

Company Registration No. 07657235 (England and Wales)

**LIGHTHOUSE HARMONIZE EDUCATION TRUST**

**(A COMPANY LIMITED BY GUARANTEE)**

**ANNUAL REPORT AND ACCOUNTS**

**FOR THE YEAR ENDED 31 AUGUST 2021**

# LIGHTHOUSE HARMONIZE EDUCATION TRUST

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# LIGHTHOUSE HARMONIZE EDUCATION TRUST

## REFERENCE AND ADMINISTRATIVE DETAILS

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**Members**

Elsie Hogan-Edem  
Henry Keesz  
Liverpool Lighthouse Limited, represented by Helen Hawley  
Love and Joy Ministries Ltd, represented by Tanidabi Omideyi  
Modupe Omideyi

**Trustees**

Stephen Allen Harper  
Jennifer Hicks (Resigned 11 October 2021)  
James Angus Osborne-White  
Modupe Victoria Emrica Omideyi (Chair)  
Marie McConville (Principal)  
Osoba Otaigbe (Appointed 21 September 2020)  
Rebecca Jane Ross-Williams  
Anthony Lawson (Staff)

**Senior management team**

- Principal	Marie McConville
- Vice Principal	Carl Parkinson
- Assistant Principal and SENDCo	Gerard Tiernan
- Assistant Principal	Elizabeth Cunningham
- Assistant Principal	Wynn Ridge
- School Business Manager (resigned 16 October 2020)	Catherine Martin
- School Business Manager (appointed 30 September 2020)	Denise McNeil

**Company registration number** 07657235 (England and Wales)

**Registered office**

7 Phillimore Road  
Liverpool  
Merseyside  
L6 6DL

**Independent auditor**

Mitchell Charlesworth LLP  
3rd Floor  
5 Temple Square  
Temple Street  
Liverpool  
Merseyside  
L2 5RH

**Bankers**

The Royal Bank of Scotland plc  
1 Dale Street  
Liverpool  
Merseyside  
L2 2PP

# LIGHTHOUSE HARMONIZE EDUCATION TRUST

## REFERENCE AND ADMINISTRATIVE DETAILS

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### Solicitors

Browne Jacobson LLP  
14 th Floor, No 1 Spinningfields  
1 Hardman Square  
Spinningfields  
Manchester  
M3 3EB

# **LIGHTHOUSE HARMONIZE EDUCATION TRUST**

## **TRUSTEES' REPORT**

### ***FOR THE YEAR ENDED 31 AUGUST 2021***

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The trustees present their annual report together with the accounts and auditor's report of the charitable company for the year 1 September 2020 to 31 August 2021. 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 13-16 serving a catchment area in Merseyside and Cheshire. It has a pupil capacity of 104 and had a roll of 101 in the school census in May 2021.

#### **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.

##### **Trustees**

The trustees of Lighthouse Harmonize Education Trust are also the directors of the charitable company for the purposes of company law. 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**

In accordance with normal commercial practice the Academy has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance is the EFA Risk Protection Arrangement (RPA) and provides £10 million cover for 2021 (£1.5 million in 2020) on any one claim and the cost for the year ended 31st August 2021 was £1,872 (2020 £1,872).

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

In accordance with the Articles of Association, the trust must appoint up to 9 governors (minimum of 3). The Principal is an ex-officio governor. In addition staff and parent governors may be elected, and further governors may be co-opted.

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

All new governors will undergo an induction. They will be given a tour of the Free School and the opportunity to meet with staff and students. Policies, procedures, minutes, accounts, budgets and other documents will be available to governors to enable them to undertake their role. Induction is informal and tailored specifically to the needs of the individual. Training will be provided in identified areas, and will depend on the needs and existing experience of the governing body.

##### **Organisational structure**

The board of governors and administrative details of the Free School are detailed on page 1. Since the Academy opened on 1st April 2013, full Governing Body meetings are held at least once a term to ensure the Free School is run in an efficient and professional manner. The board have appointed three sub-committees: Quality of Education; Arts and Community; Finance and Resources. The members of the Finance and Resources Committee also meet as the Audit Committee. The Pay Committee convene once a year. At the last meeting of the Arts & Community committee (April 2021), it was agreed that the business of the committee would be included as an item on the agenda of The Quality of Education Committee in the future.

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

In line with national pay scales STPCD (School Teachers' Pay and Conditions Document); and recommendations by the STRB (School Teachers' Review Body).

# **LIGHTHOUSE HARMONIZE EDUCATION TRUST**

## **TRUSTEES' REPORT (CONTINUED)**

### **FOR THE YEAR ENDED 31 AUGUST 2021**

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

Love and Joy Ministries Ltd and Liverpool Lighthouse Limited are corporate members of Lighthouse Harmonize Education Trust.

#### **Objectives and activities**

##### **Objects and aims**

The Academy is an Outstanding Alternative Education School for students in Years 9 – 11. It has a Christian ethos that is based on values of trust, respect, compassion and forgiveness which permeate every aspect of school life.

Their aim is to provide every student with a Vision for Life through a personalised curriculum enabling them to fulfil their potential in education, life and employment.

##### **Objectives, strategies and activities**

Harmonize Academy aims to provide an outstanding alternative education for Key Stage 3 and 4 students across Merseyside and Cheshire underpinned by Christian values. Harmonize promotes an inclusive community where everyone feels safe, valued and secure; where students achieve their potential both educationally and personally. This is achieved through high quality teaching and learning in a caring, dynamic environment, where a variety of educational pathways exist to enable all students to achieve the academic success and the maturity of character which will enable them to succeed in adult life.

##### **Public benefit**

The governors confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Academy's aims, planning strategy and future activities. Our activities in 2020/21 demonstrated in all accepted definitions that Lighthouse Harmonize Education Trust provides charitable services that are of public benefit through the preparation to provide secondary education, to advise and support other providers of such secondary education, and to make available the facilities and resources of the Academy for the local community and other charitable purposes. We continue to hold the delivery of public benefit as both central and fundamental to our core activities.

## **Strategic report**

#### **Achievements and performance**

The school's capacity for 2020-21 was 104, comprising 30 places commissioned from Liverpool City Council's Alternative Provision and SEN Teams for students who have been permanently excluded from school, and 74 places commissioned from schools and authorities across Merseyside and Cheshire, for those students in danger of exclusion or for those students who cannot cope in a mainstream setting for a variety of reasons.

Harmonize Academy continues to provide outstanding alternative education with individualised learning pathways that aim to radically improve the achievement and life chances of our students. We strive to help every student on leaving us to progress to continuing education, training or employment.

We aimed to strengthen the focus on the core subjects, English, Maths and Science and improve levels of attainment across the whole curriculum. This included plans to 'catch up' students after a disruptive period of lockdowns, partial opening and remote learning from the previous year due to Covid-19.

We have had another exceptional year with more student referrals than ever and support from the DfE, local authority and local schools to expand the academy from 104 students to 150. A 'significant changes' application was submitted to the DfE in May and approval was given by the RSC and Secretary of State for Education in July 2021.

# LIGHTHOUSE HARMONIZE EDUCATION TRUST

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

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#### **Successful bid to DfE allows Harmonize Academy in Liverpool to improve the lives of almost 50% more students**

Harmonize Academy in Liverpool has made a successful 'significant changes' application to the DfE to create additional student places. From the beginning of the September 2021 academic year, the number of students was officially increased from 104 to 150.

The 'significant changes' application involved a rigorous and challenging process, requiring Harmonize to clearly demonstrate they have a strong team with educational expertise capable of managing and governing the increased student intake.

Since the academy was established in 2013, it has twice been awarded the highest accolade of 'Outstanding' by Ofsted, which was a major factor in enabling the recent application to be submitted.

The application was fully supported by Liverpool City Council's Director of Education, Jonathan Jones, together with Steve Reddy, the Council's Director of Children and Young People's Services and Councillor Tom Logan whose specialist field is education and skills.

Marie McConville, Principal at the Academy, is responsible for managing the expansion. "We have always been proud that every student leaves Harmonize Academy in Year 11 with a broad range of academic and vocational qualifications and 100% of our students move on to further study or an apprenticeship. The increase in student capacity will allow us to provide improved facilities together with a broader and richer range of study options. Harmonize can now transform the lives of more young people by being a shining light in the north west region, with outstanding outcomes." New Schools Network October 2021.

No exams took place again in summer 2021 due to the disruption caused by COVID-19. Schools were required to provide a centre assessed grade (CAG) and teacher assessed grade (TAG) for each student. This was the grade that school believed they would be most likely to achieve had exams gone ahead and taking account of the range of evidence including, current work and controlled assessments. This grade was put through a process of standardisation using a model developed by Ofqual and, we were also required to send evidence of students' work to one exam board randomly selected. All the CAGs and TAGs submitted were accepted and all students were awarded the grade submitted by the school.

During 2020-21, Harmonize Academy continued to develop its curriculum offer with all staff receiving training to deliver lessons through MS TEAMS to conduct online learning to all students if needed. Online lessons were recorded and, we were able to offer 150 online and face to face lessons to students during partial opening in the spring term due to the second national lockdown in January 2021.

All students were base-lined on arrival. Their KS2 results in English and maths were considered and an aspirational target set for the end of KS4. Students were also tested for their current levels in English, maths and science. For students reaching the end of KS4, results were analysed against target to determine whether they had performed better, on or below target grade.

