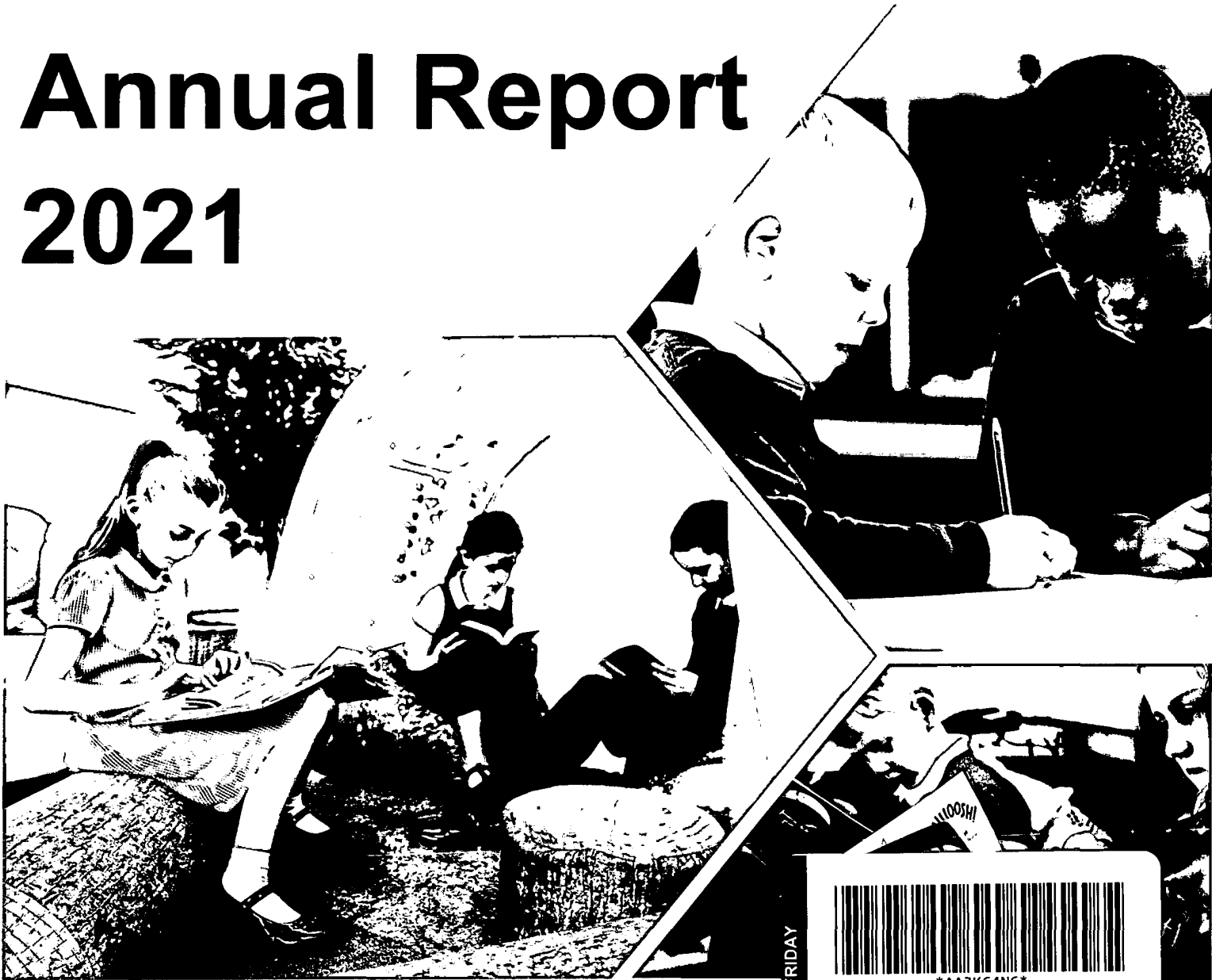


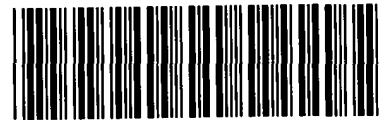


LIGHTHOUSE
SCHOOLS PARTNERSHIP

Annual Report 2021



FRIDAY



AAJK64N6

A03

17/12/2021

#329

COMPANIES HOUSE

*'A deep partnership between our schools in which our children
and young people flourish'*

www.lsp.org.uk

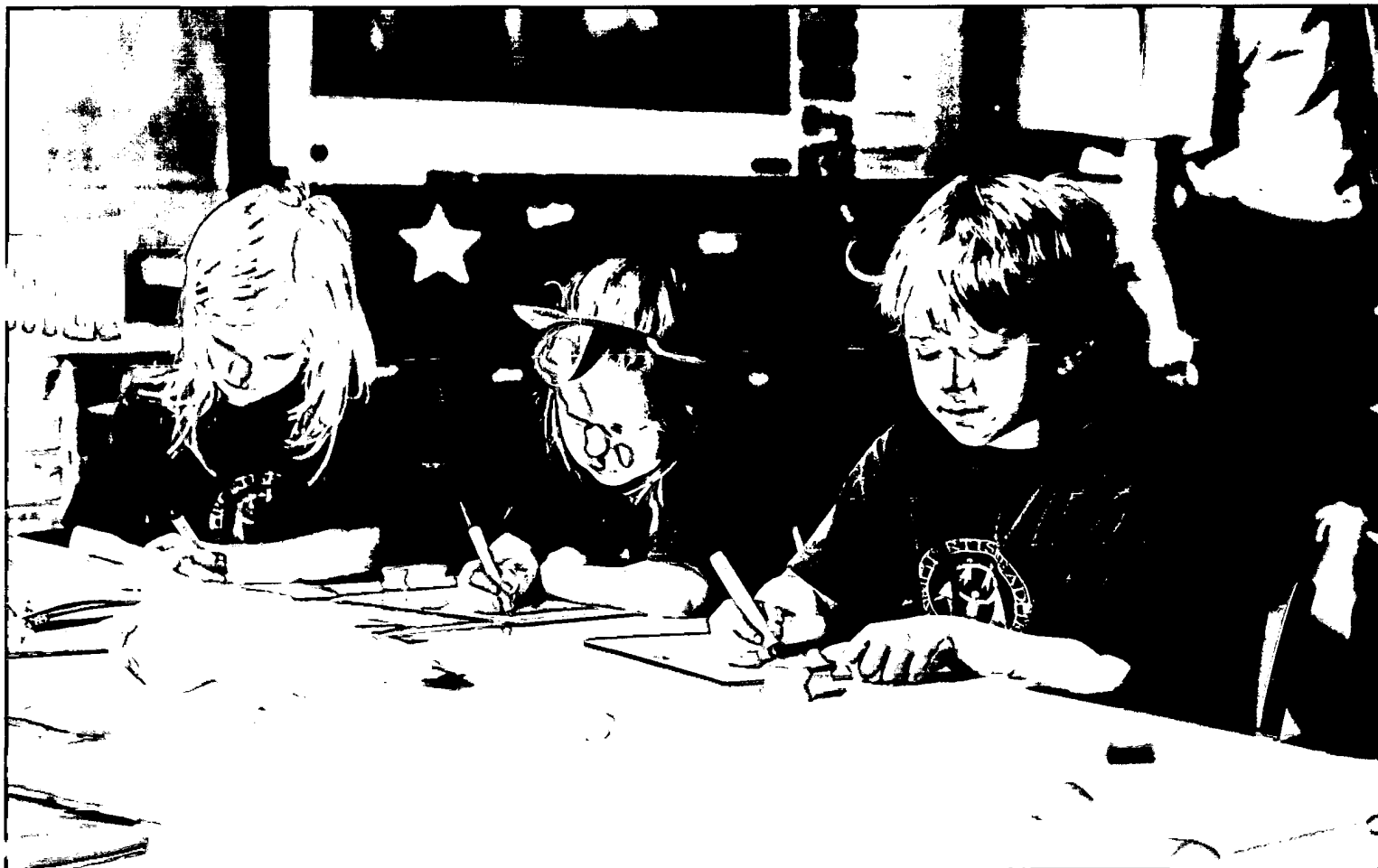
LIGHTHOUSE SCHOOLS PARTNERSHIP
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021



CONTENTS

	Page
Reference and administrative details	1 - 2
Trustees' report	3 - 16
Governance statement	17 - 22
Statement on regularity, propriety and compliance	23
Statement of Trustees' responsibilities	24
Independent auditors' report on the financial statements	25 - 30
Independent reporting accountant's report on regularity	31 - 32
Statement of financial activities incorporating income and expenditure account	33 - 34
Balance sheet	35 - 36
Statement of cash flows	37
Notes to the financial statements	38 - 82



REFERENCE AND ADMINISTRATIVE DETAILS

Members	S McDonald J Shepherd (resigned 30 March 2021) A Haysom M Mallett J Gill (appointed 30 March 2021) Professor A Coles (appointed 10 November 2021)
Trustees	A Haysom, Chair ^{1,2,3} G Lewis, Chief Executive Officer J Shepherd ³ P Bailey ¹ D Tossell ^{1,2} J Baldwin R Forbes ² M Sewell ¹ B Wibberley ^{2,3} ¹ Audit & Risk Committee ² Staffing & Pay Committee ³ Finance Committee (w e f September 2020)
Company registered number	07662102
Company name	Lighthouse Schools Partnership
Principal and registered office	St. Mary's Road Portishead Bristol BS20 7QR
Company secretary	L. Malik
Chief executive officer	G Lewis
Executive Team	G Lewis, Chief Executive Officer L Malik, Chief Financial and Operating Officer S Roberts, Director of Education
Independent auditors	Bishop Fleming LLP Chartered Accountants Statutory Auditors 10 Temple Back Bristol BS1 6FL
Bankers	Lloyds Bank plc 16 The Triangle Clevedon North Somerset BS21 0NG

**REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021**

Solicitors

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



**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021**



**LIGHTHOUSE
SCHOOLS PARTNERSHIP**

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2021. The annual report serves the purpose of both a Trustees' report, and a Directors' report under company law.

