

**THE LIGHTHOUSE TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

**ANNUAL REPORT AND ACCOUNTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**



**Haines Watts**  
Chartered Accountants & Registered Auditors  
Bridge House  
157A Ashley Road  
Hale  
Altrincham  
Cheshire  
WA14 2UT

# **THE LIGHTHOUSE TRUST**

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# THE LIGHTHOUSE TRUST

## REFERENCE AND ADMINISTRATIVE DETAILS

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### Members

Mr D Dickinson  
Mrs J Chadwick  
Mr M Aldridge

### Trustees

Miss S Ashley (Accounting officer)  
Mr D Dickinson (Chair of trustees)  
Mrs J Chadwick  
Mr M Aldridge  
Mrs K Whitmore  
Ms L Kendrick  
Miss E Ford  
Miss H Cooper  
Mrs R Millington  
Miss S Craig (Resigned 09 July 2019)

### Senior management team

- Miss S Ashley
- Miss E Ford
- Mr P Dale
- Mrs T Moller
- Mrs S Rochester
- Mrs J Shufflebotham
- Miss S Sinnett

Head Teacher  
Deputy Head Teacher  
Business & Operations Manager  
Teacher/team leader (Appointed 01 September 2018)  
Teacher/data manager  
Teacher/team leader  
Teacher/team leader

### Company name

The Lighthouse Trust

### Company registration number

09671531 (England and Wales)

### Registered office

c/o New Ford Academy  
Brownley Road  
Smallthorne  
Stoke-on-Trent  
Staffordshire ST6 1PY

### Independent auditor

Haines Watts  
Bridge House  
Ashley Road  
Hale  
Altrincham WA14 2UT

### Bankers

Lloyds Bank PLC  
PO Box 1000  
BX1 1LT

### Solicitors

Slater & Gordon  
58 Mosley Street  
Manchester M2 3HZ

# THE LIGHTHOUSE TRUST

## TRUSTEES' REPORT

### FOR THE YEAR ENDED 31 AUGUST 2019

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The trustees present their annual report together with the accounts and independent auditor's report of the charitable company for the period 1 September 2018 to 31 August 2019. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The academy trust operates an academy for pupils aged 4 to 11 serving a catchment area in Smallthorne and Sneyd Green. It has a pupil capacity of 480 and had a roll of 475 in the school census on 09 October 2018.

#### Structure, governance and management

##### Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust.

The trustees of The Lighthouse Trust are also the directors of the charitable company for the purposes of company law. The charitable company operates as The Lighthouse Trust. Details of the trustees who served during the year, and to the date these accounts are approved are included in the reference and administrative details on page 1.

##### Members' liability

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

##### Trustees' indemnities

The insurance cover provided for trustees and officers is up to £10,000,000 on any one claim.

##### Method of recruitment and appointment or election of trustees

The academy trust should have the following trustees as set out in its articles of association and funding agreement:

- A minimum of 2 parent trustees (governors) who are elected by the trust.
- A minimum of 2 community trustees (governors) who are elected by the trust.

Skills needed to enhance the board of trustee's skill set are identified through a Skills Audit. Any new trustee (governor) would be appointed based on an assessment of the member's skills. Recruitment is carried out using a range of methods including the Inspiring Governance website. Parent governors are nominated by parents of academy pupils. The trust members are entitled to appoint new trustees.

##### Policies and procedures adopted for the induction and training of trustees

Any new trustee receives an induction handbook and training from the Governor Support Unit. Any relevant further training is then identified for future development.

##### Organisational structure

The members and board of trustees make major decisions regarding the academy's direction, set policies, approve budgets, accounts and capital expenditure, make decisions on leadership staff and monitor accounts and education progress. They have devolved responsibility for day to day management of the academy and implementation of policies and procedures to the head teacher and senior leadership team (SLT). Details of the SLT are included in the reference and administrative details on page 1. The head teacher is the accounting officer and the business & operations manager is the chief finance officer.

##### Arrangements for setting pay and remuneration of key management personnel

Arrangements for setting the pay of the academy's key management personnel is based upon clear performance management targets and pupil outcomes. Pay is benchmarked against other academies of a similar size and socio-demographics.

##### Trade union facility time

There were no relevant union officials during 2018/19 and consequently there was no time or pay bill spent on either facility time or any paid trade union activities.

##### Related parties and other connected charities and organisations

The Lighthouse Trust is not connected to any other charity or organisation.

# THE LIGHTHOUSE TRUST

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

#### Objectives and activities

##### Objects and aims

The trust's objectives and aims are to advance for the public benefit of education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing schools offering a broad and balanced curriculum.

##### Objectives, strategies and activities

The Lighthouse Trust is committed to ensuring that every child develops a love of learning and aims to be the best that they can be. The trust aims to build a community where children:

- Respect themselves and other people.
- Think for themselves and make sensible decisions.
- Have their own voice and know that they are listened to equally.
- Have the confidence and skills to communicate with others.
- Know how to cope when things go wrong.
- Are part of a community with the school at the centre.
- Have a positive outlook for the future.
- The trust aims to achieve this through its key values of:  
*Ambition, Respect, Empathy, Resilience, Self-Belief, Independence and Honesty.*

One of the main objectives is to continue to raise the attainment and progress of children in core areas with a strategic focus upon particular groups within specific year groups. This is aided by the head teacher working strategically to monitor and support the work of senior leadership/team leaders. Team leaders:

- use assessment data to analyse progress, identify underachievement and understand the precise needs of pupils in each cohort and of the teachers;
- have clear cohort targets to tackle under attainment and use these to lead improvements within their team; and
- use evaluative information on the impact of teaching on learning, gained through a range of monitoring, to inform the support strategies they use to improve teaching.

##### Public benefit

The trustees have complied with their duty to have due regard to the guidance on public benefit issued by the Charity Commission in exercising their powers and duties. Examples of activities in which the academy has ensured charitable purposes for the public benefit include:

- holding events for the benefit of the local community (charity fundraising events, weekly parent and toddler group, fayres, use of the hall for local groups);
- providing support and activities for local families;
- Ofsted June 2019 judged the school to be Good and Improving. This is a positive for the local community and has an implication for property prices in the area;
- subsidising school trips and visits; and
- providing a free academy sweatshirt for each new pupil.

