

Registered number: 08296921

Trustees' Report and Financial Statements

For the year ended 31st August 2022



L.E.A.D. Academy Trust
Lead • Empower • Achieve • Drive



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REFERENCE AND ADMINISTRATIVE DETAILS

Members

Mr P Berry
Mrs D Harvey
Ms A Frost

Trustees

Mr A Buck, Chair
Mr M Blois, Vice Chair
Ms D Owen, Chief Executive and Accounting Officer
Mr N Ydlibi
Mr D Williams
Mr P Graham
Mr J Hobson (resigned 7th September 2022)
Mrs H McNamara
Ms M Farrar (appointed 8th December 2021)
Mr M Kenyon (resigned 3rd December 2021)

Co-opted

Ms Angela Browne (appointed 16th November 2021)

Company registered number

08296921

Company name

L.E.A.D. Academy Trust

Principal and registered office

5a The Ropewalk, Nottingham, NG1 5DU.

Company secretary

Mrs L Bird

Executive management team

Ms D Owen, Chief Executive and Accounting Officer
Mr B Thandi, Deputy Chief Executive and Chief Finance Officer
Mr N Spencelayh, Deputy Chief Executive

Independent auditor

Mazars LLP, Park View House, 58 The Ropewalk, Nottingham, NG1 5DW.

Bankers

Lloyds Bank PLC, 1 City Road East, Manchester, M15 4PU.

Solicitors

Eversheds-Sutherland LLP, Water Court, 116-118 Canal Street, Nottingham, NG1 7HF.

TRUSTEES' REPORT

L.E.A.D. Academy Trust comprises of 25 academies and 1 Teaching School Hub across Nottingham, Leicester, Derby, Lincoln and Sheffield. Our philosophy is to; lead, empower, achieve and drive. Its academies have a pupil capacity of 11,901 and had a roll of 10,539 in the October 2021 school census.

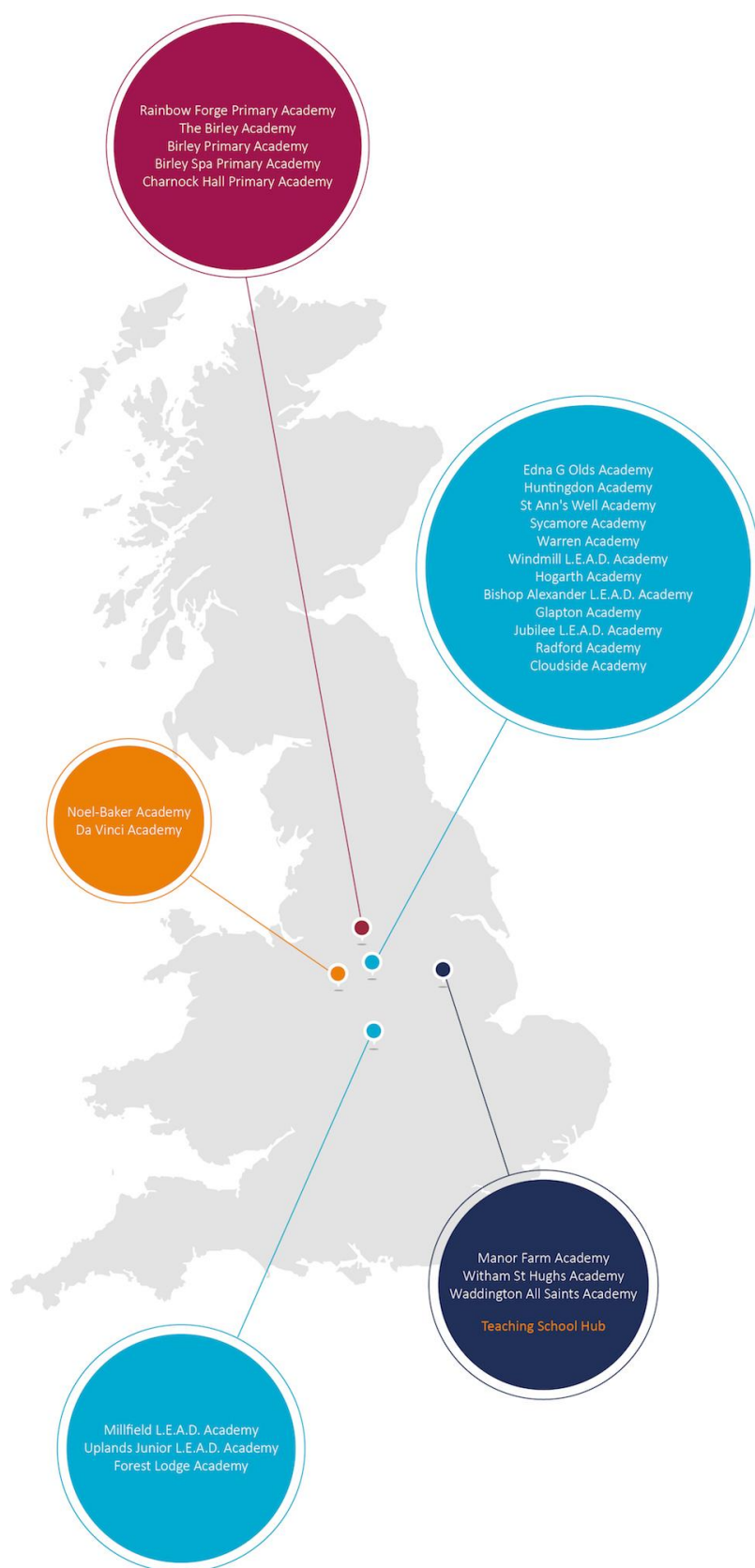
At the heart of our Trust is the development of outstanding leaders. We empower individuals in our academies to provide the highest quality education, enabling every pupil to realise their full potential. We have also been recognised by Ofsted as an organisation which ensures children are at the heart of the Trust's principles, visions and values.

The combination of autonomy and collaboration across key areas of leadership and management, underpinned by shared vision, values and best practice, positions L.E.A.D. as a unique Trust.

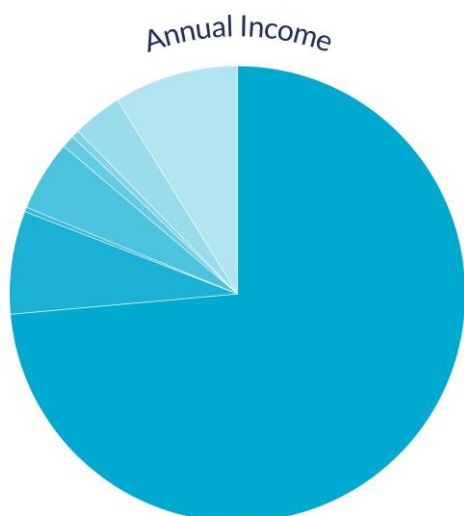
The Trustees present their annual report together with the financial statements and auditor's reports of the charitable company for the period 1st September 2021 to 31st August 2022.

The annual report serves the purposes of both a Trustees' report, and a directors' report under company law.

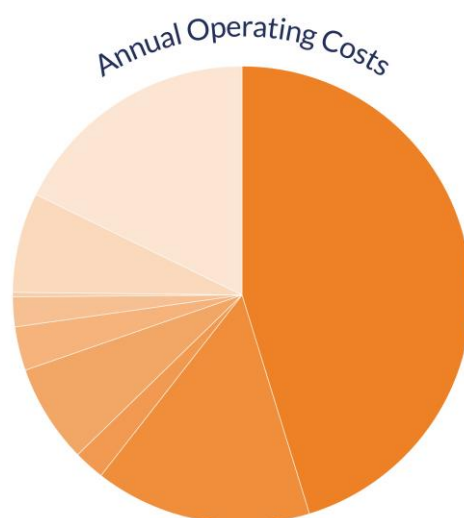
The charitable company was incorporated on 16th November 2012 and commenced trade as an Academy Trust on 1st January 2013.



Finances



- General Annual Grant
- Pupil Premium
- Rates Relief
- Local Authority
- Lettings
- Catering
- Trips
- Capital
- Other



- Teaching Staff
- Educational Support Staff
- Premises Staffing
- Admin Staffing
- Agency Staff
- Apprenticeship Levy
- Premises
- Non Staffing
- Other Staff

Reserves

£5.5m held as at 31st August 2022 which equates to 8% of income.

+£0.2m movement in reserves.

Capital Investment

1% investment in IT infrastructure.

4% investment in buildings.

Commercial Activity

Commercial activity equates to 5.3% of total income

People

541 FTE teaching staff.

562 FTE support staff.

50 FTE central staff.

35 FTE subsidiary staff

20 primary teacher pupil ratio.

15 secondary teacher pupil ratio.

13 support staff pupil ratio.

90% teacher retention level.

Structure, governance and management

a. Constitution

The L.E.A.D. Academy Trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Academy Trust. The Trustees of the L.E.A.D. Academy Trust are also the directors of the charitable company for the purposes of company law. The charitable company was formerly known as the L.E.A.D. Multi-Academy Trust.

The company is referred to as the L.E.A.D. Academy Trust in terms of its public profile.

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

b. Members' liability

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

c. Trustees' indemnities

A Trustee may benefit from any indemnity insurance purchased at the Academy Trust's expense to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy Trust.

L.E.A.D. Academy Trust has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business, and provides 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 membership.

d. Method of recruitment and appointment or election of Trustees

The total number of Trustees including the Management Team Trustees who are employees of the Company shall not exceed one third of the total number of Trustees.

Subject to Articles 45-49 and 63, the Academy Trust shall have the following Trustees:

- a) Up to ten Trustees appointed under Article 50 by Members.
- c) Management Team Trustee appointed under Article 57.
- d) Additional Co-opted Trustees, if appointed under Article 58.
- e) Parent Trustees, if appointed under Clauses 53 to 56.

The Secretary of State may appoint additional Trustees if the Trustees fail to comply with a Secretary of State warning notice.