The Trust operates 24 academies across North Somerset and Bath and North East Somerset:

Portishead Hub	Phase	Hub	Type	Capacity	NoR (Oct 2020)	URN
Gordano School	Secondary	Portishead	MAT	1940	2012	136856
High Down Infant School	Infant	Portishead	MAT	300	257	143284
High Down Junior School	Junior	Portishead	MAT	360	389	143286
Portishead Primary School	Primary	Portishead	MAT	420	446	143282
St Peter's CE Primary School	Primary	Portishead	MAT	630	622	143285
St Mary's CE Primary School	Primary	Portishead	MAT	105	102	143283
Backwell Hub	Phase	Hub	Type	Capacity	NoR (Oct 2020)	URN
Backwell School	Secondary	Backwell	MAT	1728	1716	136722
Backwell CE Junior School	Junior	Backwell	MAT	240	235	145265
West Leigh Infant School	Infant	Backwell	MAT	180	168	145261
Yatton Infant School	Infant	Backwell	MAT	270	214	145444
Yatton Junior School	Junior	Backwell	MAT	360	355	145263
Northleaze CE Primary School	Primary	Backwell	MAT	210	198	145264
Grove Junior School	Junior	Backwell	MAT	240	219	145260
Hannah More Infant School	Infant	Backwell	MAT	180	147	145262
Wraxall CE Primary	Primary	Backwell	MAT	105	97	109237
Flax Bourton CE Primary	Primary	Backwell	MAT	210	191	145445
Chew Valley Hub	Phase	Hub	Type	Capacity	NoR (Oct 2020)	URN
Chew Valley School	Secondary	Chew	MAT	1253	1125	136722
Bishop Sutton Primary	Primary	Chew	MAT	209	175	146788
Stanton Drew Primary	Primary	Chew	MAT	70	50	146707
East Harptree CE Primary	Primary	Chew	MAT	105	83	146787
Ubley CE Primary	Primary	Chew	MAT	105	85	146689
Winford CE Primary	Primary	Chew	MAT	210	208	146596
Blagdon Primary	Primary	Chew	MAT	119	113	147286
Whitchurch Primary	Primary	Chew	MAT	315	207	147800

Please note that the numbers included for capacity and on roll exclude the pupils in the nursery.

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

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.

Member's liability

Each Member of the charitable company undertakes to contribute to the assets of the charitable company in the event of it being wound up while they are a Member, or within one year after 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

Trustees benefit from indemnity insurance purchased at the Academy Trust's expense to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy Trust, provided that any such insurance shall not extend to any claim arising from any act or omission which the Trustees knew to be a breach of trust or breach of duty or which was committed by the Trustees in reckless disregard to whether it was a breach of trust or breach of duty or not and provided also that any such insurance shall not extend to the costs of any unsuccessful defence to a criminal prosecution brought against the Trustees in their capacity as Directors of the Academy Trust. The insurance provides cover up to £10,000,000 on any one claim.

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 33% of the Board appointed by the Diocese of Bath & Wells;
- The Chief Executive (CEO), ex officio.

Trustees are eligible for a four year period, except that this time limit does not apply to the CEO. 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. This process is supported by the skills audit undertaken by the Board of Trustees.

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 National Governor Association. One of the Trustees is currently designated as a National Leader of Governance.

Organisational Structure

The Board of Trustees normally meets monthly. In addition to the Memorandum and Articles of Association and Scheme of Delegation, 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 and Local Governing Bodies through the minutes of their meetings and the Chief Executive and Chair of the Trust periodically attend LGB meetings. The Board of Trustees may from time to time establish Working Groups to perform specific tasks over a limited timescale. During the year the Chair of Trust and Chief Executive have facilitated a self-review of every LGB to help identify areas of strength and development in addition to ensuring compliance with Trustees expectations of Local Governors.

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.
- 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, adopting an annual plan and budget, 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 three times 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.

Audit & Risk Committee— this committee meets at least four times a year and its main function 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. The Committee also receives independent compliance reporting in relation to Health and Safety and Data Protection. It reports its findings annually to the Trust Board and the Accounting Officer as a critical element of the Trust's annual reporting requirements.

Finance Committee— this committee meets on a monthly basis and its main function is to keep under review, the Trust's financial wellbeing, financial management and reporting arrangements, providing constructive challenge (where necessary) to the actions and judgements of management in relation to the interim management and financial accounts, statements and reports, prior to submission to the Board of Trustees.

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.

Hub Chairs Development Groups— the Chairs of Local Governing Bodies along with two Trustees comprise this committee which meets at least three times a year. Each Hub has its own Chairs Development Group. Their main function is to coordinate the work of all Local Governing Bodies with the Board of Trustees.

Leadership Structure

The Trust has an established central team comprising of the Chief Executive, Chief Financial and Operating Officer, Director of Education and teams covering School Improvement, Finance, HR, Trust Services and Estates.

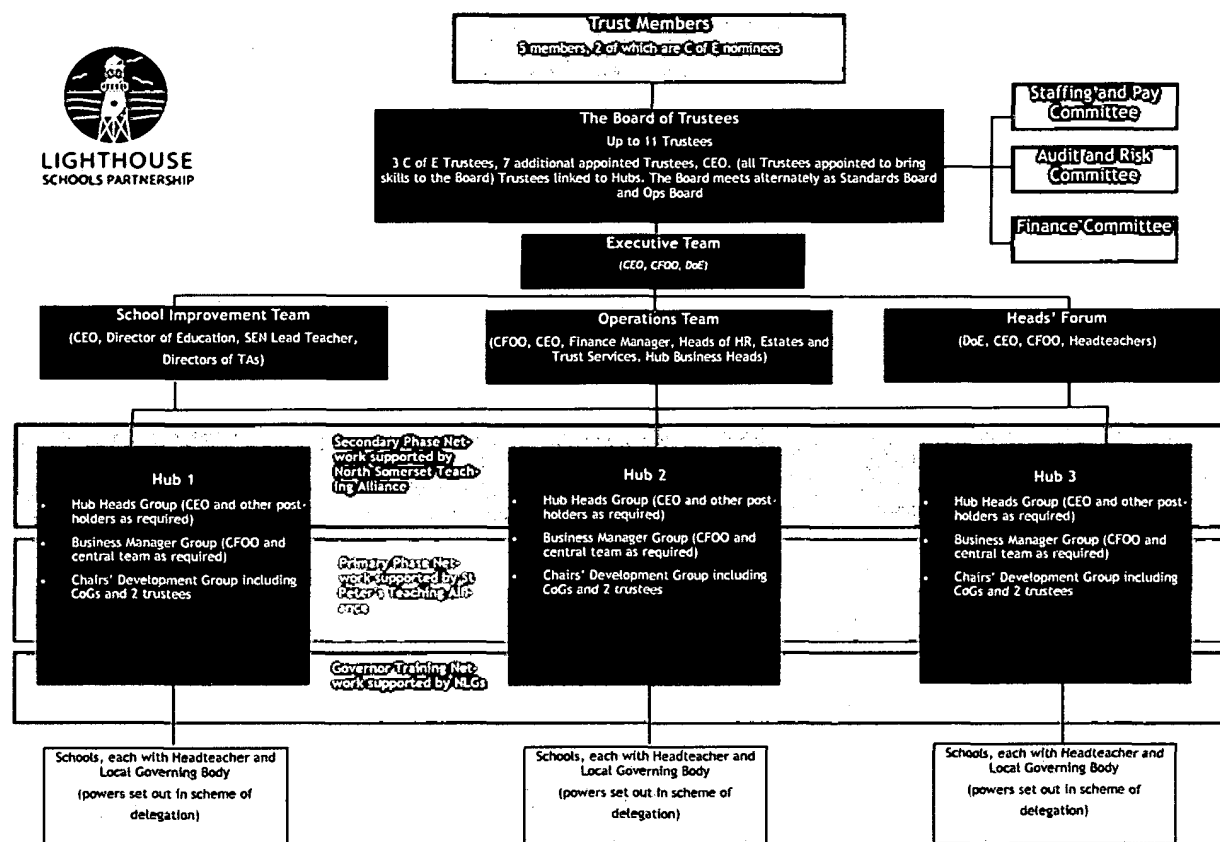
Each school/federation has its own substantive Head and Local Governing Body.

The governance structure of the Trust is detailed below:

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021**



**LIGHTHOUSE
SCHOOLS PARTNERSHIP**



40% of members and 33% of Trustees are appointed in consultation with the Diocese of Bath and Wells. The Trust has a Memorandum of Understanding with the Diocese to govern the process for such appointments. The Chair of the Trust and Chief Executive have an annual meeting with the Diocesan Director of Education to monitor and review the Trust's responsibilities as a mixed C of E and Community MAT.

The CEO is the Accounting Officer.

Arrangements for Setting Pay and Remuneration of Key Management Personnel

The Board of Trustees consider the Executive 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 his 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 in line with the requirements of the Academies Financial Handbook. The Trustees have benchmarked against pay levels in other MATs of a similar size and have chosen to pay salaries at the lower end of the range.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021



LIGHTHOUSE
SCHOOLS PARTNERSHIP

Trade union facility time

Facility time is the provision of paid or unpaid time off from an employee's normal role to undertake trade union duties and activities as a trade union representative. Under the Trade Union (Facility Time Publication Requirements) Regulations 2017, the Trust as a relevant public sector employer is required to collect and publish, on an annual basis, a range of data in relation to their employees who are trade union representatives.

Relevant union officials Full-time equivalent employee number

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
13	10.48

Percentage of time spent on facility time

Percentage of time	Number of employees
0% of working hours:	7 representatives
1 to 50% of working hours:	6 representatives
51 to 99% of working hours:	0 representatives
100% of working hours:	0 representatives

Percentage of pay bill spent on facility time

Total cost of facility time:	£6,351
Total pay bill:	£37,201,657
Percentage of pay spent on facility time, calculated as: (total cost of facility time ÷ total pay bill) × 100:	0.02%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as: (total hours spent on paid trade union activities by relevant union officials during the relevant period ÷ total paid facility time hours) × 100	14.98%
--	--------

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.

Employee involvement and employment of the disabled

Employee Involvement

The Trust engages with their employees through many means and methods, including:

- Local consultation with employees on key matters within their own school,
- Consulting and engaging with the relevant union officials through the Employee Liaison Committee,
- This committee meets three times a year to provide a framework for discussing contractual matters and employment policies with trade unions and staff representatives.
- Regular updates to all staff, via termly updates and newsletters.



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.

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

The Trust works hard to develop effective and meaningful relationships with suppliers, contractors, local businesses and others. These relationships, partially supported through The LSP Business Partnership Scheme, enable the provision of high quality and value for money services but they also allow a range of development opportunities for students (such as mentoring activities, work experience, guest speakers, links to alumni, careers fairs and networking events) and support businesses to close the gap between their skills needs and education provision.

In some areas the COVID-19 pandemic has increased the close working relationships with local businesses. Examples of this include how the Trust worked with the local community to provide food hampers for families of children and young people entitled to free school meals during the school closures. The national lockdowns also meant that we had to suspend the LSP Partnership Scheme but this is being relaunched during 2021-22.