#### Strategic report

##### Achievements and performance

End of year assessment point: <u>End of Key Stage 2</u>	Academic Year 2018-19 % Achieved 'Expected & above'	Academic Year 2018-19 % Achieved High standard	Academic Year 2018-19 Scaled Scores
Reading (SATs)	80%	15%	103.7
Grammar Punctuation & Spelling	88.3%	41.7%	108.3
Maths (SATs)	86.7% ↑	43.3% ↑	107.3 =
Writing (TA)	81.7%	13.3%	
Combined RWM (SATs)	73.3%	8.3%	
Science (TA)	88.3%		

# THE LIGHTHOUSE TRUST

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

In summary:

- Our 2019 results saw an increase in Maths attainment compared to 2018.
- The percentage of children achieving Reading, Writing, Maths, Grammar Punctuation & Spelling and Science at the 'Expected' standard remain key strengths in 2019.
- Our 2019 KS2 results for the percentage achieving the 'Expected' standard of Attainment was above National in all areas, Reading, Maths, Grammar Punctuation & Spelling, Science and for Combined Subjects as in 2018.
- The FFT KS2 Dashboard 2019 Publication shows our results in Reading, Writing, Maths, Grammar Punctuation & Spelling and Science remain above 2017 levels of attainment, supporting an upward trend of achievement at the end of Key Stage 2 at 'Expected'.
- The FFT KS2 Dashboard 2019 Publication also indicates that provisionally our 2019 results for Combined RWM at 'Expected' are in the top 30% of schools Nationally.
- Our 2019 KS2 results for the percentage achieving the High Standard of Attainment were better than last year in Maths.
- 2019 KS2 results at the High standard were above the LA for Maths, GPS & Combined RWM and also above National in Maths.
- Our 2019 KS2 results for the percentage achieving the High Standard of Attainment were not as strong as 2018 in Literacy, but were above 2017, supporting an overall upward trend overall.
- Our Scaled Scores in 2019 were a little lower than 2018, but remain well above our 2017 Scaled Scores in all three areas, supporting an overall upward trend overall.
- Our 2019 KS2 Scaled Scores were above the LA in Reading and above the LA & National in Maths and GPS.
- Our 2019 KS2 results saw boys performing above the LA, National & last year's results for Writing, GPS, Maths and Combined RWM at both the 'Expected' standard and the High Standard. Boys were also above LA & National at the 'Expected' Standard for Reading. Boys were above LA & National for Scaled Scores in GPS Reading & Maths, with their progress also better than the LA in writing & Maths and their 2018 Progress scores.
- Our 2019 KS2 results saw girls performing above the LA at the expected standard for Combined RWM, GPS, Reading and Maths and performing above National at the expected standard for GPS, Reading and Maths. Girls were also above the LA at the High standard for GPS & Maths and National at the High standard for Maths. Girls were also above the LA and National for Scaled Scores in GPS & Maths, with their progress better than the LA & National in Maths.

End of year assessment point:	Academic Year 2018-2019 % Achieved 'Expected & above'	Percentage of pupils achieving Greater Depth: New Ford Academy 2019
<b>End of Key Stage 1</b>		
English Reading (TA)	81.7% ↑	26.7% ↑
English Writing (TA)	75% ↑	20% ↑
Mathematics (TA)	86.7% ↑	30% ↑
Science (TA)	90% ↑	20% ↑
Combined RWM (TA)	75% ↑	26.7% ↑

# THE LIGHTHOUSE TRUST

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

In summary:

- Our 2019 results at Key Stage 1 saw an increase in every area of attainment compared to 2018.
- Our 2019 KS1 results for the percentage achieving the 'Expected' standard of Attainment were better than last year in all areas of Reading, Writing, Maths Science and Combined RWM at 'Expected & Above', showing an upward trend of achievement.
- Our 2019 results for the percentage achieving the 'Expected' standard of Attainment were above the LA and National in across all areas of Reading, Writing, Maths Science and Combined RWM.
- Our 2019 results for the percentage achieving 'Greater Depth' Attainment were better than last year in across all areas of Reading, Writing, Maths Science and Combined RWM at KS1.
- Our 2019 results for the percentage achieving 'Greater Depth' Attainment were above the LA and National at Greater Depth across all areas of Reading, Writing, Maths Science and Combined RWM at KS1.
- Our 2019 results for the percentage of boys achieving the 'Expected' standard and 'Greater Depth' Attainment was above the LA & National in across Reading, Writing and Maths.
- Our 2019 results for the percentage of girls achieving the 'Expected' standard and 'Greater Depth' were above the LA in all areas. Girls were also above National in all areas achieving the 'Expected' standard and for 'Greater Depth' in Writing and Maths.

End of year assessment point:	Academic Year 2018-2019
Phonics	% Achieved expected & above
Year 1 Phonics Check	88.3% ↑
Year 2 Phonics Check (Retakes)	50%
Year 2 Phonics Combined	91.7%

In summary:

- In Year 1 our 2019 results saw a 5-year increasing trend in the percentage of All Pupils achieving the Expected standard in the Phonics screen.
- In Year 1 our 2019 results were above the LA and National for 'All Pupils' Passing the Phonics Screen.
- In Year 1 our 2019 results for the Phonics Screen are above National and the City for girls and boys, with the boys also improving upon the percentage passing in 2018.
- In Year 2 our 2019 results for the Phonics Screen were above the LA and just below National for Passing the Phonics Screen Retakes.
- In Year 2 our 2019 combined results for the Phonics Screen are above the LA and National for Passing the Phonics Screen accumulatively.
- In Year 2 our 2019 results for the Phonics Screen saw Boys above the LA and Girls above the LA and National for Passing the Phonics Screen accumulatively.

# THE LIGHTHOUSE TRUST

## TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

End of year assessment point: <u>End of Foundation Stage</u>	Academic year 2018-19 % Achieved 'Expected & above'	Academic year 2018-19 % Achieved 'Exceeding'
Personal Social Emotional (TA) (Self confidence, Managing Feelings & Behaviours & Making Relationships)	83.1%	1.7% ↑
Communication (TA) (Listening & Attention, Undersanding & Speaking)	78%	6.8%↑
Physical (TA) (Moving & Handling & Health Self Care)	83.1%	3.4%
Reading (TA)	74.6% =	13.6%↑
Writing (TA)	72.9% ↑	18.6%↑
Maths (TA)	71.2%	8.5%↑
Good Level Development (TA)	67.8% =	

In summary:

- Our Good Level of Development has seen the 4-year upward trend maintained with 2019 matching 2018's result of 68%.
- At the end of EYFS our 2019 Good Level of Development is just above the City.
- At the end of EYFS our 2019 results at 'Expected' are equal to 2018 in Reading and above our 2018 results in Writing.
- At the end of EYFS our 2019 results for 'Exceeding' are above last year in PSE, Communication, Reading, Writing and Maths.
- At the end of EYFS our 2019 results are above the City in PSE, Communication, Physical, Reading, and Writing at 'Expected' and in line for Maths. 2019 EYFS results are also above the city for 'Exceeding' in Writing.
- At the end of EYFS our 2019 results are above National in Writing at 'Exceeding' and broadly in line with National for Literacy at 'Expected'.
- At the end of EYFS our 2019 results saw boys improve upon 2018 for a 'Good Level of Development' and girls performed better than the LA with their 'Good Level of Development'.

### Pupil premium

- At EYFS in 2019 our Pupil Premium children performed better than the previous year in terms of their 'Good Level of Development', PSE & Communication at 'Expected', Writing at 'Expected' & 'Exceeding' and Maths at 'Exceeding'. They also maintained their performance in PSE at 'Exceeding' and Physical at 'Expected'.
- At the end of EYFS our 2019 results show Pupil Premium children performed better than the LA in their 'Good Level of Development'; PSE & Communication at 'Expected', Physical & Reading at 'Expected' and Writing and Maths at both Expected and Exceeding.