An improvement has been shown this year with a slightly higher point score per pupil (227 points this year compared to 226 last year). We had slightly less qualifications being achieved due to not being able to conduct LAMDA exams during Covid lockdown (472 qualifications in 2020-21 compared to 496 last year). Owing to the broader curriculum, 100% of students were entered for 5 GCSEs or equivalent which is an increase of 10% on the previous year. The GCSE results were, of course, based on teacher assessment as a consequence of the nationwide response to the COVID-19 pandemic. Whilst this has inflated the grades awarded to students nationally, the Academy's results were, nevertheless, very pleasing. It is worthy of note, that there is no reason to suggest that the positive trends in student performance that have been evident year on year at the Academy would not have continued with the 2021 cohort had the normal external examination process remained in operation. The teacher assessments indicate that increases in the number of qualifications awarded, the GCSE grades achieved and students' average GCSE point scores would have risen under "normal" circumstances and therefore, these results, as tabled, are an accurate indication of the students' attainment and progress. Also, because centre assessed grades were submitted this year, it meant that our students achieved the grade they would most likely have achieved if exams had gone ahead. It also meant that students did not have to overcome the disadvantage of exam stress, anxiety and external factors that would normally affect their exam success.





# LIGHTHOUSE HARMONIZE EDUCATION TRUST

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

#### Exam Results 2021

The total point score per pupil at the end of KS4 for the GCSE results was the highest in the school's history. The table below shows the continued year by year progress the school and pupils are making:

	Number of end of key stage 4 pupils	No of Quals	Percentage of pupils entered for 5+ GCSEs or equivalent <sup>3</sup>	Percentage of pupils at the end of key stage 4 achieving						Average GCSE and equivalents point score per pupil at the end of key stage 4
				5+ GCSE at 9-4 or equivalent	5+ 9-4 including English and mathematics GCSEs	5+ GCSE at 9-1 or equivalent	Level 2 English and mathematics skills	Level 1 English and mathematics skills	A pass in any qualification	
Harmonize Academy 2020/2021	45	472	100.0	44.67	33.33	100.00	44.67	100.00	100	227.07
Harmonize Academy 2019/2020	47	496	89.4	35.7	26.6	100.00	46.81	100.00	100	226.15
Harmonize Academy 2018/2019	43	484	81.4	11.4	11.4	96.88	22.37	96.88	100	183.51
Harmonize Academy 2017/2018	43	389	74.4	9.4	3.1	87.50	13.16	94.74	100	164.16
Harmonize Academy 2016/2017	39	362	72.5	13.8	10.3	89.66	15	77.5	100	152.45
Harmonize Academy 2015/2016	39	305	76.3	13.8	13.8	55.17	32.76	63.79	100	124.87
Harmonize Academy 2014/2015	26	151	84.61	0.0	0.0	84.61	11.36	81.82	100	100.88
Harmonize Academy 2013/2014	19	97	68.42	21.05	10.53	47.37	25.00	70.00	100	95.53
Liverpool 2014/2015	147		0.0	0.0	0.0	0.0	0.0	0.0	32.7	17.5
Knowsley 2014/2015	17		0.0	0.0	0.0	0.0	0.0	35.3	88.2	51.0
Sefton 2014/2015	26		19.2	x	x	19.2	x	15.4	73.1	75.3
Manchester 2014/2015	118		28.0	5.9	2.5	25.4	4.2	43.2	72.9	88.1

# LIGHTHOUSE HARMONIZE EDUCATION TRUST

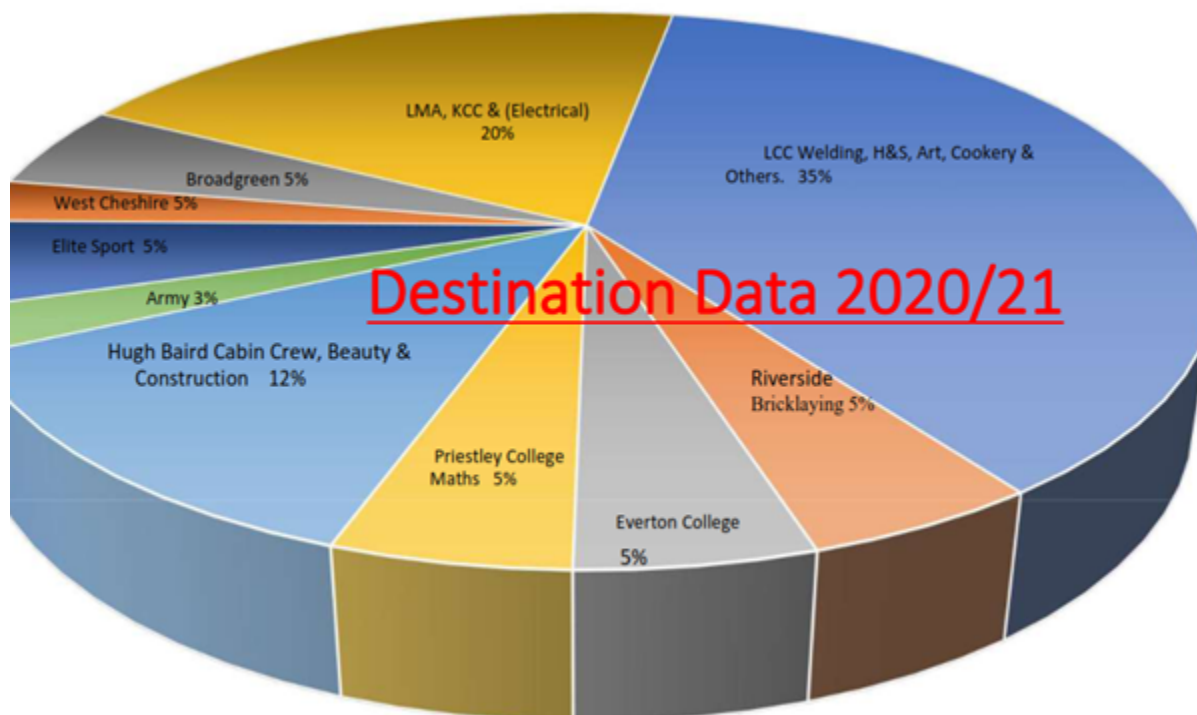
## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2021**

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### Year 11 Destinations

All year 11 students who left the academy in summer 2021 went into education, employment or training, or received ongoing support from *Career Connect*. Many of our leavers enrolled at regional Further Education, Sixth Form Colleges and school sixth forms. Once again, learning and career choices included progression to a diverse range of vocational fields: *Army Career, Art, Beauty, Cookery, Cabin Crew, Football, Health and Social Care, Bricklaying, Construction, Electrical Installation and Engineering*.



# LIGHTHOUSE HARMONIZE EDUCATION TRUST

## TRUSTEES' REPORT (CONTINUED)

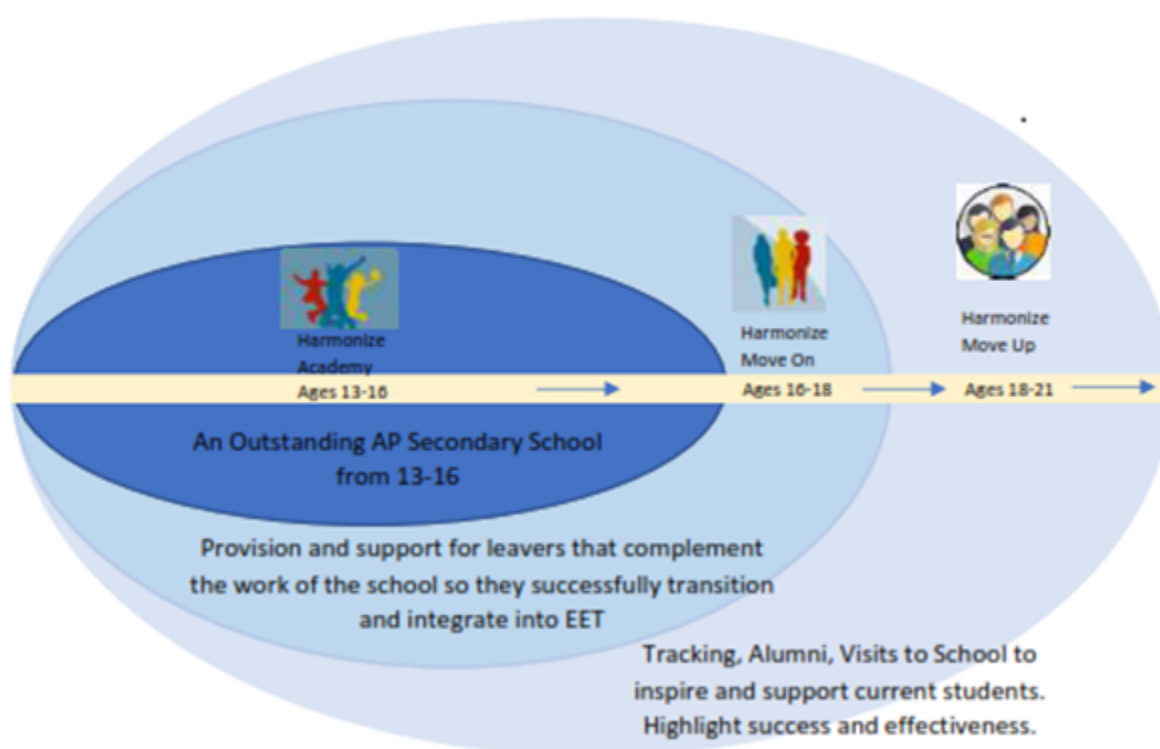
**FOR THE YEAR ENDED 31 AUGUST 2021**

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### Harmonize Academy Move On and Move Up

Harmonize Academy supports the transformation from exclusion-inclusion-career, inspiring students to change their lives, giving them choice and opportunity to succeed. Due to Covid and the disruption to students' education, Minister Ford provided extra funding to support our year 11 students over the summer holidays and the following autumn term to ensure they moved on to continued education, employment and training. Through offering this additional support, we have seen the need to develop a programme of support for students once they Move On from Harmonize and, an alumni tracking programme for students who Move Up to their careers to come back into school to inspire and support our students.

