

Registration number: 07657235

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# Lighthouse Harmonize Education Trust

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 August 2018

# **Lighthouse Harmonize Education Trust**

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## **Lighthouse Harmonize Education Trust**

### **Reference and Administrative Details**

<b>Members</b>	Elsie Hogan-Edem Henry Keesz Liverpool Lighthouse Limited, represented by Helen Hawley Love and Joy Ministries Limited, represented by Tanidabi Omidayi Modupe Omidayi Estelle Springer
<b>Governors</b>	Stephen Philip Daley (resigned 31 August 2018) Martin Flatman Stephen Allen Harper Jennifer Hicks Marie McConville Modupe Victoria Emrica Omidayi, Chair Rebecca Jane Ross-Williams James Angus Osbourne-White Anthony Lawson Reverend Rachael Alison Garland (appointed 4 December 2017) Sheelagh Janet Cloonan (appointed 4 December 2017)
<b>Senior Management Team</b>	Stephen Philip Daley (resigned 31 August 2018), Principal Marie McConville (appointed as Principal 1 September 2018), Vice Principal Gerard Tiernan, Assistant Principal (SENCO) Catherine Martin, School Business Manager
<b>Principal and Registered Office</b>	7 Phillimore Road Liverpool L6 6DL
<b>Company Registration Number</b>	07657235
<b>Auditors</b>	Beever and Struthers Chartered Accountants and Statutory Auditors St George's House 215-219 Chester Road Manchester M15 4JE
<b>Bankers</b>	Royal Bank of Scotland plc 1 Dale Street Liverpool L2 2PP

## **Lighthouse Harmonize Education Trust**

### **Reference and Administrative Details (continued)**

<b>Solicitors</b>	Browne Jacobson LLP 14th Floor, No. 1 Spinningfields 1 Hardman Square Spinningfields Manchester M3 3EB
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## **Lighthouse Harmonize Education Trust**

### **Trustees' Report for the Year Ended 31 August 2018**

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2018. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

#### **Structure, governance and management**

##### ***Constitution***

The academy trust is a company limited by guarantee and is an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The company registration number is 07657235.

The governors act as the trustees for the charitable activities of Lighthouse Harmonize Education Trust and 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 company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he/she ceases to be a member.

##### ***Trustees' indemnities***

The academy trust through its Articles has indemnified its Trustees to the fullest extent permissible by law. During the period the Academy also purchased and maintained liability insurance for its Trustees.

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

In accordance with the Articles of Association, the trust may appoint up to 9 governors. The Principal is an ex-officio governor. In addition staff and parent governors may be elected, and further governors may be co-opted, it is expected that the governing body will number between 12 and 14 persons.

##### ***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 that Free School is run in an efficient and professional manner. The Board has appointed three sub-committees: Quality of Education; Arts and Community (previously Community, Communications and Marketing); Finance and Resources. The members of the Finance and Resources Committee also meet as the Audit and Pay Committees.

##### ***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 for the Year Ended 31 August 2018 (continued)**

#### *Connected organisations, including related party relationships*

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

#### **Objectives and activities**

##### *Objects and aims*

The trust operates an Alternative Provision (AP) Free School for pupils aged 13 to 16 servicing the Merseyside and Cheshire. The school has a pupil capacity of 104 and had a head roll of 72 on the school census in October 2017.

##### *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 2017/18 demonstrated in all accepted definitions that Lighthouse Harmonize Education Trust provides charitable services that are of public benefit through the provision of secondary education, advice and support to other providers of such secondary education, and making 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.

## **Lighthouse Harmonize Education Trust**

### **Trustees' Report for the Year Ended 31 August 2018 (continued)**

#### **Strategic Report**

##### **Achievements and performance**

The school's capacity for 2017-18 was 104 comprising of 51 places commissioned from Liverpool City Council's Alternative Provision Team for students who have been permanently excluded from school, and 53 places commissioned from schools across Merseyside and Cheshire, for those pupils 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 curriculum. This included plans to develop the Urban Arts, and Sports and Enterprise base which we believe engages and develops confidence in our students and also prepares them for the world of work.

