The LGPS is a funded multi-employer scheme and the assets are held separately. 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 reporting date. The amounts charged to net income 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 as other comprehensive income.

Actuarial gains and losses are recognised immediately as other comprehensive income.

Fund accounting

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

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

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

Group reorganisation

The transfer of the trade and assets of Lionmat Closed on 1 September 2021 met the definition of a group reorganisation and in accordance of section 27.13 of the Charities SORP (FRS 102) has been accounted for as a merger within the financial statements of the Academy Trust. The assets, liabilities and funds of the Academy Trust and Lionmat Closed have been aggregated as of 1 September 2021 (the date the trade and assets of Lionmat Closed were gifted to the Academy Trust) within the Balance Sheet of the Academy Trust and the aggregated results of the two entities have been shown within the activities of the Academy Trust. The comparative information is also restated by including the result for the year and Balance Sheet for all the combining entities for the previous reporting period. Accordingly the comparatives presented in these financial statements are combined figures

2 Critical accounting estimates and areas of judgement

Accounting 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 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 25, will impact the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2022. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

The valuation and split between leasehold land and buildings are key areas of estimation, and useful economic life of the land and buildings is a key area of judgement, and as such management have taken appropriate advice to assist them in considering this advice.

LION ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

3 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2021/22 £	Total 2021 £
Donated fixed assets	-	88,500	88,500	154,344
Capital grants	-	618,223	618,223	948,510
Other donations	8,467	-	8,467	5,892
	<u>8,467</u>	<u>706,723</u>	<u>715,190</u>	<u>1,108,746</u>

The income from donations and capital grants was £715,190 (2021: £1,108,746) of which £8,467 was unrestricted (2021: £5,892) and £706,723 was restricted fixed assets (2021: £1,102,854).

4 Funding for the Academy Trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2021/22 £	Total 2021 £
DfE/ESFA grants				
General annual grant (GAG)	-	20,473,707	20,473,707	20,247,020
Other DfE/ESFA grants:				
- Universal infant free school meals	-	372,500	372,500	400,188
- Pupil premium	-	1,826,117	1,826,117	1,814,979
- Others	-	195,110	195,110	185,845
	<u>-</u>	<u>22,867,434</u>	<u>22,867,434</u>	<u>22,648,032</u>
Other government grants				
Local authority grants	-	2,742,446	2,742,446	2,087,649
	<u>-</u>	<u>2,742,446</u>	<u>2,742,446</u>	<u>2,087,649</u>
COVID-19 additional funding (DfE / ESFA)				
Catch-up & recovery premium	-	189,134	189,134	343,470
Other DfE/ESFA COVID-19 funding	-	186,098	186,098	-
	<u>-</u>	<u>375,232</u>	<u>375,232</u>	<u>343,470</u>
COVID-19 additional funding (non-DfE / ESFA)				
Other non-DfE / ESFA COVID-19 funding	-	14,119	14,119	50,058
	<u>-</u>	<u>14,119</u>	<u>14,119</u>	<u>50,058</u>
Other incoming resources	<u>364,910</u>	<u>-</u>	<u>364,910</u>	<u>151,587</u>
	<u>364,910</u>	<u>25,999,231</u>	<u>26,364,141</u>	<u>25,280,796</u>

The income from funding for educational operations was £26,364,141 (2021: £25,280,796) of which £364,910 was unrestricted (2021: £151,587) and £25,999,231 was restricted (2021: £25,129,209).

LION ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

4 Funding for the Academy Trust's educational operations (Continued)

The Academy Trust has been eligible to claim additional funding in the year from government support schemes in response to the COVID-19 outbreak. The funding received is shown above under exceptional government funding.

The Academy Trust received £189,134 of funding for recovery premium (2021: £343,470 of funding for catch-up premium) and costs incurred in respect of this funding totalled £364,618 (2021: £167,986) which has resulted in the fund being fully spent in the year. The Academy Trust also received £186,098 (2021: £nil) of School-led tutoring funding. Costs incurred in respect of this funding totalled £186,098 (2021: £nil). With the Academy Trust incurring an additional £100,600 in GAG funded expense to exceed minimum cost and hour delivery as per conditions of the grant.

In addition, the Academy Trust received £14,119 (2021: £50,058) of Local Authority funding to aid the Academy Trust with the provision of teaching services during the pandemic to disabled students. Costs incurred in respect of this funding totalled £14,119 (2021: £50,058).

5 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2021/22 £	Total 2021 £
Letting income	49	-	49	120
Self-generated income	585,223	-	585,223	393,073
Other income	18	-	18	2,176
	<u>585,290</u>	<u>-</u>	<u>585,290</u>	<u>395,369</u>

The income from other trading activities was £585,290 (2021: £395,369) of which £585,290 was unrestricted (2021: £395,369).