Harmonize Academy supports the transformation from exclusion-inclusion-career, inspiring students to change their lives, giving them choice and opportunity to succeed.



# LIGHTHOUSE HARMONIZE EDUCATION TRUST

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

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#### Partnerships

Over the past year we have worked successfully with the following organisations:

- **British Army for COVID-19 Testing in-school**
- **Career Connect** - Individual Careers advice service offered in school to all year 11s to assist progression; and a downsized careers fair for years 10 and 11 held in school in April attended by four local employers and training providers in person and more online. Hugh Baird College, Rocket Training, Knowsley Community College and St Helens Chamber were represented. Year 11 students visited the stalls in a socially distanced way. Online Learn Live activity sessions were also available and students in years 9, 10 and 11 were able to meet and ask employers questions.
- **Careers** - Apprenticeship Hub Team
- **dot-art Schools Liverpool** – online schools art competition
- **Edge Hill University Faculty of Education**
- **Family First Knowsley**
- **Hugh Baird College** – Mental Health Awareness
- **Karma (Therapies.Training.Courses)** – Beauty Courses Verification
- **Liverpool Dyslexia Centre**- Individual support for students 2 days per week
- **Liverpool Lighthouse**
- **Liverpool Learning Partnership**
- **Liverpool Youth Service**
- **L6 Food Bank**
- **New Schools Network**
- **RARE Dance & Performing Arts Studio**
- **Resonate- Liverpool's Music Hub**- Enrichment Music lessons
- **Royal Court** - Eve's Story
- **University student placements** 1 x Edge Hill University; 2 x LJMU
- **Virtual School Liverpool** - Looked after Children
- **We Are With You** (previously Young Addaction)
- **Young Everyman Playhouse**

#### VIP Visitors

#### Education Visitors and Events 2020-2021

##### Regional:

- **Mr Jonathan Jones, LCC Director of Education**
- **Ms Nikki Walsh, Strategic Lead for Inclusion, LCC**

##### National:

- **Ms Kimberley Harley, Hereford PRU**
- **Mr Mark Williams, HMI AP**

##### Regular Individual Facilitators:

- **Sandra Andrew** – Liverpool Dyslexia Centre
- **Dr Andy Cornes** – Psychologist
- **James Dodd and Matt Humphries** - Resonate
- **Carla Jane** – Choir Tutor
- **Lisa Kirkham** – Career Connect
- **Alex Lowry** – We Are With You
- **James Reader** – Frontrow Films (Harmonize TV) and Photography Tutor
- **Grace Goulding and Matt Rutter** – Young Everyman Playhouse

# LIGHTHOUSE HARMONIZE EDUCATION TRUST

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

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#### The following schools placed students at Harmonize Academy during 2020-21:

*The Alsop High School, Broadgreen International School, Broughton Hall High School, Cardinal Heenan Catholic High School, Childwall Sports and Science Academy, The De La Salle Academy, Fazakerley High School, Gateacre School, Halewood Academy, Helsby High School, Hillside High School, Holly Lodge Girls' College, King David High School, King's Leadership Academy Hawthornes, Kirkby High School, Lawrence House School, Liverpool Life Sciences UTC, Maghull High School, Meadow Park School, New Heights High School, North Liverpool Academy, Notre Dame Catholic College, Ormiston Bolingbroke Academy, Ormiston Chadwick Academy, The Prescott School, Rainhill High School, St Edward's College, The Academy of Saint Francis of Assisi, St Francis Xavier's College, St Julie's Catholic High School, Weatherhead High School, Weaverham High School, West Derby School.*

#### The following Local Authorities placed students at Harmonize Academy during 2020-21:

*Liverpool City Council Alternative Provision Team, Liverpool SEN, Liverpool Virtual School, Cheshire West & Chester Council, Knowsley Metropolitan Borough Council.*

#### Enrichment Trips and Activities

(There were fewer trips than normal due to Covid-19 restrictions and move to remote learning in the Spring term).

- Beauty: End of Year Photoshoot with professional photographer
- Music and Photography: A range of cultural venues and green space parks and gardens
- Performing Arts: *Everyman Theatre* for GCSE performances
- Sports & Fitness: *Anfield Sports Centre*
- Health & Wellbeing activity days to promote positive mental health
- School Council made up and delivered Christmas hampers and parcels for families in need

#### Harmonize Productions:

- Nativity Performance online.
- There were no on-site school productions during the year owing to Covid-19 restrictions.

#### Continuing Professional Development:

- Suicide Awareness (Zero Suicide Alliance) Online
- Wellbeing (Beacon Trust) Online
- 7 Steps to Resilience (PSHE)
- Awarding Organisation webinars relating to Examination and Qualification Assessment 2021
- Postgraduate Award in Assessment for Access Arrangements and Mental Health Foundation Course:  
Second year study - SENDCo/Assistant Principal
- Certificate of Education first year completed by two unqualified teachers
- TA L3 RQF Award Supporting Teaching and Learning: two Teaching Assistants

# LIGHTHOUSE HARMONIZE EDUCATION TRUST

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

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#### Parental/Carer Support

The annual Review Days for parents and carers to meet with teachers, normally held in January for year 11 and July for years 9 and 10, were not able to go ahead due to COVID lockdown and restrictions. We offered telephone appointments to parents and carers in July and carried out a student and parent/carers survey - see comments below:

- *I am very happy with how my daughter has settled in.*
- *I am very pleased with my daughter's report thanks for all your support.*
- *I am so happy with how my daughter has come on since she started at Harmonize Academy - thank you all so much.*
- *I'm pleased with the progress my child has made at Harmonize Academy.*
- *Excellent report, best school report I have ever had for my son. Thank you for everything you have done.*
- *I am absolutely over the moon at my son's report.*
- *Quite surprised but delighted my son is doing so well at school at last.*
- *I am so happy with the progress my child has made.*
- *Fantastic school.*
- *I was pleasantly surprised over my child's report considering she has been absent a lot and not been coping very well - I hope she settles back in.*

#### Multi Academy Trust Status

LHET continues to investigate other opportunities to open a further AP free school and achieve MAT status.

#### Key performance indicators

Key Performance Indicators (KPIs) were identified for the period 2020-21 which related to the aims and objectives of the Academy. These were used to evaluate the Academy's success and progress towards achieving these objectives. These included:

- Ofsted rating: Harmonize Academy was rated outstanding by Ofsted in January 2020 - the target is to maintain this rating.
- Exam results: Target agreed for 20% of students achieving five 9-4 including English & Maths. 28.6% achieved in 2019-20.

We have been able to maintain the number of qualifications achieved and the point score per pupil owing to the broader curriculum including more options such as Statistics, History, English Literature and the PSHE suite of six qualifications. The school continues to achieve a 100% pass rate for each year 11 student achieving at least one qualification.

- Academic progress: 90% of students making one level of progress.  
45% of students reached or exceeded their target grade in English and 42% made at least expected progress. 57% made at least expected progress in Maths and 52% reached or exceeded their target grade in Maths. Overall all students made at least one level of progress per year.
- Progression: 95% Engagement rates in FE/HE and/or Employment or Training:  
100% year 11 leavers summer 2020 progressed to FE/HE and/or Employment or Training.
- Maintain school capacity: The academy's projected capacity for September 2020 was 104 students. There were 77 students recorded on the October 2020 census, 91 on the January 2021 census and 101 on the May 2021 census. There were 118 students on roll at the end of the academic year. Student numbers were higher this year than previous years before national lockdown and closure of schools. As far as can be accurately measurable given the COVID-19 circumstances the number on roll has continued to improve.

# LIGHTHOUSE HARMONIZE EDUCATION TRUST

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

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#### 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

The Trust's main income is received from the Education Funding Agency (EFA). This revenue funding is called the general annual grant (GAG) and is received on a monthly basis. This is topped up by income from Liverpool City Council places allocated to provide alternative provision for pupils that have been permanently excluded. Also, we commission places from schools across Merseyside for those pupils in danger of exclusion or for those who cannot cope with mainstream education for a variety of reasons. These schools are invoiced on an individual basis per term.

The Academy's deficit for 2021 is £15k (2020 deficit £112k) after depreciation and amortisation charges of £59k (2020 £65k).

After accounting for the actuarial gain on the local government pension scheme the net movement in funds for the year is a £46k surplus (2020 deficit £63k).

A financial strategy document is currently under development.

#### Reserves policy

The governors review the reserve levels of the Free School annually. This review considers the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves.

The governors are looking to develop income streams that would enable the trust to build up reserves to act as a buffer against any changes in funding.

In 2021, the value of restricted general reserves is £153k (2020: £56k) and restricted fixed asset reserves is £2,077k (2020: £2,115k).

Support staff are members of the Local Government Pension Scheme. The academy's share of the deficit on the scheme is £468k (2020 £455k) which has had a negative impact on the overall reserves position. The current position will be evaluated in line with the annual valuation and the plan to address the deficit extended. This will be monitored by the Finance & Resources Committee.

#### Investment policy

The governors have yet to devise a formal investment policy, due to not considering one to be necessary given that the only cash investments are the funds held within bank accounts. However, in the future an investment policy will be considered as a part of the Academy's financial strategy.

# LIGHTHOUSE HARMONIZE EDUCATION TRUST

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

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#### Principal risks and uncertainties

Lighthouse Harmonize Education Trust takes a robust approach to managing risk and maintains a Risk Register to assess its activities and operational risks. This is reviewed on a termly basis.