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 of disablement, financial hardship or social and social and economic circumstances or for the public at large in the interests of social welfare and the object of improving the condition of the life of said inhabitants.



Objectives, Strategies and Activities

Key activities and targets were identified within the Trust's Strategic Plan 2018-2021. These include:

- Educational standards: increasing the quality of provision in all Trust schools.
- Leadership and people: providing outstanding governance, executive leadership and school leadership with clear succession planning; attracting, developing and retaining the best people to work in our schools.
- Developing and growing our partnership: strategic growth of our existing partnership to deliver the benefits of cross phase education in defined geographical communities; and, where appropriate, sponsor existing schools or create new school provision to meet the needs of our geographical area and communities working with external partners and local governing bodies.
- Operational effectiveness: ensuring a financially viable and sustainable multi academy trust delivering high quality and cost effective services to schools

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 Trust's schools aim to provide for public benefit an excellent education for children and young people in North Somerset and Bath and North East Somerset. The Trust is also committed to working collaboratively with other schools to share and develop expertise and disseminate best practice. During the period to 31st August 2021 Backwell School has continued to lead the North Somerset Teaching Alliance and be a regional leader in Professional Development and Research. St Peter's CE Primary School has also continued to lead its own Teaching School Alliance and is designated as an English Hub. Although English Hub status continues, both Teaching Schools ceased to operate on 31 August 2021 as a result of a change in government policy. During the year the Trust made arrangements for their work to be subsumed within a new Lighthouse Centre for Professional Development.

The Trust also makes the facilities of the schools for recreational and other leisure time occupation for the community at large in the interests of social welfare and with the interest of improving the life of the said community. During the year the trust entered into a relationship with Chew Valley Rugby Club to share school and club facilities for mutual and public benefit.

The Trust has worked with a wider community of schools to support the continued delivery of high quality education and care during the COVID-19 pandemic. This has included high level coordination and collaboration and more detailed practical support to a number of schools that are not part of the Lighthouse Schools Partnership.

STRATEGIC REPORT

Achievements, Performance and KPIs

As a consequence of the COVID-19 pandemic there are no published pupil outcomes for primary or secondary school phases for the second year. The Trust delivered strong online provision for children and young people during the most recent Lockdown (January to March 2021). This was successful because the Trust had carefully invested in deployment of Microsoft Teams across all its schools in the previous year and maintained a strong level of staff training. The success of this provision has been shown through the pupil assessments made within the Trust in summer 2021, early indications show little or no loss of learning and progress.



Assessment in primary phase have identified a number of priorities for the year ahead, most notably writing across all year groups and progress for children from disadvantaged contexts. The Board and Governors have prioritised these foci in resource allocation and Raising Attainment and Progress Plans.

LSP Secondary Schools engaged with the government's scheme for Teacher Assessed Grades to replace examinations at GCSE and A level. This task was delivered with diligence and integrity. Despite this careful work, it is a matter for regret that there was no national moderation process for grades. The Board is confident that the grades issued by its schools were derived from a sound evidence base and that every effort was made by schools to be fair in their process.

The continuing challenges of the pandemic meant that the Trust had to deliver some functions differently. Our process for managing risk assessments was led by the Chief Financial and Operating Officer and very close collaboration continued between Heads, Business managers and the Central Team. Trustees and Governors were able to obtain assurance of the implementation of COVID Risk Assessments by receiving and (in the case of school governors) participating in quality assurance visits to sites led by the CFOO and CEO. The Board remain confident that the risks presented by the pandemic have been effectively and meticulously mitigated by actions and decisions taken by leaders across the Trust.

For the first year in our short history Lighthouse Schools Partnership did not have any schools join the Trust. Whitchurch Primary School (joined April 2020) has now firmly established itself as an LSP school. The Board received a further application for consent to join the Trust in July 2021 and it is anticipated that some further expansion is likely in the next period.

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.

As funding is based on pupil numbers this is also a key performance indicator. Pupil numbers for 2020/21 were 9,414, an increase of 44 over 2019/20. It is anticipated that this number will, overall, continue to rise slightly but with increases in secondary and decreases in primary. Gordano School has faced the challenge of significant demographic growth and its roll during this period stood at 2,012 and rising. The Board are confident that governors and leaders at Gordano have very carefully and strategically planned for this growth and that the school will continue to flourish.

Despite the pandemic the Trust has continued to be able to invest in and develop its school sites and buildings. This work is described elsewhere in the report but the Board is particularly pleased to have delivered a project with Backwell School that has enormously enhanced the provision for Sport, Business Studies and Science at the school.

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 Statement of Accounting Policies.

Promoting the success of the company

The Trustees, as directors of a company, act in a way that promotes the success of the Trust and this is set out in the Trust's Terms of Reference. In doing so Trustees have regard to:

- the likely consequences of any decision in the long term
- the interests of the Trust's employees
- the need to foster the Trust's business relationships with suppliers, customers and others
- the impact of the Trust's operations on the community and the environment
- the desirability of the Trust maintaining a reputation for high standards of business conduct • the need to act fairly as between members of the Trust



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 2021 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities.

The Academy also receives grants for fixed assets from the DfE which are shown in the Statement of Financial Activities as restricted income in the Fixed Asset Fund. The Restricted Fixed Asset Fund balance is reduced by annual depreciation charges over the useful life of the assets concerned, as defined in the Academy's accounting policies.

The recurring income for the year to 31 August 2021, excluding balances transferred on conversion, is £54,504,317 and associated expenditure, excluding depreciation, is £49,832,302. The surplus of income over expenditure was £4,672,015. This compares to £513,993 in 2019-20.

At 31 August 2021 the net book value of fixed assets was £126,580,175 and movements in tangible fixed assets are shown in note 15 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Trust.

Key financial policies adopted or reviewed during the year include the Finance Policy which lays out the framework for financial management, including financial responsibilities of the Board, The Executive Team, Local Governing Bodies and Headteachers, as well as delegated authority for spending. Other policies reviewed and updated included Charging and Remissions and Principal Accounting Policies, Including Investment, Reserves and depreciation.

Reserves Policy

The reserves are managed by the appropriate Trustees, in line with the Scheme of Delegation, 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 Trust 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 reserves are, in the main, an accumulation of the reserves held by individual schools. The trustees have agreed that a prudent level of revenue reserve held by individual school is equivalent to 5% of the net of the annual income (used to calculate the Core Services Charge) less the value of the Core Services Charge. In the current financial climate, however, the Trustees have agreed that school reserves should be challenged if they vary from 2% of the net of the annual income (used to calculate the Core Services Charge) less the value of the Core Services Charge. The purpose of this action is to:

1. Ensure that resources are utilised for the benefit of the children and young people currently within the schools, as far as reasonable
2. Prevent or recover a school being in an unfunded deficit position
3. Enable schools and the Trust overall to establish sustainable budgets

This level will provide liquid funds to cover committed expenditure, including employee costs, for a limited period of time whilst remedial action is undertaken.



Total reserves of the academy amount to £133,236,767 (excluding the defined benefit pension liability), although £130,017,150 of this is invested in fixed assets or represents non GAG restricted funds. The remaining £3,219,617 (representing £2,219,103 unrestricted funds and £1,000,514 unspent GAG) is the balance that the Trustees monitor in accordance with the Board's reserves policy. This represents 1.4 months of normal recurring expenditure, and equates to 5.9% of the annual income.

The Trustees have reviewed the future plans of the Trust and have set designated reserves from the Central Services balance of £354,549 as follows:

- £58,521 Change Management and small school strategy earmarked reserve.
- £296,028 Trust Strategic Reserve to support the implementation of the Trust's Strategic Plan

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.

Premises Review

£1,429,395 School Condition Allocation was received in April 2021. The Trust has continued to implement its 5-year Capital Programme to address the issues raised in the condition surveys.

The Trust has completed the £3.6m building of a new sports hall and new classrooms at Backwell School, removing a number of temporary buildings and refurbishing the old sports hall. This project was partly funded by the Trust and partly by a £2.62m grant from the DfE from the Priority School Building Programme. The project was delivered on time and within budget and is recognised as an example of achieving value for money by the DfE.

The Trust also completed other projects at 21 Trust schools during the year. As well as projects that were planned in the Capital Programme, the Trust has also responded to urgent issues that have arisen during the year such as roofing replacement at Backwell Junior School.

The Trust has commissioned of £1.2m of roofing and windows work covering 16 Trust schools and £420k of passive fire works across 8 Trust schools, along with new condition and mechanical and electrical surveys to ensure that our 5-year Capital Programme is prioritised appropriately.

Principal Risks and Uncertainties

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 Risk Management Policy and Risk Register have been discussed by Trustees and include the financial risks to the Trust. The register is constantly reviewed in light of any new information and formally reviewed three times a year.

The Trustees examined financial health throughout the year, reviewing performance against budgets and overall expenditure by means of regular update reports at all full Trustees', Finance Committee, Audit and Risk Committee meetings and with the Chair of the Trust Board.



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 97% 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. Pupil numbers also have a direct impact on funding levels and, whilst numbers are continuing to rise, there are significant reductions projected for some schools due to demographic changes, Cyber security, the failure of IT systems and compliance with data protection legislation are also key risks.

The Trust has continued to strengthen its risk management process throughout the year by improving the process and providing training.

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

The Board of Trustees recognises that the defined benefit pension scheme deficit (Local Government Pension Scheme), which is set out in Note 26 to the financial statements, represents a significant potential liability.

However, as the Trustees consider that the Trust is able to meet its known annual contribution commitments for the foreseeable future, this risk from this liability is minimised.

Fundraising

The Trust does not carry out formal fundraising practices and does not work with any commercial or professional fundraisers. Individual schools perform fundraising activities as agreed with, and monitored by, their Local Governing Body.



STREAMLINED ENERGY AND CARBON REPORTING

GHG emissions and energy use data for period 1 September 2020 to 31 August 2021

	Current Reporting Year 2020-2021	Current Reporting Year 2019-2020
	UK GHG Emission and Energy Data	UK GHG Emission and Energy Data
Energy consumption used to calculate emissions (kWh); all mandatory energy sources are included.	9,673,275.2	8,312,194.6
Scope 1: Emissions from the combustion of Natural Gas (tCO ₂ e)	1,219.9	966.6
Scope 1: Emissions from combustion of Kerosene / Gas Oil Fuel for heating (tCO ₂ e). (see evidence pack for breakdown)	39.1	58.2
Scope 1: Emissions of Biomass Pellets (tCO ₂ e)	NA	NA
Scope 3: Emissions from business travel in employee owned vehicles, where the company repaid mileage claims (tCO ₂ e) (average vehicle / fuel source unknown)	0.9	7.4
Scope 2: Emissions from purchased Electricity (tCO ₂ e)	598.3	657.2
Total gross CO ₂ e based on above (tCO ₂ e)	1,858.3	1,689.5
Intensity Ratio: (kg CO ₂ e) gross based on mandatory fields above per pupil: 9,212 pupils	196.6 kg CO ₂ e per Pupil	183.4 kg CO ₂ e per Pupil

All energy data above and supporting documents used in completing this report are contained within the SECR Evidence Pack.