6 Investment income

	Unrestricted funds £	Restricted funds £	Total 2021/22 £	Total 2021 £
Interest from short term deposits	2,201	-	2,201	1,216

The income from funding for investment income was £2,201 (2021: £1,216) of which £2,201 was unrestricted (2021: £1,216).

7 Expenditure

	Staff costs £	Non Pay Expenditure		Total 2021/22 £	Total 2021 £
		Premises £	Other £		
Academy's educational operations					
- Direct costs	16,619,443	-	1,885,008	18,504,451	17,167,209
- Allocated support costs	5,500,510	4,090,809	2,871,987	12,463,306	10,968,825
	<u>22,119,953</u>	<u>4,090,809</u>	<u>4,756,995</u>	<u>30,967,757</u>	<u>28,136,034</u>

LION ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

7 Expenditure (Continued)

Net income/(expenditure) for the year includes:	2021/22 £	2021 £
Operating lease rentals	31,412	167,262
Depreciation of tangible fixed assets	1,869,262	1,672,577
Net interest on defined benefit pension liability	270,000	219,000
Fees payable to RSM UK Audit LLP and its associates in respect of both audit and non-audit services are as follows:		
- Audit	49,000	50,400
- Other assurance services - AAR and pension	5,950	6,100
- All other non-audit services	16,700	19,900

In addition to the operating lease rentals disclosures above, the academy trust incurred £516,588 (2021: £516,588) in rental payments which were fully reimbursed by the ESFA. For more detail see note 21.

8 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2021/22 £	Total 2021 £
Direct costs				
Educational operations	655,869	17,848,582	18,504,451	17,167,209
Support costs				
Educational operations	290,943	12,172,363	12,463,306	10,968,825
	<u>946,812</u>	<u>30,020,945</u>	<u>30,967,757</u>	<u>28,136,034</u>

The expenditure on charitable activities was £30,967,757 (2021: £28,136,034) of which £946,812 was unrestricted (2021: £411,009), £28,151,683 was restricted (2021: £26,052,448) and £1,869,262 was restricted fixed assets (2021: £1,672,577).

	2021/22 £	2021 £
Analysis of support costs		
Support staff costs	5,500,510	4,626,373
Depreciation	1,869,262	1,672,577
Technology costs	32,174	11,263
Premises costs	2,221,547	1,941,362
Legal costs	39,940	23,258
Other support costs	2,649,894	2,543,095
Governance costs	149,979	150,897
	<u>12,463,306</u>	<u>10,968,825</u>

LION ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

9 Staff

Staff costs

Staff costs during the year were:

	2021/22 £	2021 £
Wages and salaries	13,846,966	13,652,030
Social security costs	1,291,491	1,233,443
Pension costs	4,298,438	3,730,617
Staff costs - employees	19,436,895	18,616,090
Agency staff costs	2,614,382	1,834,172
Staff restructuring costs	9,561	4,726
	22,060,838	20,454,988
Staff development and other staff costs	59,115	70,502
Total staff expenditure	22,119,953	20,525,490

Staff restructuring costs comprise:

Other restructuring costs	9,561	4,726
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The Academy Trust did not incur any non-contractual severance payment during the current or prior year.

The Academy Trust incurred the following contractual severance payment during the current year:

£0 - £25,000	2
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Staff numbers

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

	2021/22 Number	2021 Number
Teachers	164	169
Administration and support	477	488
Management	38	38
	679	695

LION ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

9 Staff (Continued)

The number of persons employed, expressed as a full time equivalent, was as follows:

	2021/22 Number	2021 Number
Teachers	158	163
Administration and support	248	231
Management	38	37
	<u>444</u>	<u>431</u>

Higher paid staff

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

	2021/22 Number	2021 Number
£60,001 - £70,000	8	7
£70,001 - £80,000	6	3
£80,001 - £90,000	-	1
£90,001 - £100,000	3	2
£120,001 - £130,000	1	1
£140,001 - £150,000	1	1
£170,001 - £180,000	-	1
£180,001 - £190,000	1	-
	<u>1</u>	<u>-</u>

Key management personnel

The key management personnel of the Academy Trust comprise the Trustees and the Senior Leadership 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 £938,659 (2021: £1,883,170).

The Trustees have reviewed the individuals included within key management personnel and have concluded that the heads of schools and acting heads of schools should be excluded on the basis that these individuals do not exercise significant authority and responsibility in the day-to-day running of the Academy Trust. When these individuals are excluded, the total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel in the prior year was £999,052.