Any vacancies or additions to the Board of Trustees are completed through a recruitment process which also involves sourcing a potential shortlist of candidates from the Academy Ambassadors programme and recruitment campaigns. The candidates are assessed jointly by the Chair of Trustees and Chief Executive, prior to being approved by the Members.

e. Policies and procedures adopted for the induction and training of Trustees

The training and induction provided for each new Trustee will depend on their existing experience and where necessary the induction programme will provide training on charity, educational, legal and financial matters. All Trustees of the Academy Trust are provided with access to copies of strategic plans, procedures, minutes, accounts, budgets and other documents that they will need to undertake their role as Trustees. The Academy Trust will also perform an annual skills audit of Trustees which forms part of the self-review process, should any gaps be identified training courses are offered to address these issues.

f. Organisational structure

The L.E.A.D. Academy Trust is the parent company for the trading subsidiary L.E.A.D. Services Ltd and the L.E.A.D. Teaching School Hub Ltd. Huntingdon Academy was the founding member and sponsor for the Trust, prior to the restructure of the company in September 2013. The Trust currently consists of the following academies.



The management structure consists of seven levels; the Members, the Board of Trustees, the Executive Management Team, the Directors, the Head Teachers of each academy, the Academy Governing Body of each academy and the Senior Leadership Team within each academy. The aim of the management structure is to devolve responsibility and encourage decision making at the appropriate level.

The Trustees are responsible for setting general policy, adopting an annual strategic plan and budget, monitoring of each academy's performance and appointment of the Head Teachers and Chairs of Academy Governing Bodies.

The Executive Management Team is the Chief Executive and two Deputy Chief Executives supported by Directors, Executive Headteachers and Headteachers of each academy. These managers control the academies at an executive level, implementing policies laid down by the Trustees and reporting back to them. As a group, these managers are responsible for the authorisation of spending within agreed budgets and appointment of staff.

Each Academy Governing Body receives delegated authority from the Academy Trust Board to support the Board in fulfilling its obligations.

g. Arrangement for setting pay and review of key management personnel

The pay and remuneration of the Executive Management Team and the Directors is set by the Board of Trustees. Headteachers' pay is set in line with Teacher's pay and conditions.

The Pay Committee commission external independent reports, which benchmarks the most senior roles across the public sector. Each role is benchmarked taking into consideration the following:

- Internal job size and internal pay relativities.
- Relevant external market positioning and benchmarking data.
- Individual experience, performance and contribution.

The Pay Committee through performance management, review the pay and remuneration of the Executive Management Team.

h. Trade union facility time

The following is a summary of the trade union facility time information for the one employee (0.6FTE) with relevant trade union official duties.

Number of employees	1
Percentage of time spent on facility time	51% to 99%
Total cost of facility time	£33,587
Total pay bill	£48,079,204
Percentage of the total pay bill spent on facility time	0.07%
Time spent on paid trade union activities as a percentage of total paid facility time hours	20%

i. Connected organisations, including related party relationships

The L.E.A.D. Academy Trust is the parent company of its subsidiary L.E.A.D. Services Limited (company no 08423697) and the L.E.A.D. Teaching School Hub Ltd (company no 13395409).

Directors of L.E.A.D. Services Limited received no remuneration and any surpluses generated by L.E.A.D. Services Limited are gifted to the L.E.A.D. Academy Trust for reinvestment as grants within the Trust.

L.E.A.D. Services provided the following range of services valued at £145,000 for no cost during 2020/21:

- £17,000 portable appliance testing.
- £34,000 for transportation, delivery and travel costs.
- £20,000 set up and installation costs.
- £20,000 office accommodation costs.
- £24,000 helpdesk and software costs.
- £10,000 software costs.

Related party transactions

The chair Andy Buck is a director of Andy Buck Leadership Services and the Trust entered into a transaction with this company resulting in the following related party transaction during this financial year:

- £1,558 CPD and training.

The vice chair Mark Blois is employed by BrowneJacobson LLP, and the Trust entered into a transaction with this company resulting in the following related party transaction during this financial year:

- £954 CPD and training.

L.E.A.D. Services Ltd as a subsidiary of the L.E.A.D. Academy Trust entered into a transaction resulting in the following related party transaction during this financial year:

- £15,221 employee recharges as cover for a member of the team on maternity leave.

L.E.A.D. Teaching School Hub Ltd as a subsidiary of the L.E.A.D. Academy Trust entered into a transaction resulting in the following related part transaction during this financial year:

- £15,214 recharges for CPD and appropriate body charges.

j. Engagement with employees

Trustees ensure engagement with employees through the following;

- A staff voice consisting of representation from each academy.
- Both teaching and support staff representation on all Academy Governing Bodies.
- Engagement with trade unions through an established Joint Negotiation and Consultation Committee.
- Headteachers regularly briefing all of their staff.
- Staff surveys.
- The Trust social media presence.

In addition to the Trust's equality objectives, there is a suite of policies covering all aspect of personnel management to support employee engagement.

k. Engagement with suppliers, customers and others in a business relationship with the Trust (section 172)

Engagement with suppliers engaged with the Trust are focused on the following core principles to ensure the relationship is not just purely a transactional one.

- Collaborative in the form or working in partnership to develop the service provided.
- Recognition in the form of celebrating achievements and milestones.
- Accountability in the form of response times, setting of expectations and clear communication channels.
- Transparency of the supply chain and a deeper understanding of potential delays or problems.

Engagement and promoting our success with customers (parents and carers) is focused around ensuring the following communications are utilised effectively as part of the Trust communications strategy.

- Social media platforms which include Twitter and Facebook.
- Academy websites.
- Academy newsletters.
- 'Your Voice' campaigns.

The following are examples of media campaigns during this financial year.



Objectives and Activities

a. Objectives and aims

The principal objective and activity of the charitable company is to advance for the public benefit, education in the United Kingdom by establishing, maintaining, carrying on, managing and developing schools offering a broad and balanced curriculum.

In addition, to promote for the benefit of individuals living in the regional hubs and surrounding area who have need by reason of their age, infirmity or disability, financial hardship or social and economic circumstances or for the public at large, the provision of facilities for recreation or other leisure time activities in the interests of social welfare and with the object of improving the condition of life of the said individuals.

In accordance with the articles of association, the charitable company has entered into relevant funding agreements with the Secretary of State. The funding agreements specify, amongst other things, the basis for admitting students to the academy, the catchment area from which the students are drawn, and that the curriculum should be broad and balanced.

The main aims of the Trust during the period ended 31st August 2022 are summarised below:

- Through outstanding leadership we, at the L.E.A.D. Academy Trust, will provide the highest quality education to enable every pupil to realise their full potential.
- Utilising the power of partnership working as a catalyst for ensuring more children receive an exceptional education.
- Embracing a combination of autonomy and collaboration across key areas of leadership and management, underpinned by shared vision, values and best practice.
- Provide value for money for the funds expended.

b. Objectives, strategies and activities

In every aspect of life, the ability to lead is essential. Strong leadership is the key to the success of our schools. We will develop leadership skills in everyone, ensuring the development of pupils as leaders of their own learning.

At the Trust academies, pupils are empowered to have high aspirations for their futures. We nurture and challenge pupils to take responsibility, make decisions and work together so they grow into confident and resilient young people.

We believe in achievement in its broadest sense and that enjoyment of learning is crucial to success. We continually look for and reward achievement in every individual in our schools. We also know that a strong command of English and Maths is vital as a foundation for the whole curriculum and prioritise learning in these core subjects.

We will provide the very best education and training for every individual in our schools and will ensure that this is delivered. We value excellent teaching, underpinned by high quality professional development and will constantly move forwards, using and instigating the best ideas and practice.

We also understand that children need to be motivated if they are to succeed in life and we will provide a stimulating curriculum and environment which will prepare them for their futures with confidence and determination.

c. Public benefit

The Trustees have complied with the duty in Section 4 of the Charities Act 2006, to have due regard to public benefit guidance published by the Charity Commission in exercising their powers or duties. In particular, the Trustees consider how planned activities will contribute to the aims and objectives they have set. The Academy Trust has provided a fully comprehensive education to all pupils in its care. It fully complies with all statutory guidance and seeks to support its wider educational objectives via a strong community role.

Achievements and performance

Strategic report

The Trust now provides the education for approximately 11,000 children across the East Midlands and South Yorkshire fulfilling its primary objective in some of the most deprived areas in England. To add further context, 46% of the pupils served by the Trust live in the 20% of wards with the highest level of deprivation.

The following is a summary of our stated priorities for 2021/22:

Quality of Education	1. To ensure that the quality of provision is at least 'good' in all Trust academies 2. To improve pupil attendance and reduce persistent absence in Trust academies
Growth	3. To ensure the work of the Trust impacts on a greater number of pupils
Governance	4. Develop the effectiveness of governance across the Trust 5. Enhance the level of diversity across all tiers of governance
Finance and Operations	6. Ensure financial resources and systems support the Trust in implementing its strategic intent 7. Ensure our academies are supported by effective procurement practices 9. Ensure the Trust contributes towards the climate change agenda.
People	10. Ensure the Trust has a proficient and highly motivated workforce, supported by effective CPD 11. Ensure the Trust has effective systems in place to support the EDI strategy
Communications	12. Ensure communications throughout the Trust and beyond are of consistently high quality