Furthermore, interventions to assist exam success and behaviour management support continued to be important strands of the Harmonize Academy experience.

During 2017-18, Harmonize Academy continued to develop its curriculum offer to include GCSE Chemistry and GCSE Psychology as well as vocational qualifications in Dance (NCFE) and Speaking and Listening (LAMDA).

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 and Maths. A base-lining system for Science was developed and introduced which added to the testing of students on arrival. GCSE forecast grades were changed to a baseline 9-1 target to reflect the new grading system. 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 each year with more qualifications achieved (362 in 2016-17 and 389 qualifications this year) owing to the broader curriculum. 86% of students were entered for 5 GCSEs or equivalent which was an increase on the previous year.

## **Lighthouse Harmonize Education Trust**

### **Trustees' Report for the Year Ended 31 August 2018 (continued)**

#### **Strategic Report**

##### **Activities**

Mrs Marie McConville, the new Principal gave the following account of activities throughout the year.

- The Principal, Mr Stephen Daley retired on 31st August 2018.
- In February 2018 after a successful interview, Mrs Marie McConville was offered the position of Principal wef 1st September 2018.
- In May 2018 after a successful interview, Mr Carl Parkinson was offered the position of Vice-Principal wef 1st September 2018.

From September 2017 the school's capacity remained at 104. We welcomed several new members of staff:

- Hollie Crewdson - Teacher of Design Technology
- Catherine Martin - School Business Manager
- Michelle Bentley, Claudia Daley, Leianna Owens - Teaching Assistants

The school's curriculum offer was broadened further this year with the introduction of GCSE Psychology and new vocational qualifications in Dance, Design Technology and Speaking & Listening. These are in addition to the core of English, Maths and Biology supplemented with Performing Arts and Music, Beauty, Chemistry, Childcare, Design Technology, Food Technology, PSHE and Physical Education which underpins the school's ethos of 'A Vision for Life'. PE became a core requirement for year 10s ensuring that more students participated in physical activity. The Speaking and Listening qualification was also compulsory for year 10 students.

Enrichment offers pupils many choices including beauty, catering, dance, singing, music, music technology, film and photography, cultural trips, horse-riding, PE, free-running, football, golf, table-tennis, art, catering, bowling and 1:1 English, Maths and Science.



## Lighthouse Harmonize Education Trust

### Trustees' Report for the Year Ended 31 August 2018 (continued)

#### Strategic Report

#### Exam Results 2018

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:

	Percentage of pupils at the end of key stage 4 achieving										
	Number of end of key stage 4 pupils	No of <u>Quals</u>	Percentage of pupils entered for 5+ GCSEs or equivalents	5+ GCSE at A*-C or equivalent	5+ A*-C including English and mathematics GCSEs	5+ GCSE at A*-G or equivalent	Level 2 English and mathematics skills	Level 1 English and mathematics skills	A pass in any qualification	Average GCSE and equivalents point score per pupil at the end of key stage 4	
Harmonize Academy 2017/2018	43	389	86.0	9.4	3.1	87.50	11.76	84.71	100	164.16	2017/2018
Harmonize Academy 2016/2017	39	362	72.5	13.8	10.3	89.66	15	77.5	100	152.45	2016/2017
Harmonize Academy 2015/2016	39	305	76.3	13.8	13.8	55.17	32.76	63.79	100	124.87	2015/2016
Harmonize Academy 2014/2015	26	151	84.61	0.0	0.0	84.61	11.36	81.82	100	100.88	2014/2015
Harmonize Academy 2013/2014	19	97	68.42	21.05	10.53	47.37	25.00	70.00	100	95.53	2013/2014
Liverpool 2014/2015	147		0.0	0.0	0.0	0.0	0.0	0.0	32.7	17.5	2014/2015
Knowsley 2014/2015	17		0.0	0.0	0.0	0.0	0.0	35.3	88.2	51.0	2014/2015
Sefton 2014/2015	26		19.2	x	x	19.2	x	15.4	73.1	75.3	2014/2015
Manchester 2014/2015	118		28.0	5.9	2.5	25.4	4.2	43.2	72.9	88.1	2014/2015
Average no. of weeks at HA		2017-18: 48		2016-17: 45		2015-16: 46		2014-15: 20			

x = no result.