LION ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

10 Central services

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

- Audit
- Accountancy
- Estate Management
- Governance
- Group Procurement Support
- Health & Safety
- Human Resources
- IT Infrastructure, Support & Networks
- Legal Services
- Marketing and Communications
- Project Management
- School Improvement - Professional and Staff Development

The Academy Trust charges for these services to each academy based on its GAG allocation as a proportion of the total GAG income receivable by the Academy Trust.

The Academy Trust internally manages staff absenteeism insurance and maintains a school improvement reserve. The chargeable range has an upward limit of £200 per pupil for the combined reserves based on the October 2017 census. However, it must be noted that there is a defined school eligibility criteria for the absenteeism reserve and that the variable nature of the charge ensures that no school is involuntarily placed into an operating deficit for the financial year.

During the year, the Academy Trust has charged the academies £160,101 (2021: £321,281), in respect of staff absenteeism insurance and school improvements which is also included in the central services amounts below. The Academy Trust also released £164,300 (2021: £321,281) from the reserve to its schools within the Trust for staff absenteeism insurance and school improvements. The staff absenteeism insurance and school improvements reserve totalled £751,401 (2021: £755,600) at the year-end and is included in restricted funds carried forward.

The amounts charged during the year were as follows:

	2021/22	2021
	£	£
Barclay Primary School	562,586	575,604
Sybourn Primary School	244,936	251,952
Thomas Gamuel Primary School	147,344	171,024
Warwick Academy	133,949	143,256
Ruskin Infant School	141,603	145,368
Ruskin Junior School	76,542	68,764
Olympic Primary School	143,517	164,316
Brook House Primary School	227,714	244,224
Maple Grove Primary School	124,381	132,240
Leigh Beck Junior School	114,814	132,084
	<u>1,917,386</u>	<u>2,028,832</u>

LION ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

11 Trustees' remuneration and expenses

During the year, one Executive Director (2021: two), who was a Trustee of the Trust, was paid remuneration or received other benefits from employment with the Academy Trust. The Chief Executive Officer (2021: Chief Executive Officer and Director of Schools) only receives remuneration in respect of services provided fulfilling his position under his contract of employment, and not in respect of his service as a Trustee.

The value of Trustees' remuneration and other benefits was as follows:

J James (Chief Executive Officer, Executive Head of Barclay Primary School and Maple Grove Primary School and Accounting Officer) received remuneration, as highest paid Director, for work across the Academy Trust of £183,069 for the year (2021: £175,256) and pension contributions paid by the Academy Trust in the year of £43,351 (2021: £41,501). At the reporting date the accrued benefit under defined benefit under the Teachers' Pension Scheme from commencement of employment at the academy trust for J James amounted to £570,950 (2021: £506,496) and the accrued lump sum amounted to £36,071 (2021: £34,146). All amounts have been accrued under the standard Teachers' Pension Scheme available to all staff with a teaching and learning responsibility.

H J Tyers (Deputy Chief Executive Officer) resigned from his Trustee position in August 2021. In the prior year he received remuneration of £140,256 and pension contributions paid by the Academy Trust in the prior year of £34,367.

During the current or prior year, no Trustee claimed expenses or had their expenses met by the Academy Trust.

12 Trustees and officers' insurance

The Academy Trust has opted into the Department for Education's Risk Protection Arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects Trustees and officers from claims arising from negligent acts, errors or omissions whilst on academy business, and provides cover up to £10,000,000. It is not possible to quantify the Trustees and officers indemnity element from the overall cost of the RPA scheme.

LION ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

13 Tangible fixed assets

	Land and buildings	Leasehold improvements	Computer equipment	Fixtures, fittings and equipment	Motor vehicles	Total
	£	£	£	£	£	£
Cost						
At 1 September 2021	44,710,878	2,782,090	1,326,059	1,030,043	59,055	49,908,125
Additions	-	-	115,667	1,548,208	-	1,663,875
Disposals	-	-	-	(269,566)	-	(269,566)
At 31 August 2022	44,710,878	2,782,090	1,441,726	2,308,685	59,055	51,302,434
Depreciation						
At 1 September 2021	7,086,911	787,855	655,734	604,021	59,055	9,193,576
On disposals	-	-	-	(269,566)	-	(269,566)
Charge for the year	1,186,243	119,062	351,592	212,365	-	1,869,262
At 31 August 2022	8,273,154	906,917	1,007,326	546,820	59,055	10,793,272
Net book value						
At 31 August 2022	36,437,724	1,875,173	434,400	1,761,865	-	40,509,162
At 31 August 2021	37,623,967	1,994,235	670,325	426,022	-	40,714,549