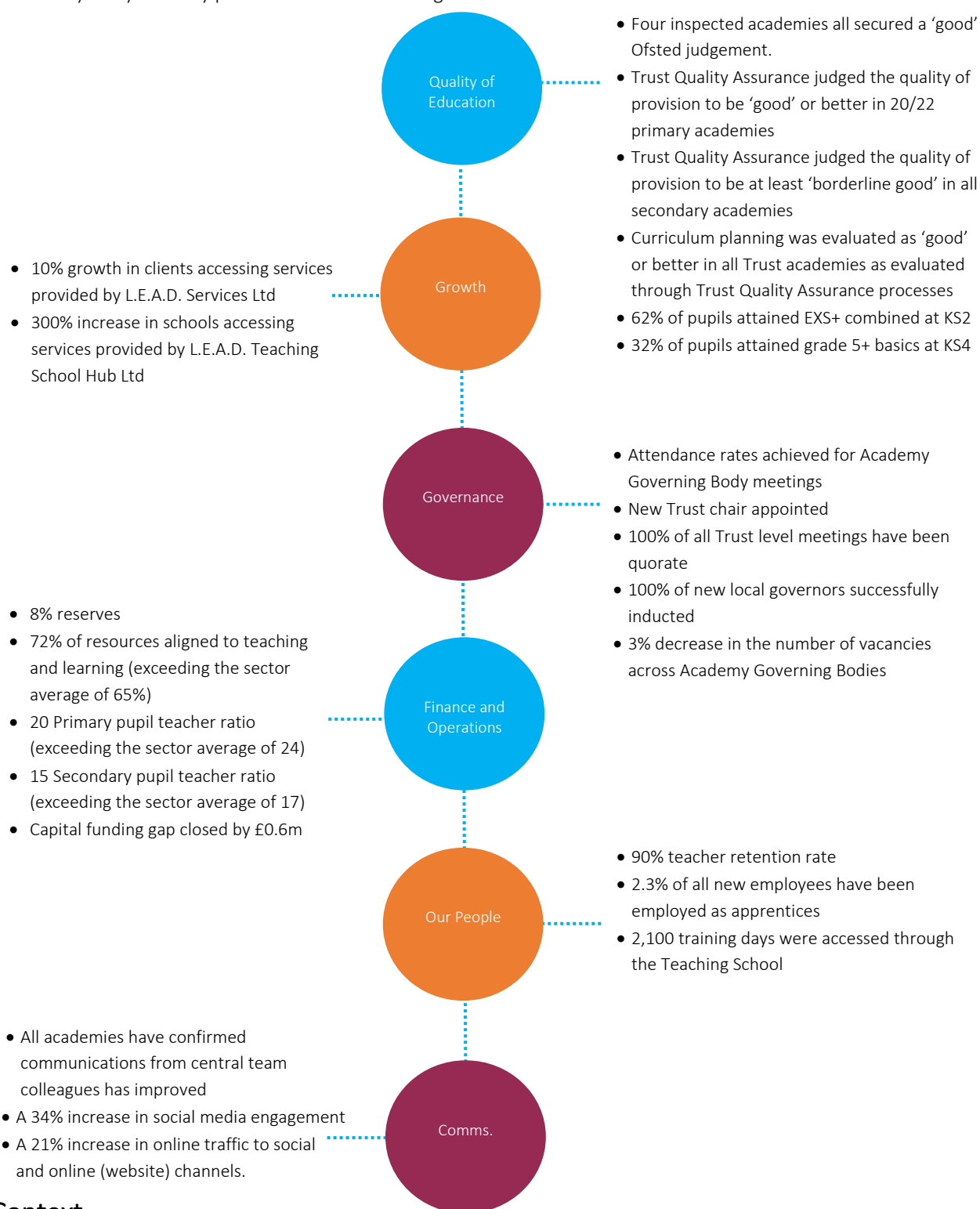
Pupil Attendance

Pupil and staff attendance was affected due to the pandemic during the 2021/22 academic year. The attendance figures below show the overall attendance of pupils for this period. Comparative national data is not yet available.

	Actual Attendance
Primary	94.1%
Secondary	88.4%

a. Key performance indicators

A summary analysis of key performance indicators is given below:



Context

35% (primary) and 42% (secondary) disadvantaged backgrounds

28% (primary) and 10% (secondary) English as an additional language

15% (primary) and 19% (secondary) SEN

1% looked after

The Trust also provides education for almost 3,000 secondary-aged pupils living in Derby and Sheffield. The demographic of the secondary estate shows that the Trust serves communities with higher than average levels of social deprivation.

b. Going concern

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the L.E.A.D. Academy Trust and its subsidiary companies has adequate resources to continue in operational existence for the foreseeable future.

The going concern status for the parent company has been assessed in light of the following:

- The company has Supplementary Funding Agreements with the Department for Education for all of our academies which provide legal certainty of the availability of public funds for at least 7 years.
- There is a revised sustainable three-year plan which takes into consideration the impact of unfunded pay awards, inflationary pressure and increasing utility costs. Further contingency options are being considered to ensure continued long term financial stability.
- The pension deficit is consistent with the rest of the sector and is highly unlikely to result in any fundamental cashflow issues as it is not repayable immediately.
- Although there are slight concerns with pupil numbers where there is a level of unpredictability, the majority of academies pupil numbers remain stable and in line with projections.
- The ability to generate additional income through its trading subsidiary companies and site development plans.
- The L.E.A.D. Academy Trust has sufficient reserves and cash balance. These have been tested over a three-year period to where pay awards and inflationary costs continue to exceed current levels.

The going concern status for the two subsidiary companies has been assessed in light of the following:

- The status of a Teaching School Hub is secure in Lincoln for at least a further two financial years, securing grant funded contracts for the foreseeable future.
- Clients are secured for a period of three to five years.
- Three-year financial plans are in place.
- Almost all of the client base are public sector funded organisations minimising the exposure of risk.

For these reasons, the parent company and its subsidiary companies will continue to adopt the going concern basis in preparing the financial statements and the Directors have no material uncertainties in their assessment.

Success of the company

Trustees have promoted the success of the company under section 172(1) of the Companies Act 2006 through its published key performance indicators on page 11, internal communications channels connected into our local governance structure and external communication channels with local parents and communities.

Financial review 2022

The vast majority of the Trust's income is obtained from the Department for Education (DfE) via the Education and Skills Funding Agency (ESFA) in the form of recurrent grants to the Trust's academies (Revenue and Capital), the use of which is restricted to particular educational purposes. The grants received from the DfE during the period ended 31st August 2021 and the associated expenditure are shown within Restricted Funds in the Statement of Financial Activities.

At 31st August 2022 the net book value of fixed assets was £101,216K and the net book value of intangible assets was £3k; the movements in tangible and intangible fixed assets are shown in notes 14 & 15 to the financial statements. The assets were used exclusively for providing education and the associated support services for pupils of the academies.

During the year capital expenditure of £3,207k was utilised for investment in the Trust's fixed assets.

Key financial policies adopted or reviewed during the period cover Assets and Depreciation, Finance Procedures and Regulations which are set out within the Trust's Finance Procedures. In addition, the Trust has approved policies on Fraud, Whistleblowing, Tendering and Expenses and Charges. The Trust's procedures set out the framework for financial

management, including the financial responsibilities of Trustees, Executive Management Team, Headteachers and Finance staff centrally and in academies. Delegated financial responsibilities are set out within the Trust's scheme of delegation and the financial procedures.

Central support services have been developed covering Educational Support, Finance, Governance, IT, Risk Management, Legal and Human Resources. These services will continue to develop further over the next 12 months subject to the growth and the financial impact of pay awards and utility cost pressures.

a. Reserves policy

The Board of Trustees review the reserve levels of the Trust annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves.

The Trust is mindful of the level of cash required to ensure the ongoing liquidity and success of the Trust and will continue to invest surplus reserves in capital projects across its academies.

The Board of Trustees have agreed that the minimum level of reserves held for revenue purposes should be maintained at 6% of income which equates to £4.2m, with current reserves held at £5.5m exceeding the target by £1.3m. The current level of reserves has increased despite the financial pressures driven by COVID-19, pay awards and inflationary pressure.

Future financial pressures driven by COVID-19, High Level Needs (HLN), utility costs and future pay awards may place additional pressure on reserves, however the Trust has the financial security to transition future reserves to 5% of income, which would equate to £3.5m if required.

At the year end, the total unrestricted funds were £2,742k (2021: £2,340k) and the total restricted general funds were £2,788k (2021: £2,952k).

b. Material investments policy

Trustees have adopted a revised Investment Policy. It allows for surplus funds to be invested in a range of interest-bearing accounts both on a short term and medium term.

c. Principal risks and uncertainties

The major risks to which the Trust is exposed, as identified by the Trustees, have been reviewed, and systems and procedures have been established to mitigate those risks. The schedule of risks is tabled and reviewed at all Board Meetings and mitigating actions are agreed as required.

Operational Risk

The uncertainties relating to the delayed implementation of the National Funding Formula have been addressed by the implementation of the Trust Funding Formula. However, the potential financial impact of COVID-19, future pay awards, and pension costs could contribute towards cost pressure in future periods, which increases the importance of maintaining a robust level of revenue reserves.

Credit Risk

The Trust recognises exposure to credit risk, being the risk that revenues (self-generated or government funding) cannot be collected, and the exposure to banks where the Trust's own cash is deposited. The credit risk is low for the Trust due to all cash and performance fee balances being with banks assigned high credit ratings.

The Trust does not hold client cash balances or assets, so is not exposed to client credit risk.

Liquidity Risk

Prudent liquidity risk management includes maintaining sufficient cash and interest-bearing deposits. To minimise this risk a high percentage of asset funds are held within flexible accounts. The Trust recognises that the defined benefit schemes deficits (Local Government Pension Schemes), set out in note 29 to the financial statements, which represents a significant potential liability. However, as the Trustees consider that the Trust is able to meet its known annual deficit contribution commitments for the foreseeable future, the risk from this liability is minimised and is manageable.

Cash Flow

Forward financial planning and the strategy to maintain reserves at 6% has mitigated the risk of any potential cash flow issues across the Trust.

Energy and Carbon Reporting

The UK Greenhouse gas emissions and energy use data for the period 1 September 2021 to 31 August 2022 and methodology applied is summarised in the following table. The total energy consumption used to calculate emissions KWH 10,731,597 for comparison purposes this was 11,086,169 in 2020/21.

Scope	Energy Source	Current Year Figures 2020/21	Comparison Reporting Year 2021/22
		Emissions calculation tonnes (CO ² e)	Emissions calculation tonnes (CO ² e)
1	Gas	1349.08	1224,82
	Vehicles	28.45	39,69
2	Electricity Standard	789.67	718.80
3	Staff mileage	25.81	34.94
	Intensity ratio	0.21	0.19

Note 1 - total KWH used for the year taken from gas bills for each academy

Note 2 - total KWH used for the year taken from oil bills for each academy

Note 3 - miles in the year for Trust vehicles

Note 4 - total KWH used for the year taken from electricity bills for each academy

Note 5 – total mileage for fuel reimbursed from staff claims

Note 6 – based on total pupil numbers

The Trust have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard and have used the 2022 UK Government's Conversion Factors for Company Reporting.

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO² per pupil, the recommended ratio for the sector.

Measures taken during this academic year to improve energy efficiency include the following.

- Installed LED lighting at a number of academies.
- Upgraded windows at a number of academies.
- Replacement of inefficient gas heating systems with new air heating pump systems.

Fundraising

The Trust has no commercial fundraising arrangements in place with any internal or external partners. Academies within the Trust do secure a relatively small amount of funding as voluntary contributions.