The risk assessment register is a 'live' document which continually identifies risks and where necessary, agrees and puts in place measures of control and mitigation to manage risk. The Trust's strategic plan makes clear that it is unable to mitigate risks outside of its controls such as adverse economic circumstances.

The following categories are utilised in order that all risks, including the principal risks stated, are subject to governance via the appropriate committee:

- Strategic and Reputational Risks
- Operational Risks
- Compliance Risks
- Financial Risks

The Academy Trust has put controls in place to address these risks:

- Adherence to a cycle of planning agreed by the Governing Body;
- Reviewed security arrangements, logging of assets in a fixed asset register and ensured adequate insurance coverage;
- Cross-training and internal development of staff;
- Documented its authorised policies and procedures which are reviewed annually;
- Financial reports are linked to the Trust's Strategic plan and include accurate projections produced on a termly basis by staff who possess the necessary skills and competencies;
- Identified key legal and regulatory requirements and allocated responsibility for the key compliance procedures, obtaining compliance reports from regulators as appropriate.

The governors have assessed the major risks to which the Trust is exposed, in particular those related to the strategic planning, operation, finances and reputation of the Trust as well as compliance with legal and regulatory requirements. In as far as they are able, the governors are satisfied that they have put systems in place to identify potential risks and their impact and to mitigate exposure to major risks as well as ensuring changes to legislation are taken into consideration.



# LIGHTHOUSE HARMONIZE EDUCATION TRUST

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

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#### Fundraising

The Arts and Community Committee in particular take responsibility for initiating fundraising activities.

The following grants and donations were received during the year:

- The Steve Morgan Foundation £3,840 to fund mental health support for students;
- Ecory's £1,000;
- £700 from the Margaret Bryce Smith School Scholarship which was set up to further the education of pupils attending any secondary school in the City of Liverpool by the award of prizes;
- Liverpool Learning Partnership £500;
- ESFA Minister Ford Fund £21,469 to support year 11 students;
- Opia Ltd £1,000 reward scheme for recycling old IT equipment;
- Paragon £500;
- £232 from individual donations.

Harmonize Academy would like to thank all of the organisations and individuals who supported our educational activities this year.

During lockdown and school holidays, Harmonize Academy took advantage of the government's National Voucher Scheme to provide food vouchers for those students entitled to free school meals. Liverpool City Council also distributed meals vouchers to families before the national scheme was implemented. We encouraged families who were not already receiving free school meals to apply via their local Council, if they believed they would be eligible. We provided food parcels and vouchers for any families who were in need or struggling at Christmas and over the lockdown period.

#### Plans for future periods

The Academy has applied to expand its pupil intake from 104 to 150. This has been approved by the DfE after the year end and actions are underway to facilitate this increase in students.

#### 1. Quality of Education

##### Aim

To provide a high quality, ambitious, creative education for all students with individualised learning pathways that radically improve the achievement and life chances of all our students. We want every student on leaving us to progress to continued education, training or employment.

##### Intent

To construct a curriculum that is ambitious and designed to offer all students, particularly the most disadvantaged and those with SEND or high needs, the knowledge and cultural capital (*ensuring that disadvantaged children are exposed to cultural experiences and background knowledge that those from better-off homes take for granted*) they need to succeed in life. To provide a curriculum that is coherently planned and sequenced towards cumulatively sufficient knowledge and skills for future learning and employment. To offer the same academic, technical, vocational and enrichment ambitions for all learners. To ensure that students study the full curriculum by teaching a full range of subjects for as long as possible, 'specialising' only when necessary. To provide a high-quality remote learning offer for each student should they be unable to attend school. To develop a high-quality careers education programme ensuring students are fully prepared for the next stage of their education / work journey.

# LIGHTHOUSE HARMONIZE EDUCATION TRUST

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2021**

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### **Implementation**

To ensure teachers have good knowledge of the subject(s) and courses they teach and that leaders provide effective support for those teaching outside their main areas of expertise. To ensure teachers present subject matter clearly, promoting appropriate discussion about the subject matter they are teaching. They check learners' understanding systematically, identify misconceptions accurately and provide clear, direct feedback. In doing so, they respond and adapt their teaching as necessary, without unnecessarily elaborate or differentiated approaches. Over the course of study, teaching is designed to help learners to remember in the long term the content they have been taught and to integrate new knowledge into larger concepts. Teachers and leaders use assessment well, for example to help learners embed and use knowledge fluently or to check understanding and inform teaching. Leaders understand the limitations of assessment and do not use it in a way that creates unnecessary burdens for staff or learners. Teachers create an environment that allows the learner to focus on learning. The resources and materials that teachers select – in a way that does not create unnecessary workload for staff – reflect the provider's ambitious intentions for the course of study and clearly support the intent of a coherently planned curriculum, sequenced towards cumulatively sufficient knowledge and skills for future learning and employment. A rigorous approach to the teaching of reading develops learners' confidence and enjoyment in reading. At the early stages of learning to read, reading materials are closely matched to learners' phonics knowledge.

### **Impact**

Learners develop detailed knowledge and skills across the curriculum and, as a result, achieve well. Where relevant, this is reflected in results from national tests and examinations that meet government expectations, or in the qualifications obtained. Learners are ready for the next stage of education, employment or training. Where relevant, they gain qualifications that allow them to go on to destinations that meet their interests, aspirations and the intention of their course of study. They read widely and often, with fluency and comprehension.

### **2. Behaviour and Attitudes**

To ensure that behaviour across the academy is good to outstanding at all times and that students feel safe in school. To improve students' attitude to their education so they are committed to their learning, can study effectively and develop resilience to overcome setbacks to achieve. To improve whole school attendance and punctuality aspiring to National averages. To create an environment where relationships among students and staff reflect a positive and respectful culture and where bullying, peer-on-peer abuse or discrimination are not tolerated and when it does occur, staff deal with issues quickly and effectively so it does not spread.

### **3. Personal Development**

To extend the curriculum beyond academic, technical, vocational and provide for learners' broader development, enabling them to develop and discover their interests and talents. To provide a personal development curriculum to develop character including resilience, confidence and independence to help students know how to keep physically and mentally healthy. To prepare students for future success in their next steps. To prepare students for life in modern Britain and through our values of trust, respect compassion and forgiveness equip them to be responsible, respectful, active citizens who contribute positively to society. Through a strong personal development curriculum develop students' understanding of fundamental British Values, an understanding and appreciation of diversity to celebrate what we have in common and promote respect for differences.

# LIGHTHOUSE HARMONIZE EDUCATION TRUST

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2021**

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### 4. Leadership and Management

To maintain outstanding leadership and governance across the school at all levels with regard to the quality of teaching and learning, curriculum, achievement, behaviour and safety of children, and the overall effectiveness of the school. To implement effective strategies for improving teaching by monitoring the quality of teaching and learning, performance management and developing staff through coaching, training, mentoring and support to ensure that all students complete their programmes of study. To engage effectively with learners and others in their community, including – where relevant – parents, carers, employers and local services. To protect staff from bullying and harassment. Those responsible for governance understand their role and carry this out effectively. They ensure that the provider has a clear vision and strategy and that resources are managed well. They hold leaders to account for the quality of education. To create a safe environment for all students to enhance learning. Those with responsibility for governance ensure that the provider fulfils its statutory duties, for example under the Equality Act 2010, and other duties, for example in relation to the 'Prevent' strategy and safeguarding, and promoting the welfare of learners. The provider has a culture of safeguarding.

### 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 06 December 2021 and signed on its behalf by:



Modupe Victoria Emrica Omideyi

**Chair**

# LIGHTHOUSE HARMONIZE EDUCATION TRUST

## GOVERNANCE STATEMENT

### FOR THE YEAR ENDED 31 AUGUST 2021

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#### Scope of responsibility

As trustees, we acknowledge we have overall responsibility for ensuring that Lighthouse Harmonize Education 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 principal, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Lighthouse Harmonize Education Trust and the Secretary of State for Education. The accounting officer is also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

#### Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of trustees has formally met 5 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustees	Meetings attended	Out of possible
Stephen Allen Harper	3	5
Jennifer Hicks (Resigned 11 October 2021)	3	3
James Angus Osborne-White	5	5
Modupe Victoria Emrica Omidoyi (Chair)	5	5
Marie McConville (Principal)	5	5
Osoba Otaigbe (Appointed 21 September 2020)	3	5
Rebecca Jane Ross-Williams	5	5
Anthony Lawson (Staff)	1	4

For details of governors appointments and resignations see page 1.

Governor's training and development is a standing item on every full board agenda. New governors complete a skills audit at induction; this is used to identify initial training and development needs. Training needs, responsibilities and interest are reviewed on a continuous basis, either as a group or one-to-one with the Chair.

Challenges which the Board faces include:

- A skills-based approach is always used to recruit governors with relevant skills and expertise;
- Retention of governors has been challenging this year due to personal circumstances (e.g. marriage, career change) and a number of governors have moved on. We are faced with the challenge of replacing them, especially in light of the national shortage of governors. We seek new governors through the NGA's Inspiring Governance Service and through Governors for schools;
- It has been a challenge identifying parent governors who are able to make a commitment.

# LIGHTHOUSE HARMONIZE EDUCATION TRUST

## GOVERNANCE STATEMENT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

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#### Finance and Resources Committee

The finance and resources committee is a sub-committee of the main board of trustees. Its purpose is to:

- To assist the decision making of the Governing Body, by enabling more detailed consideration to be given to the best means of fulfilling the Governing Body's responsibility to ensure sound management of the academy's finances and resources, including proper planning, monitoring and probity.
- To make appropriate comments and recommendations on such matters by the Governing Body on a regular basis.
- Major issues will be referred to the full Governing Body for ratification.