14 Debtors

	2021/22 £	2021 £
Trade debtors	22,647	14,070
VAT recoverable	356,599	236,562
Other debtors	77,763	38,069
Prepayments and accrued income	730,725	814,062
	<u>1,187,734</u>	<u>1,102,763</u>

15 Creditors: amounts falling due within one year

	2021/22 £	2021 £
Trade creditors	386,238	198,238
Other taxation and social security	303,183	308,883
Other creditors	309,909	309,791
Accruals and deferred income (see note 17)	2,376,686	1,441,796
	<u>3,376,016</u>	<u>2,258,708</u>

LION ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

16 Provisions for liabilities

The Academy Trust has recognised a provision of £210,163 with regards to the calculation of holiday pay relating to term time only employee contracts. The Academy Trust has, in all cases, followed the contract approaches taken for schools from the local authorities where the schools are based and have honoured the staff contracts transferred to the Academy Trust under the Transfer of Undertakings (Protection of Employment) Regulations 2006. Specifically of concern is a deficiency in the calculation of holiday entitlement for Term Time Only staff contracts where it is strongly believed there was an under-calculation of entitlement.

The Academy Trust has initiated a project to review every impacted contract and ensure each team member is allocated their correct contractual holiday entitlement on a fair basis. As part of this process it is accepted by Trustee's that team members should be retrospectively reimbursed for underpayments in relation to the under-calculation of holiday entitlement. This provision is made to address that obligation.

17 Deferred income

	2021/22 £	2021 £
Deferred income is included within:		
Creditors due within one year	222,288	253,517
	<u>222,288</u>	<u>253,517</u>
Deferred income at 1 September 2021	253,517	328,729
Released from previous years	(253,517)	(328,729)
Resources deferred in the year	222,288	253,517
	<u>222,288</u>	<u>253,517</u>
Deferred income at 31 August 2022	222,288	253,517

At the reporting date, the Academy Trust held funds received in advance of £221,038 (2021: £253,517) for Universal Infant Free School Meals and £1,250 for Lion Pathways licence sales (2021: £nil).

LION ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

18 Funds

	Balance at 1 September 2021 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2022 £
Restricted general funds					
General Annual Grant (GAG)	3,323,928	20,473,707	(20,690,675)	(80,347)	3,026,613
Other DfE / ESFA grants:					
- Universal infant free school meals	-	372,500	(372,500)	-	-
- Pupil premium	-	1,826,117	(1,826,117)	-	-
- Others	-	195,110	(195,110)	-	-
Catch-up & recovery premium	175,484	189,134	(364,618)	-	-
Other DfE / ESFA COVID-19 funding	-	186,098	(186,098)	-	-
Other non-DfE / ESFA COVID-19 funding	-	14,119	(14,119)	-	-
Other government grants	-	2,742,446	(2,742,446)	-	-
Pension reserve	(16,021,000)	-	(1,760,000)	12,223,000	(5,558,000)
	<u>(12,521,588)</u>	<u>25,999,231</u>	<u>(28,151,683)</u>	<u>12,142,653</u>	<u>(2,531,387)</u>
Restricted fixed asset funds					
Inherited on conversion	37,205,353	-	(1,288,593)	-	35,916,760
DfE group capital grants	3,578,448	706,723	(398,394)	(115,434)	3,771,343
Capital expenditure from GAG	249,659	-	(36,602)	195,781	408,838
Other government capital grants	64,700	-	(13,858)	-	50,842
IT Refresh fund	360,395	-	(125,365)	-	235,030
Capital expenditure from unrestricted funds	178,185	-	(6,450)	-	171,735
	<u>41,636,740</u>	<u>706,723</u>	<u>(1,869,262)</u>	<u>80,347</u>	<u>40,554,548</u>
Total restricted funds	<u>29,115,152</u>	<u>26,705,954</u>	<u>(30,020,945)</u>	<u>12,223,000</u>	<u>38,023,161</u>
Unrestricted funds					
General funds	1,889,446	960,868	(946,812)	-	1,903,502
Total funds	<u>31,004,598</u>	<u>27,666,822</u>	<u>(30,967,757)</u>	<u>12,223,000</u>	<u>39,926,663</u>

LION ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

18 Funds (Continued)

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

Restricted general funds are applied specifically in accordance with the rules of each grant and support the education provision delivered by the Academy Trust.

General Annual Grant (GAG) funds are for the purpose of running the academies in accordance with the Funding Agreement with the Secretary of State and along guidelines as set out in the Academies Financial Handbook. Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the GAG that it could carry forward at 31 August 2022.

Other DfE/ESFA grants funds relating to Universal Infant Free School Meals, Pupil Premium and other funding have arisen from funding received for the furtherance of the Academy Trust's activities that are not funded through the General Annual Grant.