Plans for future periods

a. Future developments

The Trust will continue to work towards delivering the following core characteristics in all of its schools:

- the highest standards of behaviour and conduct;
- outstanding teaching and learning;
- a fully inclusive approach where all children are equally important;
- a climate of mutual respect between the children, staff and community;
- positive relationships;
- high aspirations for all involved with the schools – a ‘can do’ attitude;
- a wide range of enrichment opportunities for all to get involved;
- a celebration of all the cultures and faiths represented in the schools;
- an organisation where there are no excuses for underachievement.

The Trust plans in the short term to maintain the number of academies it runs. It is anticipated during the 2022/23 financial year, there may be further schools joining the Trust, as the development of hubs within each region continues.

The next phase of growth is currently being carefully planned and measured and will be reviewed on an annual basis by the Trustees.

Funds held as custodian

None.

Employee involvement and employment of the disabled

Employees have been consulted on issues of concern to them by means of regular consultative committee and staff meetings and have been kept informed on specific matters directly by management. The Trust aims to carry out exit interviews for all staff leaving the organisation and has adopted a procedure of upward feedback for senior management and the Trustees.

The Trust has implemented a number of detailed policies in relation to all aspects of personnel matters including:

- Equal Opportunities Policy
- Health & Safety Policy

In accordance with the Trust’s Equal Opportunities Policy, the Trust has long established fair employment practices in the recruitment, selection, retention and training of disabled staff.

Full details of these policies are available from the Trust and individual academy websites.

Disclosure of information to auditor

Insofar as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Trustees have taken all the steps that ought to have been taken as Trustees in order to be aware of any relevant audit information and to establish that the charitable Group's auditor is aware of that information.

The Trustees' Report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on the 13th December 2022 and signed on its behalf by:

A handwritten signature in blue ink, appearing to be 'A. Buck' with a stylized flourish at the end.

Mr A Buck
Chair of Trustees

GOVERNANCE STATEMENT

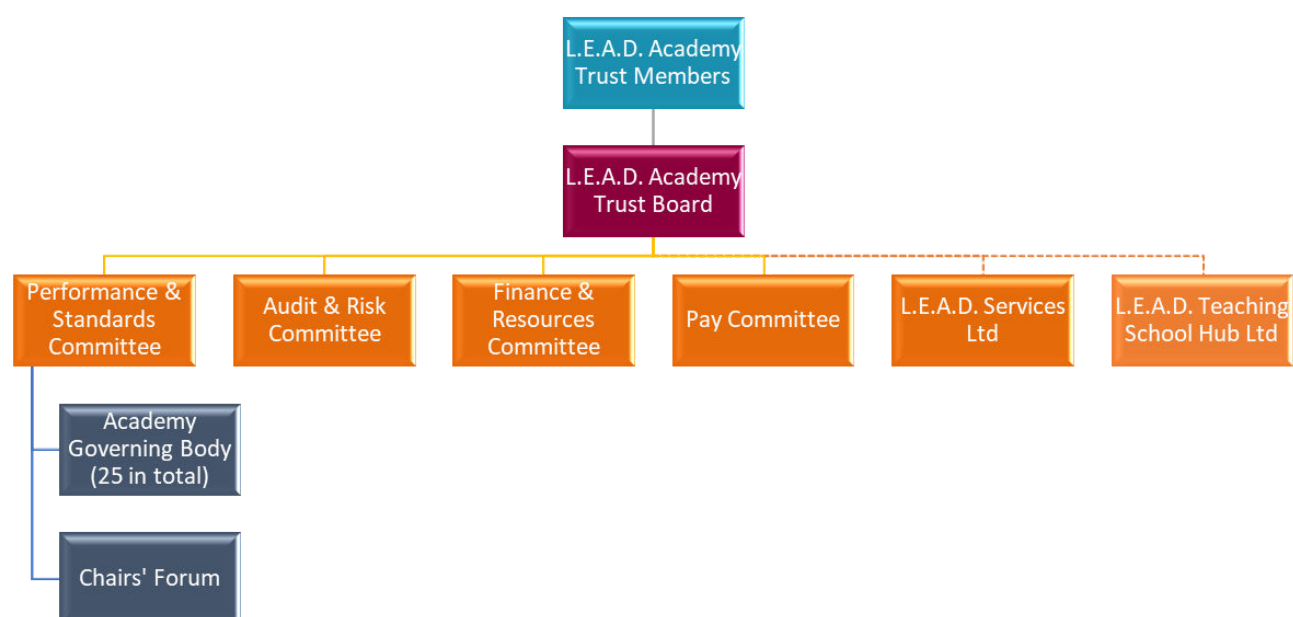
Scope of Responsibility

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

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

Governance

The governance structure is as follows:



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

Trustee	Meetings attended	Out of a possible
Mr A Buck, Chair	5	5
Mr M Blois, Vice Chair	4	5
Ms D Owen, Chief Executive and Accounting Officer	5	5
Mr D Williams	4	5
Mr M Kenyon	2	2
Mr N Ydlibi	4	5
Mr P Graham	4	5
Mr J Hobson	5	5
Mrs H McNamara	5	5
Ms M Farrar	2	2
Ms A Browne	2	3

The Board of Trustees meets five times a year which complements the governance model and the committee cycle. The trustees do not feel that they need to meet more frequently in order to discharge their obligations due to the governance structure providing an effective framework of robust challenge and interrogation through the subcommittees and Academy Governing Bodies. In addition, monthly finance reports are sent to the chair and vice chair and shared on an electronic folder accessible by all trustees.

Trustees regularly discuss strategic matters and organisational development as a group of trustees and with their respective Executive Management Team. Some of the key pieces of work throughout the year included:

- Approval of a revised scheme of delegation.
- Approval of 2022-23 budget.
- Approval of the strategic plan.
- Approval of the growth strategy.
- Approval of the revised Executive Management pay policy.
- Further development of the risk appetite framework and risk register.
- Oversight of an updated growth strategy.
- Oversight of the impact and risks of COVID-19.

The Pay Committee is a subcommittee of the main Board of Trustees. Its purpose is to review remuneration of the Executive Management Team.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Mr M Blois	2	3
Mrs H McNamara	4	4
Mr A Buck	4	4
Mr D Williams	4	4

The work of the Pay subcommittee this year has included:

- Independent benchmarking and review of Executive pay.
- Review of the Executive pay policy.

The Audit and Risk Committee is also a subcommittee of the main Board of Trustees. The core purpose of the committee is to ensure the quality and integrity of the organisation's risk management framework; accounting and reporting practices, controls and financial statements; legal and regulatory compliance; the auditor's qualifications and independence; and the performance of the company's internal audit function and independent auditors.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Mr D Williams	4	4
Mr M Blois	2	2
Mr M Kenyon	2	2
Mr N Ydlibi	3	4

The work of the Audit and Risk subcommittee this year has included:

- Oversight of the 2020-2021 and 2021-2022 Mazars audit.
- Closure of the 2020-21 Audit Management actions, all of which have been completed.
- Recommendation of the statutory accounts.
- Strategic oversight and scrutiny of Internal Audit Plan.
- An updated risk register and review of actions points.
- Receipt and scrutiny of internal audit and Cyber Security audit reports.
- Scrutiny of Health and Safety, with a particular focus on COVID-19 and Fire Risk Assessments.
- Scrutiny of Cyber Security and GDPR compliance.
- Impact of COVID-19.

The Finance and Resources Committee is also a subcommittee of the main Board of Trustees. Its purpose is to review the financial performance of the Trust.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Mr P Graham	2	3
Mr N Ydlibi	3	3
Mrs H McNamara	2	3

The work of the Finance and Resources subcommittee this year has included:

- Review of the management accounts.
- 2022-23 budget approval and recommendation to the Board.
- Principles for financial planning.
- Benchmarking of functions to similar sized Trusts.
- Oversight of the People Plan.
- Oversight of the Capital Plan.
- Treasury management.
- Strategic oversight of staff vacancies, sickness and retention.
- Financial impact of COVID-19.

The Performance and Standards Committee is also a subcommittee of the main Board of Trustees. Its purpose is to review the education performance of the Trust.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Mr J Hobson	2	3
Ms A Browne	0	2
Ms M Farrar	2	2
Mr D Williams	3	3
Mr A Buck	1	1

The work of the Performance and Standards subcommittee this year has included:

- Regular review of the performance of academies.
- Review of exam results and projections.
- Regular oversight of Safeguarding.
- Educational impact of COVID-19.

The L.E.A.D. Services Board also acts as subcommittee of the main Board of Trustees. Its purpose is to have oversight and assurance of the subsidiary company.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Mr P Berry	3	3
Mr B Thandi	3	3
Mr P Graham	3	3
Mr M Brunner	3	3
Mr K Housley	2	3

The work of the L.E.A.D. Services Board this year has included:

- Regular review of the performance of the company.

The L.E.A.D. Teaching School Hub Board also acts as subcommittee of the main Board of Trustees. Its purpose is to have oversight and assurance of the subsidiary company.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Mr M Blois	3	3
Mr P Graham	1	3
Mr D Williams	3	3

The work of the L.E.A.D. Teaching School Hub Board this year has included:

- Regular review of the performance of the company.

Conflict of Interests

Conflict of interests are managed through the following controls:

- All trustees, members and governors complete an annual declaration of interests.
- Any related party transaction with trustees are reported, tracked and submitted to the ESFA by the Chief Financial Officer. Trustees with a declared conflict of interest are not involved in any procurement or decision making process.
- Any related party transaction between the parent company and the two subsidiary companies is also declared and submitted to the ESFA. In order to maintain a separation of duties the Head of Operations oversees the procurement and decision making process.
- For any related party transaction the Trust will not enter into any transaction which exceeds £20,000.

Review of Value for Money

As Accounting Officer, the Chief Executive 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 uses its resources and how it has provided good value for money during each academic year, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer for the Academy Trust has delivered improved value for money during the year by securing the following:

- 14% reduction in photocopying costs.
- 8% reduction in telephony costs.
- 3% reduction in subscriptions costs.
- All key personnel have completed an updated procurement training programme.
- Benchmarking has been completed for the central function against comparably sized Trusts.
- An updated approach to treasury management has been agreed for implementation in 2022/23.