Methodology

An evidence-based methodology was adopted in accordance with BS EN ISO 14064-3:2019, Section 4.3; verifiable data has been collected from the following sources:

Energy Data: Energy Metering, Invoices, Supply Summaries / Statements, Repayment Claims for business mileage, Fuel Cards, and correspondence with suppliers.

Previous Audit Data: SECR 2019/20, Display Energy Certificates.

Emission Conversions: All emission factors for CO₂e, have been calculated using Defra Conversions 2021, as the period covers four-months of 2020 and eight-months of 2021, in accordance with Defra guidelines.

Third Party Verification

The energy data has been compiled and audited by Sean Midgley (ESOS Lead Assessor) of Powerful Allies Limited, CIBSE Registration No: ESOS185262.

Measures taken to improve energy efficiency

Lighthouse Schools Partnership (LSP) have started a process of decarbonisation of the school estate as follows:

- a. During the financial year **100%** of electricity supplied to the directly contracted LSP schools was from **100% REGO Backed Renewable Zero Carbon Generation**, some schools remain on legacy contracts with the local authority contracts, until autumn 2022.
- b. LSP have centralised all their Half-Hourly AMR Energy metering data, implementing a program of upgrading to AMR Gas metering, and SMART Metering under the SMART Meter Rollout, for qualifying meters. The improved visibility and granularity will assist in identifying possible waste, control issues, and promote energy efficient behaviour across the portfolio of schools.
- c. During this reporting period, the schools have increased gas consumption due to Covid Security, requiring classrooms to be well ventilated. The additional ventilation required during the autumn and winter months, are the primary reason for an increase in Scope 1 emissions. The requirement for greater ventilation, has highlighted the need for any future Low Carbon Heating systems to be able to provide fresh air and recover the heat, rather than allowing heat to be lost through open windows.
- d. LSP have submitted a Public Sector Decarbonisation Scheme, in a bid to improve building fabric to reduce heat losses, replace inefficient boilers, switch from Oil fired heating to energy efficient Heat Pump technologies. Should the bid be successful, the improvements are anticipated to reduce Greenhouse Gas (GHG) emissions of CO₂e by **196.5 tCO₂e / 10.6% per year**.
- e. LSP have already made a positive start, with boiler upgrade / replacements at several schools and significant projects to replace glazing and heating systems at Backwell Secondary School, Chew Valley Secondary School and Blagdon Primary School. Further projects including windows and external building insulation at Gordano Secondary school have also been completed. These projects, of approximately £3m in value, have already had a significant beneficial impact for the schools in both environmental and financial terms.
- f. LSP are currently in the process of developing a Heat Decarbonisation Plan, having successfully secured funding for an estate wide decarbonisation plan and thermography audit of buildings. It is hoped this work coupled with the new GHG Reporting requirements, will lead to a comprehensive action plan based on SMART objectives, endorsed by the trustees, governors', and top-level management.

Plans for future periods

The Trust will continue to strive to provide outstanding education and improve the levels of performance of our pupils and students at all levels. The Trust will continue to aim to attract high quality teachers and support staff in order to deliver our objectives.

The Academy will continue to work with partner schools to improve the educational opportunities for pupils and students in the wider community.



The Board received approval for further school to join the Trust in November 2021 and it is possible that there could be some further expansion in the next period.

The landscape of multi academy trusts is continuing to develop locally and the Trust will work with the Regional School Commissioner to identify future opportunities to partner with Local Authorities, other schools or Trusts to increase capacity in the school system. The capacity of the Trust's central services will be scaled appropriately to accommodate any increase in size.

Despite the end of DfE grant funding for Teaching Schools, the Trust recognises the instrumental part that the activity and support provided by our teaching schools plays in the quality of teaching and learning, both in the Trust and within the wider school community. As a result, the Trust is developing a new Professional Development Centre to enable this important work to continue.

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.

Disclosure of information to auditors

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustees are aware, there is no relevant audit information of which the charity's auditors are unaware, and
- that Trustees have taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

The Trustees' Report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 8 December 2021 and signed on its behalf by:

A Hayson
Chair of Trustees

G Lewis
Accounting officer



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.

As Trustees, we have reviewed and taken account of the guidance in DfE's Governance Handbook and competency framework for governance.

The board of Trustees has delegated the day to day responsibility to the CEO, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between 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 STATEMENT (CONTINUED)

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 14 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, Chair	14	14
G Lewis, Chief Executive Officer	14	14
J Shepherd	12	14
P Bailey	13	14
D Tossell	12	14
J Baldwin	11	14
R Forbes	13	14
M Sewell	14	14
B Wibberley	14	14

Trustees are appointed based on their skills and knowledge.

Review of Governance

A consultation was held on the Scheme of Delegation in January and February 2021 and a revised edition issued in February 2021.



GOVERNANCE STATEMENT (CONTINUED)

GOVERNANCE (CONTINUED)

The **Finance Committee** is a sub committee of the main board of Trustees. Its purpose is to keep under review, the Trust's financial wellbeing, financial management and reporting arrangements, providing constructive challenge (where necessary) to the actions and judgements of management in relation to the interim management and financial accounts, statements and reports, prior to submission to the Board of Trustees.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
J Shepherd	11	12
A Haysom	12	12
B Wibberley	12	12

The **Audit and 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 during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
M Sewell	3	3
D Tossell	3	3
A Haysom	3	3
P Bailey	3	3



GOVERNANCE STATEMENT (CONTINUED)

REVIEW OF VALUE FOR MONEY

As Accounting Officer, the Chief Executive Officer 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:

Working together to improve standards

- Rigorous School Improvement support provided to all schools through our School Improvement Strategy;
- School to school support to address issues of capacity;
- 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.
- Developing the new Professional Development Centre to continue the focus on professional development.

Collaboration between schools

- Working together as a Multi Academy Trust;
- Collaboration with other schools, as a member of the North Somerset Teaching Alliance and St Peter's Teaching School Alliance;
- Employing, contracting and sharing qualified professionals across the group of schools, e.g. Education Welfare provision;
- Benchmarking of resources and utilising tools, such as the School Resource Management Self Assessment Dashboard and View My Financial Insights, to ensure best value is obtained;
- Group procurement of contracts, such as grounds maintenance.

Maximising income

- The Trust accesses and applies for external grants wherever possible to improve outcomes and performance.
- The Trust makes facilities available for out of hours use including a large number of lettings although such activities were significantly impacted in the 2020-21 financial year due to the COVID-19 pandemic;
- The Gordano School Community Trust (GSCT) manages and maintains Gordano School's sporting facilities for use by the students, staff and the local community although the activities of the GSCT were significantly impacted in the 2020-21 financial year due to the COVID-19 pandemic;

Better purchasing and operations

- 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
- Significant savings have been generated through these processes over the last three years.
- Working with Trustees to establish a target to achieve net zero carbon emissions.

Control measures

- Comprehensive budgeting and monitoring systems scrutinised by Local Governing Bodies and the Board of Trustees;
- Clearly defined schemes of delegation, purchasing and tender guidelines;
- Maintenance of risk registers;
- Internal audit programme with recommendations reviewed and systems changed where required;
- High level of scrutiny by Trustees' Finance and Audit and Risk Committee.
- Working proactively with schools facing financial pressures to establish sustainable budgets.

GOVERNANCE STATEMENT (CONTINUED)

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on going process designed to identify and prioritise the risks to the achievement of Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Lighthouse Schools Partnership for the year 1 September 2020 to 31 August 2021 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 2020 to 31 August 2021 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 regular financial reports which are reviewed and agreed by the Board of Trustees
- regular reviews by the Board of Trustees 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 One 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, in line with the plan agreed ahead of the financial year, included:

- Accounting Systems
- Anti-fraud arrangements
- Budgetary Control
- Credit Cards and Value for Money
- Governance
- Income and Purchasing

The matters raised in the reports are available to all Trustees.. The Audit and Risk Committee formally review the reports, and monitor the progress with recommendations, three times a year. The Committee also receive an annual report from their appointed internal auditors, One West.

GOVERNANCE STATEMENT (CONTINUED)

REVIEW OF EFFECTIVENESS

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

- the work of the internal auditor;
- the work of the external auditors;
- the financial management and governance self-assessment process
- the work of the executive managers within the 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 & 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 8 December 2021 and signed on their behalf by:

A Haysom
Chair of Trustees



G Lewis
Accounting Officer



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 & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with the terms and conditions of all funding received by the Trust, 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 2020.

I confirm that I and the Board of Trustees are able to identify any material irregular or improper use of all 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 2020.

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.

Gary Lewis

G Lewis

Accounting Officer

Date: 8 December 2021



**STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2021**

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

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

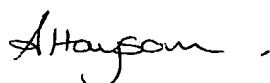
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

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



A Haysom, Chair
Chair of Trustees
Date: 8 December 2021

**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 (the 'Trust') for the year ended 31 August 2021 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 Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

give a true and fair view of the state of the Trust's affairs as at 31 August 2021 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the 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

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

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

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

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

OTHER INFORMATION

The other information comprises the information included in the annual report other than the financial statements and our auditors' report thereon. The Trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.



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

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

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

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the trustees' responsibilities statement, 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 or to cease operations, or have no realistic alternative but to do so.

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

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the Academy sector, control environment and the Trust's performance;
- results of our enquiries of management and the Trustee board, including the committees charged with governance over the Trust's finance and control, about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the Trust's documentation of their policies and procedures relating to: identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance; detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; the internal controls established to mitigate risks of fraud or noncompliance with laws and regulations;
- how the Trust ensured it met its obligations arising from it being financed by the ESFA and other funders, and as such material compliance with these obligations is required to ensure the Trust will continue to receive its public funding and be authorised to operate, including around ensuring there is no material unauthorised use of funds and expenditure;
- how the Trust ensured it met its obligations to its principal regulator, the Secretary of State for Education; and
- the matters discussed among the audit engagement team and involving relevant internal Academy specialists regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud, which included incorrect recognition of revenue, management override of controls using manual journal entries, procurement and payroll. We identified the greatest potential for fraud as incorrect recognition of revenue and management override using manual journal entries.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. We also obtained an understanding of the legal and regulatory frameworks that the Trust operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the Academies Accounts Direction, Academies Financial Handbook, UK Companies Act and tax legislation.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Trust's ability to operate or to avoid a material penalty. These included safeguarding regulations, data protection regulations, occupational health and safety regulations, education and inspections legislation, building legislation and employment legislation.

