

LIGHTHOUSE SCHOOLS PARTNERSHIP
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2017



**LIGHTHOUSE SCHOOLS PARTNERSHIP
(A COMPANY LIMITED BY GUARANTEE)**

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**LIGHTHOUSE SCHOOLS PARTNERSHIP
(A COMPANY LIMITED BY GUARANTEE)**

**REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2017**

Members	S McDonald (appointed 1 September 2016) M Reardon (appointed 1 September 2016) J Shepherd (appointed 1 September 2016) R Sommers (appointed 1 September 2016) D Tossell (appointed 1 September 2016)
Trustees	A Haysom ² T Hodgett (appointed 1 September 2016) ² C Jones (appointed 1 September 2016) ² G Lewis, Chief Executive Officer ^{1,2} J Shepherd (appointed 1 September 2016) ¹ J Sorley (appointed 1 September 2016) ¹ D Tossell, Chair ^{1,2} ¹ Audit & Risk Committee ² Staffing & Pay Committee
Company registered number	07662102
Company name	Lighthouse Schools Partnership
Principal and Registered office	St. Mary's Road Portishead Bristol BS20 7QR
Company secretary	S Boden
Accounting officer	G Lewis
Senior Leadership Team	G Lewis, Headteacher of Gordano School (until 31 August 2017) C Sanders, Chief Operating Officer (until 8 September 2017) T Inman, Acting Headteacher, Gordano School (from 1 September 2017) A Cowan, Executive Headteacher, High Down Schools S Roberts, Headteacher St Peter's Church of England Primary School R Riordan, Headteacher, Portishead Primary School L Wright, Headteacher, St Mary's Church of England Primary School
Independent auditors	Bishop Fleming LLP Chartered Accountants Statutory Auditors 16 Queen Square Bristol BS1 4NT
Bankers	Lloyds Bank plc 16 The Triangle Clevedon North Somerset BS21 6NG

**LIGHTHOUSE SCHOOLS PARTNERSHIP
(A COMPANY LIMITED BY GUARANTEE)**

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE TRUST, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2017**

Advisers (continued)

Solicitors

Browne Jacobson
15th Floor
6 Bevis Marks
Bury Court
London
EC3A 7BA

**LIGHTHOUSE SCHOOLS PARTNERSHIP
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2017**

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2017. The annual report serves the purpose of both a Trustees' report, and a Directors' report under company law.

The Trust operates six Academies in Portishead and Portbury in North Somerset:

Academy	Phase	Hub	Type	Capacity	Number on roll	URN
Gordano School	Secondary	Portishead	MAT	1940	1847	136856
High Down Infant School	Infant	Portishead	MAT	300*	285*	143284
High Down Junior School	Junior	Portishead	MAT	390	387	143286
Portishead Primary School	Primary	Portishead	MAT	480	497	143282
St Peter's CE Primary School	Primary	Portishead	MAT	630	565	143285
St Mary's CE Primary School	Primary	Portishead	MAT	105	99	143283

*The numbers included for capacity and on roll exclude the pupils in the nursery.

In August 2017 Lighthouse Schools Partnership received approval from the Regional Schools Commissioner for a further nine schools to join the Trust however these financial statements only cover the activities of the Trust as a MAT of six schools.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Trust is a company limited by guarantee and an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents of the Trust. The Articles of Association were updated on 13 July 2016 to reflect the change from single academy to Multi Academy Trust.

The Trustees of Lighthouse Schools Partnership are also the directors of the charitable company for the purposes of company law.

Details of the Trustees who served throughout the year, except as noted, are included in the Reference and Administrative Details on pages 1 to 2.

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 they ceased to be a member.

Trustees' Indemnities

In accordance with normal commercial practice the Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business. The insurance provides cover up to £10,000,000 on any one claim.

**LIGHTHOUSE SCHOOLS PARTNERSHIP
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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017**

TRUSTEES

Method of Recruitment and Appointment or Election of Trustees

During the year the Trust had the following Trustees as set out in its Articles of Association and Funding Agreement:

- Up to 5 Trustees appointed by the Members;
- No fewer than 2 Trustees and up to 25% of the Board appointed by the Diocese of Bath & Wells;
- The Chief Executive Officer (CEO), ex officio.

Trustees are appointed for a four year period, except that this time limit does not apply to the Headteacher. Subject to remaining eligible to be a particular type of Trustee, any Trustee can be re-appointed or re-elected.

When appointing new Trustees, the Board will give consideration to the skills and experience mix of existing Trustees in order to ensure that the Board has the necessary skills to contribute fully to the Trust's development.

Policies and Procedures Adopted for the Induction and Training of Trustees

The Trust has a Trustee Induction and Training procedure provided for all new Trustees which will depend upon their existing experience.

The Trustees subscribe to the Governor section of The Key and National Governor Association. One of the Trustees is currently designated as a National Leader of Governance.

Organisational Structure

The Board of Trustees normally meets once each term in accordance with the Memorandum and Articles of Association and Scheme of Governance. The Board of Trustees establishes an overall framework for the governance of the Trust and determines membership, terms of reference and procedures of Committees and other groups. It monitors the activities of the Committees through the minutes of their meetings. The Board of Trustees may from time to time establish Working Groups to perform specific tasks over a limited timescale.

The following decisions are reserved to the Board of Trustees:

- The Board of Trustees is the employer of all staff and therefore is the final appeal body in matters of pay and staff discipline. Decisions relating to staff dismissal and appeals must be referred to the staff discipline committee and staff appeal committee;
- The Board of Trustees is the admissions authority for all schools in the Trust;
- The Board of Trustees will agree the final budget for each school;
- Only the Board of Trustees can give conditional consent for a school to join the Trust.

The Trustees are responsible for setting general policy, approving the statutory accounts, monitoring the Trust by the use of budgets and other data, and making major decisions about the direction of the Trust, capital expenditure and staff appointments.

The Committees of the Board are as follows:

Staffing & Pay Committee – this committee meets at least twice a year and its main functions are to assist the decision making of the Board of Trustees on all matters relating to its statutory and legal duties with regards to personnel to ensure sound procedures are in place for the management of the Trust's staffing; and to implement the Pay Policy in a fair and objective manner and to consider any individual representations that may be made in respect of pay decisions.

**LIGHTHOUSE SCHOOLS PARTNERSHIP
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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017**

Audit & Risk Committee – the main function of this committee is to maintain an oversight of the Trust's governance, risk management, internal control and value for money principles/framework. It is also responsible for receiving reports from the Internal Auditor and drafting the annual accounts. It reports its findings annually to the Governing Body and the Accounting Officer as a critical element of the Trust's annual reporting requirements.

Local Governing Bodies – Each school or Federation in the trust has a Local Governing Body which functions as the Committee of the Board of Trustees responsible for overseeing standards and management in the school. The responsibilities and powers delegated to the Local Governing Body are set out in a Scheme of Delegation. The Local Governing Body of each school will contain representatives of the parent body and the staff employed in that school.

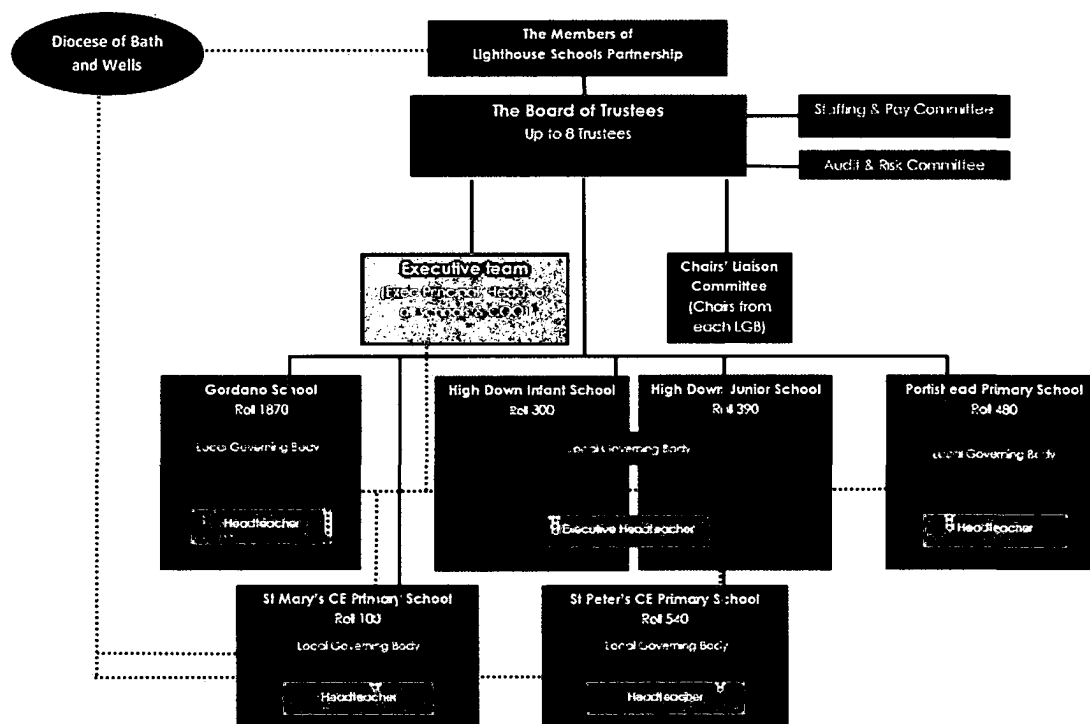
Chairs Liaison Committee – the Chairs of Local Governing Bodies comprise this committee which meets at least five times a year. Its main function is to coordinate the work of all Local Governing Bodies with the Board of Trustees.