A programme of procurement training for all key budget holders has been completed during the course of this academic year, which will streamline procurement processes and continue to secure value for money.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks 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 L.E.A.D. Academy Trust for the year 1st September 2021 to 31st August 2022 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The Board of Trustees has reviewed the key risks to which the 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 Trust's significant risks, which have been in place during the financial year and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

The Risk and Control Framework

The Academy'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 Board, 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;
- the review and monitoring of the main risks are reflected in the risk register which includes the following:
 - Safeguarding.
 - Maintaining academic standards.
 - Managing growth.
 - Cyber Security and GDPR.
 - Political change.
 - Financial management.
 - Governance.
 - Effective leadership.
 - L.E.A.D. Services Ltd subsidiary.
 - Health and Safety.
 - COVID-19.
 - Teaching School Hub.

The Board of Trustees has considered the need for a specific internal audit function and has decided to re-appoint Veritau as internal auditors, who have supported meeting the requirements of the Audit and Risk Committee.

Veritau is a shared service company providing a broad range of public sector assurance services, including internal audit, counter fraud, risk management and information governance.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. On a quarterly basis, the internal auditor reports to the Audit and Risk Committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities. Veritau completed the planned schedule of work which included the following:

- Safeguarding.
- GDPR and cyber security.
- Payroll and sickness management.
- Financial controls and procurement.

In addition, independent Cyber Security network testing has also been completed alongside assurances from Ofsted Inspections and HMRC reviews.

No material control issues were identified by the internal auditors.

Review of Effectiveness

As Accounting Officer, the Chief Executive 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;
- any correspondence from the ESFA and an ESFA audit at Manor Farm Academy;
- the school resource management self-assessment;
- the work of the executive managers within the Trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the audit committee and a plan to address any identified weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 13th December 2022 and signed on their behalf by:



Mr A Buck
Chair of Trustees



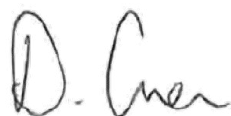
Ms D Owen
Accounting Officer

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of L.E.A.D. Academy Trust I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education & Skills Funding Agency ('the ESFA') of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy Trust, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Trust Handbook 2021.

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



.....
Ms D Owen
Accounting Officer

Date: 15th December 2022

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2022

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

Company law requires the Trustees to prepare financial statements for each financial . 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 Group and the charitable company and of their incoming resources and application of resources, including their income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 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 group will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and 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 Group and 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 their conduct and operation the Group and the charitable company apply financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from ESFA/DfE have been applied for the purposes intended.

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

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



.....
Mr A Buck
Chair of Trustees

Date: 15th December 2022

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS
OF L.E.A.D. ACADEMY TRUST**

Opinion

We have audited the financial statements of L.E.A.D. Academy Trust (the 'Academy Trust') and its subsidiaries (the 'Group') for the year ended 31 August 2022 which comprise Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Academy Trust Balance Sheet, the Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice), Accounting and Reporting by Charities; Statement of Recommended Practice applicable to Charities (Charities SORP 2019) and the Academies Accounts Direction 2021 to 2022 issued by the Education & Skills Funding Agency.

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Academy Trust's affairs as at 31 August 2022 and of the Group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and Academies Accounts Direction 2021 to 2022.

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 Group and the Academy Trust 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 Group's or the Academy Trust's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS
OF L.E.A.D. ACADEMY TRUST**

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of Trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 24, the Trustees' 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' 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' responsible for assessing the Group's and the Academy Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless either the Trustees' to liquidate the Academy Trust or to cease operations, or Trustees' no realistic alternative but to do so.

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS
OF L.E.A.D. ACADEMY TRUST**

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 our procedures are capable of detecting irregularities, including fraud is detailed below.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Based on our understanding of the Academy Trust and its activities, we identified that the principal risks of non-compliance with laws and regulations related to the funding agreement with the Department of Education, UK tax legislation, pensions legislation, employment regulation and health and safety regulation, anti-bribery, corruption and fraud, money laundering, non-compliance with implementation of government support schemes relating to COVID-19, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements, such as the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022.

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

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

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as the funding agreement with the Department of Education, tax legislation, pension legislation, the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022.

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

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS
OF L.E.A.D. ACADEMY TRUST**

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

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

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

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

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

Use of the audit report

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

David Hoose (Senior Statutory Auditor)

for and on behalf of

Mazars LLP
Chartered Accountants and Statutory Auditor
Park View House
58 The Ropewalk
Nottingham
NG1 5DW

Date:

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO L.E.A.D. ACADEMY TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 30 September 2022 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2021 to 2022, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by L.E.A.D. Academy Trust during the year 1 September 2021 to 31 August 2022 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of L.E.A.D. Academy Trust's Accounting Officer and the reporting accountant

The accounting officer is responsible, under the requirements of L.E.A.D. Academy Trust's funding agreement with the Secretary of State for Education dated 30 August 2013 and the Academy Trust Handbook, extant from 1 September 2021, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2021 to 2022. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2021 to 31 August 2022 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

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

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

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

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

The work undertaken to draw to our conclusion includes:

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

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO L.E.A.D. ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2021 to 31 August 2022 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Mazars LLP
Chartered Accountants
Statutory Auditor

Park View House
58 The Ropewalk
Nottingham
NG1 5DW

Date:

L.E.A.D. ACADEMY TRUST
(A Company Limited by Guarantee)

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2022

		Unrestricted funds 2022 £000	Restricted funds 2022 £000	Restricted fixed asset funds 2022 £000	Total funds 2022 £000	Total funds 2021 £000
	Note					
Income from:						
Donations and capital grants	3	-	-	2,248	2,248	2,951
Other trading activities	5	3,816	-	-	3,816	3,285
Investments	6	1	-	-	1	1
Charitable activities	4	672	64,258	-	64,930	62,185
Teaching school hub	4	-	1,237	-	1,237	667
Total income		4,489	65,495	2,248	72,232	69,089
Expenditure on:						
Raising funds	7	3,417	-	-	3,417	2,749
Charitable activities: Academy Trust educational operations	8	670	69,330	3,396	73,396	67,675
Teaching school hub	7	-	1,237	-	1,237	658
Total expenditure carried forward		4,087	70,567	3,396	78,050	71,082

L.E.A.D. ACADEMY TRUST
(A Company Limited by Guarantee)

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT) (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

		Unrestricted funds 2022 £000	Restricted funds 2022 £000	Restricted fixed asset funds 2022 £000	Total funds 2022 £000	Total funds 2021 £000
	Note					
Total expenditure brought forward		4,087	70,567	3,396	78,050	71,082
Net expenditure		402	(5,072)	(1,148)	(5,818)	(1,993)
Transfers between funds	19	-	(608)	608	-	-
Net movement in funds before other recognised gains/(losses)		402	(5,680)	(540)	(5,818)	(1,993)
Actuarial gains/(losses) on defined benefit pension schemes	26	-	45,838	-	45,838	(7,955)
Net movement in funds		402	40,158	(540)	40,020	(9,948)
Reconciliation of funds:						
Total funds brought forward		2,340	(50,565)	102,226	54,001	63,949
Net movement in funds		402	40,158	(540)	40,020	(9,948)
Total funds carried forward		2,742	(10,407)	101,686	94,021	54,001

L.E.A.D. ACADEMY TRUST
(A Company Limited by Guarantee)
REGISTERED NUMBER: 08296921

CONSOLIDATED BALANCE SHEET
AS AT 31 AUGUST 2022

	Note	2022 £000	2021 £000
Fixed assets			
Intangible assets	14	3	13
Tangible assets	15	101,216	101,292
		<u>101,219</u>	<u>101,305</u>
Current assets			
Stocks	16	244	82
Debtors	17	5,545	3,432
Cash at bank and in hand	23	9,054	9,725
		<u>14,843</u>	<u>13,239</u>
Creditors: Amounts falling due within one year	18	(8,846)	(7,026)
Net current assets		<u>5,997</u>	<u>6,213</u>
Total assets less current liabilities		<u>107,216</u>	<u>107,518</u>
Net assets excluding pension liability		<u>107,216</u>	<u>107,518</u>
Defined benefit pension scheme liability	26	(13,195)	(53,517)
Total net assets		<u><u>94,021</u></u>	<u><u>54,001</u></u>
Funds of the Academy Trust			
Restricted funds:			
Fixed asset funds	19	101,686	102,226
Restricted income funds	19	2,788	2,952
		<u>104,474</u>	<u>105,178</u>
Restricted funds excluding pension liability	19	104,474	105,178
Pension reserve	19	(13,195)	(53,517)
Total restricted funds	19	<u>91,279</u>	<u>51,661</u>
Unrestricted income funds	19	<u>2,742</u>	<u>2,340</u>
Total funds		<u><u>94,021</u></u>	<u><u>54,001</u></u>

L.E.A.D. ACADEMY TRUST
(A Company Limited by Guarantee)
REGISTERED NUMBER: 08296921

CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2022

The financial statements on pages 31 to 73 were approved and authorised for issue by the Trustees and are signed on their behalf, by:



.....
Mr A Buck
Chair of Trustees

Date: 15th December 2022

The notes on pages 38 to 73 form part of these financial statements.

L.E.A.D. ACADEMY TRUST
(A Company Limited by Guarantee)
REGISTERED NUMBER: 08296921

ACADEMY TRUST BALANCE SHEET
AS AT 31 AUGUST 2022

	Note	2022 £000	2021 £000
Fixed assets			
Intangible assets	14	3	13
Tangible assets	15	101,163	101,233
		<u>101,166</u>	<u>101,246</u>
Current assets			
Stocks	16	16	-
Debtors	17	3,945	2,402
Cash at bank and in hand	23	8,894	9,605
		<u>12,855</u>	<u>12,007</u>
Liabilities			
Creditors: Amounts falling due within one year	18	(7,184)	(5,981)
		<u>5,671</u>	<u>6,026</u>
Net current assets			
		<u>106,837</u>	<u>107,272</u>
Total assets less current liabilities			
		<u>106,837</u>	<u>107,272</u>
Net assets excluding pension liability			
Defined benefit pension scheme liability	26	(13,195)	(53,517)
		<u>93,642</u>	<u>53,755</u>
Total net assets		<u>93,642</u>	<u>53,755</u>
Funds of the Academy Trust			
Restricted funds:			
Fixed asset funds	19	101,686	102,226
Restricted income funds	19	2,788	2,952
		<u>104,474</u>	<u>105,178</u>
Restricted funds excluding pension liability	19	104,474	105,178
Pension reserve	19	(13,195)	(53,517)
		<u>91,279</u>	<u>51,661</u>
Total restricted funds	19	91,279	51,661
Unrestricted funds	19	2,363	2,094
		<u>93,642</u>	<u>53,755</u>
Total funds		<u>93,642</u>	<u>53,755</u>

L.E.A.D. ACADEMY TRUST
(A Company Limited by Guarantee)
REGISTERED NUMBER: 08296921

ACADEMY TRUST BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2022

The financial statements on pages 31 to 73 were approved and authorised for issue by the Trustees and are signed on their behalf, by:



.....
Mr A Buck
Chair of Trustees

Date: 15th December 2022

The notes on pages 38 to 73 form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2022

	Note	2022 £000	2021 £000
Cash flows from operating activities			
Net cash provided by operating activities	21	287	2,993
Cash flows used in investing activities	22	(958)	(337)
Change in cash and cash equivalents in the year		(671)	2,656
Cash and cash equivalents at the beginning of the year		9,725	7,069
Cash and cash equivalents at the end of the year	23, 24	<u>9,054</u>	<u>9,725</u>

The notes on pages 38 to 73 form part of these financial statements.