#### Finance:

- To consider the academy's indicative funding, notified annually by the DfE, and to assess its implications for the academy, in consultation with the Principal, in advance of the financial year, drawing any matters of significance or concern to the attention of the Governing Body.
- To consider and recommend acceptance/non-acceptance of the academy's budget, at the start of each financial year.
- To consider a budget position statement including virement decisions at least termly and to report significant anomalies from the anticipated position to the Governing Body.
- To contribute to the formulation of the academy's development plan, through the consideration of financial priorities and proposals, in consultation with the Principal, with the stated and agreed aims and objectives of the academy.
- To receive and make recommendations on the broad budget headings and areas of expenditure to be adopted each year, including the level and use of any contingency fund or balances, ensuring the compatibility of all such proposals with the development priorities set out in the development plan.
- To liaise with and receive reports from the Quality of Education and Arts and Community committees, as appropriate, and to make recommendations to those committees about the financial aspects of matters being considered by them.
- To monitor and review expenditure on a regular basis and ensure compliance with the overall financial plan for the academy, and with the financial regulations of the DfE, drawing any matters of concern to the attention of the Governing Body.
- To monitor and review procedures for ensuring the effective implementation and operation of financial procedures, on a regular basis, including the implementation of bank account arrangements and, where appropriate to make recommendations for improvement.
- To prepare the financial statement to form part of the annual report of the Governing Body to parents and for filing in accordance with Companies Act and Charity Commission requirements.
- To receive auditors' reports and to recommend to the full Governing Body action as appropriate in response to audit findings.
- To recommend to the full Governing Body the appointment or re-appointment of the auditors of the academy.
- To ensure, as far as is practical, that Health and Safety issues are appropriately prioritised.
- To determine whether sufficient funds are available for pay increments as recommended by the Principal or the Principal's Performance Review Group.
- To annually review the following policies: Charges and Remissions, Expenses, Lettings.
- Additional items which individual Governing Bodies may wish to include.

# LIGHTHOUSE HARMONIZE EDUCATION TRUST

## GOVERNANCE STATEMENT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2021**

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### HR

- To draft and keep under review the staffing structure in consultation with the Principal and the Quality of Education Committee.
- To establish a Salary Policy for all categories of staff and to be responsible for its administration and review.
- To oversee the appointment procedure for all staff.
- To establish and review a Performance Management policy for all staff\*.
- To oversee the process leading to staff reductions.
- To keep under review staff work/life balance, working conditions and well-being, including the monitoring of absence.
- To make recommendations on personnel related expenditure to the Governing Body.
- To consider any appeal against a decision on pay grading or pay awards.
- To review all staffing-related policies.
- Additional items which the Governing Body may wish to include.

### Assets:

- To advise the Governing Body on priorities, including Health and Safety, for the maintenance and development of the school's premises.
- To oversee arrangements for repairs and maintenance.
- To make recommendations to the Governing Body on premises-related expenditure.
- In consultation with the Principal, to oversee premises-related funding bids.
- To oversee arrangements, including Health and Safety, for the use of school premises by outside users, subject to Governing Body policy.
- To establish and keep under review a Building Development Plan.
- To establish and keep under review an Accessibility plan.
- Additional items which the Governing Body may wish to include.

### Disqualification:

Any relevant person employed to work at the school other than as the Principal, when the subject for consideration is the pay or performance review of any person employed to work at the school.

Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
Stephen Allen Harper	3	3
James Angus Osborne-White	3	3
Modupe Victoria Emrica Omideyi (Chair)	3	3
Marie McConville (Principal)	3	3

# LIGHTHOUSE HARMONIZE EDUCATION TRUST

## GOVERNANCE STATEMENT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

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#### Audit committee

The audit committee is a sub-committee of the main board of trustees. The terms quoted are those to which the Committee will operate to comply with the Academies Financial handbook and to include the Regularity audit. Its purpose is to:

- To advise the Governors on the adequacy and effectiveness of the School's whole system of internal control and its arrangements for risk management, control and governance processes and securing economy, efficiency and effectiveness (value for money).
- To advise the Governors on the appointment, re-appointment, dismissal and remuneration of the financial statements auditor or the internal audit service (if applicable).
- To advise the Governors on the scope and objectives of the Responsible Officer work and the financial statements auditor.
- To consider and advise the Governors on the audit strategy and annual audit plans for the Responsible Officer work.
- To advise the Governors on Responsible Officer work reports on control issues including the management letters of the financial statements auditor and management's responses to these.
- To consider and advise the Governors on relevant reports by the National Audit Office and the Education Funding Agency and other funding bodies, and where appropriate, management responses to these.
- To monitor, within an agreed timescale, the implementation of agreed recommendations relating to Responsible Officer work reports and the financial statements auditor's management letter.
- To establish in conjunction with the School's management, relevant annual performance measures and indicators, and to monitor the effectiveness of the financial statements auditor through these measures and indicators and decide, based on this review, whether a competition for price and quality of the audit service is appropriate.
- To produce an annual report for the Governing Body and Accounting officer, this should include the Committee's advice on the effectiveness of the school's risk management, control and governance processes and any significant matters arising from the Responsible Officer work and the financial statements auditor.
- To ensure that all allegations of fraud and irregularity are properly followed up.
- To be informed of all additional services undertaken by the financial statements auditor.
- Additional items which the Governing Body may wish to include.

Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
Stephen Allen Harper	3	3
James Angus Osborne-White	3	3
Modupe Victoria Emrica Omidoyi (Chair)	3	3
Marie McConville (Principal)	3	3

# LIGHTHOUSE HARMONIZE EDUCATION TRUST

## GOVERNANCE STATEMENT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2021**

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### Quality of Education Committee

The Quality of Education Committee is a sub-committee of the main Governing Body. Its purpose is:

- To consider and advise the Governing Body on standards and other matters relating to the school's curriculum, including statutory requirements and the School's Curriculum Policy.
- To consider curricular issues which have implications for Finance and HR decisions and to make recommendations to the relevant committee or the Governing Body.
- To consider and monitor progress against the School Development Plan.
- To make arrangements for the Governing Body to be represented at School Improvement discussions and for reports to be received by the Governing Body.
- To oversee arrangements for individual governors to take a leading role in specific areas of provision, eg SEN, Literacy, Numeracy. To receive regular reports from them and advise the Governing Body.
- To oversee arrangements for educational visits, including the appointment of a named co-ordinator.
- To keep informed of the current statutory requirements relevant to the school's curriculum offer.
- To approve and monitor the school's systems for assessment and tracking of pupils.
- To receive and discuss the results of all examinations and key assessments in school, including academic, vocational, social and emotional development.
- To receive and discuss Governor visit reports and School Improvement Plan reports written by Senior Leadership Team.
- To receive and discuss reports on the provision of Special and Additional Educational Needs.
- To maintain an overview of all education-related school policies and review these on a regular basis.
- To be kept informed of the staffing situation, to support Principal and Finance and Resources Committee in reviewing staffing structure and assist with appointments where appropriate.
- Additional items which the Governing Body may wish to include.

Attendance at meetings in the year was as follows:-

Trustees	Meetings attended	Out of possible
Modupe Victoria Emrica Omideyi	3	3
Jennifer Hicks	2	2
Anthony Lawson	1	3
Marie McConville	3	3
Osoba Otaigbe	3	3
Rebecca Jane Ross-Williams	3	3



# LIGHTHOUSE HARMONIZE EDUCATION TRUST

## GOVERNANCE STATEMENT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2021**

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### Arts and Community Committee

- To consider and advise the Governing Body on standards, practice and other matters relating to urban arts at Harmonize
- To consider and monitor the progress of the Arts Strategy and report to the Governing Body
- To consider and advise the Governing Body on Harmonize arts practice
- To receive and discuss the arts programme for the academic year
- To make recommendations on the arts programme including curriculum subjects, arts supporting subjects across the curriculum, enrichment activity and new initiatives to the relevant committee or Governing Body
- To review results of arts examinations, qualifications and assessments in school
- To consider the communication of arts internally and externally including representation within Harmonize brand
- To oversee arrangements for individual governors to take a leading role in specific areas of provision, e.g. Arts programme curriculum/enrichment, Arts in the Community, Progression Routes,
- To consider and monitor training and CPD for staff and Governors in arts and Creative Learning
- To oversee an arts and community relationships plan and assist with appointments where appropriate
- To maintain an overview of arts representation in school and review on a regular basis
- Additional items which the Governing Body may wish to include.

Attendance at meetings in the year was as follows:-

Trustees	Meetings attended	Out of possible
Modupe Victoria Emrica Omidoyi	3	3
Jennifer Hicks	2	2
Anthony Lawson	1	3
Marie McConville	3	3
Osoba Otaigbe	3	3
Rebecca Jane Ross-Williams	3	3

It has been agreed that the Arts and Community Committee will not convene separately and that the business of this committee would be included as an item on the agenda of The Quality of Education Committee until further notice.

In addition, the Free School has ad hoc Committees covering disciplinary and dismissal hearings and appeal hearings in respect of staff.

# LIGHTHOUSE HARMONIZE EDUCATION TRUST

## GOVERNANCE STATEMENT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

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#### Review of value for money

As accounting officer, the principal 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 or by using a framework where appropriate. The accounting officer for the academy trust has delivered improved value for money during the year by:

- As members of the Crescent Purchasing Consortium, this helps us to achieve value for money with our purchasing requirements particularly in tendering for larger contracts.
- Our catering contract is with a local 'not for profit' school meals company, providing good quality nutritional meals using local produce and suppliers and ensuring compliance with food hygiene and health and safety legislation.
- The lease of a minibus over a two year period has proved invaluable in transporting students on enrichment activities including trips to local sports venues. This has proved much more cost effective than regular hire arrangements.