Leadership Structure

During the accounting period the Trust functioned as a small Multi-Academy Trust. The Headteacher of Gordano School served as the CEO. The Business Manager of Gordano School was Chief Operating Officer (COO) of the Trust. Since 1 September 2017 these roles have been separated from Gordano School.

In addition to the CEO and COO the Trust had during 2016/17 a Finance Manager and a Human Resources Manager. Plans are in place to increase this team in the next financial period.

Each School in the Trust currently has its own substantive Headteacher. In High Down Schools there is an Executive Headteacher overseeing the work of both schools. At Gordano School a Head of School was also appointed to increase leadership capacity.



40% of members and 25% of Trustees are appointed in consultation with the Diocese of Bath and Wells.

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017**

Risk Management

The Trust has a formal risk management process to assess business risks and to implement risk management strategies. This process involves identifying the types of risk the Trust faces, scoring and prioritising the risks in terms of their potential operational and financial impact, assessing the likelihood of occurrence and identifying means of mitigating the risks. A Risk Register is maintained and reviewed on a regular basis. Each school also maintains a Risk Register and ensures that risks are reported to the Board.

The CEO is the Accounting Officer.

Arrangements for Setting Pay and Remuneration of Key Management Personnel

The Board of Trustees consider the Senior Leadership Team to be the key management personnel of the Trust in charge of directing and controlling, running and operating the Trust on a day to day basis. All Trustees give their time freely and no Trustee received remuneration in the year, with the exception of the CEO, who is remunerated for their role as CEO and not as a Trustee.

Details of Trustees' expenses and related party transactions are disclosed in the notes to the accounts.

The pay of key management personnel is reviewed annually and normally increased in accordance with average earnings.

The Trustees benchmark against pay levels in other Academies of a similar size.

Connected Organisations, including Related Party Relationships

Gordano School Community Trust has use of the Trust's sporting facilities and premises of Gordano School, there is a transfer of control agreement between them and the Trust.

The CEO is also a Director of The Bath and Wells DBE Trust and a member of the Board of Education of the Bath and Wells Diocese.

OBJECTIVES AND ACTIVITIES

Objects and Aims

The Articles of the Trust set out the following objects:

- (a) to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing Academies which shall offer a broad and balanced curriculum and which shall include:
 - (i) Academies other than those designated Church of England, whether with or without a designated religious character; and
 - (ii) Church of England academies designated as such which shall be conducted in accordance with the principles, practices and tenets of the Church of England both generally and in particular in relation to arranging for religious education and daily acts of worship, and in having regard to any advice and following any directives issued by the Diocesan Board of Education, but in relation to each of the Academies to recognise and support their individual ethos, whether or not designated Church of England.
- (b) to promote for the benefit of the inhabitants of Portishead and the surrounding area the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and the object of improving the condition of life of the said inhabitants.

**LIGHTHOUSE SCHOOLS PARTNERSHIP
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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017**

Objectives, Strategies and Activities

Key activities and targets were identified within the Trust Development Plan (SDP) 2016/17. These included:

1. Establish an outstanding offer of Continuous Professional Development for Trust members and as a traded offer;
2. Provide opportunities to network, share and celebrate best curriculum and pedagogical practice across the Trust;
3. Develop a model for assessment, tracking and reporting across the Trust (primary phase);
4. Audit existing provision for Vulnerable Learners and Inclusion and take steps to build this service;
5. Lead, resource and deliver Core Services.

An evaluation of the TDP was published in July 2017 and showed that almost all objectives had been achieved or were well in hand.

Public Benefit

The Trustees confirm that they have complied with the duty in Section 17(5) of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the Trust's aims and objectives and in planning its future activities.

The schools aim to provide for public benefit an excellent education for children and young people in Portishead, Portbury and the surrounding area. The Trust is also committed to working collaboratively with other schools in North Somerset and beyond to share and develop expertise and disseminate best practice. To this end Gordano School has within the period covered by this report, been a significant contributor to the work of the North Somerset Learning Exchange as a leader on CPD and Leadership and Management training sessions. Moreover, St Peter's School was designated as a National Teaching School with the same mission at Primary Phase. The Trust also makes the facilities of the schools available to the public for sports and leisure use.

STRATEGIC REPORT

Achievements and Performance

Gordano School

Examination Outcomes 2017

At GCSE 77.2% of candidates secured level 4 or above in both Maths and English (the basics measure). 35.9% achieved the EBACC measure. The key measure is Progress 8 which is likely to be +0.19 when tables are published in December. Broadly this means that pupils at Gordano made about a fifth of a grade better progress per entry than the national outcomes. This is strong although a fraction down on attainment and progress on 2016. There was a pleasing increase in the performance of disadvantaged students which rose in the basic measure from 48.3% in 2016 to 56.8% this year. Improving the performance of disadvantaged pupils remains a key priority.

Sixth Form results were very stable. The A*-B% remained just a fraction short of 50% but A*-C rose by 1% to 81.3%. Boys outperformed girls on the A*-C measure and were almost in line at A*-B. Post 16 Vocational Results were excellent with 45.8% at Distinction *.

School Environment

Two significant projects have been undertaken. A roofing project at the back of the original 1950s building was undertaken in the summer of 2017 funded by School Condition Allocation. A significant new build to provide a new Dining Hall, kitchens, seven classrooms, an ICT suite and Sixth Form Study Area is being funded by the Local Authority's Basic need Grant to allow for the expansion of the school Planned Admission Number in 2018. The build was on schedule at the end of the financial periods and is due for completion in April 2018.

Staff Development

New courses have been developed on pedagogy and relationships. These have been written in house but will be available across the Trust.

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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017**

Other

The school has been working towards the expansion of pupil numbers to address demographic pressures in Portishead. Planning is now at an advanced state to increase to 12 forms of entry in 2018. The school is also preparing its structure to benefit from the services of a larger Multi-Academy Trust which will soon include additional secondary schools. The secondment of the Headteacher to the Trust and the appointment of an Acting Headteacher at the end of 2016/17 was an important move to ensure that standards remain high and that the school maintains its own leadership capacity.

High Down Infant School

Test Outcomes

84% of children in reception attained a good level of development which is 15% higher than National 2016. 89% of the Y1 children passed the phonics test which is again higher than National. Standards continue to be high at the end of KS1 with 90% of children attaining expected or above in reading (16% above National 2016), 80% in writing (15% above National 2016) and 88% in maths (15% above national 2016).

School Environment

A significant building project took place over the summer holidays replacing the old flat roof on the Infant main building and adding insulation. New playground markings supported positive playtimes with a range of new games on offer.

This was the first year working in the new buildings following the Federation of the Infant and Junior Schools and the development of the joint office increased the sense of being one school.

Staff Development

Many of the High Down staff worked with staff across the LSP to form Key Performance Indicators for assessing pupils.

The SENDCos across the two schools developed a support programme for parents and ran several parent workshops during the year. The Infant SENDCo was also employed to support Y3 and Y4 at the Junior School to ensure continuity for the children and parents as they moved between the schools.

Other

- The school's commitment to e-safety was celebrated when the Infant School successfully attained the 'On-line safety mark'.
- Nursery provision was developed during the year to enable the successful introduction of 30 hours childcare from 1 September 2017.
- Work from 'Learning Without Limits' led to the development of 'Learning Powers' to help children understand and discuss their learning. The Learning Powers were developed into dinosaur 'Learnasaurs' to appeal to the younger children.
- The school ran several very successful curriculum focus weeks with quality input from external visitors. During sports week the children were involved in a range of new sports including archery.

High Down Junior School

Test Outcomes

Reading and writing attainment at the expected standard were close to National scores (3% below in reading and 2% below in writing). Maths scores had, over the past few years, been higher than National but with 10 children just missing the scaled score of 100 the data dropped this year, below the National figure, to 58%. Following this dip in data the school has developed a comprehensive action plan to rapidly improve learning outcomes.

School Environment

The redevelopment of the quiet zone on the playground and improvements to the wildlife area has enhanced outdoor provision for all of the children.

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017**

Staff Development

- A member of staff gained gold level ambassadorship as a UK Parliament Teacher Ambassador. A case study noting the excellent work of the school to develop the children's understanding of Parliament is hosted on the Parliament Week website. The Teacher Ambassador also offered training to teaching staff within the locality to consider ways to enhance learning opportunities in this area.
- Two staff members trained to become environmental leaders able to direct a 3 day environmental programme for Y5 children (Earthkeepers).
- A new Deputy Head was appointed, following the previous incumbent's promotion to Headship.

Other

- Parliament week was a considerable success. The children had a Skype call with the Speaker of the Houses of Parliament John Bercow and Rt Hon Dr Liam Fox MP visited the school to answer questions about his role within Parliament. Local town councillors also visited enabling the children to focus on local issues.
- The school continued to develop intergenerational links within the local community with the Year 6 Digital Leaders supporting IT and e-safety understanding, a group of elderly residents 'Evergreens' working with the children weekly and the choir visiting local care homes.
- The school ran several very successful curriculum focus weeks with quality input from external visitors. During arts week the artist in resident worked with children to produce a fantastic mural for the entrance area demonstrating the schools' values and ethos.

Portishead Primary School

Test Outcomes

KS2 outcomes were higher than national at the expected standard and the higher score across all areas (with the exception of reading at the expected standard). Progress was higher in reading and writing but dipped in maths. The school outcomes were in line with or exceeded LSP targets across all phases.