# THE LIGHTHOUSE TRUST

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

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- At KS1 in 2019 Pupil Premium children in the Year 1 Phonics Screen performed above the LA, above National and better than last year.
- At KS1 in 2019 our Pupil Premium children performed better than 2018 in Writing at Greater Depth. KS1 Pupil Premium children performed above the LA and National in Maths at 'Expected' but below 2018. KS1 Pupil Premium children performed above the LA, National and last year in Maths at 'Greater Depth'. However, KS1 Pupil Premium performed below last year, the LA and National in Reading overall and at 'Expected' for writing.
- At KS2 in 2019 our Pupil Premium children were better than the LA and National at 'Expected' for GPS, Reading and Maths. KS2 Pupil Premium children were better than the LA & National with their GPS and Maths Scaled Scores. However, Pupil Premium children did not perform as strongly as our 2018 Pupil Premium results and for progress made.

#### Overall

Analysis of achievement data for pupil attainment and progress demonstrates that the board of trustees has utilised its financial resources, including the Pupil Premium Grant, to ensure that pupils achieve well and make progress at broadly in line with National or better.

#### Attendance

Overall attendance has been consistent over the last 3 years at around 96%.

Our Absent Rate remains below the City as in the previous years and we expect to continue to be in line with National.

Our Persistently Absent Rate remains below the City and National as in the previous 3 years.

We had no fixed term or permanent exclusions in the year 2018-2019.

#### Key performance indicators

At the End of Foundation Stage, our Good Level of Development has seen a 4-year upward trend maintained in 2019 at 68% and is just above the City. At the end of EYFS our 2019 results are above the City in PSE, Communication, Physical, Reading and Writing at 'Expected' and in line for Maths. 2019 EYFS results are also above the city for 'Exceeding' in Writing. At the end of EYFS our 2019 results are above National in writing at 'Exceeding' and broadly in line with National for Literacy at 'Expected'.

The Year 1 Phonics Check results in Year 1 were above the LA and National for 'All Pupils' Passing the Phonics Screen and in Year 2 were above the LA and just below National for Passing the Phonics Screen Retakes. Our Year 2 2019 combined results for the Phonics Screen are above the LA and National for Passing the Phonics Screen accumulatively.

At the End of Key Stage 1, our results for those achieving the Expected Standard in July 2019 saw an increase in every area of attainment compared to 2018. Our 2019 results for the percentage achieving the 'Expected' standard of Attainment were above the LA and National in across all areas of Reading, Writing, Maths Science and Combined RWM. Our 2019 results for the percentage achieving 'Greater Depth' Attainment were above the LA and National at Greater Depth across all areas of Reading, Writing, Maths Science and Combined RWM at KS1.

At the End of Key Stage 2, our 2019 results saw an increase in Maths attainment compared to 2018. Our 2019 KS2 results for the percentage achieving the 'Expected' standard of Attainment was above National in all areas, Reading, Maths, Grammar Punctuation and Spelling, Science and for Combined Subjects as in 2018. 2019 KS2 results at the high standard were above the LA for Maths, GPS and Combined RWM and also above National in Maths. Our 2019 KS2 Scaled Scores were above the LA in Reading and above the LA and National in Maths and GPS.

Pupil Premium children performed better than the LA in their 'Good Level of Development'; PSE and Communication at 'Expected', Physical and Reading at 'Expected' and Writing and Maths at both Expected and Exceeding at the end of EYFS in 2019. Pupil Premium children performed above the LA, above National and better than last year in the Year 1 Phonics Screen. Pupil Premium children performed above the LA and National in Maths at 'Expected' and at 'Greater Depth' in KS1. However, Pupil Premium performed below last year, the LA and National in Reading overall and at 'Expected' for writing at KS1. Pupil Premium children were better than the LA and National at 'Expected' for GPS, Reading and Maths at KS2. KS2 Pupil Premium children were also better than the LA & National with their GPS and Maths Scaled Scores.

# THE LIGHTHOUSE TRUST

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

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Analysis of achievement data for pupil attainment and progress demonstrates that the board of trustees has utilised its financial resources, including the Pupil Premium Grant, to ensure that pupils achieve well and make all pupils make progress at broadly in line with National or better.

Financial performance is monitored monthly by the chair of trustees and head teacher and termly by the Leadership & Management Committee through analysis of the management accounts report (balance sheet and statement of accounts, cash flow statement and budget monitoring report). The Ofsted inspection in June 2019 judged the school to be 'Good and Improving'. This shows that funds are being used effectively to achieve high standards. The trustees monitor expenditure against budget and ensure that funds are being spent correctly and appropriately.

Budgeted revenue expenditure for the year 2018-19 was £2,234k but actual revenue expenditure was £2,424k. The variance of £190k related to £80,000 LGPS and £180,000 used for essential premises improvements and resources (including KS2 toilet refurbishment, first aid room and classroom sink facilities).

#### Going concern

After making appropriate enquiries, the board of trustees has a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, the board of trustees continues to adopt the going concern basis in preparing the accounts. Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies.

#### **Financial review**

Most of the academy's income is obtained from the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, some of which are restricted to particular purposes.

During the period ended 31 August 2019 the expenditure of restricted general funds of £2,143,000 (excluding costs of £80,000 (relating to the LGPS) was covered by recurrent grant funding from the ESFA.

Expenditure has supported key objectives through the improvement of facilities and resources including improvements to outdoor learning facilities and the indoor learning environment, learning experiences, staff development and training and teaching and learning resources.

The financial statements show net expenditure of £260,000 for the period.

The financial statements show a net movement in funds of (£580,000) for the period. This includes actuarial losses on the defined benefit pension scheme of £320,000. Excluding these amounts, the financial statements show net expenditure of £260,000 for the period.

The total reserves carried forward as at 31 August 2019 (excluding the pension reserve) were £6,590,000, made up of restricted fixed asset funds £6,511,000 and unrestricted funds £79,000.

#### Reserves policy

The trustees review the reserve levels of the academy annually. The review encompasses the nature of income and expenditure stream, the need to match income with commitments and the nature of reserves. The trustees have determined that the usual appropriate level of free reserves should be equivalent to approximately £100,000. This is to provide sufficient working capital to cover unexpected emergencies. The academy's current level of free reserves (total funds less the amount held in fixed assets restricted fund but excluding the pension reserve) is £79,000. To bring the level of reserves back in line with policy several steps are being taken including:

- cost saving by using internal cover instead of purchasing supply cover;
- introducing charges for trips;
- streamlining purchased services and resources; and
- increasing income from letting opportunities.

Total funds as at 31 August 2019 were £5,687,000, made up of restricted fixed asset funds £6,511,000, unrestricted funds £79,000 and pension deficit (£903,000).

# THE LIGHTHOUSE TRUST

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

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#### Investment policy

The academy will look to invest any surplus funds it has in short term deposits which, whilst not generating substantial returns, do ensure that the academy can gain easy access to its funds and minimise its exposure to any losses.

#### Principal risks and uncertainties

The main risks to which The Lighthouse Trust is exposed relate mainly to:

- Changes in government legislation and funding.
- Reduction in pupil numbers.
- Potential of reduced funding and cash flow.

These are managed through monthly monitoring of financial reports (including cash flow reports and expenditure against budget) by the chair of trustees and head teacher and termly by the Leadership & Management Governors' Committee.

#### Financial and risk management objectives and policies

Trustees examine the financial health every term, reviewing performance against budgets and overall expenditure by means of regular update reports at full trustees' meetings. The trustees also regularly review cash flow to ensure sufficient funds are held to cover all known and anticipated commitments.