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

1. Accounting policies

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

1.1 Basis of preparation of financial statements

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2021 to 2022 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The Consolidated Statement of Financial Activities (SOFA) and Consolidated Balance Sheet consolidate the financial statements of the Academy Trust and its subsidiary undertakings. The results of the subsidiaries, L.E.A.D. Services Limited and L.E.A.D. Teaching School Hub Ltd, are consolidated on a line by line basis.

The Academy Trust has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Financial Activities in these financial statements.

1.2 Going concern

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

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

1. Accounting policies (continued)

1.3 Income

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

- **Grants**

Grants are included in the Consolidated 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 Consolidated Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the year is deducted from income and recognised as a liability.

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

- **Donations**

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

- **Other income**

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

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

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

1. Accounting policies (continued)

1.4 Expenditure

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

- **Expenditure on raising funds**

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

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

1.5 Intangible assets

Intangible assets costing £5,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

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

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

The estimated useful lives are as follows:

Computer software	- 5 years
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

1. Accounting policies (continued)

1.6 Tangible fixed assets

Assets costing £1,000 (ICT), £2,000 (Fixtures & Fittings), £5,000 (Long Leasehold) and £5,000 (Motor Vehicles) or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

Depreciation is provided on all tangible fixed assets other than freehold land and assets under construction, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

The estimated useful lives are as follows:

Freehold buildings	- 50 years
Leasehold buildings	- 50 years
Furniture, fittings and equipment-	5 years
Motor vehicles	- 5 years
Computer hardware	- 4 years

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use and reclassified to freehold or leasehold land and buildings.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Consolidated Statement of Financial Activities.

1.7 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 Group anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

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

1. Accounting policies (continued)

1.8 Provisions

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

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

1.9 Leased assets

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

1.10 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 17. Prepayments are not financial instruments. Amounts due to the Academy Trust's wholly owned subsidiary are held at face value less any impairment.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 18. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to the Academy Trust's wholly owned subsidiary are held at face value less any impairment.

1.11 Stocks

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

1.12 Taxation

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

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

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

1. Accounting policies (continued)

1.13 Pensions

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

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

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the Group in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance Sheet date. The amounts charged to operating surplus 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 Consolidated Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

Actuarial gains and losses are recognised immediately in other recognised gains and losses.

1.14 Fund accounting

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

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

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

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

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

2. Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions:

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

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

3. Income from donations and capital grants

	Unrestricted funds 2022 £000	Restricted fixed asset funds 2022 £000	Total funds 2022 £000	Total funds 2021 £000
Donations	-	-	-	18
Capital grants	-	2,248	2,248	2,933
Total 2022	-	2,248	2,248	2,951
Total 2021	18	2,933	2,951	

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

4. Funding for the Academy Trust's charitable activities

	Unrestricted funds 2022 £000	Restricted funds 2022 £000	Total funds 2022 £000	Total funds 2021 £000
DfE/ESFA grants				
General Annual Grant (GAG)	-	52,097	52,097	48,569
Other DfE/ESFA grants				
Pupil Premium	-	4,717	4,717	4,474
UFSM	-	759	759	993
Teachers' Pay/Pension Grant	-	90	90	2,145
Others	-	2,384	2,384	755
	-	60,047	60,047	56,936
Other Government grants				
Local authority grants	-	3,779	3,779	3,510
	-	3,779	3,779	3,510
Other income from the Academy Trust's educational operations	672	432	1,104	665
COVID-19 additional funding (DfE/ESFA)				
Catch-up Premium	-	-	-	772
Other DfE/ESFA COVID-19 funding	-	-	-	302
	-	-	-	1,074
Teaching school hub				
DfE/ESFA grants	-	1,237	1,237	667
Total 2022	672	65,495	66,167	62,185
Total 2021	392	61,793	62,185	

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

5. Income from other trading activities

	Unrestricted funds 2022 £000	Restricted funds 2022 £000	Total funds 2022 £000	Total funds 2021 £000
Hire of facilities	157	-	157	53
Income from other activities	3,659	-	3,659	3,232
Total 2022	3,816	-	3,816	3,285
Total 2021	2,859	426	3,285	

6. Investment income

	Unrestricted funds 2022 £000	Total funds 2022 £000	Total funds 2021 £000
Short term deposit	1	1	1
Total 2021	1	1	

7. Expenditure

	Staff Costs 2022 £000	Premises 2022 £000	Other 2022 £000	Total 2022 £000	Total 2021 £000
Expenditure on fundraising trading	842	-	2,575	3,417	2,749
Academy's educational operations:					
Direct costs	39,566	1,904	3,918	45,388	43,288
Allocated support costs	17,548	4,700	5,760	28,008	24,387
Teaching school hub	505	-	732	1,237	658
Total 2022	58,461	6,604	12,985	78,050	71,082
Total 2021	53,847	6,337	10,898	71,082	

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

8. Charitable activities

	2022 £000	2021 £000
Direct costs - educational operations	45,388	43,288
Support costs - educational operations	28,008	24,387
Direct costs - teaching school hub	1,237	658
	<u>74,633</u>	<u>68,333</u>

	2022 £000	2021 £000
Analysis of support costs		
Support staff costs	17,548	15,279
Depreciation	1,381	1,339
Technology costs	729	687
Premises costs	4,700	4,383
Legal costs - other	50	43
Other support costs	3,512	2,539
Governance costs	88	117
	<u>28,008</u>	<u>24,387</u>

9. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2022 £000	2021 £000
Operating lease rentals	1,474	1,482
Depreciation of tangible fixed assets	3,283	3,283
Amortisation of intangible assets	10	25
Fees paid to auditor for:		
- audit	38	34
- other services	35	25
	<u></u>	<u></u>

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

10. Staff

a. Staff costs

Staff costs during the year were as follows:

	Group 2022 £000	Group 2021 £000	Academy Trust 2022 £000	Academy Trust 2021 £000
Wages and salaries	38,496	36,846	37,536	36,092
Social security costs	3,823	3,540	3,732	3,469
Pension costs	14,130	11,930	14,017	11,830
	<u>56,449</u>	<u>52,316</u>	<u>55,285</u>	<u>51,391</u>
Agency staff costs	1,954	1,470	1,954	1,470
Staff restructuring costs	58	61	58	61
	<u>58,461</u>	<u>53,847</u>	<u>57,297</u>	<u>52,922</u>
Staff restructuring costs comprise:				
Severance payments	<u>58</u>	<u>61</u>	<u>58</u>	<u>61</u>

b. Severance payments

The Group paid 5 severance payments in the year, disclosed in the following bands:

	Group 2022 No.
£0 - £25,000	<u>5</u>

c. Special staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £6k (2021 - £2k). Individually, the payment was 6k.

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

10. Staff (continued)

d. Staff numbers

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

	Group 2022 No.	Group 2021 No.	Academy Trust 2022 No.	Academy Trust 2021 No.
Teachers	501	502	501	502
Administration and support	979	948	947	926
Management	96	98	96	98
	<u>1,576</u>	<u>1,548</u>	<u>1,544</u>	<u>1,526</u>

e. Higher paid staff

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

	Group 2022 No.	Group 2021 No.
In the band £60,001 - £70,000	12	12
In the band £70,001 - £80,000	10	10
In the band £80,001 - £90,000	2	4
In the band £90,001 - £100,000	5	6
In the band £100,001 - £110,000	2	2
In the band £110,001 - £120,000	2	1
In the band £140,001 - £150,000	2	1
In the band £150,001 - £160,000	-	1
In the band £190,001 - £200,000	-	1
In the band £220,001 - £230,000*	<u>1</u>	<u>-</u>

*An increase is due to salary in lieu of employer pension contributions.

f. Key management personnel

The key management personnel of the Academy Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £652k (2021 - £625k).

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

11. Central services

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

- Educational support services
- ICT services
- Governance services
- Data services
- Academy conversion services
- Internal audit
- Human Resources services
- Financial services
- Estates services
- Procurement services
- Marketing
- Legal
- Software and licences
- Strategic
- Systems and GDPR

The Group charges for these services on the following basis:

Academy charges for these services is 6% for all academies apart from PFI academies which have a 4.6% charge

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

11. Central services (continued)

The actual amounts charged during the year were as follows:

	2022	2021
	£000	£000
Birley Academy	382	369
Birley Primary Academy	144	147
Birley Spa Academy	105	109
Bishop Alexander Academy	76	77
Charnock Hall Primary School	98	96
Cloudside Academy	74	68
Da Vinci Academy	203	182
Edna G Olds Academy	69	68
Forest Lodge Academy	170	165
Glapton Academy	98	96
Hogarth Academy	62	59
Huntingdon Academy	122	119
Jubilee Academy	96	96
Manor Farm Academy	45	38
Millfield Academy	102	97
Noel Baker Academy	284	265
Radford Academy	66	64
Rainbow Forge Primary Academy	97	91
St Ann's Well Academy	70	69
Sycamore Academy	130	131
Uplands Junior Academy	124	124
Waddington All Saint Academy	91	87
Warren Academy	62	63
Windmill Academy	130	127
Witham St Hughes Academy	103	92
Total	3,003	2,899

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

12. Trustees' remuneration and expenses

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

		2022 £000	2021 £000
Ms D Owen, Chief Executive and Accounting Officer	Remuneration	220 - 225*	195 - 200
	Pension contributions paid	-	-

*An increase is due to salary in lieu of employer pension contributions.