Staff Development

The curriculum leader was designated a Specialist Leader of Education by the Beach Teaching School and the Inclusion Leader has been invited to mentor new SENCOs through the Bath Spa SENDCO qualification. The school undertook a leadership restructure during the year which has led to some leaders changing their role focus. This restructure has also seen the appointment of an assistant headteacher who leads Phase 3 and 4 with the deputy head who leads Phase 1 and 2 as well as leading the pastoral team.

Other

The school formed a strong relationship with Ben Smith (401 Marathon Man and sports personality award winner): the school has named its inclusion room, Room 401 in his honour. This was the theme of the school's carnival float which won a prize in Portishead Carnival. The school also achieved the 360 degree E-Safety mark and the Gold PE mark.

St Mary's Church of England Primary School

Test Outcomes

As the cohort at St Mary's is small there can be some variation in outcomes. In Foundation Stage 86% reached a Good Level of Development (National 69.3%). In Year 1 67% of children passed the Phonics Test (National 81%). In Year 2 100% achieved the expected standard in Reading (National 76%), 86% reaching the expected standard in Writing (National 68%) and 86% reaching the standard in maths (National 75%). In Year 6, results reflected the context of a cohort with some complex needs. 60% reached the expected standard in Reading, Writing and Maths Combined (National 61%). 73% met the expected Standard in Reading (National 71%), 73% in Writing (National 76%) and 67% in Maths (National 75%).

Curriculum

The development of the science curriculum has been a key focus. The Science lead at St Mary's has acted as lead for the Science network across the Trust. The school received funding from the European Space Agency to build a Peake Polytunnel to develop Scientific investigations into sustainable plant growth.

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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017**

Community Links

- Aviva, Lloyds and Taylor Wimpey have all sponsored teams to work on projects within the school during the year.
- St Mary's has supported and benefitted from the annual Bluebell community café in Portbury, providing refreshments for visitors to Prior Wood.
- St Mary's Year 1/2 class organised and hosted a Christmas tea party in the village hall for 30 senior folk from the village as part of their learning expedition.

Other

St Mary's were approached by North Somerset Council to accept a breach year for Reception 2017 which would have meant increasing the school intake from 15 to 30 to accommodate families from Portishead without a school place. St Mary's felt this would be a very positive move forward for the school. Plans were laid for the arrival of increased numbers in September 2017.

St Peter's Church of England Primary School

St Peter's had 570 pupils in 16/17 and will reach capacity at 630 in September 2019.

Test Outcomes

The summer 2017 results were particularly pleasing across the school. In Foundation Stage 89% reached a Good Level of Development (National 69.3%). In Year 1 96% of children passed the Phonics Test (National 81%). In Year 2 results were also excellent with 90% achieving the expected standard in Reading (National 76%), 89% reaching the expected standard in Writing (National 68%) and 92% reaching the standard in maths (National 75%). In Year 6, results were also very pleasing, showing a significant rise from 2016. 73% reached the expected standard in Reading, Writing and Maths Combined (National 61%). 82% met the expected Standard in Reading (National 71%), 83% in Writing (National 76%) and 82% in Maths (National 75%).

Teaching School

In June 2017, St Peter's was designated as a Teaching School by the National College for Teaching and Learning and will be providing Professional Development for staff from a wide range of schools in the local area. They will also be training teachers and providing School-to-School support. The Headteacher was also designated a National Leader of Education at the same time.

Other

- One of 11 schools in the country to gain a DfE workload challenge grant to improve assessment
- Visits from over 20 HTs during the year - including Dame Alison Peacock from Chartered College of Teaching

FINANCIAL REVIEW

Financial Review

Most of the Trust's income is obtained from the DfE via the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2017 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities.

During the year ended 31 August 2017 the Trust received income of £17,713,014 and incurred expenditure of £17,630,834, excluding the restricted fixed asset fund and amounts transferred on conversion. The surplus of income over expenditure was £82,180.

Key Performance Indicators

The key financial performance indicator that the Board of Trustees monitor is the School Budget Share. The Trust aims to break even on the School Budget Share portion of the General Annual Grant (GAG) funding. This is to reflect the desire to spend the funding received in any particular year on the pupils in that academic year. The School Budget Share received in year was fully spent by year end.

**LIGHTHOUSE SCHOOLS PARTNERSHIP
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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017**

Reserves Policy

The reserves are managed by the appropriate Trustees who review the reserve levels of the Trust annually as part of the budget setting process. This assessment encompasses the nature of income and expenditure streams the need to match income with commitments and the nature of reserves. The review includes consideration of the future plans of the Academies together with the key risks identified through the risk review. The aim of the Trustees is to enable the Trust to carry forward a prudent level of reserves in order that the Trust has an appropriate level of working capital to allow it to work effectively. The Trust's current level of free reserves (unrestricted funds plus GAG funds) is £1,304,541. The Trustees have determined that this level is sufficient to provide sufficient working capital to allow the Trust to operate effectively.

Investment Policy

The Trustees are firmly committed to ensuring that all funds under their control are administered in such a way as to maximise return whilst minimising risk. Due to the nature of the funding cycle, the Trust may at times hold large cash balances which may not be required for immediate use. The Trustees have authorised the opening of additional short term bank investment accounts, to take advantage of higher interest rates when available. No other form of investment is authorised.

Going Concern

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Going Concern accounting policy 1.5.

Principal Risks And Uncertainties

The principal risk and uncertainty facing the Trust is financial. The Trust has considerable reliance on continued Government funding through the ESFA. In the last year 88% of the Trust's incoming resources were ultimately Government funded and whilst this level is expected to continue, there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

The Trust has continued to strengthen its risk management process throughout the year by improving the process and ensuring staff awareness.

Financial and Risk Management Objectives and Policies

The Trust has agreed a Risk Management Strategy, a Risk Register and a Risk Management Plan. These have been discussed by Trustees and include the financial risks to the Trust. The register and plan are constantly reviewed in light of any new information and formally reviewed annually.

The Trustees examine the financial health formally every term, reviewing performance against budgets and overall expenditure by means of regular update reports at all full Trustees' and Audit and Risk Committee meetings.

At the year end, the Trust had no significant liabilities arising from trade creditors or debtors where there would be a significant effect on liquidity.

PLANS FOR FUTURE PERIODS

Growth of the Trust

During 2016/17 the Trustees and senior staff developed a growth strategy to allow the Trust to expand. This was driven by the withdrawal of North Somerset Local Authority for educational provision and the demand from other schools to join existing Multi-Academy Trusts. A growth grant of £100,000 was received from the DfE to help resource this expansion. By 31 August 2017 permission had been received for nine additional schools to join the Trust and plans were being developed for the transformation of the existing structures into a four-hub model. This work will take place in 2017/18. The project will require a complete restructure of the central services team and development of a new financial model.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

The Trust and its Trustees do not act as the Custodian Trustee of any other Charity.

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017**

EMPLOYEE INVOLVEMENT AND EMPLOYMENT OF THE DISABLED

Employment of the disabled

- The Trust is committed to ensuring that throughout the recruitment and selection processes no applicant is disadvantaged or discriminated against because of the protected characteristics of age, disability, gender, gender re-assignment, marriage or civil partnership, pregnancy or maternity, race, religion or belief and sexual orientation.
- In the very exceptional cases where the Trust is required to discriminate due to an occupational requirement this must be approved by the Trustees who will provide reasons for this requirement.
- Recruitment will be solely on the basis of the applicant's abilities and individual merit as measured against the criteria for the job. Qualifications, knowledge, experience and skills will be assessed at the level that is relevant to the job.
- If an applicant makes the Trust aware, at any stage of the recruitment process, that they have a disability then reasonable adjustments must be considered to ensure the applicant is not disadvantaged by the process.

Employee Involvement

Employees are involved in local discussions and consultations within their own school. The Trust recognises Teacher Unions and other employee representation groups. During the financial year discussions were commenced with unions about setting up a trust-wide consultation forum during 2017-18.

AUDITORS

In so far as the Trustees are aware:

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

The auditors, Bishop Fleming LLP, are willing to continue in office and a resolution to appoint them will be proposed at the annual general meeting.

The Trustees' Report, incorporating a strategic report, was approved by order of the Board of Trustees, as company directors, on 6 December 2017 and signed on the board's behalf by:


D Tossell
Chair of Trustees

**LIGHTHOUSE SCHOOLS PARTNERSHIP
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GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

As Trustees, we acknowledge we have overall responsibility for ensuring that Lighthouse Schools Partnership 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 CEO, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Lighthouse Schools Partnership and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

GOVERNANCE

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 8 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
A Haysom	8	8
T Hodgett	7	8
C Jones	6	8
G Lewis	8	8
J Shepherd	7	8
J Sorley	8	8
D Tossell	7	8

This was a newly appointed Board of Trustees on 1 September 2016. The Trustees were appointed based on their skills and knowledge.

Review of Governance

During the year the Scheme of Delegation to Local Governing Bodies has been kept under review. Further consultation on this will take place in autumn 2017 with a view to recognising the movement to a hubs structure within the Trust. A new Scheme of Delegation will be adopted in December 2017.

To recognise the significant workload and responsibilities of Trustees and to widen the skills basis of the Board our annual review of governance identified the need to expand the number of Trustees on the Board. In August 2017 we worked with the DfE agency Academy Ambassadors to draw up person specifications to recruit three further Trustees to take the size of the Board to ten people. We will be seeking to appoint Trustees with skills in HR/Change Management, Financial and Governance Compliance and secondary education. This process will be completed by January 2018.