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

The trustees recognise that the defined benefit scheme deficit (Local Government Pension Scheme) represents a significant potential liability. However, as the trustees consider that the academy is able to meet its known annual contribution commitments for the unforeseeable future, the risk from this liability is minimised.

#### **Fundraising**

Fundraising is carried out each year by the PTFA group of volunteers through a variety of events. The PTFA contributes towards the cost of activities, special projects and outings that will benefit the pupils. The following principles ensure probity and effectiveness:

- Trustees monitor the PTFA account and the planned activities to ensure the academy's values are upheld and that good relationships with donors and the public are kept.
- The PTFA is managed by the business & operations manager and other staff and all volunteers are made aware of the academy expectations and standards of practice.
- The same risk principles are applied to the PTFA fundraising that are applied to the academy to ensure that risk of loss and fraud is reduced.
- Trustees ensure that all fundraising follows the appropriate laws and regulations.
- The income and expenditure of the PTFA group is openly relayed to all stakeholders to ensure accountability.

#### **Plans for future periods**

The board of trustees continually reviews and plans for work to improve the facilities available to provide enhanced opportunities for its pupils, staff and the community.

Key objectives for the future include:

- developing a multi-use games area to enhance pupil wellbeing;
- continuing to provide support and activities for families;
- create a Nurture Hub that supports pupils with attendance or behaviour concerns;
- continue to improve reading provision across the school with a particular focus on promoting the love of reading; and
- further develop the quality of Teaching, Learning and Assessment within the Foundation subjects.

The senior leadership team (SLT) are ensuring staff are developed and financial support has been allocated in the budget to support these objectives. The progress will be monitored by the SLT.

# THE LIGHTHOUSE TRUST

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2019**

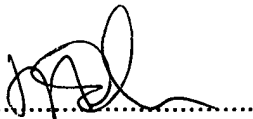
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### **Auditor**

In so far as the trustees are aware:

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

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 11 December 2019 and signed on its behalf by:



.....  
**Mr D Dickinson**  
**Chair of trustees**

# THE LIGHTHOUSE TRUST

## GOVERNANCE STATEMENT

**FOR THE YEAR ENDED 31 AUGUST 2019**

### Scope of responsibility

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

The board of trustees has delegated the day-to-day responsibility to the head teacher, 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 The Lighthouse Trust and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

### Governance

The information on governance included here supplements that described in the trustees' report and in the statement of trustees' responsibilities. The full board of trustees has formally met 3 times during the year. Effective financial oversight is maintained through 4 Leadership & Management Committee meetings. Attendance during the year at meetings of the board of trustees was as follows (numbers also include sub-committees):

Trustee	Meetings attended	Out of a possible
Miss S Ashley (Accounting officer)	11	11
Mr D Dickinson (Chair of trustees)	10	11
Mr M Aldridge	3	8
Mrs J Chadwick	8	11
Miss H Cooper	3	3
Miss S Craig (resigned 09 July 2019)	1	3
Miss E Ford	2	3
Ms L Kendrick	5	5
Mrs R Millington	2	3
Mrs K Whitmore	10	11

The trustees (governors) review the range of skills available in their membership annually, regularly attend training and identify personal development opportunities. In November 2018 governors completed the National Governance Association Skills Audit & Matrix. This identified strengths and weaknesses in each member of the governing body. Through analysing the Skills Audit governors were then able to identify weaknesses in their skill set and identify training. It also highlighted weaknesses in the Governing Body's skill set (e.g. Business and Finance skills). This enabled the governors to identify and appoint new governors, experienced in these areas, to strengthen the board. An external review will be conducted in the Spring Term 2020.

The Leadership & Management Committee is a sub-committee of the main board of trustees. Its purpose is to:

- maintain effective oversight of funds;
- monitor all financial activities and budget preparation and approval;
- act as the audit committee and review all audits and their recommendations;
- oversee all premises-related matters;
- oversee all staffing and HR matters; and
- oversee all Data Protection matters and review GDPR audits and their recommendations.

Attendance at committee meetings in the year 2018/19 was as follows:

Trustee	Meetings attended	Out of a possible
Miss S Ashley (Accounting officer)	4	4
Mr D Dickinson (Chair of trustees)	4	4
Mr M Aldridge	2	4
Mrs J Chadwick	4	4
Mr P Dale (Chief financial officer)	4	4
Mrs K Whitmore	3	4

# THE LIGHTHOUSE TRUST

## GOVERNANCE STATEMENT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

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#### **Review of value for money**

As accounting officer the head teacher has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The accounting officer considers how the academy trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where available. The accounting officer for the academy trust has delivered improved value for money during the year by:

- collaborative purchasing with other local schools;
- sharing training events with other schools;
- internal cover for absent staff;
- cost savings through reducing printing by publishing the weekly newsletter electronically;
- allowing community groups to use the facilities during evenings;
- carrying out 'in-house' training for staff; and
- cost savings through removing the use of single-use plastic.

#### **The purpose of the system of internal control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The system of internal control has been in place in The Lighthouse Trust for the period 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements.

#### **Capacity to handle risk**

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the board of trustees.

#### **The risk and control framework**

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

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

The board of trustees has considered the need for a specific internal audit function and has decided:

- to appoint Haines Watts as internal auditor.

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

- Reviewing the academy's website and ensuring it complied with the requirements of the DfE and the Academies Financial Handbook.
- Checking that the bank was reconciled and authorised.
- Reviewing the trial balance and bank statements for material and/or unusual items.

# THE LIGHTHOUSE TRUST

## GOVERNANCE STATEMENT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2019**

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- Regularity and propriety – checking of all invoices (purchase order, non-purchase order, charge card and petty cash) for one month. Checking charge cards have supporting receipts for all transactions for one month.
- Checking that controls over expenditure are operating as documented and effectively.
- Reviewing the register of pecuniary interests.
- Reviewing the asset register and carrying out physical checks on equipment.
- Reviewing pupil premium information reported on the academy's website – checking template covers DfE requirements, agreeing income to remittances & expenditure to invoices.

On a quarterly basis, the auditor reports to the board of trustees, through the Leadership & Management Governors' Committee, on the operation of the systems of control and on the discharge of the financial responsibilities of the board of trustees.

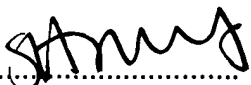
### **Review of effectiveness**

As accounting officer, the head teacher has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the internal auditor;
- the work of the external auditor; and
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the Leadership and Management Governors' Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the board of trustees on 11 December 2019 and signed on its behalf by:



.....  
**Miss S Ashley**  
Accounting officer



.....  
**Mr D Dickinson**  
Chair of trustees

# **THE LIGHTHOUSE TRUST**

## **STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE**

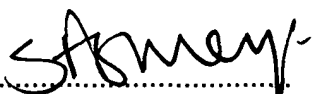
**FOR THE YEAR ENDED 31 AUGUST 2019**

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As accounting officer of The Lighthouse Trust I have considered my responsibility to notify the academy trust board of trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2018.

I confirm that I and the academy trust's board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2018.

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.