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

Our procedures to respond to risks identified included the following:

reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;

- reviewing the financial statement disclosures and testing to supporting documentation to assess the recognition of revenue;
- enquiring of Trustees and management and those charged with governance concerning actual and potential litigation and claims;
- performing procedures to confirm material compliance with the requirements of its regulators;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance and reviewing internal control reports; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; and assessing whether the judgements made in making accounting estimates are indicative of a potential bias.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from an error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it.

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

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

USE OF OUR REPORT

This report is made solely to the charitable 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 charitable 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 charitable Trust and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Joseph Scaife FCA DChA (senior statutory auditor)

for and on behalf of

Bishop Fleming LLP

Chartered Accountants

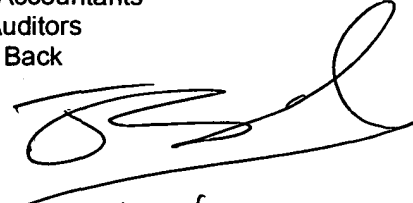
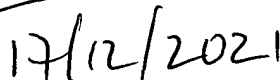
Statutory Auditors

10 Temple Back

Bristol

BS1 6FL

Date

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO LIGHTHOUSE SCHOOLS PARTNERSHIP AND THE EDUCATION & SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 23 October 2018 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, 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 2020 to 31 August 2021 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 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 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 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 2020, 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 2020 to 2021. 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 2020 to 31 August 2021 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

APPROACH

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

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

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

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the 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.

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO
LIGHTHOUSE SCHOOLS PARTNERSHIP AND THE EDUCATION & SKILLS FUNDING AGENCY
(CONTINUED)**

CONCLUSION

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2020 to 31 August 2021 has 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
Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
10 Temple Back
Bristol
BS1 6FL

Date:

17/12/2021

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2021

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from:						
Donations and capital grants	4	554,054	367,020	4,245,712	5,166,786	8,225,959
Other trading activities	6	443,899	-	-	443,899	534,715
Investments	7	918	-	-	918	3,082
Charitable activities	5	269,660	48,141,848	-	48,411,508	44,389,109
Teaching schools	31	-	481,206	-	481,206	611,757
Total income		1,268,531	48,990,074	4,245,712	54,504,317	53,764,622
Expenditure on:						
Raising funds		248,279	-	-	248,279	267,690
Charitable activities	9	475,754	48,495,668	2,657,033	51,628,455	50,311,229
Teaching schools	31	-	612,601	-	612,601	508,602
Total expenditure		724,033	49,108,269	2,657,033	52,489,335	51,087,521
NET INCOME / (EXPENDITURE)		544,498	(118,195)	1,588,679	2,014,982	2,677,101
Transfers between funds	18	-	(1,229,803)	1,229,803	-	-
Net movement in funds before other recognised gains/(losses)		544,498	(1,347,998)	2,818,482	2,014,982	2,677,101
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	26	-	(8,628,000)	-	(8,628,000)	(910,000)
Net movement in funds		544,498	(9,975,998)	2,818,482	(6,613,018)	1,767,101

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
(CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	Total funds 2020 £
Reconciliation of funds:					
Total funds brought forward	1,674,605	(25,870,488)	127,198,668	103,002,785	101,235,684
Net movement in funds	544,498	(9,975,998)	2,818,482	(6,613,018)	1,767,101
Total funds carried forward	<u>2,219,103</u>	<u>(35,846,486)</u>	<u>130,017,150</u>	<u>96,389,767</u>	<u>103,002,785</u>

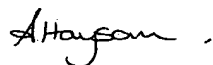
The Statement of financial activities includes all gains and losses recognised in the year. The notes on pages 38 to 82 form part of these financial statements.

BALANCE SHEET
AS AT 31 AUGUST 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	15	126,580,175	124,694,512
		<u>126,580,175</u>	<u>124,694,512</u>
Current assets			
Debtors	16	2,027,511	3,095,720
Cash at bank and in hand		8,991,641	6,952,632
		<u>11,019,152</u>	<u>10,048,352</u>
Creditors: amounts falling due within one year	17	(4,362,560)	(4,996,079)
Net current assets		<u>6,656,592</u>	<u>5,052,273</u>
Total assets less current liabilities		<u>133,236,767</u>	<u>129,746,785</u>
Net assets excluding pension liability		<u>133,236,767</u>	<u>129,746,785</u>
Defined benefit pension scheme liability	26	(36,847,000)	(26,744,000)
Total net assets		<u><u>96,389,767</u></u>	<u><u>103,002,785</u></u>
Funds of the Trust			
Restricted funds:			
Fixed asset funds	18	130,017,150	127,198,668
Restricted income funds	18	1,000,514	873,512
Restricted funds excluding pension asset	18	<u>131,017,664</u>	<u>128,072,180</u>
Pension reserve	18	(36,847,000)	(26,744,000)
Total restricted funds	18	<u>94,170,664</u>	<u>101,328,180</u>
Unrestricted income funds	18	<u>2,219,103</u>	<u>1,674,605</u>
Total funds		<u><u>96,389,767</u></u>	<u><u>103,002,785</u></u>

**BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2021**

The financial statements on pages 33 to 34 were approved by the Trustees, and authorised for issue on and are signed on their behalf, by:



A Haysom, Chair
Chair of Trustees

The notes on pages 38 to 82 form part of these financial statements.

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2021**

	Note	2021 £	2020 £
Cash flows from operating activities			
Net cash provided by operating activities	20	2,585,752	124,381
Cash flows from investing activities	22	(546,743)	1,338,823
Cash flows from financing activities	21	-	147,037
		<hr/>	<hr/>
Change in cash and cash equivalents in the year		2,039,009	1,610,241
Cash and cash equivalents at the beginning of the year		6,952,632	5,342,391
		<hr/>	<hr/>
Cash and cash equivalents at the end of the year	23, 24	<u>8,991,641</u>	<u>6,952,632</u>

The notes on pages 40 to 88 form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

1. 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.

2. ACCOUNTING POLICIES

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

2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements of the Trust, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2020 to 2021 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

2.2 GOING CONCERN

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

2. ACCOUNTING POLICIES (continued)

2.3 INCOME

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

Grants

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

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

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

Sponsorship income

Sponsorship income provided to the Academy which amounts to a donation is recognised in the Statement of Financial Activities in the year in which it is receivable (where there are no performance-related conditions), where the receipt is probable and it can be measured reliably.

Donations

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

Other income

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

2. ACCOUNTING POLICIES (continued)

2.4 EXPENDITURE

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

Expenditure on raising funds

This 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.

Charitable activities

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

All resources expended are inclusive of irrecoverable VAT.

2.5 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 Part 11, chapter 3 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

2. ACCOUNTING POLICIES (continued)

2.6 TANGIBLE FIXED ASSETS

Assets costing £5,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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.

When individual schools convert to being academies the academy 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.

The land and buildings have been included within the long-term property of the Trust as the relevant Church of England Diocese are currently not exerting control over the assets.

The Supplemental Agreement includes the right for the relevant Church of England Diocese to give not less than 2 years written notice to the Academy Trust and the Secretary of State for Education to terminate the agreement. No such written notice has been received as at the date of the approval of the financial statements.

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

Freehold buildings	- 2% straight line
Leasehold land and buildings	- over 125 years
Plant and machinery	- 10% straight line
Furniture and equipment	- 20% straight line
Computer equipment	- 20% straight line
Motor vehicles	- 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.

2.7 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

2. ACCOUNTING POLICIES (continued)

2.8 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.

2.9 LIABILITIES

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the 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.

2.10 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 bases are as follows:

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 16. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 17. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

2.11 OPERATING LEASES

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

2. ACCOUNTING POLICIES (continued)

2.12 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. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the year to which they relate.

The LGPS is a funded multi-employer 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 year 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.

2.13 AGENCY ARRANGEMENTS

The Trust acts as an agent in distributing 16-19 bursary funds from the ESFA. Payments received from the ESFA and subsequent disbursements to students are excluded from the Statement of Financial Activities as the 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 year end are disclosed in note 30.

2.14 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 the funders where the asset acquired or created is held for a specific purpose.

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

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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

3. CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 26, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2021. 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.

Tangible fixed assets are depreciated over their estimated useful life. The useful life of a tangible fixed asset can change over time resulting in changes to the amount of depreciation.

Critical areas of judgement:

The Academy Trust obtains use of fixed assets as a lessee. The classification of such leases as operating or finance lease requires the Academy 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.

The valuation of land and buildings on transfer to the Trust is based upon a number of factors, including previous valuations obtained, the size, the age, the condition and the location of the assets upon transfer. The Trust also reviews these values against existing school land and buildings in the Trust at the date of transfer to ensure that values are comparable based on these factors.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

4. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	Total funds 2020 £
DONATIONS					
Transfer from Local Authority on Conversion	-	-	-	-	4,874,584
	-	-	-	-	4,874,584
Donations	554,054	367,020	240,179	1,161,253	1,363,487
Capital Grants	-	-	4,005,533	4,005,533	1,987,888
	554,054	367,020	4,245,712	5,166,786	3,351,375
	<u>554,054</u>	<u>367,020</u>	<u>4,245,712</u>	<u>5,166,786</u>	<u>8,225,959</u>
Total 2020	<u>1,048,120</u>	<u>(268,596)</u>	<u>7,446,435</u>	<u>8,225,959</u>	

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

5. FUNDING FOR THE TRUST'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
DFE/ESFA GRANTS				
General Annual Grant	-	41,337,942	41,337,942	37,450,526
OTHER DFE/ESFA GRANTS				
Pupil Premium	-	1,089,035	1,089,035	1,044,936
Start up grant	-	-	-	50,000
UIFSM	-	704,020	704,020	693,076
Teachers Pay and Pension Grant	-	2,139,096	2,139,096	2,110,249
PE and Sports Grant	-	404,822	404,822	362,869
Other DfE/ESFA	-	402,388	402,388	267,891
	-	46,077,303	46,077,303	41,979,547
OTHER GOVERNMENT GRANTS				
High Needs (SEN)	-	955,485	955,485	958,481
Other government grants: non capital	-	204,619	204,619	433,309
	-	1,160,104	1,160,104	1,391,790
Other income from the Trust's education	269,660	-	269,660	1,017,772
COVID-19 ADDITIONAL FUNDING (DFE/ESFA)				
Catch-up Premium	-	904,441	904,441	-
	-	904,441	904,441	-
	<u>269,660</u>	<u>48,141,848</u>	<u>48,411,508</u>	<u>44,389,109</u>
Total 2020				
	<u>1,017,772</u>	<u>43,371,337</u>	<u>44,389,109</u>	

Following the reclassification in the Academies Accounts Direction 2020/21 of some grants received from the Department for Education and ESFA, the trust's funding for Universal Infant Free School Meals and Pupil Premium is no longer reported under the Other DfE Group grants heading, but as separate lines under the Other DfE/ESFA grants heading. The prior year numbers have been reclassified.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

6. INCOME FROM OTHER TRADING ACTIVITIES

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Lettings	84,950	84,950	108,838
After school and breakfast clubs	239,075	239,075	332,381
Teaching School income and other	119,874	119,874	93,496
	<u>443,899</u>	<u>443,899</u>	<u>534,715</u>

All amounts received in the 2020 financial year relate to unrestricted funds.