The Audit & Risk Committee is a sub committee of the main Board of Trustees. Its purpose is to maintain an oversight of the Trust's governance, risk management, internal control and value for money principles/framework.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
G Lewis	3	3
J Shepherd	3	3
J Sorley	3	3
D Tossell	3	3

GOVERNANCE STATEMENT (continued)

REVIEW OF VALUE FOR MONEY

As Accounting Officer, the CEO has responsibility for ensuring that the 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 Trust's use of its resources has provided good value for money during each academic year, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer for the Trust has delivered improved value for money during the year by:

Positive Educational Outcomes for our students

- Developing a Training Plan for schools across the Trust;
- Networks were developed for the sharing of best practice;
- The schools in the Trust reviewed the curriculum model, class sizes and staffing levels to ensure we make full and efficient use of our resources.

Collaboration between schools

- Working together as a Multi-Academy Trust;
- Collaboration with other schools, as a member of the North Somerset Teaching Alliance and by setting up a new Teaching School Alliance based at St Peter's;
- Employing and share qualified professionals across the group of schools;
- Benchmarking of resources to ensure we obtain best value;
- Group procurement of contracts, such as catering.

Maximising income

- The Trust makes the facilities available for out of hours use including a significant number of lettings;
- The Gordano School Community Trust manages and maintains Gordano School's sporting facilities for use by the students, staff and the local community;
- The Trust applies for external grants to improve the schools' environments, the most recent grant used to replace inefficient lighting with LED panels thereby reducing utility costs.

Better purchasing

- Continuous review of contracts to ensure they achieve and maintain high standards of delivery;
- Requiring suppliers to compete on grounds of cost, quality and suitability of services.

Control measures and managing risks

- Comprehensive budgeting and monitoring systems scrutinised by the Governing Bodies and Board of Trustees;
- Clearly defined schemes of delegation, purchasing and tender guidelines;
- Maintenance of risk register;
- Internal audit three times a year with recommendations reviewed and systems changed where required;
- High level of scrutiny by Trustees' Audit and Committee.

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 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

**LIGHTHOUSE SCHOOLS PARTNERSHIP
(A COMPANY LIMITED BY GUARANTEE)**

GOVERNANCE STATEMENT (continued)

economically. The system of internal control has been in place in Lighthouse Schools Partnership for the year 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The Board of Trustees has reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Trust's significant risks, that has been in place for the year 1 September 2016 to 31 August 2017 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 Trust's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it includes:

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees;
- regular reviews by the 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;
- identification and management of risks.

The Board of Trustees has considered the need for a specific internal audit function and has decided to appoint Audit West as internal auditor.

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

- Purchasing (including credit cards and VAT)
- Fraud prevention
- Best Value
- Payroll

There were no matters of significance in the reports received by the Board of Trustees.

REVIEW OF EFFECTIVENESS

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

- the work of the internal auditor;
- the work of the external auditors;
- the 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 and Risk Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 6 December 2017 and signed on their behalf, by:


D Tossell
Chair of Trustees


G Lewis
Accounting Officer

**LIGHTHOUSE SCHOOLS PARTNERSHIP
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Lighthouse Schools Partnership I have considered my responsibility to notify the Trust Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2016.

I confirm that I and the Trust Board of Trustees are able to identify any material irregular or improper use of funds by the Trust, or material non-compliance with the terms and conditions of funding under the Trust's funding agreement and the Academies Financial Handbook 2016.

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



G Lewis
Accounting Officer

Date: 6 December 2017

**LIGHTHOUSE SCHOOLS PARTNERSHIP
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2017**

The Trustees (who act as governors of Lighthouse Schools Partnership and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Strategic Report, the Trustees' Report and the financial statements in accordance with the Annual Accounts Direction issued by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

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


D Tossell
Chair of Trustees

Date: 6 December 2017

**LIGHTHOUSE SCHOOLS PARTNERSHIP
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
LIGHTHOUSE SCHOOLS PARTNERSHIP**

OPINION

We have audited the financial statements of Lighthouse Schools Partnership for the year ended 31 August 2017 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

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

In our opinion the financial statements:

- give a true and fair view of the state of the Trust's affairs as at 31 August 2017 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

BASIS OF OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

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

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

OTHER INFORMATION

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in

**LIGHTHOUSE SCHOOLS PARTNERSHIP
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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
LIGHTHOUSE SCHOOLS PARTNERSHIP**

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

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

- the information given in the Trustees' Report (incorporating the Strategic Report and the Directors' Report) for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

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

RESPONSIBILITIES OF TRUSTEES

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

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

**LIGHTHOUSE SCHOOLS PARTNERSHIP
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
LIGHTHOUSE SCHOOLS PARTNERSHIP**

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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



Joseph Scaife FCA DChA (Senior Statutory Auditor)
for and on behalf of
Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
16 Queen Square
Bristol
BS1 4NT
Date: 14/12/17.

**LIGHTHOUSE SCHOOLS PARTNERSHIP
(A COMPANY LIMITED BY GUARANTEE)**

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO LIGHTHOUSE SCHOOLS PARTNERSHIP AND THE EDUCATION FUNDING AGENCY

In accordance with the terms of our engagement letter dated 7 October 2015 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Lighthouse Schools Partnership during the year 1 September 2016 to 31 August 2017 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 Lighthouse Schools Partnership and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Lighthouse Schools Partnership and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Lighthouse Schools Partnership and the ESFA, for our work, for this report, or for the conclusion we have formed.

RESPECTIVE RESPONSIBILITIES OF LIGHTHOUSE SCHOOLS PARTNERSHIP'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT

The Accounting Officer is responsible, under the requirements of Lighthouse Schools Partnership's funding agreement with the Secretary of State for Education dated 26 August 2016, and the Academies Financial Handbook extant from 1 September 2016, 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 2016 to 2017. 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 2016 to 31 August 2017 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

APPROACH

We conducted our engagement in accordance with the Academies Accounts Direction 2016 to 2017 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

Our work on regularity included a review of the internal controls policies and procedures that have been implemented and an assessment of their design and effectiveness to understand how the Trust complied with the framework of authorities. We also reviewed the reports commissioned by the trustees to assess the internal controls throughout the year.

We performed detailed testing based on our assessment of the risk of material irregularity, impropriety and non-compliance. This work was integrated with our audit on the financial statements where appropriate and included analytical review and detailed substantive testing of transactions.

**LIGHTHOUSE SCHOOLS PARTNERSHIP
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO LIGHTHOUSE
SCHOOLS PARTNERSHIP AND THE EDUCATION FUNDING AGENCY (continued)**

CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2016 to 31 August 2017 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Joseph Scaife FCA DChA (Reporting Accountant)

Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
16 Queen Square
Bristol
BS1 4NT

Date: 14/12/17

**LIGHTHOUSE SCHOOLS PARTNERSHIP
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2017**

	Note	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
INCOME FROM:						
Donations & capital grants:						
Transfer from Local Authority on Conversion	2	626,547	(3,749,000)	10,552,500	7,430,047	-
Other donations and capital grants	2	986	862,387	48,516	911,889	536,698
Charitable activities	3	882,983	15,486,551	-	16,369,534	9,380,161
Other trading activities	4	474,503	-	-	474,503	116,267
Investments	5	5,604	-	-	5,604	9,221
TOTAL INCOME		1,990,623	12,599,938	10,601,016	25,191,577	10,042,347
EXPENDITURE ON:						
Raising funds		244,368	-	-	244,368	-
Charitable activities		1,130,329	16,256,137	1,491,576	18,878,042	10,839,901
TOTAL EXPENDITURE	6	1,374,697	16,256,137	1,491,576	19,122,410	10,839,901
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS						
Transfers between Funds	18	615,926	(3,656,199)	9,109,440	6,069,167	(797,554)
		-	(225,573)	225,573	-	-
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES						
		615,926	(3,881,772)	9,335,013	6,069,167	(797,554)
Actuarial gains/(losses) on defined benefit pension schemes	25	-	413,000	-	413,000	(1,601,000)
NET MOVEMENT IN FUNDS		615,926	(3,468,772)	9,335,013	6,482,167	(2,398,554)
RECONCILIATION OF FUNDS:						
Total funds brought forward		520,087	(4,068,139)	32,694,004	29,145,952	31,544,506
TOTAL FUNDS CARRIED FORWARD		1,136,013	(7,536,911)	42,029,017	35,628,119	29,145,952


The notes on pages 26 to 54 form part of these financial statements.

**LIGHTHOUSE SCHOOLS PARTNERSHIP
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER: 07662102**

**BALANCE SHEET
AS AT 31 AUGUST 2017**

	Note	£	2017 £	£	2016 £
FIXED ASSETS					
Tangible assets	14		42,029,017		32,511,100
CURRENT ASSETS					
Debtors	15	417,020		399,608	
Cash at bank and in hand		3,033,774		1,406,142	
		<u>3,450,794</u>		<u>1,805,750</u>	
CREDITORS: amounts falling due within one year	16	(1,650,692)		(757,898)	
NET CURRENT ASSETS			<u>1,800,102</u>		<u>1,047,852</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>43,829,119</u>		<u>33,558,952</u>
Defined benefit pension scheme liability	25		(8,201,000)		(4,413,000)
NET ASSETS			<u><u>35,628,119</u></u>		<u><u>29,145,952</u></u>
FUNDS OF THE TRUST					
Restricted funds:					
General funds	18	664,089		344,861	
Fixed asset funds	18	42,029,017		32,694,004	
Restricted funds excluding pension liability		<u>42,693,106</u>		<u>33,038,865</u>	
Pension reserve		<u>(8,201,000)</u>		<u>(4,413,000)</u>	
Total restricted funds			<u>34,492,106</u>		<u>28,625,865</u>
Unrestricted funds	18		<u>1,136,013</u>		<u>520,087</u>
TOTAL FUNDS			<u><u>35,628,119</u></u>		<u><u>29,145,952</u></u>

The financial statements on pages 23 to 54 were approved by the Trustees, and authorised for issue, on 6 December 2017 and are signed on their behalf, by:



**D Tossell
Chair of Trustees**

The notes on pages 26 to 54 form part of these financial statements.