During the year ended 31 August 2022, travel expenses totalling £165 were reimbursed or paid directly to 3 Trustees (2021 - £17 to 1 Trustee).

13. Trustees' and Officers' insurance

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

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

14. Intangible assets

Group and Academy Trust

	Computer software £000
Cost	
At 1 September 2021	138
At 31 August 2022	138
Amortisation	
At 1 September 2021	125
Charge for the year	10
At 31 August 2022	135
Net book value	
At 31 August 2022	3
At 31 August 2021	13

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

15. Tangible fixed assets

Group

	Assets under construction £000	Freehold and Leasehold land and buildings £000	Furniture and equipment £000	Computer hardware £000	Motor vehicles £000	Total £000
Cost						
At 1 September 2021	212	106,557	5,124	4,103	11	116,007
Additions	-	2,402	265	540	-	3,207
Transfers between classes	(212)	212	-	-	-	-
At 31 August 2022	-	109,171	5,389	4,643	11	119,214
Depreciation						
At 1 September 2021	-	9,001	2,868	2,836	10	14,715
Charge for the year	-	1,914	846	523	-	3,283
At 31 August 2022	-	10,915	3,714	3,359	10	17,998
Net book value						
At 31 August 2022	-	98,256	1,675	1,284	1	101,216
At 31 August 2021	212	97,556	2,256	1,267	1	101,292

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

15. Tangible fixed assets (continued)

Academy Trust

	Assets under construction £000	Freehold and Leasehold land and buildings £000	Furniture and equipment £000	Computer hardware £000	Motor vehicles £000	Total £000
Cost						
At 1 September 2021	212	106,557	5,114	4,017	11	115,911
Additions	-	2,402	261	529	-	3,192
Transfers between classes	(212)	212	-	-	-	-
At 31 August 2022	-	109,171	5,375	4,546	11	119,103
Depreciation						
At 1 September 2021	-	9,001	2,866	2,801	10	14,678
Charge for the year	-	1,914	845	503	-	3,262
At 31 August 2022	-	10,915	3,711	3,304	10	17,940
Net book value						
At 31 August 2022	-	98,256	1,664	1,242	1	101,163
At 31 August 2021	212	97,556	2,248	1,216	1	101,233

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

16. Stocks

	Group 2022 £000	Group 2021 £000	Academy Trust 2022 £000	Academy Trust 2021 £000
Finished goods and goods for resale	244	82	16	-

17. Debtors

	Group 2022 £000	Group 2021 £000	Academy Trust 2022 £000	Academy Trust 2021 £000
Due within one year				
Trade debtors	1,213	820	74	89
VAT recoverable	906	639	887	639
Amounts owed by group undertakings	-	-	-	218
Other debtors	198	148	169	123
Prepayments and accrued income	3,228	1,825	2,815	1,333
	5,545	3,432	3,945	2,402

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

18. Creditors: Amounts falling due within one year

	Group 2022 £000	Group 2021 £000	Academy Trust 2022 £000	Academy Trust 2021 £000
Trade creditors	3,926	2,708	2,723	1,836
Amounts owed to group undertakings	-	-	104	-
Other taxation and social security	990	853	968	831
Other creditors	1,055	950	1,022	939
Accruals and deferred income	2,875	2,515	2,367	2,375
	<u>8,846</u>	<u>7,026</u>	<u>7,184</u>	<u>5,981</u>

Included within other loans is a loan from Salix, which is an approved ESFA loan via the Salix loan programme for capital projects. The loan is interest free, unsecured and repayable via a General Annual Grant sacrifice.

	Group 2022 £000	Group 2021 £000	Academy Trust 2022 £000	Academy Trust 2021 £000
Deferred income at 1 September	1,317	896	1,317	896
Resources deferred during the year	1,628	1,317	1,271	1,317
Amounts released from previous periods	(1,317)	(896)	(1,317)	(896)
Deferred income at 31 August	<u>1,628</u>	<u>1,317</u>	<u>1,271</u>	<u>1,317</u>

Deferred income includes the following income received in advance:

Universal Infant Free School Meal Income of £487k (2021 - £451k)
 SEN of £362k (2021 - £363k)
 Early Years of £267k (2021 - £320k)
 Rates Relief of £Nil (2021 - £8k)
 Trip income of £163k (2021 - £107k)
 Miscellaneous items of £349k (2021 - £68k)

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

19. Statement of funds

	Balance at 1 September 2021 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2022 £000
Unrestricted funds						
General Funds	2,340	4,489	(4,087)	-	-	2,742
Restricted general funds						
General Annual Grant (GAG)	2,203	52,097	(50,904)	(608)	-	2,788
Pupil Premium	749	4,717	(5,466)	-	-	-
UIFSM	-	759	(759)	-	-	-
Other grants and income	-	7,922	(7,922)	-	-	-
Pension reserve	(53,517)	-	(5,516)	-	45,838	(13,195)
	(50,565)	65,495	(70,567)	(608)	45,838	(10,407)
Restricted fixed asset funds						
Capital Donations	88,118	-	(2,865)	608	-	85,861
DfE Group capital grants	10,804	2,248	(424)	-	-	12,628
Capital expenditure from GAG	3,304	-	(107)	-	-	3,197
	102,226	2,248	(3,396)	608	-	101,686
Total Restricted funds	51,661	67,743	(73,963)	-	45,838	91,279
Total funds	54,001	72,232	(78,050)	-	45,838	94,021

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

19. Statement of funds (continued)

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

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

Transfers relate to GAG funds used for capital expenditure.

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG it could carry forward at 31 August 2022.

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

19. Statement of funds (continued)

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

	Balance at 1 September 2020 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2021 £000
Unrestricted funds						
General Funds	2,372	3,270	(3,302)	-	-	2,340
Restricted general funds						
General Annual Grant (GAG)	773	48,569	(46,391)	(748)	-	2,203
Pupil Premium	730	4,474	(4,455)	-	-	749
UIFSM	-	993	(993)	-	-	-
Teachers' Pay/Pensions Grant	-	2,145	(2,145)	-	-	-
Catch up premium	-	772	(772)	-	-	-
Other DfE/ESFA Covid funding	-	302	(302)	-	-	-
Other grants and income	-	5,631	(5,631)	-	-	-
Pension reserve	(41,872)	-	(3,690)	-	(7,955)	(53,517)
	(40,369)	62,886	(64,379)	(748)	(7,955)	(50,565)
Restricted fixed asset funds						
Capital Donations	91,071	-	(2,953)	-	-	88,118
DfE Group capital grants	8,233	2,933	(362)	-	-	10,804
Capital expenditure from GAG	2,642	-	(86)	748	-	3,304
	101,946	2,933	(3,401)	748	-	102,226
Total Restricted funds	61,577	65,819	(67,780)	-	(7,955)	51,661
Total funds	63,949	69,089	(71,082)	-	(7,955)	54,001

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

19. Statement of funds (continued)

Total funds analysis by academy

Fund balances at 31 August 2022 were allocated as follows:

	2022 £000	2021 £000
Birley Academy	(122)	(15)
Birley Primary Academy	(145)	(20)
Birley Spa Academy	(4)	56
Bishop Alexander Academy	(434)	(270)
Charnock Hall Primary School	148	129
Cloudside Academy	262	81
Da Vinci Academy	125	47
Edna G Olds Academy	188	160
Forest Lodge Academy	944	725
Glapton Academy	166	197
Hogarth Academy	77	71
Huntingdon Academy	148	255
Jubilee Academy	81	26
Manor Farm Academy	171	109
Millfield Academy	347	261
Noel Baker Academy	(244)	6
Radford Academy	199	152
Rainbow Forge Primary Academy	233	44
St Ann's Well Academy	134	103
Sycamore Academy	602	965
Uplands Junior Academy	510	464
Waddington All Saint Academy	343	324
Warren Academy	142	122
Windmill Academy	641	548
Witham St Hughes Academy	543	492
Central and trading subsidiaries	475	260
	<hr/>	<hr/>
Total before fixed asset funds and pension reserve	5,530	5,292
Restricted fixed asset fund	101,686	102,226
Pension reserve	(13,195)	(53,517)
	<hr/>	<hr/>
Total	94,021	54,001
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

19. Statement of funds (continued)

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

	Deficit £000
Birley Academy	122
Birley Primary Academy	145
Bishop Alexander Academy	434
Birley Spa Academy	4
Noel Baker Academy	244
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The Academy Trust is taking the following action to return the academies to surplus:

Birley Academy – This academy will secure a break-even position within 18 months.

Birley Primary Academy – This academy is experiencing a short-term fluctuation in pupil numbers. However, the academy is on track to secure a break-even position over future financial years subject to no further negative movements in pupil numbers.

Bishop Alexander Academy – This academy has now completed a PAN change effective from September 2022 removing surplus places. The academy will continue to operate with a deficit for the foreseeable future, however moving forward awkward class sizes will begin to be eliminated reducing the overall deficit over future financial years, subject to no further negative movements in pupil numbers.

Birley Spa Academy – This academy almost secured a break-even position at the end of August 2022. However, this academy is currently accommodating a PAN reduction resulting in both structural changes and awkward class sizes.

Noel Baker Academy – This academy is projected to secure a break-even position with 18 months subject to pupil numbers continuing to increase year on year.