## Lighthouse Harmonize Education Trust

### Trustees' Report for the Year Ended 31 August 2018 (continued)

#### Strategic Report

All year 11 students who left the academy in summer 2018 went into education, employment or training. Learning and career choices included progression to the following fields: Construction - the most popular, Welding, Engineering (electrical, gas, marine), Mechanics, Business, Sport, Music, Performing Arts, Health & Social, Childcare, Hair & Beauty, Animal Care and Law. In a positive development, seven students were successful in gaining paid employment.

Qualifications available 2017-18:

GCSEs		Marking Scheme	Equivalents qualifications		Marking Scheme
WJEC English Language	CORE	9-1	NCFE EL, L1, L2 Certs English		Pass, Fail
Edexcel Maths (Foundation / Higher)	CORE	9-1	NCFE EL2 Cert Maths		Pass, Fail
AQA Biology (Foundation / Higher)	CORE	9-1			
AQA Chemistry (Foundation / Higher)	OPTION	9-1			
AQA Drama	OPTION	9-1	NCFE L1 Cert Performance Skills Using Dance	OPTION	Pass, Fail
AQA Dance	OPTION	9-1	NCFE L2 Cert Performance Skills	OPTION	Pass, Fail
			NCFE L2 Cert Music Technology	OPTION	Pass, Fail
			NCFE L2 Ext Cert Music Technology	OPTION	Pass, Fail
			Arts Award Bronze / Silver		Pass, Fail
AQA Design and Technology Short Course	OPTION	A* - G			
AQA Design and Technology (June 2019)	OPTION	9-1			
AQA Physical Education	OPTION	9-1			
Edexcel Psychology	OPTION	9-1			
WJEC Physical Education Short Course	OPTION	9-1			
<b>ENRICHMENT ACTIVITIES</b>					
TEAM UP: English, Maths, Science			L1 NCFE V.Cert Food and Cookery	OPTION	Pass, Merit, Distinction
Horse-riding			L2 NCFE V.Cert Food and Cookery	OPTION	Pass, Merit, Distinction
Golf			NCFE L1 Award PSD	PSHE	Pass, Fail
Pool			NCFE L1 Cert PSD	PSHE	Pass, Fail
Football			NCFE L1 Ext Cert PSD	PSHE	Pass, Fail
Free-running			NCFE L1 Award Sexual Health Awareness	PSHE	Pass, Fail
Volley-ball			NCFE L1 Award Mental Health Awareness	PSHE	Pass, Fail
Beauty			NCFE L1 Award Substance Misuse Awareness	PSHE	Pass, Fail
Art			NCFE L1 Award Alcohol Awareness	PSHE	Pass, Fail
Singing / Gospel Singing			VTCT L1 Award Introduction to Hair & Beauty Sector	OPTION	Pass, Fail
Band Workshops			VTCT L1 Cert Introduction to Hair & Beauty Sector	OPTION	Pass, Fail
Rap / DJing			VTCT L2 Award Hair & Beauty Skills	OPTION	Pass, Merit, Distinction
Drama			VTCT L2 Ext Award Hair & Beauty Skills	OPTION	Pass, Merit, Distinction
Film/Games					
Photography			NCFE L1 Cert Photography	ENRICHMENT	Pass, Merit, Distinction
Dress-making			NCFE L1 Ext Cert Photography	ENRICHMENT	Pass, Merit, Distinction
Cookery			NCFE CACHE L2 Award Child Development & Care	OPTION	A*-D
Chaplaincy			LAMDA L2 Award Speaking and Listening Skills	ORACY	Pass, Merit, Distinction
OAP Home Visits			BHS EL Award Equestrian Skills	ENRICHMENT	Pass, Fail
Well-being			Archbishop of York Young Leaders Award KS3/ KS4	SMSC	Pass, Fail
			Trinity: ESOL Grade 5		Pass, Merit, Distinction
			Open Awards EL3 Award in Skills for Further Learning & Employment		Pass, Fail