7. INVESTMENT INCOME

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Bank interest	<u>918</u>	<u>918</u>	<u>3,082</u>

All amounts received in the 2020 financial year relate to unrestricted funds.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

8. EXPENDITURE

	Staff Costs 2021 £	Premises 2021 £	Other 2021 £	Total 2021 £	Total 2020 £
Expenditure on fundraising trading activities:					
Direct costs	229,762	-	18,517	248,279	267,690
Education					
Direct costs	34,882,345	2,657,033	3,005,611	40,544,989	38,247,328
Allocated support costs	5,538,196	2,738,168	2,807,102	11,083,466	12,063,901
Teaching school	159,650	2,573	450,378	612,601	508,602
	<u>40,809,953</u>	<u>5,397,774</u>	<u>6,281,608</u>	<u>52,489,335</u>	<u>51,087,521</u>
Total 2020					
	<u>37,958,707</u>	<u>5,940,408</u>	<u>7,188,406</u>	<u>51,087,521</u>	

Expenditure on raising funds includes the costs associated with letting sports and other facilities, the cost of out of school clubs, together with the cost of staff working at other organisations.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

9. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Direct costs 2021 £	Support costs 2021 £	Total funds 2021 £	Total funds 2020 £
Education	<u>40,544,989</u>	<u>11,083,466</u>	<u>51,628,455</u>	<u>50,311,229</u>
Total 2020	<u>38,247,328</u>	<u>12,063,901</u>	<u>50,311,229</u>	

ANALYSIS OF DIRECT COSTS

	Total funds 2021 £	Total funds 2020 £
Pension finance costs	290,000	128,000
Staff costs	34,383,635	31,414,873
Depreciation	2,657,033	2,711,476
Educational supplies	1,247,397	1,064,218
Examination fees	369,941	372,238
Staff development	132,519	95,431
Educational visits and other costs	965,754	2,097,663
Agency costs	498,710	363,429
	<u>40,544,989</u>	<u>38,247,328</u>

Included within Educational visits and other costs is:

• Music tuition	£45,630	(2020: £206,656)
• Trips	£585,498	(2020: £1,518,676)
• Cost of resources sold to students	£1,477	(2020: £6,424)
• Other	£333,149	(2020: £112,045)

Included within staff costs is £571,332 (2020: £487,537) in relation to supply teacher costs.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

9. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

ANALYSIS OF SUPPORT COSTS

	Total funds 2021 £	Total funds 2020 £
Pension finance costs	190,000	352,000
Staff costs	5,538,196	5,952,543
Other costs	16,629	17,894
Recruitment and support	38,689	37,360
Maintenance of premises and equipment	663,871	1,494,602
Cleaning	929,207	840,465
Rent and rates	325,025	293,606
Energy costs	689,164	658,719
Insurance	298,588	241,484
Security and transport	130,901	118,754
Catering	995,096	824,007
Technology costs	475,925	502,800
Office overheads	344,766	293,739
Legal and professional	413,512	392,653
Bank interest and charges	-	25
Governance	33,897	43,250
	<u>11,083,466</u>	<u>12,063,901</u>

10. NET INCOME/(EXPENDITURE)

Net income/(expenditure) for the year includes:

	2021 £	2020 £
Operating lease rentals	86,378	85,823
Depreciation of tangible fixed assets	2,687,033	2,711,476

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

	2021	2020
	£	£
Fees paid to auditors for:		
- audit	22,750	22,000
- accounts preparation	<u>8,500</u>	<u>8,500</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

11. STAFF

a. STAFF COSTS

Staff costs during the year were as follows:

	2021 £	2020 £
Wages and salaries	29,428,598	27,238,463
Social security costs	2,664,393	2,460,090
Pension costs	8,085,257	7,775,220
	<u>40,178,248</u>	<u>37,473,773</u>
Apprenticeship levy	132,995	121,505
Agency costs	498,710	363,429
	<u>40,809,953</u>	<u>37,958,707</u>

b. STAFF NUMBERS

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

	2021 No.	2020 No.
Teachers	556	513
Administration and support	680	594
Management	71	75
	<u>1,307</u>	<u>1,182</u>

The average headcount expressed as full-time equivalents was:

	2021 No.	2020 No.
Teachers	453	417
	415	312

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

Administration and support

Management

68	66
936	795

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

11. STAFF (CONTINUED)

c. HIGHER PAID STAFF

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

	2021 No.	2020 No.
In the band £60,001 - £70,000	16	10
In the band £70,001 - £80,000	8	4
In the band £80,001 - £90,000	3	4
In the band £100,001 - £110,000	1	2
In the band £110,001 - £120,000	1	1
In the band £120,001 - £130,000	<u>1</u>	<u>-</u>

d. KEY MANAGEMENT PERSONNEL

The key management personnel of the Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Trust was £376,128 (2020: £378,139).

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

12. 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
- Human Resources support

The academy trust will charge each school 4% of its funding pro-rata for the year, in line with the Core Services Charge Policy. In addition, all schools contributed to a change management and small school strategy reserve during the 2020-21 financial year. The actual amounts charged for both of these during the year were as follows:

	2021 £	2020 £
Backwell School	376,738	330,426
Backwell CE Junior School	38,429	34,147
Bishop Sutton Primary School	29,406	25,470
Blagdon Primary School	20,337	17,888
Chew Valley School	242,378	217,141
East Harptree CE Primary School	16,130	15,022
Flax Bourton CE Primary School	28,440	25,475
Gordano School	423,881	363,875
Grove Junior School	34,931	35,212
Hannah More Infant School	25,901	25,365
High Down Infant School	41,974	36,551
High Down Junior School	65,256	59,023
Northleaze CE Primary School	33,334	31,515
Portishead Primary School	76,779	62,613
St Mary's CE Primary School	20,521	19,369
St Peter's CE Primary School	105,471	82,365
Stanton Drew Primary School	12,898	13,104
Ubley CE Primary School	17,878	14,608

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

West Leigh Infant School	26,471	25,723
Whitchurch Primary School	36,815	14,732
Winford CE Primary School	33,850	31,336
Wraxall CE Primary School	17,426	17,414
Yatton Infant School	37,658	36,487
Yatton Junior School	57,735	50,924
TOTAL	<u>1,820,637</u>	<u>1,585,785</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

13. TRUSTEES' REMUNERATION AND EXPENSES

The Chief Executive Officer is the only Trustee to receive remuneration in respect of services they provide undertaking role of Chief Executive Officer, and not in respect of their services as a Trustee. 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 £120,000 - £125,000 (2020: £115,000 - £120,000), Employer's Pension Contributions £25,000 - £30,000 (2020: £25,000 - £30,000).

During the year ended 31 August 2021, expenses totalling £Nil were reimbursed or paid directly to no Trustees (2020 - £2,281 to 10 Trustees).

14. TRUSTEES' AND OFFICERS' INSURANCE

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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

15. TANGIBLE FIXED ASSETS

	Freehold and long term leasehold property £	Furniture and fixtures £	Computer equipment £	Motor vehicles £	Assets under construction £	Total £
COST OR VALUATION						
At 1 September 2020	137,260,319	1,635,198	1,315,515	20,740	184,213	140,415,985
Additions	4,151,757	209,272	181,667	-	-	4,542,696
Transfers between classes	275,910	(91,697)	-	-	(184,213)	-
At 31 August 2021	141,687,986	1,752,773	1,497,182	20,740	-	144,958,681
DEPRECIATION						
At 1 September 2020	13,981,472	938,952	790,608	10,441	-	15,721,473
Charge for the year	2,397,381	118,603	136,901	4,148	-	2,657,033
At 31 August 2021	16,378,853	1,057,555	927,509	14,589	-	18,378,506



LIGHTHOUSE
SCHOOLS PARTNERSHIP

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

NET BOOK VALUE

At 31 August 2021

<u>125,309,133</u>	<u>695,218</u>	<u>569,673</u>	<u>6,151</u>	<u>-</u>	<u>126,580,175</u>
--------------------	----------------	----------------	--------------	----------	--------------------

At 31 August 2020

<u>123,278,847</u>	<u>696,246</u>	<u>524,907</u>	<u>10,299</u>	<u>184,213</u>	<u>124,694,512</u>
--------------------	----------------	----------------	---------------	----------------	--------------------

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

15. TANGIBLE FIXED ASSETS (CONTINUED)

Included in freehold and long term leasehold property is freehold land at valuation of £5,150,000 which is not depreciated.