A full Value for Money Statement can be found at <http://www.harmonizeacademy.org/Value-for-Money>

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

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an 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 Lighthouse Harmonize Education Trust for the period 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and accounts.

#### 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 2020 to 31 August 2021 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 resources 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;
- identification and management of risks.

# LIGHTHOUSE HARMONIZE EDUCATION TRUST

## GOVERNANCE STATEMENT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

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The board of trustees has decided:

- to employ JD Education Finance Services as internal auditor.

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

The audit consisted of a high-level compliance review of the key controls in place in relation to the School's finance function. The consistent application of key controls across the School's main financial processes provides on-going assurance over the financial management of the organisation. The Internal auditor's role is in line with the ESFA's requirement included giving advice on financial matters and performing a range of checks on the school's financial systems. In particular the key control areas tested in the current period included:

- Income and debtors
- General ledger
- Payroll
- Policy and procedures
- Fixed assets
- Expenditure
- Expense claims

On a termly basis, the internal auditor reports to the board of trustees through the audit committee on the operation of the systems of control and on the discharge of the financial responsibilities of the board of trustees, and annually prepares an annual summary report to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress.

3 internal audit reports were completed for the year and no material control or other issues were reported.

#### Review of effectiveness

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

- the work of the internal auditor;
- the work of the external auditor;
- the financial management and governance self-assessment process or the school resource management self-assessment tool;
- 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 audit committee and a plan to address weaknesses [if relevant] and ensure continuous improvement of the system is in place.

Approved by order of the board of trustees on 06 December 2021 and signed on its behalf by:



Modupe Victoria Emrica Omideyi  
**Chair**



Marie McConville  
**Principal**

# LIGHTHOUSE HARMONIZE EDUCATION TRUST

## STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

***FOR THE YEAR ENDED 31 AUGUST 2021***

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As accounting officer of Lighthouse Harmonize Education Trust, I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2020.

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 2020.

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

*Marie McConville*

Marie McConville  
**Accounting Officer**

06 December 2021

# LIGHTHOUSE HARMONIZE EDUCATION TRUST

## STATEMENT OF TRUSTEES' RESPONSIBILITIES

### FOR THE YEAR ENDED 31 AUGUST 2021

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The trustees (who are also the directors of Lighthouse Harmonize Education Trust for the purposes of company law) are responsible for preparing the trustees' report and the accounts in accordance with the Academies Accounts Direction 2020 to 2021 published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the trustees to prepare 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 2019 and the Academies Accounts Direction 2020 to 2021;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the 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 06 December 2021 and signed on its behalf by:



Modupe Victoria Emrica Omideyi  
**Chair**

# LIGHTHOUSE HARMONIZE EDUCATION TRUST

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

**FOR THE YEAR ENDED 31 AUGUST 2021**

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### Opinion

We have audited the accounts of Lighthouse Harmonize Education Trust for the year ended 31 August 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the 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 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and 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 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021.

### 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

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

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

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

### 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.

# LIGHTHOUSE HARMONIZE EDUCATION TRUST

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

**FOR THE YEAR ENDED 31 AUGUST 2021**

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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 has 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.

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

# LIGHTHOUSE HARMONIZE EDUCATION TRUST

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

**FOR THE YEAR ENDED 31 AUGUST 2021**

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### **Extent to which the audit was considered capable of detecting irregularities, including fraud**

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

### **Identifying and assessing potential risks related to irregularities**

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

- the nature of the industry and sector, control environment and business performance;
- the academy's own assessment of the risks that irregularities may occur either as a result of fraud or error;
- the results of our enquiries of management and members of the board of governors of their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the academy's documentation of their policies and procedures relating to:
- identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
- detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
- the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations; and
- the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas:

(i) The presentation of the academy's Statement of Financial Activities, (ii) the academy's accounting policy for revenue recognition (iii) the overstatement of salary and other costs (iv) the assumptions used in the calculation of the valuation of the surplus or deficit on the defined benefit pension scheme and the movements for the year. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory framework that the charity operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act and the Statement of Recommended Practice - 'Accounting and Reporting by Charities' issued by the joint SORP making body, along with the Academies Financial Handbook and Accounts direction.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the academy's ability to operate or to avoid a material penalty. This includes regulations concerning Data Protection and Safeguarding.



# LIGHTHOUSE HARMONIZE EDUCATION TRUST

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

**FOR THE YEAR ENDED 31 AUGUST 2021**

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### **Audit response to risks identified**

As a result of performing the above, we identified the presentation of the academy's Statement of Financial Activities, revenue recognition and overstatement of wages and other costs as the key audit matters related to the potential risk of fraud. The key audit matters section of our report explains the matters in more detail and also describes the specific procedures we performed in response to those key audit matters.

In addition to the above, our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations described above as having a direct effect on the financial statements;
- enquiring of management and members of the board concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance and reviewing correspondence with relevant authorities where matters identified were significant;
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

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

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.

# LIGHTHOUSE HARMONIZE EDUCATION TRUST

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

**FOR THE YEAR ENDED 31 AUGUST 2021**

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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.

*Mitchell Charlesworth*

**Philip Griffiths (Senior Statutory Auditor)**  
**for and on behalf of Mitchell Charlesworth LLP**

6 December 2021

**Chartered Accountants**  
**Statutory Auditor**

3rd Floor  
5 Temple Square  
Temple Street  
Liverpool  
Merseyside  
L2 5RH

# **LIGHTHOUSE HARMONIZE EDUCATION TRUST**

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

***FOR THE YEAR ENDED 31 AUGUST 2021***

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In accordance with the terms of our engagement letter dated 7 October 2021 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Lighthouse Harmonize Education Trust during the period 1 September 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Lighthouse Harmonize Education 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 Harmonize Education 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 Lighthouse Harmonize Education Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

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

The accounting officer is responsible, under the requirements of Lighthouse Harmonize Education Trust's funding agreement with the Secretary of State for Education dated 31 March 2016 and the Academies Financial Handbook, extant from 1 September 2020, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance, and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2020 to 2021. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2020 to 31 August 2021 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

### **Approach**

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

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

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

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

The work undertaken to draw to our conclusion includes:

- Reviewing the activities to ensure they are in keeping with the charitable objectives and framework.
- Reviewing declarations of interest and seeking further representations.
- Reviewing the control environment and considering potential weaknesses.
- Reviewing minutes of various committees, management accounts and holding discussions with key personnel.

# LIGHTHOUSE HARMONIZE EDUCATION TRUST

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

**FOR THE YEAR ENDED 31 AUGUST 2021**

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### **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 2020 to 31 August 2021 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

*Mitchell Charlesworth*

### **Reporting Accountant**

Mitchell Charlesworth LLP

Dated: 06 December 2021

# LIGHTHOUSE HARMONIZE EDUCATION TRUST

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2021

		Unrestricted funds £'000	General £'000	Restricted funds: Fixed asset £'000	Total 2021 £'000	Total 2020 £'000
	Notes					
<b>Income and endowments from:</b>						
Donations and capital grants	3	-	1	9	10	5
Charitable activities:						
- Funding for educational operations	4	-	2,114	-	2,114	1,865
<b>Total</b>		-	2,115	9	2,124	1,870
<b>Expenditure on:</b>						
Charitable activities:						
- Educational operations	6	-	2,080	59	2,139	1,982
<b>Total</b>	5	-	2,080	59	2,139	1,982
<b>Net income/(expenditure)</b>		-	35	(50)	(15)	(112)
Transfers between funds	13	-	(12)	12	-	-
<b>Other recognised gains/(losses)</b>						
Actuarial gains on defined benefit pension schemes	15	-	61	-	61	49
<b>Net movement in funds</b>		-	84	(38)	46	(63)
<b>Reconciliation of funds</b>						
Total funds brought forward		-	(399)	2,115	1,716	1,779
Total funds carried forward		-	(315)	2,077	1,762	1,716

# LIGHTHOUSE HARMONIZE EDUCATION TRUST

## STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2021

Comparative year information		Unrestricted	Restricted funds:		Total
Year ended 31 August 2020		funds	General	Fixed asset	2020
	Notes	£'000	£'000	£'000	£'000
<b>Income and endowments from:</b>					
Donations and capital grants	3	-	-	5	5
Charitable activities:					
- Funding for educational operations	4	-	1,865	-	1,865
		<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Total</b>		-	1,865	5	1,870
		<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Expenditure on:</b>					
Charitable activities:					
- Educational operations	6	-	1,917	65	1,982
		<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Total</b>	5	-	1,917	65	1,982
		<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Net expenditure</b>		-	(52)	(60)	(112)
Transfers between funds	13	-	(15)	15	-
<b>Other recognised gains/(losses)</b>					
Actuarial gains on defined benefit pension schemes	15	-	49	-	49
		<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Net movement in funds</b>		-	(18)	(45)	(63)
<b>Reconciliation of funds</b>					
Total funds brought forward		-	(381)	2,160	1,779
		<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total funds carried forward		-	(399)	2,115	1,716
		<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

# LIGHTHOUSE HARMONIZE EDUCATION TRUST

## BALANCE SHEET

AS AT 31 AUGUST 2021

		2021	2020
	Notes	£'000	£'000
<b>Fixed assets</b>			
Tangible assets	10	2,077	2,115
<b>Current assets</b>			
Debtors	11	40	7
Cash at bank and in hand		188	104
		<u>228</u>	<u>111</u>
<b>Current liabilities</b>			
Creditors: amounts falling due within one year	12	(75)	(55)
		<u>153</u>	<u>56</u>
<b>Net current assets</b>			
		153	56
<b>Net assets excluding pension liability</b>		2,230	2,171
Defined benefit pension scheme liability	15	(468)	(455)
		<u>1,762</u>	<u>1,716</u>
<b>Total net assets</b>			
		1,762	1,716
<b>Funds of the academy trust:</b>			
<b>Restricted funds</b>	13		
- Fixed asset funds		2,077	2,115
- Restricted income funds		153	56
- Pension reserve		(468)	(455)
		<u>1,762</u>	<u>1,716</u>
<b>Total restricted funds</b>			
		1,762	1,716
<b>Unrestricted income funds</b>	13	-	-
		<u>1,762</u>	<u>1,716</u>
<b>Total funds</b>			
		1,762	1,716