#### Partner Organisations:

Over the past year we have worked closely with many organisations to give our pupils, with their complex needs, every chance to succeed and to develop their true potential. These have included:

- **Addaction** - Worked with individual students
- **Blackburn House**
- **Brook Liverpool**
- **Career Connect** - Individual Careers advice service offered in school to all year 11s to assist progression; and a very successful careers fair for years 10 and 11 held in school in January attended by fifteen local employers and training providers
- **Dollworx Photography Studio**
- **dot-art Schools Liverpool** - art competition
- **Durham Gateway** - AP Free School Project
- **EBD Schools Football League**- Football Tournaments
- **Fagends** - Addiction support
- **Judo Education**
- **LACES**- Looked after children, Liverpool

## **Lighthouse Harmonize Education Trust**

### **Trustees' Report for the Year Ended 31 August 2018 (continued)**

#### **Strategic Report**

##### **Achievements and performance (continued)**

- **Liverpool Dyslexia Society**- Individual support for students 2 days per week
- **Liverpool Lighthouse**
- **Liverpool Learning Partnership**
- **Liverpool Youth Service**
- **Merseyside Police**
- **New Schools Network - Filming**
- **RARE Dance & Performing Arts Studio**
- **Resonate- Liverpool's Music Hub**- Enrichment Music lessons
- **Rowan Garth Nursing Home**- Enrichment visits for Archbishop of York, Young Leaders Award
- **University student placements** - three
- **University support**-1:1 English, maths, and science support delivered by local students weekly
- **Young Everyman Playhouse**

##### **VIP Visitors and Guest Facilitators:**

- **Jason Bambala, Behaviour Management**
- **Bill Bygroves, LFC**
- **Jenni Hicks, Governor**
- **Michelle Lawson, Singer**
- **EllieAnn O'Neill, Beadmaking**
- **Matt Rutter and Robert Awork, YEP**

##### **Regular Individual Facilitators:**

- **Dr Andy Cornes** - Psychologist
- **Carla Ellington and Anthony Farrell** - Choir Tutors
- **James Reader** - Frontrow Films (Harmonize TV) and Photography Tutor

##### **Education Visitors and Events 2017/2018**

###### **Regional:**

- **Bricknell Primary School, Hull**
- **Durham Gateway Academy AP Free School, Newton Aycliffe**
- **Five Rivers Child Care, Leeds**
- **The Gorse Academies Trust, Leeds**
- **The Work Place, East Sussex**
- **The Works Education, Leeds**
- **Middlesbrough Council, Middlesbrough**
- **Westgate Academy, London**
- **Wigan Metropolitan Borough Council**

###### **Education Network Events**

- **Academies Show Birmingham**
- **APT Providers Forums, Liverpool**
- **DfE Visitors**
- **Education Estates Conference, Manchester**
- **Ministry of Justice: Secure Schools, Manchester**
- **Middlesbrough Headteachers and Middlesbrough Council**
- **AP Conference Host (June)**

## **Lighthouse Harmonize Education Trust**

### **Trustees' Report for the Year Ended 31 August 2018 (continued)**

#### **Strategic Report**

##### **Achievements and performance (continued)**

###### **The following schools placed students at Harmonize Academy during 2017-18:**

Alsop High School, Bellerive FCJ Catholic College, Broadgreen International School, The Academy of St Nicholas, Finchwood Academy, Halewood Academy, The Hawthorne's Free School, Holly Lodge Girls' College, Hugh Baird College, Lord Derby Academy, North Liverpool Academy, Notre Dame Catholic College, Ormiston Bolingbroke Academy, Ormiston Chadwick Academy, The Prescott School, Rainford High Technology College, St Edmond Arrowsmith Catholic Centre for Learning, The Academy of Saint Francis of Assisi, St Hilda's CE High School, St John Bosco Arts College, St Julie's Catholic High School, St Michael's CE High School, The Academy of St Nicholas, Studio@Deyes, Upton by Chester High School, West Derby School, The Whitby High School.