.....  
**Miss S Ashley**  
**Accounting officer**

Date: 11 December 2019

# THE LIGHTHOUSE TRUST

## STATEMENT OF TRUSTEES' RESPONSIBILITIES

**FOR THE YEAR ENDED 31 AUGUST 2019**

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The trustees (who are also the directors of The Lighthouse Trust for the purposes of company law) are responsible for preparing the trustees' report and the accounts in accordance with the Academies Accounts Direction 2018 to 2019 published by the Education & 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 accounts for each financial year. Under company law, the trustees must not approve the accounts 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 accounts, the trustees are required to:

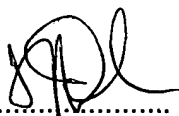
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts 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 accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

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

Approved by order of the members of the board of trustees on 11 December 2019 and signed on its behalf by:



.....  
**Mr D Dickinson**  
**Chair of trustees**

# THE LIGHTHOUSE TRUST

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE LIGHTHOUSE TRUST

**FOR THE YEAR ENDED 31 AUGUST 2019**

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### Opinion

We have audited the accounts of The Lighthouse Trust for the year ended 31 August 2019 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2019 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019.

### Basis for opinion

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

### Conclusions relating to going concern

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

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

### Other information

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

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

We have nothing to report in this regard.

# THE LIGHTHOUSE TRUST

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE LIGHTHOUSE TRUST (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2019**

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### **Opinions on other matters prescribed by the Companies Act 2006**

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

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

### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report, including the incorporated strategic report.

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

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

### **Responsibilities of trustees**

As explained more fully in the statement of trustees' responsibilities, the trustees are responsible for the preparation of the accounts 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 accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, the trustees are responsible for assessing the academy trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the accounts**

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

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

# THE LIGHTHOUSE TRUST

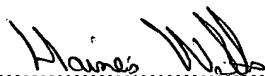
## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE LIGHTHOUSE TRUST (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2019**

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### **Use of our report**

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



.....  
**John Whittick BSc FCA (Senior Statutory Auditor)**

**for and on behalf of**

**Haines Watts**

**Chartered Accountants**

**Statutory Auditor**

Bridge House

Ashley Road

Hale

Altrincham

WA14 2UT

Date .....  .....

# **THE LIGHTHOUSE TRUST**

## **INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE LIGHTHOUSE TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY**

***FOR THE YEAR ENDED 31 AUGUST 2019***

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In accordance with the terms of our engagement letter dated 21 December 2015 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Lighthouse Trust during the period 1 September 2018 to 31 August 2019 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 The Lighthouse Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to The Lighthouse Trust and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than The Lighthouse Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

### **Respective responsibilities of The Lighthouse Trust's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of The Lighthouse Trust's funding agreement with the Secretary of State for Education dated 30 August 2016 and the Academies Financial Handbook, extant from 1 September 2018, 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 2018 to 2019. 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 period 1 September 2018 to 31 August 2019 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

### **Approach**

We conducted our engagement in accordance with the Academies Accounts Direction 2018 to 2019 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

# THE LIGHTHOUSE TRUST

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

**FOR THE YEAR ENDED 31 AUGUST 2019**

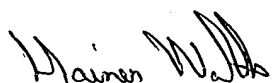
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The work undertaken to draw to our conclusion includes:

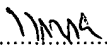
- We have confirmed that the activities conform to the academy trust's framework of authorities. As identified by review of minutes, management accounts, discussion with the accounting officer and other key management personnel.
- We have carried out an analytical review as part of the consideration of whether general activities of the academy trust are within the academy trust's framework of authorities.
- We have considered the evidence supporting the accounting officer's statement on regularity, propriety and compliance and have evaluated the general control environment of the academy trust and extended the procedures required for financial statements to include regularity.
- We have assessed and tested a sample of the specific control activities over regularity of a particular activity. In performing sample testing of expenditure, we have considered whether the activity is permissible within the academy trust's framework of authorities. We confirm that each item tested has been appropriately authorised in accordance with the academy trust's delegated authorities and that the internal delegations have been approved by the board of trustees, and conform to the limits set by the Department for Education.
- Formal representations have been obtained from the board of trustees and the accounting officer acknowledging their responsibilities including disclosing all non-compliance with laws and regulations specific to the authorising framework, access to accounting records, provision of information and explanations, and other matters where direct evidence is not available.
- In performing sample testing of expenditure, we have reviewed against specific terms of grant funding within the funding agreement. We have reviewed the list of suppliers and have considered whether supplies are from related parties and have reviewed minutes for evidence of declaration of interest, and whether or not there was involvement in the decision to order from this supplier.
- We have performed sample testing of other income and tested whether activities are permitted within the academy trust's charitable objects.

### Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



.....  
**Haines Watts**  
**Reporting Accountant**

Date ..... 

# THE LIGHTHOUSE TRUST

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT AND STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

FOR THE YEAR ENDED 31 AUGUST 2019

	Notes	Unrestricted Funds £000	Restricted funds: General £000	Fixed asset £000	Total 2019 £000	Total 2018 £000
<b>Income and endowments from:</b>						
Donations and capital grants	3	4	-	27	31	12
Donations - transfer from local authority on conversion		-	-	-	-	449
Charitable activities:						
- Funding for educational operations	4	-	2,163	-	2,163	2,139
Other trading activities	5	163	-	-	163	172
<b>Total</b>		<u>167</u>	<u>2,163</u>	<u>27</u>	<u>2,357</u>	<u>2,772</u>
<b>Expenditure on:</b>						
Raising funds	6	10	-	-	10	-
Charitable activities:						
- Educational operations	7	191	2,223	193	2,607	2,623
<b>Total</b>	6	<u>201</u>	<u>2,223</u>	<u>193</u>	<u>2,617</u>	<u>2,623</u>
<b>Net income/(expenditure)</b>		(34)	(60)	(166)	(260)	149
Transfers between funds	15	-	(20)	20	-	-
<b>Other recognised gains/(losses)</b>						
Actuarial (losses)/gains on defined benefit pension schemes	18	-	(320)	-	(320)	157
<b>Net movement in funds</b>		(34)	(400)	(146)	(580)	306
<b>Reconciliation of funds</b>						
Total funds brought forward		<u>113</u>	<u>(503)</u>	<u>6,657</u>	<u>6,267</u>	<u>5,961</u>
Total funds carried forward		<u>79</u>	<u>(903)</u>	<u>6,511</u>	<u>5,687</u>	<u>6,267</u>

# THE LIGHTHOUSE TRUST

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT AND STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Comparative year information Year ended 31 August 2018	Notes	Unrestricted Funds £000	Restricted funds: General £000	Fixed asset £000	Total 2018 £000
<b>Income and endowments from:</b>					
Donations and capital grants	3	3	-	9	12
Donations - transfer from local authority on conversion		-	-	449	449
<b>Charitable activities:</b>					
- Funding for educational operations	4	-	2,139	-	2,139
Other trading activities	5	172	-	-	172
<b>Total</b>		<u>175</u>	<u>2,139</u>	<u>458</u>	<u>2,772</u>
<b>Expenditure on:</b>					
<b>Charitable activities:</b>					
- Educational operations	7	196	2,238	189	2,623
<b>Total</b>	6	<u>196</u>	<u>2,238</u>	<u>189</u>	<u>2,623</u>
<b>Net income/(expenditure)</b>		(21)	(99)	269	149
Transfers between funds	15	-	(46)	46	-
<b>Other recognised gains/(losses)</b>					
Actuarial gains on defined benefit pension schemes	18	-	157	-	157
<b>Net movement in funds</b>		(21)	12	315	306
<b>Reconciliation of funds</b>					
Total funds brought forward		<u>134</u>	<u>(515)</u>	<u>6,342</u>	<u>5,961</u>
Total funds carried forward		<u>113</u>	<u>(503)</u>	<u>6,657</u>	<u>6,267</u>