The accounts on pages 35 to 56 were approved by the trustees and authorised for issue on 06 December 2021 and are signed on their behalf by:



Modupe Victoria Emrica Omideyi  
Chair

Company Number 07657235

# LIGHTHOUSE HARMONIZE EDUCATION TRUST

## STATEMENT OF CASH FLOWS

**FOR THE YEAR ENDED 31 AUGUST 2021**

		2021		2020	
	Notes	£'000	£'000	£'000	£'000
<b>Cash flows from operating activities</b>					
Net cash provided by operating activities	16		96		30
<b>Cash flows from investing activities</b>					
Capital grants from DfE Group		9		7	
Purchase of tangible fixed assets		(21)		(20)	
<b>Net cash used in investing activities</b>			(12)		(13)
<b>Net increase in cash and cash equivalents in the reporting period</b>			84		17
Cash and cash equivalents at beginning of the year			104		87
<b>Cash and cash equivalents at end of the year</b>			188		104



# LIGHTHOUSE HARMONIZE EDUCATION TRUST

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 AUGUST 2021

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#### 1 Accounting policies

Lighthouse Harmonize Education Trust is a charitable company limited by guarantee. The address of its principal place of business is given on page 1 and the nature of its operations are set out in the trustees' report.

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

##### 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 2020 to 2021 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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

The financial statements are presented in sterling which is also the functional currency of the academy trust.

Monetary amounts in these financial statements are rounded to the nearest whole £1,000, except where otherwise indicated.

##### 1.2 Going concern

The trustees assess whether the use of going concern is appropriate, ie 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.

At the balance sheet date the Academy had net assets of £1.76m after providing for long term pension scheme commitments of £468k in respect of the support staff defined benefit pension scheme and had net current assets of £153k.

The trustees have reviewed and approved budgets and cashflow forecasts for 2021/22 and future years and consider in the light of this review that it is appropriate to prepare the financial statements on a going concern basis.

##### 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.

# LIGHTHOUSE HARMONIZE EDUCATION TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2021**

---

### **1 Accounting policies**

**(Continued)**

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.

#### Sponsorship income

Sponsorship income provided to the academy trust which amounts to a donation is recognised in the statement of financial activities in the period in which it is receivable (where there are no performance-related conditions), where the receipt is probable and it can be measured reliably.

#### Donations

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

### **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.

# LIGHTHOUSE HARMONIZE EDUCATION TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

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### 1 Accounting policies

(Continued)

#### 1.5 Tangible fixed assets and depreciation

Assets costing £500 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, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Leasehold Land and Buildings	125 years straight line
Leasehold improvements	2% straight line
Computer equipment & software	20-33% straight line
Fixtures, fittings & equipment	5-10% straight line

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

#### 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.

# LIGHTHOUSE HARMONIZE EDUCATION TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

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### 1 Accounting policies

(Continued)

#### 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 and the assets are held separately from those of the academy trust.

The TPS is an unfunded scheme and contributions are calculated 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 based on quadrennial valuations using a prospective unit credit 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 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 net income or expenditure 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 [Department for Education Group].

# LIGHTHOUSE HARMONIZE EDUCATION TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2021**

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### **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 15, will impact the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.]

### **3 Donations and capital grants**

	Unrestricted funds £'000	Restricted funds £'000	Total 2021 £'000	Total 2020 £'000
Capital grants	-	9	9	5
Other donations	-	1	1	-
	<hr/>	<hr/>	<hr/>	<hr/>
	-	10	10	5
	<hr/>	<hr/>	<hr/>	<hr/>

# LIGHTHOUSE HARMONIZE EDUCATION TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

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

	Unrestricted funds £'000	Restricted funds £'000	Total 2021 £'000	Total 2020 £'000
<b>DfE / ESFA grants</b>				
General annual grant (GAG)	-	1,044	1,044	1,056
Other DfE / ESFA grants:				
Pupil premium	-	24	24	18
	-	1,068	1,068	1,074
<b>Other government grants</b>				
Local authority grants	-	885	885	698
Special educational projects	-	61	61	-
	-	946	946	698
<b>Covid-19 additional funding (DfE/ESFA)</b>				
Catch-up premium	-	25	25	-
Other DfE/ESFA COvid-19 funding	-	35	35	-
	-	60	60	-
Other incoming resources	-	40	40	93
<b>Total funding</b>	-	2,114	2,114	1,865

### 5 Expenditure

	Staff costs £'000	Non-pay expenditure		Total 2021 £'000	Total 2020 £'000
		Premises £'000	Other £'000		
Academy's educational operations					
- Direct costs	1,406	-	95	1,501	1,366
- Allocated support costs	357	131	150	638	616
	1,763	131	245	2,139	1,982

# LIGHTHOUSE HARMONIZE EDUCATION TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

5	Expenditure	(Continued)	
		2021	2020
		£'000	£'000
Net income/(expenditure) for the year includes:			
Fees payable to auditor for:			
- Audit		7	6
- Other services		2	-
Operating lease rentals		13	8
Depreciation of tangible fixed assets		59	65
Net interest on defined benefit pension liability		8	7
		<u>          </u>	<u>          </u>
6	Charitable activities		
		2021	2020
		£'000	£'000
All from restricted funds:			
Direct costs			
Educational operations		1,501	1,366
Support costs			
Educational operations		638	616
		<u>          </u>	<u>          </u>
		2,139	1,982
		<u>          </u>	<u>          </u>
		2021	2020
		£'000	£'000
Analysis of support costs			
Support staff costs		357	366
Depreciation		59	65
Technology costs		14	15
Premises costs		72	46
Legal costs		3	1
Other support costs		81	78
Governance costs		52	45
		<u>          </u>	<u>          </u>
		638	616
		<u>          </u>	<u>          </u>

# LIGHTHOUSE HARMONIZE EDUCATION TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

#### 7 Staff

##### Staff costs

Staff costs during the year were:

	2021 £'000	2020 £'000
Wages and salaries	1,351	1,289
Social security costs	116	104
Pension costs	296	238
	<hr/>	<hr/>
Staff costs - employees	1,763	1,631
	<hr/>	<hr/>
Staff development and other staff costs	11	7
	<hr/>	<hr/>
Total staff expenditure	1,774	1,638
	<hr/>	<hr/>

##### Staff numbers

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

	2021 Number	2020 Number
Teachers	19	19
Administration and support	19	23
Management	5	5
	<hr/>	<hr/>
	43	47
	<hr/>	<hr/>

##### Higher paid staff

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

	2021 Number	2020 Number
£60,001-£70,000	-	4
£70,001-£80,000	3	1
£80,001-£90,000	1	-
£90,001-£100,000	1	-
	<hr/>	<hr/>

##### 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 key management personnel employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £440,083 (2020: £376,880).



# LIGHTHOUSE HARMONIZE EDUCATION TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

#### 8 Trustees' remuneration and expenses

One or more of the trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment, and not in respect of their services as trustees.

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

M McConville (Principal and trustee):

Remuneration - £80,001 - £85,000 (2020: £70,001 - £75,000)

Employer's pension contributions paid - £15,001 - £20,000 (2020: 15,001 - £20,000)

A Lawson (staff governor and trustee):

Remuneration - £40,001 - £45,000 (2020: £25,001 - £30,000)

Employer's pension contributions paid - £0 - £5,000 (2020: £0 - £5,000)

#### 9 Trustees' and officers' insurance

In accordance with normal commercial practice, the academy trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business. The insurance provides cover up to £10 million (2020 £1.5 million) on any one claim and the cost for the year ended 31 August 2021 was £1,872 (2020: £1,872). The cost of this insurance is included in the total insurance cost.