**LIGHTHOUSE SCHOOLS PARTNERSHIP
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2017**

	Note	2017 £	2016 £
Cash flows from operating activities			
Net cash provided by operating activities	20	<u>517,161</u>	<u>74,892</u>
Cash flows from investing activities:			
Interest received		5,604	9,221
Purchase of tangible fixed assets		(358,959)	(189,305)
Capital grants from DfE/ESFA		837,279	109,985
Capital funding received from sponsors and others		-	111,940
Net cash provided by investing activities		<u>483,924</u>	<u>41,841</u>
Cash flows from conversion to an Academy:			
Funds received from the Local Authority on conversion		<u>626,547</u>	<u>-</u>
Net cash provided by financing activities		<u>626,547</u>	<u>-</u>
Change in cash and cash equivalents in the year		1,627,632	116,733
Cash and cash equivalents brought forward		<u>1,406,142</u>	<u>1,289,409</u>
Cash and cash equivalents carried forward	21	<u>3,033,774</u>	<u>1,406,142</u>

The notes on pages 26 to 54 form part of these financial statements.

**LIGHTHOUSE SCHOOLS PARTNERSHIP
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

1. ACCOUNTING POLICIES

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

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements of the Trust have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their 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 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Lighthouse Schools Partnership constitutes a public benefit entity as defined by FRS 102.

1.2 FUND ACCOUNTING

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

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

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

Transfers are made between restricted funds and restricted fixed asset funds where restricted funds are used to purchase fixed assets.

1.3 INCOME

All income is recognised once the Trust has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the Statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the Statement of financial activities in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

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

Donations are recognised on a receivable basis where receipt is probable and the amount can be reliably measured.

Other income, including the hire of facilities, is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

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

Expenditure on charitable activities are costs incurred on the Trust's educational operations, including support costs and those costs relating to the governance of the Trust appointed to charitable activities.

All expenditure is inclusive of irrecoverable VAT.

1.5 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 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 Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the 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.

1.6 TANGIBLE FIXED ASSETS AND DEPRECIATION

All assets costing more than £1,000 are capitalised and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of financial activities and carried forward in the Balance Sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of financial activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund. Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment.

Land and buildings occupied under a Church Supplemental Agreement are not recognised as assets in the balance sheet. These land and buildings are occupied free of charge under a rolling two-year licence from the landowner. Due to the specialised nature of these land and buildings it is not considered practical to place a value of the notional rent donated by the landowner.

When individual schools convert to being academies the Trust has been granted 125 year leases from the Local Authority for the land and buildings previously occupied by the local authority schools. On conversion of schools in the year the long term leasehold properties were recognised as a donation from the Local Authority and was valued using the depreciated replacement cost method.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is not charged on freehold land. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

1. ACCOUNTING POLICIES (continued)

Freehold buildings	-	2% straight line
Leasehold land and buildings	-	over 125 years
Plant and machinery	-	10% straight line
Fixtures and fittings	-	20% straight line
Computer equipment	-	20% straight line
Assets under construction	-	not depreciated until complete

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

1.7 OPERATING LEASES

Rentals under operating leases are charged to the Statement of financial activities on a straight line basis over the lease term.

1.8 TAXATION

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

1.9 DEBTORS

Trade and other debtors with no stated interest rate and due within one year are recorded at the amount of the cash or other consideration expected to be received. Prepayments are valued at the amount paid.

1.10 CASH AT BANK AND IN HAND

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account and cash on deposit that has a notice period of less than 30 days.

1.11 LIABILITIES AND PROVISIONS

Liabilities and provisions 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 Trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation.

**LIGHTHOUSE SCHOOLS PARTNERSHIP
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

1. ACCOUNTING POLICIES (continued)

1.12 FINANCIAL INSTRUMENTS

The Trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Trust and their measurement basis 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 15. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in note 16. 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 instruments.

1.13 PENSIONS

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 25, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore 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 scheme and the assets are held separately from those of the Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance Sheet date. The amounts charged to 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 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

1. ACCOUNTING POLICIES (continued)

1.14 CONVERSION TO AN ACADEMY TRUST

The conversion from a state maintained school to an academy trust involved the transfer of identifiable assets and liabilities and the operation of the school for £NIL consideration. The substance of the transfer is that of a gift and it has been accounted for on that basis as set out below.

The assets and liabilities transferred on conversion from High Down Infant School, High Down Junior School, Portishead Primary School, St Mary's CE Primary School and St Peter's CE Primary School to an academy trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in Donations - transfer from local authority on conversion in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

Further details of the transaction are set out in note 22.

1.15 AGENCY ARRANGEMENTS

The Trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the Statement of Financial Activities as the Trust does not have control over the charitable application of the funds. The Trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the Statement of Financial Activities. The funds received, paid and any balances held at period end are disclosed in note 24.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

1. ACCOUNTING POLICIES (continued)

1.16 CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGMENT

Estimates and judgments 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 Trust 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 (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 25, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2017. 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.

Critical areas of judgment:

The Trust obtains use of fixed assets as a lessee. The classification of such leases as operating or finance lease requires the Trust to determine, based on an evaluation of the terms and conditions of the arrangements, whether it retains or acquires the significant risks and rewards of ownership of these assets and accordingly whether the lease requires an asset and liability to be recognised in the Balance Sheet.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
Transfer from Local Authority on Conversion	626,547	(3,749,000)	10,552,500	7,430,047	-
Donation from Gordano School Community Trust	-	-	-	-	(9,087)
Donations	986	208,012	48,516	257,514	175,284
Capital grants	-	654,375	-	654,375	370,501
Subtotal	986	862,387	48,516	911,889	536,698
	627,533	(2,886,613)	10,601,016	8,341,936	536,698
Total 2016	-	91,866	444,832	536,698	

LIGHTHOUSE SCHOOLS PARTNERSHIP
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

3. FUNDING FOR THE TRUST'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
DfE/ESFA grants				
General Annual Grant	-	14,295,730	14,295,730	8,353,826
Other DfE/ESFA grants	-	920,832	920,832	445,299
	-	15,216,562	15,216,562	8,799,125
Other Government grants				
High Needs (SEN)	-	188,068	188,068	43,898
Other Government grants: non capital	-	81,921	81,921	24,923
	-	269,989	269,989	68,821
Other funding				
Catering income	116,808	-	116,808	-
Income for hosting trainee teachers	20,042	-	20,042	29,284
Sales to students	22,680	-	22,680	11,959
Trips and other income	585,761	-	585,761	470,972
Nursery income funded	110,744	-	110,744	-
Nursery income unfunded/fee paying	26,948	-	26,948	-
	882,983	-	882,983	512,215
	882,983	15,486,551	16,369,534	9,380,161
Total 2016	450,845	8,929,316	9,380,161	

4. OTHER TRADING ACTIVITIES

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Lettings	130,471	-	130,471	91,910
Consultancy	2,300	-	2,300	1,200
After school and breakfast clubs	312,403	-	312,403	-
Teaching School income and other	29,329	-	29,329	23,157
	474,503	-	474,503	116,267
Total 2016	116,267	-	116,267	

LIGHTHOUSE SCHOOLS PARTNERSHIP
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

5. INVESTMENT INCOME

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Bank interest	5,604	-	5,604	9,221
<i>Total 2016</i>	9,221	-	9,221	

6. EXPENDITURE

	Staff costs 2017 £	Premises 2017 £	Other costs 2017 £	Total 2017 £	Total 2016 £
Expenditure on fundraising trading	203,661	15,000	25,707	244,368	-
Charitable activities:					
Direct costs	11,581,729	1,491,576	1,481,665	14,554,970	8,746,781
Support costs	1,693,944	1,376,972	1,252,156	4,323,072	2,093,120
	13,479,334	2,883,548	2,759,528	19,122,410	10,839,901
<i>Total 2016</i>	7,260,281	1,864,075	1,715,545	10,839,901	

7. DIRECT COSTS

	Total 2017 £	Total 2016 £
Pension finance costs	98,000	54,814
Educational supplies	382,764	180,050
Examination fees	152,970	166,581
Staff development	73,235	45,540
Educational visits and other costs	774,696	537,650
Agency teachers	107,387	42,857
Wages and salaries	8,971,714	5,094,870
National insurance	753,371	396,177
Pension cost	1,749,257	889,226
Depreciation	1,491,576	1,339,016
	14,554,970	8,746,781
<i>Total 2016</i>	8,746,781	

LIGHTHOUSE SCHOOLS PARTNERSHIP
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NOTES TO THE FINANCIAL STATEMENTS
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7. DIRECT COSTS (continued)

Included within Educational visits and other costs is:

- Music tuition £70,632 (2016: £49,554)
- Trips £636,702 (2016: £365,174)
- Cost of resources sold to students £22,680 (2016: £96,832)
- Other £44,682 (2016: £26,090)

Included within wages and salaries, national insurance and pension costs is £196,080 (2016: £54,728) in relation to supply teacher costs.