# THE LIGHTHOUSE TRUST

## BALANCE SHEET

AS AT 31 AUGUST 2019

		2019	2018
	Notes	£000	£000
<b>Fixed assets</b>			
Tangible assets	11	6,511	6,657
<b>Current assets</b>			
Debtors	12	69	71
Cash at bank and in hand		126	154
		195	225
<b>Current liabilities</b>			
Creditors: amounts falling due within one year	13	(116)	(112)
<b>Net current assets</b>		79	113
<b>Net assets excluding pension liability</b>		6,590	6,770
Defined benefit pension scheme liability	18	(903)	(503)
<b>Total net assets</b>		5,687	6,267
<b>Funds of the academy trust:</b>			
<b>Restricted funds</b>	15		
- Fixed asset funds		6,511	6,657
- Pension reserve		(903)	(503)
<b>Total restricted funds</b>		5,608	6,154
<b>Unrestricted income funds</b>	15	79	113
<b>Total funds</b>		5,687	6,267

The accounts were approved by the trustees and authorised for issue on 11 December 2019 and are signed on their behalf by:

  
 .....  
**Mr D Dickinson**  
 Chair of trustees

Company Number 09671531

# THE LIGHTHOUSE TRUST

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2019

		2019		2018	
	Notes	£000	£000	£000	£000
<b>Cash flows from operating activities</b>					
Net cash (used in)/provided by operating activities	17		(8)		462
<b>Cash flows from investing activities</b>					
Capital grants from DfE Group		27		9	
Purchase of tangible fixed assets		(47)		(504)	
<b>Net cash used in investing activities</b>			(20)		(495)
<b>Net decrease in cash and cash equivalents in the reporting period</b>			(28)		(33)
Cash and cash equivalents at beginning of the year			154		187
<b>Cash and cash equivalents at end of the year</b>			126		154

# THE LIGHTHOUSE TRUST

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 AUGUST 2019

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#### 1 Accounting policies

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

##### 1.1 Basis of preparation

The accounts of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The Lighthouse Trust meets the definition of a public benefit entity under FRS 102.

##### 1.2 Going concern

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable company 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 accounts and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern. Thus they continue to adopt the going concern basis of accounting in preparing the accounts.

##### 1.3 Income

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

###### Grants

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

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

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

###### Donations

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

###### Other income

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the academy trust has provided the goods or services.

###### Donated goods, facilities and services

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the accounts until they are sold. This income is recognised within 'Income from other trading activities'.

# THE LIGHTHOUSE TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### 1 Accounting policies

#### Donated fixed assets

Donated fixed assets are measured at fair value unless it is impractical to measure this reliably, in which case the cost of the item to the donor is used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's accounting policies.

#### Transfer of assets on conversion

Where assets and liabilities are received by the academy trust on conversion to an academy, the transferred net assets are measured at fair value and recognised in the balance sheet at the point when the risks and rewards of ownership pass to the academy trust. Income equal to the net assets transferred on conversion is recognised within donations and capital grant income.

### 1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

#### Expenditure on raising funds

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

#### Charitable activities

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

### 1.5 Tangible fixed assets and depreciation

Assets costing £1,000 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 that require the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the statement of financial activities and carried forward in the balance sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the statement of financial activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

Leasehold buildings	50 years straight line
Leasehold improvements	50 years straight line
Computer equipment	3 years straight line
Furniture & equipment	5 years straight line
Leasehold land	nil

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

# THE LIGHTHOUSE TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

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#### 1 Accounting policies

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

#### 1.6 Liabilities

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the academy trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

#### 1.7 Leased assets

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

#### 1.8 Financial instruments

The academy trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the academy trust and their measurement basis are as follows.

##### Financial assets

Trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

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

##### Financial liabilities

Trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. Taxation and social security are not included in the financial instruments disclosure definition.

Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

#### 1.9 Taxation

The academy trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by chapter 3 part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

#### 1.10 Pensions benefits

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

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

# THE LIGHTHOUSE TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

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### 1 Accounting policies

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the statement of financial activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

#### 1.11 Fund accounting

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

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

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

#### 1.12 PFI arrangements

The Academy has a PFI arrangement in place which covers maintenance and facility management arrangements. Payments are accounted for in the period to which they relate. The academy buildings were built under a PFI agreement, as at 31 August 2019 the agreement had a further 6 years to run. The local authority will continue to pay the unitary charge to the PFI provider under the pre-existing PFI contract. In turn, the academy trust will continue to pay the local authority but there may be a shortfall, known as an affordability gap, which fluctuates based on the number of pupils attending the school in any given academic year. The local authority will fund the affordability gap until the contract expires.

### 2 Critical accounting estimates and areas of judgement

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

#### Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 18, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

# THE LIGHTHOUSE TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### 3 Donations and capital grants

	Unrestricted funds £000	Restricted funds £000	Total 2019 £000	Total 2018 £000
Capital grants	-	27	27	9
Other donations	4	-	4	3
	<u>4</u>	<u>27</u>	<u>31</u>	<u>12</u>

### 4 Funding for the academy trust's educational operations

	Unrestricted funds £000	Restricted funds £000	Total 2019 £000	Total 2018 £000
<b>DfE / ESFA grants</b>				
General annual grant (GAG)	-	1,628	1,628	1,612
Other DfE group grants	-	271	271	253
	<u>-</u>	<u>1,899</u>	<u>1,899</u>	<u>1,865</u>
<b>Other government grants</b>				
Local authority grants	-	264	264	274
	<u>-</u>	<u>264</u>	<u>264</u>	<u>274</u>
<b>Total funding</b>	<u>-</u>	<u>2,163</u>	<u>2,163</u>	<u>2,139</u>

The academy trust received £264,000 from the local authority in the year, being £56,000 high needs funding, £7,000 pupil premium funding, £6,000 Education Life Skills funding and £195,000 early years funding.

There were no unfulfilled conditions or other contingencies relating to grants in the year.