L.E.A.D. ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

19. Statement of funds (continued)

Total cost analysis by academy

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

	Teaching and educational support staff costs £000	Other support staff costs £000	Educational supplies £000	Other costs excluding depreciation £000	Total 2022 £000	Total 2021 £000
Birley	4,454	1,494	526	802	7,276	6,458
Birley Primary	1,942	594	137	207	2,880	2,786
Birley Spa	1,412	592	116	235	2,355	2,253
Bishop Alexander	1,132	402	85	186	1,805	1,677
Charnock Hall	1,133	303	97	233	1,766	1,657
Cloudside	840	243	73	232	1,388	1,314
Da Vinci	3,125	872	398	868	5,263	4,637
Edna G Olds	795	372	99	147	1,413	1,350
Forest Lodge	2,217	635	146	328	3,326	3,154
Glapton	1,319	365	83	277	2,044	1,887
Hogarth	756	303	78	126	1,263	1,188
Huntingdon	1,750	755	187	286	2,978	2,621
Jubilee	1,188	516	88	280	2,072	2,061
Manor Farm	582	169	57	116	924	756
Millfield	1,473	440	60	213	2,186	2,056
Noel Baker	4,777	1,214	465	1,601	8,057	7,128
Radford	860	342	54	149	1,405	1,260
Rainbow Forge	1,224	387	133	172	1,916	1,924
St Ann's Well	896	417	79	136	1,528	1,449
Sycamore	1,796	468	251	586	3,101	2,745
Uplands Junior	1,545	444	80	219	2,288	2,106
Waddington All Saint	1,336	279	108	199	1,922	1,683
Warren	762	328	61	175	1,326	1,188
Windmill	1,667	598	118	262	2,645	2,524
Witham St Hughes	1,398	325	101	240	2,064	1,870
Central and trading subsidiaries	1,639	3,586	238	4,113	9,576	8,042
Academy Trust	42,018	16,443	3,918	12,388	74,767	67,774

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

20. Analysis of net assets between funds

	Unrestricted funds 2022 £000	Restricted funds 2022 £000	Restricted fixed asset funds 2022 £000	Total funds 2022 £000
Tangible fixed assets	-	-	101,216	101,216
Intangible fixed assets	-	-	3	3
Current assets	2,742	11,685	467	14,894
Creditors due within one year	-	(8,897)	-	(8,897)
Pension scheme liability	-	(13,195)	-	(13,195)
Total	2,742	(10,407)	101,686	94,021

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

	Unrestricted funds 2021 £000	Restricted funds 2021 £000	Restricted fixed asset funds 2021 £000	Total funds 2021 £000
Tangible fixed assets	-	-	101,292	101,292
Intangible fixed assets	-	-	13	13
Current assets	2,340	9,978	921	13,239
Creditors due within one year	-	(7,026)	-	(7,026)
Pension scheme liability	-	(53,517)	-	(53,517)
Total	2,340	(50,565)	102,226	54,001

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

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

	2022 £000	2021 £000
Net expenditure for the year (as per Statement of Financial Activities)	(5,818)	(1,993)
Adjustments for:		
Amortisation	10	25
Depreciation	3,283	3,283
Capital grants from DfE and other capital income	(2,248)	(2,933)
Interest receivable	(1)	(1)
Defined benefit pension scheme cost less contributions payable	4,618	2,994
Defined benefit pension scheme finance cost	898	696
(Increase)/decrease in stocks	(162)	14
(Increase)/decrease in debtors	(2,113)	65
Increase in creditors	1,820	843
Net cash provided by operating activities	287	2,993

22. Cash flows from investing activities

	Group 2022 £000	Group 2021 £000
Interest received	1	1
Purchase of tangible fixed assets	(3,207)	(3,427)
Proceeds from the sale of tangible fixed assets	-	156
Capital grants from DfE Group	2,248	2,933
Net cash used in investing activities	(958)	(337)

23. Analysis of cash and cash equivalents

	Group 2022 £000	Group 2021 £000
Cash in hand and at bank	9,054	9,725

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

24. Analysis of changes in net debt

	At 1 September 2021 £000	Cash flows £000	At 31 August 2022 £000
Cash at bank and in hand	9,725	(671)	9,054

25. Capital commitments

	Group 2022 £000	Group 2021 £000	Academy Trust 2022 £000	Academy Trust 2021 £000
Contracted for but not provided in these financial statements	48	521	48	521

26. Pension commitments

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

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

Contributions amounting to £1,001k were payable to the schemes at 31 August 2022 (2021 - £916k) and are included within creditors.

Teachers' Pension Scheme

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

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

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

26. Pension commitments (continued)

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the year amounted to £5,180k (2021 - £5,095k).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2022 was £4,080k (2021 - £3,934k), of which employer's contributions totalled £3,265k (2021 - £3,145k) and employees' contributions totalled £815k (2021 - £789k). The agreed contribution rates for future years are 12.2% - 24.3% per cent for employers and 2.5% - 12.5% per cent for employees.

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

Principal actuarial assumptions

	2022 %	2021 %
Rate of increase in salaries	3.20 - 4.20	3.15 - 3.90
Rate of increase for pensions in payment/inflation	2.90 - 3.20	2.80 - 2.90
Discount rate for scheme liabilities	4.20 - 4.25	1.65 - 1.70

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

26. Pension commitments (continued)

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

	2022 Years	2021 Years
Retiring today		
Males	21.1 - 22.6	21.3 - 22.5
Females	23.8 - 25.4	23.8 - 25.3
Retiring in 20 years		
Males	22.2 - 24.1	22.5 - 24.0
Females	25.3 - 27.3	25.3 - 27.2

Sensitivity analysis on defined benefit obligations

	2022 £000	2021 £000
Discount rate -0.1%	1,362	2,295
Mortality assumption - 1 year increase	1,832	3,554
CPI rate +0.1%	1,208	2,135
Salary rate +0.1%	165	259

Share of scheme assets

The Group's share of the assets in the scheme was:

	2022 £000	2021 £000
Equities	25,837	23,020
Gilts	418	1,632
Corporate bonds	6,197	4,891
Property	4,724	3,379
Cash and other liquid assets	3,568	4,948
Total market value of assets	40,744	37,870

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

26. Pension commitments (continued)

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

	2022 £000	2021 £000
Current service cost	(7,872)	(6,115)
Interest income	658	521
Interest cost	(1,556)	(1,217)
Administrative expenses	(11)	(24)
Total amount recognised in the Consolidated Statement of Financial Activities	(8,781)	(6,835)

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

	2022 £000	2021 £000
At 1 September	91,387	71,090
Current service cost	7,872	6,115
Interest cost	1,556	1,217
Employee contributions	815	789
Actuarial (gains)/losses	(47,088)	12,675
Benefits paid	(603)	(499)
At 31 August	53,939	91,387

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

	2022 £000	2021 £000
At 1 September	37,870	29,218
Interest income	658	521
Actuarial (losses)/gains	(1,250)	4,720
Employer contributions	3,265	3,145
Employee contributions	815	789
Benefits paid	(603)	(499)
Administration expenses	(11)	(24)
At 31 August	40,744	37,870

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

27. Operating lease commitments

At 31 August 2022 the Group and the Academy Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group 2022 £000	Group 2021 £000	Academy Trust 2022 £000	Academy Trust 2021 £000
Not later than 1 year	1,424	1,447	1,394	1,421
Later than 1 year and not later than 5 years	5,482	5,419	5,447	5,365
Later than 5 years	10,647	11,984	10,647	11,984
	<u>17,553</u>	<u>18,850</u>	<u>17,488</u>	<u>18,770</u>

On conversion, the Private Finance Initiative ("PFI") property used by the Trust was transferred from Derby City Council to the trust via a donation. No liability has arisen as a result of this transaction as Derby City Council retained ultimate responsibility for the outstanding capital finance. However a financial commitment exists for the Trust in the form of PFI charges to cover the service charge element of the unitary charge payable. The commitment currently amounts to approximately £1,336k (2021 - £1,336k) per annum plus PFI benchmarking charges. These charges are subject to an increase which is linked to the retail price index. The PFI contributions are recognised in the Statement of Financial Activities. The Academy Trust has received annual income of £Nil (2021 - £7k) from the ESFA to assist with the PFI costs.

28. Members' liability

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

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

29. Related party transactions

Owing to the nature of the academy trust and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. The following related party transactions took place in the financial period.

Expenditure Related Party Transactions

Queens Street Group - a Company in which Ms D Owen (a Trustee) is a Director:

- The Academy Trust purchased subscription services from Queens Street Group totalling £1,800 (2021 - £1,800) during the year. There were no amounts outstanding at 31 August 2022 (2021 - £Nil).
- The Academy Trust made the purchase at arms' length following a competitive tendering exercise in accordance with its financial regulations, which Ms D Owen neither participated in, nor influenced.
- In entering into the transaction, the Academy Trust has complied with the requirements of the Academies Trust Handbook.

LM Education Limited - a Company in which Mr A Buck (a Member) is a Director:

- The Academy Trust purchased subscription services from LM Education Limited totalling £649 (2021 - £1,062) during the year. There were no amounts outstanding at 31 August 2022 (2021 - £Nil).
- The Academy Trust made the purchase at arms' length following a competitive tendering exercise in accordance with its financial regulations, which Mr A Buck neither participated in, nor influenced.
- In entering into the transaction, the Academy Trust has complied with the requirements of the Academies Trust Handbook.

Mr A Buck (a Member):

- Mr A Buck provided leadership services to the Academy Trust totalling £939 (2021 - £Nil) during the year. There were no amounts outstanding at 31 August 2022 (2021 - £Nil).
- The Academy Trust made the purchase at arms' length following a competitive tendering exercise in accordance with its financial regulations, which Mr A Buck neither participated in, nor influenced.
- In entering into the transaction, the Academy Trust has complied with the requirements of the Academies Trust Handbook.

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

29. Related party transactions (continued)

Browne Jacobson LLP - an LLP in which Mr M Blois (a Trustee) is a Partner:

- The Academy Trust purchased legal services from Browne Jacobson LLP totalling £954 (2021 - £Nil) during the year. There were no amounts outstanding at 31 August 2022 (2021 - £Nil).
- The Academy Trust made the purchase at arms' length following a competitive tendering exercise in accordance with its financial regulations, which Mr M Blois neither participated in, nor influenced.
- In entering into the transaction, the Academy Trust has complied with the requirements of the Academies Trust Handbook.

All transactions involving such organisations are conducted in accordance with the requirements of the Academies Trust Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the Academy Trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

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

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

30. Principal subsidiaries

L.E.A.D. Services Limited

Subsidiary name	L.E.A.D. Services Limited
Company registration number	08423697
Basis of control	100% owned subsidiary
Total assets as at 31 August 2022	£2,280,000
Total liabilities as at 31 August 2022	£(1,954,000)
Total equity as at 31 August 2022	£326,000
Turnover for the year ended 31 August 2022	£2,818,000
Expenditure for the year ended 31 August 2022	£(2,704,000)
Profit for the year ended 31 August 2022	£114,000

L.E.A.D. Teaching School Hub Ltd

Subsidiary name	L.E.A.D. Teaching School Hub Ltd
Company registration number	13395409
Basis of control	100% owned subsidiary
Total assets as at 31 August 2022	£269,000
Total liabilities as at 31 August 2022	£(216,000)
Total equity as at 31 August 2022	£53,000
Turnover for the period ended 31 August 2022	£1,582,000
Expenditure for the period ended 31 August 2022	£(1,529,000)
Profit for the period ended 31 August 2022	£53,000