8. SUPPORT COSTS

	Total 2017 £	Total 2016 £
Pension finance costs	81,000	52,186
Other costs	35,146	29,605
Recruitment and support	10,522	9,291
Maintenance of premises and equipment	715,231	361,704
Cleaning	322,133	171,382
Rent and rates	111,340	56,637
Energy costs	217,522	162,075
Insurance	141,140	58,812
Security and transport	31,069	7,873
Catering	375,941	19,567
Technology costs	163,411	99,762
Office overheads	97,403	37,553
Legal and professional	266,482	164,190
Bank interest and charges	469	124
Governance	60,319	25,208
Wages and salaries	1,182,387	636,215
National insurance	73,858	44,156
Pension cost	437,699	156,780
	4,323,072	2,093,120
<i>Total 2016</i>	<i>2,093,120</i>	

9. NET INCOME/ (EXPENDITURE) FOR THE YEAR

This is stated after charging:

	2017 £	2016 £
Depreciation of tangible fixed assets:		
- owned by the charity	1,491,576	1,339,016
Auditors' remuneration - audit	13,500	7,950
Auditors' remuneration - other services	1,500	1,250
Operating lease rentals	47,355	20,049

LIGHTHOUSE SCHOOLS PARTNERSHIP
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NOTES TO THE FINANCIAL STATEMENTS
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10. STAFF COSTS

Staff costs were as follows:

	2017 £	2016 £
Wages and salaries	10,307,508	5,708,693
Social security costs	834,056	440,333
Operating costs of defined benefit pension schemes	2,212,035	1,046,006
	<u>13,353,599</u>	<u>7,195,032</u>
Apprenticeship levy	15,414	-
Supply teacher costs	107,387	42,857
Staff restructuring costs	2,934	22,392
	<u><u>13,479,334</u></u>	<u><u>7,260,281</u></u>

Staff restructuring costs comprise:

	2017 £	2016 £
Redundancy payments	2,934	14,224
Severance payments	-	3,793
Other restructuring costs	-	4,375
	<u><u>2,934</u></u>	<u><u>22,392</u></u>

**LIGHTHOUSE SCHOOLS PARTNERSHIP
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

10. STAFF COSTS (continued)

The redundancy payments in the year were in respect of one person. These payments have been funded from the Trust's recurring ESFA income.

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

	2017 No.	2016 No.
Teachers	243	122
Administration and support	383	78
Management	6	8
	<hr/> 632 <hr/>	<hr/> 208 <hr/>

Average headcount expressed as a full time equivalent:

	2017 No.	2016 No.
Teachers	187	113
Administration and support	145	65
Management	6	8
	<hr/> 338 <hr/>	<hr/> 186 <hr/>

LIGHTHOUSE SCHOOLS PARTNERSHIP
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

10. STAFF COSTS (continued)

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

	2017	2016
	No.	No.
In the band £60,001 - £70,000	3	3
In the band £70,001 - £80,000	3	0
In the band £100,001 - £110,000	1	1

The key management personnel of the Trust comprise the Trustees (who do not receive remuneration for their role as Trustees) and the Senior Leadership Team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer's national insurance) received by key management personnel for their services to the Trust was £663,709 (2016: £676,957). As staff trustees are not remunerated in respect of their role as a trustee, where staff trustees do not form part of the key management personnel other than in their role as trustee, their remuneration as set out in note 12 has not been included in the total benefits received by key management personnel above.

11. CENTRAL SERVICES

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

- Governance
- Accounting
- Payroll
- Financial services
- Procurement of trust-wide contracts
- Premises support
- ICT support
- Educational support
- Marketing and branding
- HR legal services

The Trust charges for these services on the following basis:

The Trust will charge each school 3% of the General Annual Grant income pro-rata for the year.

The actual amounts charged during the year were as follows:

	2017	2016
	£	£
Gordano School	246,737	-
High Down Infant School	30,398	-
High Down Junior School	39,220	-
Portishead Primary School	47,339	-
St Mary's CE Primary School	13,122	-
St Peter's CE Primary School	52,057	-
	428,873	
Total	428,873	

LIGHTHOUSE SCHOOLS PARTNERSHIP
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

12. TRUSTEES' REMUNERATION AND EXPENSES

The Headteacher and staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff and not in respect of their services as Trustees. Other Trustees did not receive any payments, other than expenses from the Trust in respect of their role as Trustees. The value of Trustees' remuneration and other benefits was as follows: G Lewis: remuneration £105k - £110k (2016: £105k - £110k), employer's pension contributions £15k - £20k (2016: £15k - £20k).

Other related party transactions involving the trustees are set out in note 27.

During the year, no Trustees received any benefits in kind (2016: £NIL).

During the year ended 31 August 2017, expenses totalling £1,999 (2016: £1,454) were reimbursed to 8 Trustees (2016: 4).

13. TRUSTEES' AND OFFICERS' INSURANCE

The 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 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.

14. TANGIBLE FIXED ASSETS

	Freehold and long term leasehold property £	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Assets under construction £	Total £
COST						
At 1 September 2016	37,760,296	482,805	246,342	599,431	249,328	39,338,202
Additions	287,940	54,412	8,417	106,224	-	456,993
Assets transferred on conversion	10,552,500	-	-	-	-	10,552,500
Disposals	-	-	-	(154,234)	-	(154,234)
Transfers	249,328	-	-	-	(249,328)	-
At 31 August 2017	48,850,064	537,217	254,759	551,421	-	50,193,461
DEPRECIATION						
At 1 September 2016	6,040,046	192,749	201,585	392,722	-	6,827,102
Charge for the year	1,304,854	53,801	22,637	110,284	-	1,491,576
On disposals	-	-	-	(154,234)	-	(154,234)
At 31 August 2017	7,344,900	246,550	224,222	348,772	-	8,164,444
NET BOOK VALUE						
At 31 August 2017	41,505,164	290,667	30,537	202,649	-	42,029,017
At 31 August 2016	31,720,250	290,056	44,757	206,709	249,328	32,511,100

LIGHTHOUSE SCHOOLS PARTNERSHIP
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

14. TANGIBLE FIXED ASSETS (continued)

Included in freehold and long term leasehold property is freehold land at valuation of £3,000,773 which is not depreciated.

15. DEBTORS

	2017 £	2016 £
Trade debtors	54,116	46,641
VAT recoverable	113,823	38,431
Other debtors	5,746	2,976
Prepayments and accrued income	243,335	311,560
	<u>417,020</u>	<u>399,608</u>

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017 £	2016 £
Trade creditors	483,750	145,106
Other taxation and social security	237,642	140,722
Pension and Union contributions	21,283	10,117
Other creditors	57,217	34,165
Accruals and deferred income	850,800	427,788
	<u>1,650,692</u>	<u>757,898</u>

	2017 £	2016 £
DEFERRED INCOME		
Deferred income at 1 September 2016	127,181	127,061
Resources deferred during the year	372,285	127,181
Amounts released from previous years	(127,181)	(127,061)
Deferred income at 31 August 2017	<u>372,285</u>	<u>127,181</u>

At the balance sheet date the Trust was holding funds received in advance from the ESFA for rates funding from 1 September 2016 - 31 March 2017, Universal Infant Free School Meals funding received in advance and receipts in advance for trips taking place post year end.

LIGHTHOUSE SCHOOLS PARTNERSHIP
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

17. FINANCIAL INSTRUMENTS

	2017 £	2016 £
Financial assets measured at amortised cost	3,197,307	1,728,284
Financial liabilities measured at amortised cost	(1,019,482)	(489,995)

Financial assets measured at amortised cost comprise cash at bank and in hand, trade debtors and accrued income.

Financial liabilities measured at amortised cost comprise accrued expenditure, trade creditors and other creditors.

18. STATEMENT OF FUNDS

	Brought forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
UNRESTRICTED FUNDS						
General funds	520,087	1,852,931	(1,237,005)	-	-	1,136,013
Nursery	-	137,692	(137,692)	-	-	-
	<u>520,087</u>	<u>1,990,623</u>	<u>(1,374,697)</u>	<u>-</u>	<u>-</u>	<u>1,136,013</u>
RESTRICTED FUNDS						
General Annual Grant (GAG)	190,567	14,295,730	(14,139,319)	(178,450)	-	168,528
High needs funding (SEN)	-	188,068	(188,068)	-	-	-
Donations	-	176,792	(141,034)	(31,192)	-	4,566
Pupil premium	-	429,292	(429,292)	-	-	-
Universal Infant Free School Meals (UIFSM)	-	274,873	(274,873)	-	-	-
Devolved formula capital	32,612	77,944	(35,626)	(15,931)	-	58,999
Training / Teaching school funding	9,463	8,000	(10,825)	-	-	6,638
MAT set-up	80,702	100,000	(85,636)	-	-	95,066
Schools Condition Allocation (SCA)	-	553,422	(295,658)	-	-	257,764
Growth funding	-	81,671	(47,641)	-	-	34,030
Other restricted grants - non government	-	28,775	(28,775)	-	-	-
Other restricted grants - government	4,997	132,357	(127,390)	-	-	9,964
Discretionary Fund	26,520	2,014	-	-	-	28,534
Pension reserve	(4,413,000)	(3,749,000)	(452,000)	-	413,000	(8,201,000)
	<u>(4,068,139)</u>	<u>12,599,938</u>	<u>(16,256,137)</u>	<u>(225,573)</u>	<u>413,000</u>	<u>(7,536,911)</u>