### 5 Other trading activities

	Unrestricted funds £000	Restricted funds £000	Total 2019 £000	Total 2018 £000
Hire of facilities	1	-	1	1
Catering income	42	-	42	45
Other income	120	-	120	126
	<u>163</u>	<u>-</u>	<u>163</u>	<u>172</u>

# THE LIGHTHOUSE TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### 6 Expenditure

	Staff costs £000	Non Pay Expenditure Premises £000	Other £000	Total 2019 £000	Total 2018 £000
Expenditure on raising funds					
- Direct costs	-	-	10	10	-
Academy's educational operations					
- Direct costs	1,406	174	90	1,670	1,663
- Allocated support costs	453	220	264	937	960
	<u>1,859</u>	<u>394</u>	<u>364</u>	<u>2,617</u>	<u>2,623</u>

Net income/(expenditure) for the year includes:

	2019 £000	2018 £000
Fees payable to auditor for audit services	6	6
Operating lease rentals	5	5
Depreciation of tangible fixed assets	193	189
Net interest on defined benefit pension liability	15	15

### 7 Charitable activities

	Unrestricted funds £000	Restricted funds £000	Total 2019 £000	Total 2018 £000
Direct costs				
Educational operations	191	1,479	1,670	1,663
Support costs				
Educational operations	-	937	937	960
	<u>191</u>	<u>2,416</u>	<u>2,607</u>	<u>2,623</u>

Analysis of costs

	2019 £000	2018 £000
Direct costs		
Teaching and educational support staff costs	1,406	1,397
Staff development	8	13
Depreciation	174	170
Technology costs	6	7
Educational supplies and services	49	50
Educational consultancy	7	12
Other direct costs	20	14
	<u>1,670</u>	<u>1,663</u>

# THE LIGHTHOUSE TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### 7 Charitable activities

Support costs	2019 £000	2018 £000
Support staff costs	453	498
Depreciation	19	19
Maintenance of premises and equipment	117	115
Cleaning	45	39
Rent, rates and other occupancy costs	7	5
Insurance	32	34
Security and transport	4	-
Catering	125	124
Finance costs	15	15
Other support costs	103	96
Governance costs	17	15
	<u>937</u>	<u>960</u>

Maintenance of premises includes PFI charges totalling £90,000. These amounts are paid to the local authority, are index linked and the Academy is committed to these payments until 2025.

### 8 Staff

#### Staff costs

Staff costs during the year were:

	2019 £000	2018 £000
Wages and salaries	1,406	1,379
Social security costs	119	115
Pension costs	311	344
	<u>1,836</u>	<u>1,838</u>
Agency staff costs	23	57
	<u>1,859</u>	<u>1,895</u>
Staff development and other staff costs	8	13
	<u>1,867</u>	<u>1,908</u>

#### Staff numbers

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

	2019 Number	2018 Number
Teachers	17	14
Administration and support	51	53
Management	7	7
	<u>75</u>	<u>74</u>

# THE LIGHTHOUSE TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

#### 8 Staff

##### Higher paid staff

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

	2019 Number	2018 Number
£60,001 - £70,000	-	1
£70,001 - £80,000	1	-

##### Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £420,272 (2018: £391,502).

#### 9 Trustees' remuneration and expenses

One or more trustees has been paid remuneration or has received other benefits from employment with the academy trust. The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment.

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

S Ashley (Headteacher and trustee)

Remuneration: £70,000 - £75,000 (2018: £65,000 - £70,000)

Employer's pension contributions: £10,000 - £15,000 (2018: £10,000 - £15,000)

M Milner (Staff trustee) (resigned as trustee 29/06/18)

Remuneration: £nil (2018: £35,000 - £40,000)

Employer's pension contributions: £nil (2018: £5,000 - £10,000)

M McKay (Staff trustee) (resigned as trustee 14/12/17)

Remuneration: £nil (2018: £10,000 - £15,000)

Employer's pension contributions: £nil (2018: £nil - £5,000)

L Kendrick (Staff trustee)

Remuneration: £15,000 - £20,000 (2018: £15,000 - £20,000)

Employer's pension contributions: £nil - £5,000 (2018: £nil - £5,000)

A Mountford (Staff trustee) (resigned as trustee 14/12/17)

Remuneration: £nil (2018: £5,000 - £10,000)

Employer's pension contributions: £nil (2018: £nil - £5,000)

E Ford (Staff trustee) (appointed as trustee 04/07/18)

Remuneration: £50,000 - £55,000 (2018: £5,000 - £10,000)

Employer's pension contributions: £5,000 - £10,000 (2018: £nil - £5,000)

H Cooper (Staff trustee) (appointed as trustee 04/07/18)

Remuneration: £25,000 - £30,000 (2018: £nil - £5,000)

Employer's pension contributions: £nil - £5,000 (2018: £nil - £5,000)

R Millington (Staff trustee) (appointed as trustee 04/07/18)

Remuneration: £10,000 - £15,000 (2018: £nil - £5,000)

Employer's pension contributions: £nil - £5,000 (2018: £nil - £5,000)

During the year, no expenses were reimbursed to trustees.

# THE LIGHTHOUSE TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

#### 10 Trustees and officers insurance

The academy trust has opted into the Department for Education's Risk Protection Arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business, and provides 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.

#### 11 Tangible fixed assets

	Leasehold land & buildings	Leasehold improvements	Computer equipment	Furniture & equipment	Total
	£000	£000	£000	£000	£000
<b>Cost</b>					
At 1 September 2018	6,703	54	72	206	7,035
Additions	-	41	-	6	47
At 31 August 2019	6,703	95	72	212	7,082
<b>Depreciation</b>					
At 1 September 2018	250	-	48	80	378
Charge for the year	125	2	24	42	193
At 31 August 2019	375	2	72	122	571
<b>Net book value</b>					
At 31 August 2019	6,328	93	-	90	6,511
At 31 August 2018	6,453	54	24	126	6,657

#### 12 Debtors

	2019 £000	2018 £000
VAT recoverable	20	22
Prepayments and accrued income	49	49
	69	71

#### 13 Creditors: amounts falling due within one year

	2019 £000	2018 £000
Trade creditors	2	13
Other taxation and social security	56	56
Accruals and deferred income	58	43
	116	112

# THE LIGHTHOUSE TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

14	Deferred income	2019 £000	2018 £000
	Deferred income is included within:		
	Creditors due within one year	28	35
	Deferred income at 1 September 2018	35	34
	Released from previous years	(35)	(34)
	Resources deferred in the year	28	35
	<b>Deferred income at 31 August 2019</b>	<b>28</b>	<b>35</b>

At the balance sheet date, the academy trust was holding £28,169 (2018: £35,179) received in advance for Universal Infant Free School Meals.

15	Funds	Balance at 1 September 2018 £000	Income £000	Expenditure £000	Gains, losses and transfers £000	Balance at 31 August 2019 £000
	<b>Restricted general funds</b>					
	General Annual Grant (GAG)	-	1,628	(1,608)	(20)	-
	Other DfE / ESFA grants	-	271	(271)	-	-
	Other government grants	-	264	(264)	-	-
	Pension reserve	(503)	-	(80)	(320)	(903)
		<u>(503)</u>	<u>2,163</u>	<u>(2,223)</u>	<u>(340)</u>	<u>(903)</u>
	<b>Restricted fixed asset funds</b>					
	Inherited on conversion	6,588	-	(185)	-	6,403
	DfE group capital grants	9	27	(1)	-	35
	Capital expenditure from GAG	60	-	(7)	20	73
		<u>6,657</u>	<u>27</u>	<u>(193)</u>	<u>20</u>	<u>6,511</u>
	<b>Total restricted funds</b>	<u>6,154</u>	<u>2,190</u>	<u>(2,416)</u>	<u>(320)</u>	<u>5,608</u>
	<b>Unrestricted funds</b>					
	General funds	113	167	(201)	-	79
	<b>Total funds</b>	<u>6,267</u>	<u>2,357</u>	<u>(2,617)</u>	<u>(320)</u>	<u>5,687</u>

# THE LIGHTHOUSE TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

#### 15 Funds

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

Restricted general funds are those that have been designated restricted by the grant provider in meeting the objects of the academy.