###### **The following Local Authorities placed students at Harmonize Academy during 2016-17:**

Liverpool City Council Alternative Provision Team, Looked After Children and SEN Teams; Knowsley Metropolitan Borough Council, Cheshire West & Chester Council and London Borough Council - Hackney.

##### **Enrichment Trips and Activities**

- Beauty: Wholesalers
- Childcare: Jakes Place, Netherton Activity Centre;
- Echo Arena and Everyman Theatre, Liverpool
- Food and Cookery Trip to local restaurant
- Knowsley Village Stables and Beechley Stables RDA
- LIPA
- Liverpool Lighthouse Christmas Service
- Music and Photography trips to local museums, galleries, parks and gardens and other locations
- Sports & Fitness: Aintree Golf Course, Air Unlimited, Airborne Academy, Awesome Walls, Boccia, Go-Karting, Handball, Hollywood Bowl, Ice-skating, Jubilee Sports Centre, Judo, Pool, Table-tennis, Tug-of-War, Watersports, Velocity Trampoline Park, Volleyball
- WW1 Battlefields Tour, France

##### **Harmonize Productions:**

- Dance: Performance Showcase
- Music: Band Showcase
- Music: Singing Showcase
- Performing Arts: Cinderella

##### **Continuing Professional Development:**

- NPQH (Vice-Principal)
- NPQSL (Maths)
- NIPT
- NQT (English)
- QTLS (PSHE) (Dance)
- Emotional Wellbeing (INSET)
- Behaviour Management (INSET)
- GCSE English Language, English Literature and Science Exam Preparation
- National PSD Programme

## **Lighthouse Harmonize Education Trust**

### **Trustees' Report for the Year Ended 31 August 2018 (continued)**

#### **Strategic Report**

##### **Achievements and performance (continued)**

###### **Parental/Carer Support**

The annual Review Day was held in July 2018 and provided an opportunity for parents/carers to meet with Harmonize Teaching staff to discuss their child's school report and progress. This was a successful event and the staff members were pleased to receive positive feedback from parents/carers as follows:

- An excellent school that supports my son a lot.
- An excellent report - my daughter has excelled since starting Harmonize and I am thrilled with her progress.
- I am so proud of my son and the school for their support and encouragement this year.
- I was pleasantly surprised how well my son has settled in; hopefully, he will be able to stay here.
- I'm amazed with my son's progress this year - all comments have been excellent.
- I am very happy with all the support my son has had from the school and very pleased with his progress.
- My son has really grown in confidence.
- My daughter is like a totally different person and is doing so well. Thank you to everyone at Harmonize.

###### **Multi Academy Trust Status:**

In July 2018, the DfE invited local authorities to submit bids to establish new special or alternative provision free schools with a closing date of 15 October 2018. Successful local authorities are to be notified early in 2019 and will then invite tenders from local Trusts to open new schools.

I would like to take this opportunity to thank all governors, staff (teaching and non-teaching), LCC AP Team and all the schools and local authorities who have commissioned places for their support over the past five and a half years which has enable the school to flourish and more importantly, to make a significant difference to the life chances of the students in our care.

##### **Key performance indicators**

Key Performance Indicators (KPI) were identified for the period 2016-18 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 March 2015.
- Exam results: 15% of students achieving five 9-4 including English & Maths.  
An improvement has been shown each year with more qualifications achieved (362 in 2016-17 and 389 this year) owing to a broader curriculum including more options such as Psychology, Chemistry and Dance. The school continues to achieve a 100% pass rate for each year 11 student achieving at least one qualification. The individual student Point Score has increased each year – 164.16 in 2017-18 (152.45 in 2016-17).
- Academic progress: 90% of students making one level of progress.  
36% of students made better than expected progress in English and 43% made better than expected progress in Maths. Overall, 93% of 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 2018 progressed to FE/HE and/or Employment or Training.
- Maintain school capacity: The academy's projected capacity for September 2018 was 104 students. There were 86 students recorded on the spring 2018 census and 102 on the summer 2018 census.