**LIGHTHOUSE SCHOOLS PARTNERSHIP
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18. STATEMENT OF FUNDS (continued)

RESTRICTED FIXED ASSET FUNDS

	Brought forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
Fixed assets transferred on conversion	28,162,743	10,552,500	(1,216,222)	-	-	37,499,021
Fixed assets purchased from GAG and other restricted funds	1,271,205	48,516	(275,354)	225,573	-	1,269,940
DfE/ESFA Capital grants	3,260,056	-	-	-	-	3,260,056
	<u>32,694,004</u>	<u>10,601,016</u>	<u>(1,491,576)</u>	<u>225,573</u>	<u>-</u>	<u>42,029,017</u>
Total restricted funds	<u>28,625,865</u>	<u>23,200,954</u>	<u>(17,747,713)</u>	<u>-</u>	<u>413,000</u>	<u>34,492,106</u>
Total of funds	<u>29,145,952</u>	<u>25,191,577</u>	<u>(19,122,410)</u>	<u>-</u>	<u>413,000</u>	<u>35,628,119</u>

STATEMENT OF FUNDS - PRIOR YEAR

	Brought forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2016 £
UNRESTRICTED FUNDS						
General funds	496,694	576,333	(552,940)	-	-	520,087
	<u>496,694</u>	<u>576,333</u>	<u>(552,940)</u>	<u>-</u>	<u>-</u>	<u>520,087</u>
RESTRICTED FUNDS						
General Annual Grant (GAG)	61,664	8,353,826	(8,108,996)	(115,927)	-	190,567
High needs funding (SEN)	-	43,898	(43,898)	-	-	-
Donations	120	49,192	(49,312)	-	-	-
Pupil premium	-	191,360	(191,360)	-	-	-
Devolved formula capital	16,439	37,609	(21,436)	-	-	32,612
CIF	135,704	-	(135,704)	-	-	-
Staff income	-	3,000	(3,000)	-	-	-
Training / Teaching school funding	24,169	15,500	(30,206)	-	-	9,463
MAT set-up	-	212,000	(131,298)	-	-	80,702
Other restricted grants - government	2,000	109,732	(106,735)	-	-	4,997
Discretionary Fund	21,455	5,065	-	-	-	26,520
Pension reserve	(2,686,000)	-	(126,000)	-	(1,601,000)	(4,413,000)
	<u>(2,424,449)</u>	<u>9,021,182</u>	<u>(8,947,945)</u>	<u>(115,927)</u>	<u>(1,601,000)</u>	<u>(4,068,139)</u>

**LIGHTHOUSE SCHOOLS PARTNERSHIP
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

18. STATEMENT OF FUNDS (continued)

RESTRICTED FIXED ASSET FUNDS

	Balance at 1 September 2015 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2016 £
Fixed assets transferred on conversion	29,208,949	-	(1,046,206)	-	-	28,162,743
Fixed assets purchased from GAG and other restricted funds	1,258,099	114,600	(217,421)	115,927	-	1,271,205
DfE/ESFA Capital grants	3,005,213	330,232	(75,389)	-	-	3,260,056
	<u>33,472,261</u>	<u>444,832</u>	<u>(1,339,016)</u>	<u>115,927</u>	<u>-</u>	<u>32,694,004</u>
Total restricted funds	<u>31,047,812</u>	<u>9,466,014</u>	<u>(10,286,961)</u>	<u>-</u>	<u>(1,601,000)</u>	<u>28,625,865</u>
Total of funds	<u>31,544,506</u>	<u>10,042,347</u>	<u>(10,839,901)</u>	<u>-</u>	<u>(1,601,000)</u>	<u>29,145,952</u>

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

RESTRICTED FUNDS

The General Annual Grant (GAG) represents funding received from the Education & Skills Funding Agency (ESFA) during the year in order to fund the continuing activities of the Trust. During the year £178,450 (2016: £115,927) was transferred to the restricted fixed asset fund to represent fixed assets purchased from GAG.

High needs funding (SEN) is received from the ESFA to cater for pupils with learning difficulties and other disabilities.

Donations represent amounts donated for a specific purpose and includes amounts in relation to Trust trips. During the year £31,192 was transferred to the restricted fixed asset fund to represent fixed assets purchased from donations.

Pupil premium funding represents amounts received from the ESFA to cater for disadvantaged pupils.

Universal Infant Free School Meals (UIFSM) represents amounts received from the ESFA to fund free school meals for infants.

Devolved formula capital (DFC) represents devolved capital funding received from the LA / ESFA which has been spent on revenue items. During the year £15,931 was transferred to the restricted fixed asset fund to represent fixed assets purchased from DFC.

The Condition Improvement Fund represents amounts received from the ESFA for particular projects.

Staff income represents funding received to cover staff costs, such as maternity and supply cover.

Training / Teaching school income represents funding received in line with the Trust's specialist Training / Teaching status.

MAT set up fund includes start up grants, primary chain funding and other income from the ESFA in relation to establishing and developing the Multi Academy Trust.

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18. STATEMENT OF FUNDS (continued)

Schools Condition Allocation represents amounts received from the ESFA for maintenance of school premises.

Growth funding represents amounts received from the Local Authority to support increases in pupil admission numbers.

Other restricted grants - non-government includes various amounts received from non-government agencies.

Other restricted grants - government includes various amounts received from different sources including North Somerset Council and the ESFA.

Discretionary Fund represents parent donations made into Gordano School Discretionary Fund to be spent on student led and community focused projects to enhance school life and create educational opportunities. The balance at the period end represents the unspent balance in the fund.

The pension reserve represents the Local Government Pension Scheme deficit.

FIXED ASSET FUNDS

Fixed assets transferred on conversion represent the building and equipment donated to the Trust from North Somerset Council on conversion to academy status.

Fixed assets purchased from GAG and restricted funds represents amounts spent on fixed assets from the GAG funding received from the ESFA and income from other sources specifically for the purchase of fixed assets, including fixed assets that have been donated to the Trust.

DfE/ESFA Capital grants includes devolved capital funding, demographic growth capital and amounts received from the Academies Capital Maintenance Fund and Condition Improvement Fund.

OTHER INFORMATION

Under the funding agreement with the Secretary of State, the Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2017.

LIGHTHOUSE SCHOOLS PARTNERSHIP
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

18. STATEMENT OF FUNDS (continued)

ANALYSIS OF ACADEMIES BY FUND BALANCE

Fund balances at 31 August 2017 were allocated as follows:

	Total 2017 £	Total 2016 £
Gordano School	739,478	864,948
High Down Infant School	71,242	-
High Down Junior School	161,360	-
Portishead Primary School	98,222	-
St Mary's CE School	54,508	-
St Peter's CE School	257,343	-
Central Services	65,119	-
Central Services - SCA	257,764	-
Central Services - MAT set-up	95,066	-
	<hr/>	<hr/>
Total before fixed asset fund and pension reserve	1,800,102	864,948
Restricted fixed asset fund	42,029,017	32,694,004
Pension reserve	(8,201,000)	(4,413,000)
	<hr/>	<hr/>
Total	35,628,119	29,145,952
	<hr/>	<hr/>

ANALYSIS OF ACADEMIES BY COST

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2017 £	Total 2016 £
Gordano School	6,394,087	831,988	189,316	1,930,102	9,345,493	10,839,901
High Down Infant School	971,494	137,334	27,714	234,988	1,371,530	-
High Down Junior School	1,026,350	322,025	54,504	300,574	1,703,453	-
Portishead Primary School	1,255,813	275,913	63,518	329,602	1,924,846	-
St Mary's CE School	335,222	38,019	12,988	124,628	510,857	-
St Peter's CE School	1,385,113	272,593	34,673	391,009	2,083,388	-
Central Services	66,195	167,189	93	457,790	691,267	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	11,434,274	2,045,061	382,806	3,768,693	17,630,834	10,839,901
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

LIGHTHOUSE SCHOOLS PARTNERSHIP
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Tangible fixed assets	-	-	42,029,017	42,029,017
Current assets	1,402,994	1,943,418	104,382	3,450,794
Creditors due within one year	(266,981)	(1,279,329)	(104,382)	(1,650,692)
Pension scheme liability	-	(8,201,000)	-	(8,201,000)
	<u>1,136,013</u>	<u>(7,536,911)</u>	<u>42,029,017</u>	<u>35,628,119</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £
Tangible fixed assets	-	-	32,511,100	32,511,100
Current assets	596,728	808,255	400,767	1,805,750
Creditors due within one year	(76,641)	(463,394)	(217,863)	(757,898)
Pension scheme liability	-	(4,413,000)	-	(4,413,000)
	<u>520,087</u>	<u>(4,068,139)</u>	<u>32,694,004</u>	<u>29,145,952</u>

20. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2017 £	2016 £
Net income/(expenditure) for the year (as per Statement of Financial Activities)	6,069,167	(797,554)
Adjustment for:		
Depreciation charges	1,491,576	1,339,016
Interest receivable	(5,604)	(9,221)
(Increase)/decrease in debtors	(200,716)	45,769
Increase/(decrease) in creditors	843,676	(184,286)
Capital grants from DfE and other capital income	(654,375)	(444,832)
Defined benefit pension scheme cost less contributions payable	273,000	19,000
Defined benefit pension scheme finance cost	179,000	107,000
Net assets and liabilities transferred from local authority on conversion	(7,430,047)	-
Donated assets	(48,516)	-
Net cash provided by operating activities	<u>517,161</u>	<u>74,892</u>

**LIGHTHOUSE SCHOOLS PARTNERSHIP
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

21. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2017 £	2016 £
Cash at bank and in hand	3,033,774	1,406,142
	<u>3,033,774</u>	<u>1,406,142</u>

22. CONVERSION TO AN ACADEMY TRUST

On 1 September 2016 High Down Infant School, High Down Junior School, Portishead Primary School, St Mary's CE Primary School and St Peter's CE Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Lighthouse Schools Partnership from North Somerset Council for £NIL consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the Balance Sheet under the appropriate headings with a corresponding net amount recognised as a net gain in the Statement of Financial Activities as Donations - transfer from local authority on conversion

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

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Freehold/leasehold land and buildings	-	-	10,552,500	10,552,500
Budget surplus on LA funds	544,553	-	-	544,553
Budget surplus on other school funds	81,994	-	-	81,994
LGPS pension deficit	-	(3,749,000)	-	(3,749,000)
Net assets/(liabilities)	<u>626,547</u>	<u>(3,749,000)</u>	<u>10,552,500</u>	<u>7,430,047</u>

The above net assets include £626,547 that was transferred as cash.