16. DEBTORS

	2021 £	2020 £
DUE WITHIN ONE YEAR		
Trade debtors	122,540	103,537
Other debtors	189,056	217,012
Prepayments and accrued income	1,572,698	2,434,155
Tax recoverable	143,217	341,016
	<u>2,027,511</u>	<u>3,095,720</u>

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Trade creditors	1,269,299	1,690,588
Other taxation and social security	675,082	624,148
Other creditors	820,640	751,119
Accruals and deferred income	1,597,539	1,930,224
	<u>4,362,560</u>	<u>4,996,079</u>

	2021 £	2020 £
Deferred income at 1 September 2020	810,820	700,162
Resources deferred during the year	785,854	810,820
Amounts released from previous periods	(810,820)	(700,162)
	<u>785,854</u>	<u>810,820</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

At the balance sheet date the Trust was holding funds received in advance for trips taking place after the year end, rates and Universal Infant Free School Meals grant.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

18. STATEMENT OF FUNDS

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
UNRESTRICTED FUNDS						
General funds	<u>1,674,605</u>	<u>1,268,531</u>	<u>(724,033)</u>	<u>-</u>	<u>-</u>	<u>2,219,103</u>
RESTRICTED GENERAL FUNDS						
General Annual Grant (GAG)	187,331	41,337,942	(40,143,708)	(736,207)	-	645,358
High needs funding (SEN)	-	955,485	(955,485)	-	-	-
Donations	-	367,020	(344,400)	-	-	22,620
Pupil premium	-	1,089,035	(1,089,035)	-	-	-
Universal Infant Free School Meals (UIFSM)	-	704,020	(635,953)	-	-	68,067
Devolved formula capital	493,596	-	-	(493,596)	-	-
Training / Teaching school funding	192,585	624,697	(732,728)	-	-	84,554
Sports and PE Premium	-	404,822	(331,154)	-	-	73,668
COVID catch up premium	-	904,441	(805,729)	-	-	98,712
Other restricted grants - non government	-	11,468	(4,032)	-	-	7,436
Other restricted grants - government	-	2,591,144	(2,591,045)	-	-	99
Pension reserve	(26,744,000)	-	(1,475,000)	-	(8,628,000)	(36,847,000)
	<u>(26,870,488)</u>	<u>(48,990,074)</u>	<u>(49,108,269)</u>	<u>(1,229,803)</u>	<u>(8,628,000)</u>	<u>(36,846,486)</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

18. STATEMENT OF FUNDS (CONTINUED)

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
RESTRICTED FIXED ASSET FUNDS						
Fixed assets transferred on conversion	118,057,129	-	(2,319,994)	(308,933)	-	115,428,202
Fixed assets purchased from GAG and other restricted funds	6,637,383	-	(337,039)	4,851,629	-	11,151,973
DfE/ESFA Capital grants	2,504,156	4,245,712	-	(3,312,893)	-	3,436,975
	<u>127,198,668</u>	<u>4,245,712</u>	<u>(2,657,033)</u>	<u>1,229,803</u>	<u>-</u>	<u>130,017,150</u>
TOTAL RESTRICTED FUNDS						
	<u>101,328,180</u>	<u>53,235,786</u>	<u>(51,765,302)</u>	<u>-</u>	<u>(8,628,000)</u>	<u>94,170,664</u>
TOTAL FUNDS						
	<u>103,002,785</u>	<u>54,504,317</u>	<u>(52,489,335)</u>	<u>-</u>	<u>(8,628,000)</u>	<u>96,389,767</u>

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

Restricted Funds

General Annual Grant ("GAG") - Income from the ESFA which is to be used for the normal running costs of the Academy, including education and support costs.

Pupil Premium - Pupil premium represents funding received from the ESFA for children that qualify for free school meals to enable the Academy to address the current underlying inequalities between those children and their wealthier peers.

Universal Infant Free School Meals (UIFSM) - Funding received from the ESFA to contribute to the costs of providing free school meals to children in Reception, Year 1 and Year 2.

Devolved formula capital - This represents funding from the ESFA to cover the maintenance and purchase of the Academy's assets.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

18. STATEMENT OF FUNDS (CONTINUED)

Sports and PE Premium – This represents funding received from the ESFA and must be used to fund improvements to the provision of PE and sport, for the benefit of primary-aged pupils, so that they develop healthy lifestyles.

High Needs - Funding received by the Local Authority to fund further support for students with additional needs.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

18. STATEMENT OF FUNDS (CONTINUED)

Donations - Represent amounts received in the year for specific purposes and include voluntary contributions made towards school trips.

COVID-19 Catch-up Premium – Funding from the ESFA to support children and young people to catch up on missed learning caused by COVID-19.

Teaching School - Funding received for the Trust to use in its teaching school.

Pension reserve – This represents the Academy's share of the assets and liabilities in the Local Government Pension Scheme. As with most pension schemes this is currently in deficit due to an excess of scheme liabilities over scheme assets which was inherited on conversion to an Academy. The Academy is following the recommendations of the actuary to reduce the deficit by making additional contributions over a number of years.

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

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

Restricted Fixed Asset Funds

Fixed assets transferred on conversion – This represent the buildings and equipment donated to the School from the Local Authority on conversion to an academy.

DfE/ESFA Capital grants - This represents funding from the ESFA to cover the maintenance and purchase of the Academy's assets.

Fixed assets purchased from GAG and other 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 academy trust.

Under the funding agreement with the Secretary of State, the Trust was not subject to a limit on the amount of GAG it could carry forward at 31 August 2021.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

18. STATEMENT OF FUNDS (CONTINUED)

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

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
UNRESTRICTED FUNDS						
General funds	1,178,194	2,603,689	(2,107,278)	-	-	1,674,605
RESTRICTED GENERAL FUNDS						
General Annual Grant (GAG)	296,436	37,450,526	(36,971,856)	(587,775)	-	187,331
High needs funding (SEN)	-	723,319	(723,319)	-	-	-
Donations	-	577,934	(577,934)	-	-	-
Pupil premium	-	1,009,558	(1,009,558)	-	-	-
Universal Infant Free School Meals (UIFSM)	-	693,076	(693,076)	-	-	-
Devolved formula capital	539,039	232,360	(277,803)	-	-	493,596
Training / Teaching school funding	68,527	2,110,249	(1,986,191)	-	-	192,585
Sports and PE Premium	-	50,000	(50,000)	-	-	-
Schools Condition Allocation (SCA)	1,308,980	-	-	(1,308,980)	-	-
COVID catch up premium	-	164,963	(164,963)	-	-	-
Other restricted grants - non government	-	1,001,122	(1,001,122)	-	-	-

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

18. STATEMENT OF FUNDS (CONTINUED)

Other restricted grants - government	-	588,807	(588,807)	-	-	-
Pension reserve	(23,445,000)	(731,000)	(1,658,000)	-	(910,000)	(26,744,000)
	<u>(21,232,018)</u>	<u>43,870,914</u>	<u>(45,702,629)</u>	<u>(1,896,755)</u>	<u>(910,000)</u>	<u>(25,870,488)</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

18. STATEMENT OF FUNDS (CONTINUED)

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
RESTRICTED FIXED ASSET FUNDS						
Fixed assets transferred on conversion	114,874,907	5,458,547	(2,276,325)	-	-	118,057,129
Fixed assets purchased from GAG and other restricted funds	6,414,601	70,158	(435,151)	587,775	-	6,637,383
DfE/ESFA Capital grants	-	1,761,314	(566,138)	1,308,980	-	2,504,156
	<u>121,289,508</u>	<u>7,290,019</u>	<u>(3,277,614)</u>	<u>1,896,755</u>	<u>-</u>	<u>127,198,668</u>
TOTAL RESTRICTED FUNDS						
	<u>100,057,490</u>	<u>51,160,933</u>	<u>(48,980,243)</u>	<u>-</u>	<u>(910,000)</u>	<u>101,328,180</u>
TOTAL FUNDS						
	<u>101,235,684</u>	<u>53,764,622</u>	<u>(51,087,521)</u>	<u>-</u>	<u>(910,000)</u>	<u>103,002,785</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

18. STATEMENT OF FUNDS (CONTINUED)

Total funds analysis by academy

Fund balances at 31 August 2021 were allocated as follows:

	2021 £	2020 £
Backwell School	780,678	171,676
Blagdon Primary School	93,852	89,173
Chew Valley School	326,150	106,485
Flax Bourton Church of England Primary School	24,777	55,401
Gordano School	487,017	461,809
Northleaze Church of England Primary School	90,099	108,769
Portishead Primary School	94,895	(25,905)
St Mary's Church of England Primary School	(14,781)	30,036
St Peter's Church of England Primary School	517,569	303,541
Whitchurch Primary School	200,781	182,973
Winford Church of England Primary School	159,583	140,481
Wraxall Church of England Primary School	(8,897)	20,753
Teaching Schools	61,190	192,585
Central Team	354,549	290,874
Backwell Church of England Junior School	34,237	20,379
West Leigh Infant School	35,724	35,444
Bishop Sutton Primary School	1,822	23,811
Stanton Drew Primary School	35,507	43,529
East Harptree Church of England VC Primary School	(30,117)	43,876
Ubley Church of England Primary School	(35,617)	59,132
Grove Junior School	98,194	85,447
Hannah More Infant School	(128,533)	(98,202)
High Down Infant School	13,889	28,532
High Down Junior School	85,460	123,881

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

18. STATEMENT OF FUNDS (CONTINUED)

Yatton Infant School	(29,006)	15,005
Yatton Church of England Junior School	<u>(29,205)</u>	<u>38,632</u>
Total before fixed asset funds and pension reserve	3,219,617	2,548,117
Restricted fixed asset fund	130,017,150	127,198,668
Pension reserve	(36,847,000)	(26,744,000)
TOTAL	<u>96,389,767</u>	<u>103,002,785</u>

In the current year the Devolved formula capital fund was transferred from Restricted funds to Restricted fixed asset funds to better represent the purpose of the reserve. The comparative amounts are therefore not entirely comparable.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

18. STATEMENT OF FUNDS (CONTINUED)

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

	Deficit £
Hannah More Infant School	(128,533)
St Mary's Church of England Primary School	(14,781)
East Harptree Church of England Primary School	(30,117)
Ubley Church of England Primary School	(35,617)
Wraxall Church of England Primary School	(8,897)
Yatton Infant School	(29,006)
Yatton Church of England Junior School	<u>(29,205)</u>

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

Hannah More Infant School

Hannah more Infant School operates with Grove Junior School under one Governing Body and an Executive Headteacher. Across the schools the net deficit is £30,339. The schools, with support from the Trust's Central Team, have completed a process to establish a sustainable budget for the future. As a result the deficit is due to be recovered by the end of the 2021-22 financial year.

St Mary's Church of England Voluntary Aided Primary School, Portbury

The school, with support from the Trust's Central Team, are currently working to ensure that the deficit can be recovered and a sustainable budget established within a reasonable time period.

East Harptree and Ubley Church of England Primary Schools

East Harptree and Ubley Primary Schools operate together under one Governing Body and an Executive Headteacher. The schools, with support from the Trust's Central Team, are currently working to ensure that the deficit can be recovered and a sustainable budget established within a reasonable time period.

Wraxall Church of England Primary School

The school, with support from the Trust's Central Team, are currently working to ensure that the deficit can be recovered and a sustainable budget established within a reasonable time period.

Yatton Infant School and Yatton Church of England Junior School

Yatton Infant and Yatton Junior Schools operate together under one Governing Body and an Executive Headteacher. The schools have taken action to recover the net deficit by the end of the 2021-22 financial year.