Catch-up and recovery premium funding, Other DfE/ESFA COVID-19 funding and Other non-DfE/ESFA COVID-19 funding has been received to aid the Academy Trust in dealing with the impact of the COVID-19 pandemic on both the students and the schools' ability to provide teaching.

Other restricted funds have arisen from non-grant related income that the Academy Trust has received. The monies have to be used for the benefit of the Academy Trust, but there are no restrictions on when these monies can be spent.

The Pension Reserve is the liability that has arisen from the Local Government Pension Scheme. See note 25 for further details on this liability.

Restricted fixed asset funds are applied to the maintenance and improvement of the Academy Trust's fixed assets. The Capital expenditure from GAG fixed assets fund has been set up to recognise the tangible assets purchased by the Academy Trust following the conversion that have been funded from the GAG. This fund was created by a transfer from the GAG fund of an amount equivalent to the cost of the tangible assets involved. The Capital expenditure from unrestricted fund has been set up to recognise the tangible assets purchased by the Academy Trust funded from the unrestricted funds. This fund was created by a transfer from the unrestricted fund of an amount equivalent to the cost of the tangible assets involved.

In 2020 the Academy Trust initiated a major procurement project for an IT Refresh, of pupil and teacher IT equipment to directly support teaching and learning. For increased transparency, a ringfenced IT Refresh fund has been created within the Restricted fixed asset funds. In the prior year £136,007 was transferred from DfE / ESFA devolved formula capital grant funds to IT Refresh funds in respect of funding allocated to the IT refresh programme.

In the current year, £195,781 (2021: £9,936) was transferred from restricted General Annual Grant funds to Capital expenditure from GAG funds to cover capital expenditure incurred during the year.

In the current year, £115,434 (2021: £68,447) was transferred from DfE / ESFA capital grant funds to General Annual Grant funds in respect of repairs and maintenance and uncapitalised expenditure. In the prior year £5,941 was transferred from other government capital grant funds to General Annual Grant funds being capital funding spent on repairs and maintenance.

Unrestricted funds are applied to the general work of the Academy Trust to support activities inside and outside the curriculum.

LION ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

18 Funds (Continued)

Funds prior year

	Balance at 1 September 2020 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2021 £
Restricted general funds					
General Annual Grant (GAG)	3,189,496	20,247,020	(20,177,040)	64,452	3,323,928
Other DfE / ESFA grants:					
- Universal infant free school meals	-	400,188	(400,188)	-	-
- Pupil premium	-	1,814,979	(1,814,979)	-	-
- Others	-	185,845	(185,845)	-	-
Catch-up premium	-	343,470	(167,986)	-	175,484
Other non-DfE / ESFA					
COVID-19 funding	-	50,058	(50,058)	-	-
Other government grants	-	2,087,649	(2,087,649)	-	-
Other restricted funds	1,703	-	(1,703)	-	-
Pension reserve	(12,589,000)	(705,000)	(1,167,000)	(1,560,000)	(16,021,000)
	<u>(9,397,801)</u>	<u>24,424,209</u>	<u>(26,052,448)</u>	<u>(1,495,548)</u>	<u>(12,521,588)</u>
Restricted fixed asset funds					
Inherited on conversion	36,610,667	1,900,000	(1,305,314)	-	37,205,353
DfE group capital grants	2,973,845	1,032,213	(223,156)	(204,454)	3,578,448
Capital expenditure from GAG	270,093	-	(30,370)	9,936	249,659
Other government capital grants	-	70,641	-	(5,941)	64,700
IT Refresh fund	331,675	-	(107,287)	136,007	360,395
Capital expenditure from unrestricted funds	184,635	-	(6,450)	-	178,185
	<u>40,370,915</u>	<u>3,002,854</u>	<u>(1,672,577)</u>	<u>(64,452)</u>	<u>41,636,740</u>
Total restricted funds	<u>30,973,114</u>	<u>27,427,063</u>	<u>(27,725,025)</u>	<u>(1,560,000)</u>	<u>29,115,152</u>
Unrestricted funds					
General funds	<u>1,725,699</u>	<u>574,756</u>	<u>(411,009)</u>	<u>-</u>	<u>1,889,446</u>
Total funds	<u>32,698,813</u>	<u>28,001,819</u>	<u>(28,136,034)</u>	<u>(1,560,000)</u>	<u>31,004,598</u>