The LGPS pension deficit of £3,749,000 is the total deficit transferred on conversion of all five schools.

The assets received on conversion by each school are as follows:

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NOTES TO THE FINANCIAL STATEMENTS
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HIGH DOWN INFANT SCHOOL

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Freehold/leasehold land and buildings	-	-	2,582,250	2,582,250
Budget surplus on LA funds	87,793	-	-	87,793
Budget surplus on other school funds	12,758	-	-	12,758
Net assets	<u>100,551</u>	<u>-</u>	<u>2,582,250</u>	<u>2,682,801</u>

The above net assets include £100,551 that were transferred as cash.

HIGH DOWN JUNIOR SCHOOL

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Freehold/leasehold land and buildings	-	-	3,564,000	3,564,000
Budget surplus on LA funds	144,506	-	-	144,506
Budget surplus on other school funds	31,592	-	-	31,592
Net assets	<u>176,098</u>	<u>-</u>	<u>3,564,000</u>	<u>3,740,098</u>

The above net assets include £176,098 that were transferred as cash.

PORTISHEAD PRIMARY SCHOOL

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Freehold/leasehold land and buildings	-	-	4,289,250	4,289,250
Budget surplus on LA funds	92,097	-	-	92,097
Budget surplus on other school funds	3,982	-	-	3,982
Net assets	<u>96,079</u>	<u>-</u>	<u>4,289,250</u>	<u>4,385,329</u>

The above net assets include £96,079 that were transferred as cash.

LIGHTHOUSE SCHOOLS PARTNERSHIP
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NOTES TO THE FINANCIAL STATEMENTS
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ST MARY'S CE PRIMARY SCHOOL

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Freehold/leasehold land and buildings	-	-	31,500	31,500
Budget surplus on LA funds	28,192	-	-	28,192
Budget surplus on other school funds	24,783	-	-	24,783
Net assets	<u>52,975</u>	<u>-</u>	<u>31,500</u>	<u>84,475</u>

The above net assets include £52,975 that were transferred as cash.

ST PETER'S CE PRIMARY SCHOOL

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Freehold/leasehold land and buildings	-	-	85,500	85,500
Budget surplus on LA funds	191,965	-	-	191,965
Budget surplus on other school funds	8,879	-	-	8,879
Net assets	<u>200,844</u>	<u>-</u>	<u>85,500</u>	<u>286,344</u>

The above net assets include £200,844 that were transferred as cash.

23. CAPITAL COMMITMENTS

At 31 August 2017 the Trust had capital commitments as follows:

	2017 £	2016 £
Contracted for but not provided in these financial statements	<u>184,940</u>	<u>80,904</u>

24. AGENCY ARRANGEMENTS

The Trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ended 31 August 2017 the Trust received £17,626, £5,484 was disbursed from the fund and the Trust retained an admin fee of £880. An amount of £42,252 is included in other creditors relating to undistributed funds that are repayable to ESFA.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

25. PENSION COMMITMENTS

The Trust's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Avon Pension Fund. Both are Multi-Employer Defined Benefit Pension Schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

Contributions amounting to £21,283 were payable to the schemes at 31 August 2017 (2016: £10,177) and are included within creditors.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. 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 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay, including a 0.08% employer administration charge
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £1,203,729 (2016: £724,375).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx).

Under the definitions set out in FRS 102, the TPS is a multi-employer pension scheme. The trust has

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25. PENSION COMMITMENTS (continued)

accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2017 was £901,000 (2016: £373,000), of which employer's contributions totalled £737,000 (2016: £294,000) and employees' contributions totalled £164,000 (2016: £79,000). The agreed contribution rates for future years for employers are: Gordano School 16.3%, High Down Infant School 16.1%, High Down Junior School 19.5%, Portishead Primary School 15.7%, St Mary's CE Primary School 16.6% and St Peter's CE Primary School 15.8%. The agreed contribution rates for future years for employees are 5.5% - 12.5%.

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

The Trust has entered into an agreement with North Somerset Council where they will pay the following deficit recovery payments:

- 2017/18: £285,400
- 2018/19: £303,300
- 2019/20: £319,600

Principal actuarial assumptions:

	2017	2016
Discount rate for scheme liabilities	2.40 %	2.10 %
Rate of increase in salaries	3.70 %	3.30 %
Rate of increase for pensions in payment / inflation	2.20 %	1.90 %
Inflation assumption (CPI)	2.20 %	1.80 %

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

	2017	2016
Retiring today		
Males	23.5 years	23.5 years
Females	26.0 years	26.0 years
Retiring in 20 years		
Males	26.0 years	25.9 years
Females	28.7 years	28.9 years

	At 31 August 2017 £	At 31 August 2016 £
Sensitivity analysis		
Discount rate +0.1%	239,000	142,000
Mortality assumption - 1 year increase	(202,000)	(114,000)
CPI rate +0.1%	(243,000)	(145,000)

LIGHTHOUSE SCHOOLS PARTNERSHIP
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NOTES TO THE FINANCIAL STATEMENTS
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25. PENSION COMMITMENTS (continued)

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

	Fair value at 31 August 2017 £	Fair value at 31 August 2016 £
Equities	1,696,000	1,107,000
Bonds	648,000	477,000
Property	301,000	212,000
Cash	123,000	(11,000)
Other	658,000	405,000
	<u>3,426,000</u>	<u>2,190,000</u>
Total market value of assets	<u>3,426,000</u>	<u>2,190,000</u>

The actual return on scheme assets was £242,000 (2016: £272,000).

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

	2017 £	2016 £
Current service cost (net of employee contributions)	(997,000)	(313,000)
Interest income	43,000	66,000
Interest cost	(222,000)	(173,000)
Loss on curtailment	(13,000)	-
	<u>(1,189,000)</u>	<u>(420,000)</u>
Total	<u>(1,189,000)</u>	<u>(420,000)</u>

Movements in the present value of the defined benefit obligation were as follows:

	2017 £	2016 £
Opening defined benefit obligation	6,603,000	4,332,000
Upon conversion	3,884,000	-
Current service cost	997,000	313,000
Interest cost	222,000	173,000
Employee contributions	164,000	79,000
Actuarial (gains)/losses	(175,000)	1,801,000
Benefits paid	(81,000)	(95,000)
Losses on curtailments	13,000	-
	<u>11,627,000</u>	<u>6,603,000</u>
Closing defined benefit obligation	<u>11,627,000</u>	<u>6,603,000</u>

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25. PENSION COMMITMENTS (continued)

Movements in the fair value of the Trust's share of scheme assets:

	2017 £	2016 £
Opening fair value of scheme assets	2,190,000	1,646,000
Upon conversion	135,000	-
Interest income	57,000	71,000
Actuarial gains	238,000	200,000
Employer contributions	737,000	294,000
Employee contributions	164,000	79,000
Benefits paid	(81,000)	(95,000)
Administration expenses	(14,000)	(5,000)
	<u>3,426,000</u>	<u>2,190,000</u>
Closing fair value of scheme assets	<u>3,426,000</u>	<u>2,190,000</u>

26. OPERATING LEASE COMMITMENTS

At 31 August 2017 the total of the Trust's future minimum lease payments under non-cancellable operating leases was:

	2017 £	2016 £
AMOUNTS PAYABLE:		
Within 1 year	42,654	21,170
Between 1 and 5 years	45,662	21,932
Total	<u>88,316</u>	<u>43,102</u>

27. RELATED PARTY TRANSACTIONS

Owing to the nature of the Trust's operations and the composition of the Board of Trustees being drawn from local public and private sector organisations, it is likely that transactions will take place with organisations in which a member of the Board of Trustees may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Trust's financial regulations and normal procurement procedures.

Gordano School Community Trust (GSCT) has some Trustees in common with Gordano School. During the year Gordano School charged £54,837 (2016: £69,855) to GSCT. At the year end GSCT owed Gordano School £34,040 (2016: £19,056).

The CEO is a member of the Board of Education of the Bath and Wells Diocese. When St Mary's CE Primary School joined the Trust the Bath and Wells Diocese transferred £22,488 in respect of Devolved Formula Capital to the Trust.

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.

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29. GENERAL INFORMATION

Lighthouse Schools Partnership is a company limited by guarantee, incorporated in England and Wales. The registered office is Lighthouse Schools Partnership, St Mary's Road, Portishead, Bristol, BS20 7QR.