#### 10 Tangible fixed assets

	Leasehold Land and Buildings	Leasehold improvements	Computer equipment & software	Fixtures, fittings & equipment	Total
	£'000	£'000	£'000	£'000	£'000
<b>Cost</b>					
At 1 September 2020	1,469	843	157	259	2,728
Additions	-	-	21	-	21
	<u>1,469</u>	<u>843</u>	<u>178</u>	<u>259</u>	<u>2,749</u>
At 31 August 2021	1,469	843	178	259	2,749
	<u>1,469</u>	<u>843</u>	<u>178</u>	<u>259</u>	<u>2,749</u>
<b>Depreciation</b>					
At 1 September 2020	158	116	151	188	613
Charge for the year	23	17	7	12	59
	<u>181</u>	<u>133</u>	<u>158</u>	<u>200</u>	<u>672</u>
At 31 August 2021	181	133	158	200	672
	<u>181</u>	<u>133</u>	<u>158</u>	<u>200</u>	<u>672</u>
<b>Net book value</b>					
At 31 August 2021	1,288	710	20	59	2,077
	<u>1,288</u>	<u>710</u>	<u>20</u>	<u>59</u>	<u>2,077</u>
At 31 August 2020	1,311	727	6	71	2,115
	<u>1,311</u>	<u>727</u>	<u>6</u>	<u>71</u>	<u>2,115</u>

# LIGHTHOUSE HARMONIZE EDUCATION TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2021**

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### 11 Debtors

	2021 £'000	2020 £'000
Trade debtors	3	-
VAT recoverable	2	-
Prepayments and accrued income	35	7
	<hr/>	<hr/>
	40	7
	<hr/>	<hr/>

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

	2021 £'000	2020 £'000
Trade creditors	14	-
Other taxation and social security	45	48
Accruals and deferred income	16	7
	<hr/>	<hr/>
	75	55
	<hr/>	<hr/>

# LIGHTHOUSE HARMONIZE EDUCATION TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

### 13 Funds

	Balance at 1 September 2020 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2021 £'000
<b>Restricted general funds</b>					
General Annual Grant (GAG)	56	1,044	(935)	(12)	153
Pupil premium	-	24	(24)	-	-
Other government grants	-	981	(981)	-	-
Catch-up premium	-	25	(25)	-	-
Other Dfe/ESFA Covid-19 funding	-	35	(35)	-	-
Other restricted funds	-	6	(6)	-	-
Pension reserve	(455)	-	(74)	61	(468)
	<u>(399)</u>	<u>2,115</u>	<u>(2,080)</u>	<u>49</u>	<u>(315)</u>
<b>Restricted fixed asset funds</b>					
DfE group capital grants	2,115	9	(59)	12	2,077
	<u>2,115</u>	<u>9</u>	<u>(59)</u>	<u>12</u>	<u>2,077</u>
<b>Total restricted funds</b>	<u>1,716</u>	<u>2,124</u>	<u>(2,139)</u>	<u>61</u>	<u>1,762</u>
<b>Unrestricted funds</b>	<u></u>	<u></u>	<u></u>	<u></u>	<u></u>
<b>Total funds</b>	<u>1,716</u>	<u>2,124</u>	<u>(2,139)</u>	<u>61</u>	<u>1,762</u>

General Annual Grant must be used for the normal running costs of the Academy. Under the funding agreement with the Secretary of State, the free school was not subject to a limit on the amount of GAG that it could carry forward at 31st August 2016.

EFA Lead in Grant and other EFA grants. These have been received for specific purposes throughout the year and include pupil premium and the lead in grant which was fully spent in the year.

Local Authority Grants consist of various support grants received from Liverpool City Council and other schools, for which pupils have been transferred to LHET.

EFA Capital Grant for the building renovation and infrastructure. Depreciation of assets capitalised is to be matched against this income in line with accounting policy.

# LIGHTHOUSE HARMONIZE EDUCATION TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

### 13 Funds

(Continued)

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

	Balance at 1 September 2019 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2020 £'000
<b>Restricted general funds</b>					
General Annual Grant (GAG)	39	1,056	(1,024)	(15)	56
Pupil premium	-	18	(18)	-	-
Other government grants	-	698	(698)	-	-
Other restricted funds	-	93	(93)	-	-
Pension reserve	(420)	-	(84)	49	(455)
	<u>(381)</u>	<u>1,865</u>	<u>(1,917)</u>	<u>34</u>	<u>(399)</u>
<b>Restricted fixed asset funds</b>					
DfE group capital grants	2,160	5	(65)	15	2,115
	<u>2,160</u>	<u>5</u>	<u>(65)</u>	<u>15</u>	<u>2,115</u>
<b>Total restricted funds</b>	<u>1,779</u>	<u>1,870</u>	<u>(1,982)</u>	<u>49</u>	<u>1,716</u>
<b>Unrestricted funds</b>	<u></u>	<u></u>	<u></u>	<u></u>	<u></u>
<b>Total funds</b>	<u>1,779</u>	<u>1,870</u>	<u>(1,982)</u>	<u>49</u>	<u>1,716</u>

### 14 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 2021 are represented by:</b>				
Tangible fixed assets	-	-	2,077	2,077
Current assets	-	228	-	228
Creditors falling due within one year	-	(75)	-	(75)
Defined benefit pension liability	-	(468)	-	(468)
	<u>-</u>	<u>(315)</u>	<u>2,077</u>	<u>1,762</u>
<b>Total net assets</b>	<u>-</u>	<u>(315)</u>	<u>2,077</u>	<u>1,762</u>

# LIGHTHOUSE HARMONIZE EDUCATION TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

### 14 Analysis of net assets between funds

(Continued)

	Unrestricted Funds £'000	General £'000	Restricted funds: Fixed asset £'000	Total Funds £'000
<b>Fund balances at 31 August 2020 are represented by:</b>				
Tangible fixed assets	-	-	2,115	2,115
Current assets	-	111	-	111
Creditors falling due within one year	(55)	-	-	(55)
Creditors falling due after one year	55	(55)	-	-
Defined benefit pension liability	-	(455)	-	(455)
	<u>-</u>	<u>(399)</u>	<u>2,115</u>	<u>1,716</u>
<b>Total net assets</b>	<u>-</u>	<u>(399)</u>	<u>2,115</u>	<u>1,716</u>

### 15 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. Both are multi-employer defined benefit schemes.

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

There were no outstanding or prepaid contributions at either the beginning or end of the financial year.

#### 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 teachers in academies. All teachers have the option to opt out of the TPS following enrolment.

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

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

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

# LIGHTHOUSE HARMONIZE EDUCATION TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

#### 15 Pension and similar obligations

(Continued)

The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to the TPS in the period amounted to £161,000 (2020: £116,000).

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.

#### Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The employer contribution rate was 14.8% as at 1 September 2018 which increased to 15.5% on 1 April 2019. The employee contribution rates start at 5.5% increasing to 12.5% depending on earnings.

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.

Total contributions made	2021 £'000	2020 £'000
Employer's contributions	51	42
Employees' contributions	17	16
	<hr/>	<hr/>
Total contributions	68	58
	<hr/>	<hr/>

# LIGHTHOUSE HARMONIZE EDUCATION TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

### 15 Pension and similar obligations (Continued)

Principal actuarial assumptions	2021 %	2020 %
Rate of increase in salaries	4.2	3.9
Rate of increase for pensions in payment/inflation	2.8	2.4
Discount rate for scheme liabilities	1.7	1.8
Inflation assumption (CPI)	2.7	2.5
	<u>      </u>	<u>      </u>

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

	2021 Years	2020 Years
Retiring today		
- Males	21.0	20.9
- Females	24.1	24.0
Retiring in 20 years		
- Males	22.6	22.5
- Females	26.0	25.9
	<u>      </u>	<u>      </u>

Scheme liabilities would have been affected by changes in assumptions as follows:

	2021 £'000	2020 £'000
Discount rate + 0.1%	-25	-22
Discount rate - 0.1%	25	22
Mortality assumption + 1 year	44	35
Mortality assumption - 1 year	-43	-34
CPI rate + 0.1%	27	24
CPI rate - 0.1%	-26	-24
	<u>      </u>	<u>      </u>

The academy trust's share of the assets in the scheme	2021 Fair value £'000	2020 Fair value £'000
Equities	479	377
Government bonds	13	19
Other bonds	110	107
Cash/Liquidity	17	42
Property	89	70
Other assets	225	160
	<u>      </u>	<u>      </u>
Total market value of assets	933	775
	<u>      </u>	<u>      </u>

# LIGHTHOUSE HARMONIZE EDUCATION TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

#### 15 Pension and similar obligations

(Continued)

The actual return on scheme assets was £145,000 (2020: £63,000).

Amount recognised in the statement of financial activities	2021 £'000	2020 £'000
Current service cost	116	112
Past service cost	-	7
Interest cost	8	7
Administration expenses	1	-
	<u>125</u>	<u>126</u>
Total operating charge	<u>125</u>	<u>126</u>

Changes in the present value of defined benefit obligations	2021 £'000
At 1 September 2020	1,230
Current service cost	116
Interest cost	22
Employee contributions	17
Actuarial loss	70
Benefits paid	(54)
	<u>1,401</u>
At 31 August 2021	<u>1,401</u>

Changes in the fair value of the academy trust's share of scheme assets	2021 £'000
At 1 September 2020	775
Interest income	14
Actuarial gain	131
Employer contributions	51
Employee contributions	17
Benefits paid	(54)
Administration expenses	(1)
	<u>933</u>
At 31 August 2021	<u>933</u>



# LIGHTHOUSE HARMONIZE EDUCATION TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2021**

### 16 Reconciliation of net expenditure to net cash flow from operating activities

	2021 £'000	2020 £'000
Net expenditure for the reporting period (as per the statement of financial activities)	(15)	(112)
Adjusted for:		
Capital grants from DfE and other capital income	(9)	(5)
Defined benefit pension costs less contributions payable	66	77
Defined benefit pension scheme finance cost	8	7
Depreciation of tangible fixed assets	59	65
(Increase) in debtors	(33)	(4)
Increase in creditors	20	2
<b>Net cash provided by operating activities</b>	<b>96</b>	<b>30</b>

### 17 Analysis of changes in net funds

	1 September 2020 £'000	Cash flows 31 August 2021 £'000	
Cash	104	84	188

### 18 Long-term commitments, including operating leases

At 31 August 2021 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2021 £'000	2020 £'000
Amounts due within one year	11	8
Amounts due in two and five years	15	21
	<b>26</b>	<b>29</b>

### 19 Related party transactions

Owing to the nature of the free school's operations and the composition of the Board of Governors being drawn from local public and private sector organisations, transactions may take place with organisations in which the trust has an interest. All transactions involving the such organisations are conducted at arm's length and in accordance with the free school's financial regulations and normal procurement procedures.

No related party transactions took place in the period of account other than certain trustees' remuneration and expenses already disclosed in notes 8 and 9.

# LIGHTHOUSE HARMONIZE EDUCATION TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

***FOR THE YEAR ENDED 31 AUGUST 2021***

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### **20 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.