Action has, and continues to be taken, in a number of other schools in the Trust to address actual or projected deficits. An example of this is Portishead Primary School that had a deficit at the end of the 2019-20 financial year but has now returned to a surplus balance at the end of the 2020-21 financial year.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

18. STATEMENT OF FUNDS (CONTINUED)

TOTAL COST ANALYSIS BY ACADEMY

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2021 £	Total 2020 £
Backwell School	6,387,157	902,822	147,305	1,568,443	9,005,727	8,344,136
Backwell CE Junior School	740,107	116,637	31,066	87,265	975,075	1,005,857
Bishop Sutton Primary School	555,484	82,413	21,232	121,152	780,281	751,261
Blagdon Primary School	351,978	57,267	22,189	157,076	588,510	473,568
Chew Valley School	4,401,425	646,137	121,606	920,646	6,089,814	6,110,643
East Harptree CE Primary School	426,241	38,647	49,022	93,515	607,425	509,731
Flax Bourton CE Primary School	586,500	83,630	30,579	176,850	877,559	750,539
Gordano School	7,594,480	1,082,768	196,711	1,645,670	10,519,629	9,880,186
Grove Junior School	665,374	111,413	23,923	53,858	854,568	950,721
Hannah More Infant School	575,509	47,572	19,667	99,311	742,059	816,832
High Down Infant School	1,013,711	107,596	27,736	178,400	1,327,443	1,292,181
High Down Junior School	1,178,647	287,810	63,789	145,563	1,675,809	1,735,424
Northleaze CE Primary School	627,334	99,460	41,775	150,039	918,608	864,909
Portishead Primary School	1,315,923	237,282	51,336	268,947	1,873,488	1,908,823
St Mary's CE	418,083	38,196	30,327	131,053	617,659	545,034

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

18. STATEMENT OF FUNDS (CONTINUED)

Primary School							
St Peter's CE Primary School	1,949,286	271,858	67,040	356,268	2,644,452	2,526,164	
Stanton Drew Primary School	248,334	38,831	14,505	68,071	369,741	360,542	
Ubley CE Primary School	297,202	51,140	39,719	82,450	470,511	420,654	
West Leigh Infant School	450,810	51,014	26,737	120,808	649,369	756,456	

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

18. STATEMENT OF FUNDS (CONTINUED)

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2021 £	Total 2020 £
Whitchurch Primary School	703,727	134,537	25,840	162,544	1,026,648	356,538
Winford CE Primary School	681,168	93,748	26,243	139,291	940,450	944,297
Wraxall CE Primary School	359,143	41,227	15,494	87,516	503,380	525,713
Yatton Infant School	797,779	150,721	33,872	181,994	1,164,366	1,278,811
Yatton Junior School	1,323,176	124,468	42,052	151,057	1,640,753	1,564,549
Central Services	1,233,767	870,764	77,632	174,213	2,356,376	3,166,360
Teaching School	159,650	-	-	452,952	612,602	536,116
TRUST						
	<u>35,041,995</u>	<u>5,767,958</u>	<u>1,247,397</u>	<u>7,774,952</u>	<u>49,832,302</u>	<u>48,376,045</u>

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £
Tangible fixed assets	-	-	126,580,175	126,580,175
Current assets	2,219,103	5,363,074	3,436,975	11,019,152
Creditors due within one year	-	(4,362,560)	-	(4,362,560)
Provisions for liabilities and charges	-	(36,847,000)	-	(36,847,000)
TOTAL	<u>2,219,103</u>	<u>(35,846,486)</u>	<u>130,017,150</u>	<u>96,389,767</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS (CONTINUED)

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Tangible fixed assets	-	-	124,694,512	124,694,512
Current assets	1,674,605	5,869,591	2,504,156	10,048,352
Creditors due within one year	-	(4,996,079)	-	(4,996,079)
Provisions for liabilities and charges	-	(26,744,000)	-	(26,744,000)
TOTAL	<u>1,674,605</u>	<u>(25,870,488)</u>	<u>127,198,668</u>	<u>103,002,785</u>

20. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2021 £	2020 £
Net income for the year (as per statement of financial activities)	2,014,982	2,677,101
ADJUSTMENTS FOR:		
Depreciation	2,657,033	2,711,476
Capital grants from DfE and other capital income	(3,995,035)	(1,993,674)
Interest receivable	(918)	(3,082)
Defined benefit pension scheme cost less contributions payable	995,000	1,178,000
Defined benefit pension scheme finance cost	480,000	480,000
Decrease/(increase) in debtors	1,068,209	(1,239,459)
(Decrease)/increase in creditors	(633,519)	1,188,603
Net assets and liabilities transferred from local authority on conversion	-	(4,874,584)
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>2,585,752</u>	<u>124,381</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

21. CASH FLOWS FROM FINANCING ACTIVITIES

	2021	2020
	£	£
Funds received from the Local Authority and other academies on conversion	-	147,037
NET CASH PROVIDED BY FINANCING ACTIVITIES	-	147,037

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

22. CASH FLOWS FROM INVESTING ACTIVITIES

	2021 £	2020 £
Interest received	918	3,082
Purchase of tangible assets	(4,542,696)	(657,933)
Capital grants from DfE Group	3,995,035	1,993,674
NET CASH (USED IN)/PROVIDED BY INVESTING ACTIVITIES	<u>(546,743)</u>	<u>1,338,823</u>

23. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2021 £	2020 £
Cash in hand and at bank	8,991,641	6,952,632
TOTAL CASH AND CASH EQUIVALENTS	<u>8,991,641</u>	<u>6,952,632</u>

24. ANALYSIS OF CHANGES IN NET DEBT

	At 1 September 2020 £	Cash flows £	At 31 August 2021 £
Cash at bank and in hand	6,952,632	2,039,009	8,991,641
	<u>6,952,632</u>	<u>2,039,009</u>	<u>8,991,641</u>

25. CAPITAL COMMITMENTS

	2021 £	2020 £
CONTRACTED FOR BUT NOT PROVIDED IN THESE FINANCIAL STATEMENTS		
Acquisition of tangible fixed assets	<u>-</u>	<u>2,574,005</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

26. PENSION COMMITMENTS

The Trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Bath and North East Somerset Council. Both are multi-employer defined benefit schemes.

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

Contributions amounting to £176,490 were payable to the schemes at 31 August 2021 (2020 - £158,952) and are included within creditors.

TEACHERS' PENSION SCHEME

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

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

VALUATION OF THE TEACHERS' PENSION SCHEME

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

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

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

The employer's pension costs paid to TPS in the year amounted to £4,718,451 (2020 - £4,462,650).

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

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The Trust has 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

26. PENSION COMMITMENTS (CONTINUED)

LOCAL GOVERNMENT PENSION SCHEME

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2021 was £2,846,000 (2020 - £2,567,000), of which employer's contributions totalled £2,341,000 (2020 - £2,116,000) and employees' contributions totalled £505,000 (2020 - £451,000). The agreed contribution rates for future years are 19.4 per cent for employers and 5.6 per cent for employees.

The LGPS obligation relates to the employees of the Trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Trust at the balance sheet date.

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

PRINCIPAL ACTUARIAL ASSUMPTIONS

	2021 %	2020 %
Rate of increase in salaries	3.95	3.15
Rate of increase for pensions in payment / inflation	2.95	2.15
Discount rate for scheme liabilities	1.75	1.70
Inflation assumption (CPI)	<u>2.95</u>	<u>2.15</u>

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

	2021 Years	2020 Years
Retiring today		
Males	22.5	22.4
Females	24.6	24.6
Retiring in 20 years		
Males	23.4	23.3
Females	<u>26.1</u>	<u>26.0</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

26. PENSION COMMITMENTS (CONTINUED)

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

	2021 £	2020 £
Equities	11,128,000	9,625,000
Bonds	4,639,000	2,154,000
Property	1,642,000	1,917,000
Cash	469,000	654,000
Other	8,183,000	6,467,000
Total market value of assets	<u>26,061,000</u>	<u>20,817,000</u>

The actual return on scheme assets was £2,692,000 (2020 - £3,945,000).

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

	2021 £	2020 £
Current service cost	(3,336,000)	(3,169,000)
Past service cost	-	(125,000)
Interest income	331,000	249,000
Interest cost	(811,000)	(729,000)
Total amount recognised in the Statement of Financial Activities	<u>(3,816,000)</u>	<u>(3,774,000)</u>

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

	2021 £	2020 £
At 1 September	47,561,000	37,628,000
Upon conversion	-	1,140,000
Current service cost	3,336,000	3,169,000
Interest cost	811,000	729,000
Employee contributions	505,000	451,000
Actuarial losses/(gains)	10,944,000	4,561,000
Benefits paid	(248,000)	(242,000)
Past service costs	-	125,000
At 31 August	<u>62,000,000</u>	<u>47,561,000</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

26. PENSION COMMITMENTS (CONTINUED)

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

	2021 £	2020 £
At 1 September	20,817,000	14,183,000
Upon conversion	-	409,000
Interest income	376,000	294,000
Actuarial gains	2,316,000	3,651,000
Employer contributions	2,341,000	2,116,000
Employee contributions	505,000	451,000
Benefits paid	(248,000)	(242,000)
Administration expenses	(46,000)	(45,000)
At 31 August	<u>26,061,000</u>	<u>20,817,000</u>

27. OPERATING LEASE COMMITMENTS

At 31 August 2021 the Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2021 £	2020 £
Not later than 1 year	53,694	85,823
Later than 1 year and not later than 5 years	68,349	20,691
	<u>122,043</u>	<u>106,514</u>

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.

29. RELATED PARTY TRANSACTIONS

No related party transactions took place in the period of account, other than certain trustees's remuneration and expenses already disclosed in note 13.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

30. AGENCY ARRANGEMENTS

The Trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ended 31 August 2021 the Trust received £32,715 (2020: £43,619) and disbursed £33,889 (2020: £14,763) from the fund and the Trust retained an admin fee of £1,641 (2020: £2,181). An amount of £26,286 (2020: £26,675) is included in other creditors relating to undistributed funds that is repayable to ESFA.

31. TEACHING SCHOOL TRADING ACCOUNT

	2021 £	2021 £	2020 £	2020 £
Income				
DIRECT INCOME				
Income	481,206		611,757	
TOTAL INCOME		481,206		611,757
Expenditure				
DIRECT EXPENDITURE				
Direct staff costs	159,650		-	
Expenditure	452,952		508,602	
TOTAL DIRECT EXPENDITURE	612,602		508,602	
TOTAL EXPENDITURE		612,602		508,602
(Deficit)/surplus from all sources		(131,395)		103,155
Teaching school balances at 1 September 2020		192,585		89,430
TEACHING SCHOOL BALANCES AT 31 AUGUST 2021		<u>61,190</u>		<u>192,585</u>