LION ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

18 Funds (Continued)

Total funds analysis by academy

	2022	2021
	£	£
Fund balances at 31 August 2022 were allocated as follows:		
Barclay Primary School	1,841,724	1,821,644
Sybourn Primary School	798,521	790,181
Thomas Gamuel Primary School	540,817	533,461
Warwick Academy	47,808	51,729
Ruskin Infant School	(94,151)	(57,702)
Ruskin Junior School	271,675	274,490
Olympic Primary School	136,890	128,878
Brook House Primary School	743,445	842,693
Maple Grove Primary School	57,293	72,434
Leigh Beck Junior School	(41,820)	(32,991)
Central services	627,913	964,041
Total before fixed assets fund and pension reserve	4,930,115	5,388,858
Restricted fixed asset fund	40,554,548	41,636,740
Pension reserve	(5,558,000)	(16,021,000)
Total funds	39,926,663	31,004,598

Leigh Beck Junior School is carrying a net deficit of £41,820 (2021: £32,991) because of the important replacement of the school boiler in 2019 at a cost of £97,234 funded using General Annual Grant funds.

Ruskin Infant School is carrying a net deficit of £94,151 (2021: £57,702) following the initial investment on conversion during the prior year to bring the school in line with Trust standards. Further investment during the year into the school has resulted in an increase in the deficit.

The Academy Trust has taken steps to return both schools to a surplus position through ongoing budgeting and forecasting procedures.

LION ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

18 Funds (Continued)

Total cost analysis by academy

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

	Teaching and educational support staff £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2022 £	Total 2021 £
Barclay Primary School	4,572,906	1,429,874	330,967	1,158,483	7,492,230	6,657,529
Sybourn Primary School	2,222,507	531,512	186,950	488,735	3,429,704	3,340,996
Thomas Gamuel Primary School	1,446,871	282,442	101,327	211,808	2,042,448	1,919,138
Warwick Academy	1,066,859	321,413	137,920	174,498	1,700,690	1,700,550
Ruskin Infant School	761,390	261,034	66,884	69,452	1,158,760	875,876
Ruskin Junior School	1,103,767	274,752	133,361	212,044	1,723,924	1,547,347
Olympic Primary School	1,345,766	375,785	168,897	288,311	2,178,759	1,917,302
Brook House Primary School	1,904,769	768,241	246,379	842,755	3,762,144	3,322,330
Maple Grove Primary School	980,974	448,866	110,239	146,445	1,686,524	1,554,687
Leigh Beck Junior School	735,196	263,028	180,821	197,931	1,376,976	1,394,932
Central services	478,438	543,563	189,607	1,303,728	2,515,336	2,232,770
	<u>16,619,443</u>	<u>5,500,510</u>	<u>1,853,352</u>	<u>5,094,190</u>	<u>29,067,495</u>	<u>26,463,457</u>

19 Analysis of net assets between funds

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed asset Funds £	Total Funds £
Fund balances at 31 August 2022 are represented by:				
Tangible fixed assets	-	-	40,509,162	40,509,162
Current assets	1,903,502	6,613,037	45,386	8,561,925
Current liabilities	-	(3,376,016)	-	(3,376,016)
Provisions for liabilities	-	(210,408)	-	(210,408)
Pension scheme liability	-	(5,558,000)	-	(5,558,000)
Total net assets	<u>1,903,502</u>	<u>(2,531,387)</u>	<u>40,554,548</u>	<u>39,926,663</u>

LION ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

19 Analysis of net assets between funds (Continued)

	Unrestricted Funds £	General £	Restricted funds: Fixed asset £	Total Funds £
Fund balances at 31 August 2021 are represented by:				
Tangible fixed assets	-	-	40,714,549	40,714,549
Current assets	1,889,446	5,758,120	922,191	8,569,757
Current liabilities	-	(2,258,708)	-	(2,258,708)
Pension scheme liability	-	(16,021,000)	-	(16,021,000)
Total net assets	1,889,446	(12,521,588)	41,636,740	31,004,598

20 Capital commitments

	2021/22 £	2021 £
Expenditure contracted for but not provided in the financial statements	427,833	-

21 Long-term commitments, including operating leases

Operating leases

At 31 August 2022 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2021/22 £	2021 £
Amounts due within one year	31,412	30,954
Amounts due between one and five years	31,412	61,908
	62,824	92,862

At 31 August 2022 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases which will be reimbursed by the ESFA was:

	2021/22 £	2021 £
Amounts due within one year	516,588	516,588
Amounts due between one and five years	2,241,719	2,125,129
Amounts due after five years	8,459,654	9,092,832
	11,217,961	11,734,549

LION ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

21 Long-term commitments, including operating leases (Continued)

The commitment above relates to the property occupied by Brook House Primary School under the terms of a tri-partite 25 year lease agreement between the Academy Trust, the London Borough of Haringey and the landlord. Whilst the Academy Trust is committed to lease payments for the duration of the 25 year lease term, the Academy Trust is fully indemnified and fully funded, by the ESFA, for the entirety of the lease on terms negotiated and agreed between the developer and the Local Authority.