Restricted fixed asset funds are those funds relating to the long term assets of the academy used in delivering the objectives of the academy.

Unrestricted funds are those which the board of trustees may use in the pursuance of the academy's objectives and are expendable at the discretion of the trustees.

Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2019.

The transfer from General Annual Grant restricted general fund to restricted fixed asset funds is to meet the cost of fixed asset additions for which there was no specific capital funding in the year.

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

	Balance at 1 September 2017 £000	Income £000	Expenditure £000	Gains, losses and transfers £000	Balance at 31 August 2018 £000
<b>Restricted general funds</b>					
General Annual Grant (GAG)	-	1,612	(1,566)	(46)	-
Other DfE / ESFA grants	25	253	(278)	-	-
Other government grants	-	274	(274)	-	-
Pension reserve	(540)	-	(120)	157	(503)
	<u>(515)</u>	<u>2,139</u>	<u>(2,238)</u>	<u>111</u>	<u>(503)</u>
<b>Restricted fixed asset funds</b>					
Transfer on conversion	6,323	449	(184)	-	6,588
DfE group capital grants	-	9	-	-	9
Capital expenditure from GAG	19	-	(5)	46	60
	<u>6,342</u>	<u>458</u>	<u>(189)</u>	<u>46</u>	<u>6,657</u>
<b>Total restricted funds</b>	<u>5,827</u>	<u>2,597</u>	<u>(2,427)</u>	<u>157</u>	<u>6,154</u>
<b>Unrestricted funds</b>					
General funds	<u>134</u>	<u>175</u>	<u>(196)</u>	<u>-</u>	<u>113</u>
<b>Total funds</b>	<u>5,961</u>	<u>2,772</u>	<u>(2,623)</u>	<u>157</u>	<u>6,267</u>

# THE LIGHTHOUSE TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

#### 16 Analysis of net assets between funds

	Unrestricted Funds £000	General £000	Restricted funds: Fixed asset £000	Total Funds £000
<b>Fund balances at 31 August 2019 are represented by:</b>				
Tangible fixed assets	-	-	6,511	6,511
Current assets	195	-	-	195
Creditors falling due within one year	(116)	-	-	(116)
Defined benefit pension liability	-	(903)	-	(903)
<b>Total net assets</b>	<b>79</b>	<b>(903)</b>	<b>6,511</b>	<b>5,687</b>

	Unrestricted Funds £000	General £000	Restricted funds: Fixed asset £000	Total Funds £000
<b>Fund balances at 31 August 2018 are represented by:</b>				
Tangible fixed assets	-	-	6,657	6,657
Current assets	225	-	-	225
Creditors falling due within one year	(112)	-	-	(112)
Defined benefit pension liability	-	(503)	-	(503)
<b>Total net assets</b>	<b>113</b>	<b>(503)</b>	<b>6,657</b>	<b>6,267</b>

#### 17 Reconciliation of net income/(expenditure) to net cash flows from operating activities

	2019 £000	2018 £000
Net income/(expenditure) for the reporting period	(260)	149
Adjusted for:		
Capital grants from DfE/ESFA and other capital income	(27)	(9)
Defined benefit pension costs less contributions payable	65	105
Defined benefit pension net finance	15	15
Depreciation of tangible fixed assets	193	189
Decrease/(increase) in debtors	2	(21)
Increase in creditors	4	34
<b>Net cash used in operating activities</b>	<b>(8)</b>	<b>462</b>

# THE LIGHTHOUSE TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

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#### 18 Pension and similar obligations

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

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

Contributions amounting to £28,866 were payable to the schemes as at 31 August 2019 (2018: £27,489) and are included within creditors.

#### Teachers' Pension Scheme

##### Introduction

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

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

##### Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014.

The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to the TPS in the period amounted to £112,000 (2018: £109,000).

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

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

# THE LIGHTHOUSE TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

#### 18 Pension and similar obligations

##### Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 24.2% for employers and 5.5-12.5% for employees.

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

<b>Total contributions made</b>	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
Employer's contributions	136	123
Employees' contributions	33	31
	<u>169</u>	<u>154</u>
<b>Total contributions</b>	<b>169</b>	<b>154</b>
<b>Principal actuarial assumptions</b>	<b>2019</b>	<b>2018</b>
	<b>%</b>	<b>%</b>
Rate of increase in salaries	2.7	2.7
Rate of increase for pensions in payment/inflation	2.3	2.3
Discount rate for scheme liabilities	1.9	2.8

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

	<b>2019</b>	<b>2018</b>
	<b>Years</b>	<b>Years</b>
Retiring today		
- Males	21.1	22.1
- Females	23.5	24.4
Retiring in 20 years		
- Males	22.2	24.1
- Females	24.8	26.4

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below:

##### Sensitivity Analysis

<b>Changes in assumptions at 31 August 2019</b>	<b>Approximate % increase to Employer Liability</b>	<b>Approximate monetary amount (£000)</b>
0.5% decrease in Real Discount Rate	18%	289
0.5% increase in the Pension Increase Rate	16%	257
0.5% increase in the Salary Increase Rate	2%	27

# THE LIGHTHOUSE TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

#### 18 Pension and similar obligations

The academy trust's share of the assets in the scheme	2019	2018
	Fair value £000	Fair value £000
Bonds	161	99
Cash	15	16
Equities	496	366
Property	58	42
	<u>730</u>	<u>523</u>
Total market value of assets	<u>730</u>	<u>523</u>

The actual return on scheme assets was £38,000 (2018: £28,000).

Amount recognised in the Statement of Financial Activities	2019	2018
	£000	£000
Current service cost	191	213
Past service cost	10	15
Interest income	(17)	(10)
Interest cost	32	25
	<u>216</u>	<u>243</u>
Total operating charge	<u>216</u>	<u>243</u>

Changes in the present value of defined benefit obligations	2019	2018
	£000	£000
At 1 September 2018	1,026	881
Current service cost	191	213
Interest cost	32	25
Employee contributions	33	31
Actuarial loss/(gain)	341	(139)
Past service cost	10	15
	<u>1,633</u>	<u>1,026</u>
At 31 August 2019	<u>1,633</u>	<u>1,026</u>

Changes in the fair value of the academy trust's share of scheme assets	2019	2018
	£000	£000
At 1 September 2018	523	341
Interest income	17	10
Actuarial gain	21	18
Employer contributions	136	123
Employee contributions	33	31
	<u>730</u>	<u>523</u>
At 31 August 2019	<u>730</u>	<u>523</u>

# THE LIGHTHOUSE TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

#### 19 Commitments under operating leases

At 31 August 2019 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2019 £000	2018 £000
Amounts due within one year	5	5
Amounts due in two and five years	-	5
	<u>5</u>	<u>10</u>

#### 20 Related party transactions

Owing to the nature of the academy trust and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH and in accordance with the academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

No related party transactions took place during the financial period.

#### 21 Members' liability

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