22 Reconciliation of net expenditure to net cash flow from operating activities

	2021/22 £	2021 £
Net expenditure for the reporting period (as per the statement of financial activities)	(3,300,935)	(134,215)
Adjusted for:		
Net gain on transfer from Local Authority on conversion	-	(1,215,692)
Capital grants from DfE and other capital income	(706,723)	(1,102,854)
Interest receivable	(2,201)	(1,216)
Pension costs less contributions payable	1,490,000	948,000
Pension scheme finance costs	270,000	219,000
Depreciation of tangible fixed assets	1,869,262	1,672,577
Increase in provisions	210,408	-
Movements in working capital:		
(Increase)/decrease in debtors	(84,971)	518,276
Increase in creditors	1,117,308	114,038
Net cash provided by operating activities	862,148	1,017,914

23 Analysis of changes in net funds

	1 September 2021 £	Cash flows £	31 August 2022 £
Cash	6,053,140	320,122	6,373,262
Cash equivalents	1,413,854	(412,925)	1,000,929
	<u>7,466,994</u>	<u>(92,803)</u>	<u>7,374,191</u>

24 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 or she is a member, or within one year after he or she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he or she ceases to be a member.

LION ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

25 Pension and similar obligations

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 are managed by London Borough of Waltham Forest Pension Fund, London Borough of Haringey Pension Fund, Essex Pension Fund and Northamptonshire Pension Fund. Both types of scheme 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 related to 31 March 2019.

Contributions amounting to £312,160 were payable to the schemes at 31 August 2022 (2021: £311,991) and are included within creditors.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions 2014. Membership is automatic for teachers in academies. All teachers have the option to opt-out of the TPS following enrolment. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions along with those made by employers are credited to the Exchequer. 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 below the information available on the scheme.

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:

- Total scheme liabilities for service (pensions currently payable and the estimated cost of future benefits) of £218 billion
- Value of notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196 billion
- Notional past service deficit of £22 billion
- Discount rate is 2.4% in excess of CPI

As a result of the valuation, new employer contribution rates were set at 23.68% (including a 0.08% administration levy) of pensionable pay from September 2019 onwards (compared to 16.48% during 2018/19).

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

The employer's pension costs paid to the TPS in the period amounted to £1,692,438 (2021: £1,662,617).

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 21.1% - 26.2% for employers and variable percentage for employees.

LION ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

25 Pension and similar obligations (Continued)

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

The assumption for increases on GMP is that full pension increases on the GMP element of a member's pension are paid for by the Fund and therefore the Academy Trust does not expect the liabilities in the scheme to be affected by the outcome of the indexation and equalisation of GMP in public service pension scheme consultation. The Lloyds ruling does not currently affect the LGPS and so the Academy Trust does not believe any further adjustment is required.

Total contributions made	2022 £	2021 £
Employer's contributions	1,116,000	1,120,000
Employees' contributions	278,000	274,000
Total contributions	<u>1,394,000</u>	<u>1,394,000</u>

Principal actuarial assumptions

The following information is based upon a full actuarial valuation of the fund at 31 March 2016 updated to 31 August 2022 by a qualified independent actuary.

	2022 %	2021 %
Rate of increase in salaries	3.6 - 4.4	3.4 - 4.2
Rate of increase for pensions in payment/inflation	2.9 - 3.1	2.5 - 2.9
Discount rate for scheme liabilities	4.2 - 4.3	1.7 - 1.8
Inflation assumption (CPI)	<u>2.9 - 3.1</u>	<u>2.5 - 2.9</u>

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

	2022 Years	2021 Years
Retiring today		
- Males	21.0 - 22.6	21.5 - 22.6
- Females	23.5 - 25.1	23.7 - 25.1
Retiring in 20 years		
- Males	22.3 - 24.1	22.8 - 24.4
- Females	<u>24.9 - 27.0</u>	<u>25.8 - 27.1</u>

LION ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

25 Pension and similar obligations (Continued)

The Academy Trust's share of the assets in the scheme	2022 Fair value £	2021 Fair value £
Equities	7,940,000	8,585,000
Debt instruments	1,856,000	1,284,000
Cash	285,000	279,000
Property	1,507,000	1,216,000
Other assets	757,000	660,000
Total fair value of assets	<u>12,345,000</u>	<u>12,024,000</u>

The actual return on scheme assets was £(709,000) (2021: £1,681,000).

Amount recognised in the statement of financial activities	2022 £	2021 £
Current service cost	2,606,000	2,118,000
Net interest cost	270,000	219,000
Plan introductions, changes, gain/(loss) on curtailment and gain/(loss) on settlement	-	(50,000)
Total operating charge	<u>2,876,000</u>	<u>2,287,000</u>

Changes in the present value of defined benefit obligations	2022 £
At 1 September 2021	28,045,000
Current service cost	2,591,000
Interest cost	481,000
Employee contributions	278,000
Actuarial (gain)/loss	(13,143,000)
Benefits paid	(349,000)
At 31 August 2022	<u>17,903,000</u>

LION ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

25 Pension and similar obligations (Continued)

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

	2022 £
At 1 September 2021	12,024,000
Interest income	211,000
Return on plan assets (excluding net interest on the net defined pension liability)	(920,000)
Employer contributions	1,116,000
Employee contributions	278,000
Benefits paid	(349,000)
Administrative expenses	(15,000)
At 31 August 2022	<u>12,345,000</u>

LION ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

26 Related party transactions

Up to 1 September 2021, the immediate parent and ultimate controlling party of the Academy Trust was Lionmat Closed ('Lionmat') (company no. 8171341), a charitable company incorporated in the United Kingdom. The smallest and largest group in which the Academy Trust's accounts were consolidated is that of Lionmat. Following on from the group reorganisation on 1 September 2021, Lionmat ceased to trade (refer to note 27). No related party transactions took place during the year between the Academy Trust and Lionmat Closed.

In the prior year the following related party transactions took place between the Academy Trust and Lionmat.

Lionmat provided the following services to the Academy Trust. At the beginning of the prior year, Lionmat budgets expected costs of the central function for the year in respect of the following services. Expected costs were allocated to all academies in the group based on its GAG allocation as a proportion of the total GAG income receivable by the group.

- audit
- accountancy
- estate management
- governance
- group procurement support
- health & safety
- human resources
- IT infrastructure, support and networks
- legal services
- marketing and communications
- project management
- school improvement - professional and staff development

During the prior year, £508,548 was charged to the Academy Trust for the above services. Of this amount, £244,224 was charged to Brook House Primary School, £132,084 was charged to Maple Grove Primary School and £132,240 was charged to Leigh Beck Junior School.

Lionmat also charged the Academy Trust £35,081 for salary recharges during the prior year.

In prior years, Lionmat decided to internally manage staff absenteeism insurance and introduce a school improvement reserve. The chargeable range has an upward limit of £200 per pupil for the respective reserve based on the October 2017 census. However, it must be noted that there is a defined school eligibility criteria for the absenteeism reserve and that the variable nature of the charge ensures that no school is involuntarily placed into an operating deficit for the financial year.

Subsequently the Academy Trust decided to release part of the absenteeism reserve and school improvement reserve back to each school within the Trust for use with supporting the children outside existing budgeted interventions.

During the prior year, Lionmat charged the Academy Trust £41,538 and released £44,000 in respect of staff absenteeism reserve. These amounts have been netted off during the prior year within expenditure.

In addition, Lionmat charged the Academy Trust £41,818 and released £81,372 to the schools in respect of the school improvement reserve. These amounts have been netted off during the prior year within expenditure.

The Academy Trust charged Lionmat £367,565 for salary recharges during the prior year.

In 2020, Lionmat initiated a major procurement project for an IT Refresh of pupil and teacher IT equipment to directly support teaching and learning within the Academy Trust. In order to fund the project, the Academy Trust was charged £110,812 by Lionmat and subsequently received IT equipment with a carrying value of £123,987 in the prior year. The difference between the amounts charged and carrying value of IT equipment received was included in other creditors at the comparative reporting date.

LION ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

26 Related party transactions (Continued)

At the comparative reporting date, the amount due from Lionmat included in other debtors was £34,669 and the amount due to Lionmat included in other creditors was £53,649.

Key management personnel compensation disclosure is included in note 9.

27 Group reorganisation

On 1 September 2021, the trade and assets of Lionmat Closed were transferred to the Academy Trust for £nil consideration. As this transaction meets the definition of a group reorganisation and the criteria of section 27.13 of the Charities SORP (FRS 102), it has been accounted for as a merger within the financial statements of the Academy Trust.

The assets, liabilities and reserves of the Academy Trust and Lionmat Closed have been aggregated as of 1 September 2021 (the date the trade and assets of Lionmat Closed were gifted to the Academy Trust) within the Balance Sheet of the Academy Trust and the aggregated results of the two entities have been shown within the activities of the Academy Trust. The comparative information is also restated by including the result for the year and Balance Sheet for all the combining entities for the previous reporting period. Accordingly the comparatives presented in these financial statements are combined figures.