##### **Going concern**

After making appropriate enquiries, the Governing Body has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

## **Lighthouse Harmonize Education Trust**

### **Trustees' Report for the Year Ended 31 August 2018 (continued)**

#### **Strategic Report**

##### **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 and Cheshire 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 overall deficit for 2018 is £119k (2017: £142k) after depreciation and amortisation charges of £94k (2017: £105k).

After accounting for the actuarial loss on the local government pension scheme the net movement in funds for the year is a negative £29k (2017: £192k).

##### ***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 at developing income streams that would enable the trust to build up reserves to act as a buffer against any changes in funding.

Support staff are members of the Local Government Pension Scheme. The academy's share of the deficit on the scheme in 2017 was £205k which had a negative impact on the overall reserves position. A plan has been implemented to reduce the deficit – this comprised increasing employer contributions over a period of three years, making an additional contribution of £3k and carrying out a review at the end of the 3 year period. This plan has been followed. The academy's share of the deficit in the scheme in 2018 is £296k.

##### ***Investment policy***

The governors do not consider a formal investment policy to be necessary at the moment given that the only cash investments are the funds held within bank accounts.

## **Lighthouse Harmonize Education Trust**

### **Trustees' Report for the Year Ended 31 August 2018 (continued)**

#### **Strategic Report**

##### ***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 management of risk. This is reviewed by the governors on a termly basis and has been subject of review by Beever and Struthers during the financial year.

The risk register assessment 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 control such as, adverse economic events.

The principal risks are:

- Strategic and Reputational Risks: a lack of strategic direction resulting in a loss of reputation and lack of demand for the Trust's services;
- Operational Risks: security of assets is compromised resulting in loss;
- Financial Risks: inadequate financial controls resulting in poor financial management;
- Compliance Risks: failure to comply with legislation or regulations resulting in loss of academy status.

The Academy Trust has put in place controls:

- Adherence to a cycle of planning agreed by the Governing Body;
- Reviewed security arrangements, logging assets in a fixed asset register and has ensured it has adequate insurance cover;
- Documented its authorised policies and procedures and an annual review of these is carried out;
- Financial reports are linked to the Trust's strategic plan and include accurate projections produced on a termly basis by staff with the required skills and competencies;
- Identified key legal and regulatory requirements and allocated responsibility for key compliance procedures, obtaining compliance reports from regulators where appropriate.

Support staff are members of the Local Government Pension Scheme. The academy's share of the deficit on the scheme in 2018 was £296k (2017: £205k). A plan was implemented to reduce the deficit which comprised increasing employer contributions over a period of three years, making an additional contribution of £3k and carrying out a review at the end of the 3 year period.

##### ***Risk Management***

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 in legislation and funding are taken into account.

##### ***Fundraising***

The Arts and Community Committee in particular will take responsibility for initiating fundraising activities. An application was submitted to the DfE's Teaching and Learning Innovation Fund for the purpose of raising funds to open a Hairdressing Salon on-site which would provide opportunities to offer more qualifications such as a vocational course and establish Harmonize Academy as a training provider. However, the bid was unsuccessful and other grants are being researched.

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

No events have taken place post balance sheet date that are out of the ordinary or that affect the Academies financial status as at that date.

## **Lighthouse Harmonize Education Trust**

### **Trustees' Report for the Year Ended 31 August 2018 (continued)**

#### **Strategic Report**

##### **Achievement**

During 2018-19 we aim to raise achievement and improve progress at Key Stage 3 and 4 through broadening the curriculum further and maintaining levels of attainment. Over the five year period under the leadership of Principal, Mr Stephen Daley, the school achieved a 100% pass rate with each year 11 student achieving at least one qualification. We aim to maintain this rate alongside an aspirational target to continue increasing the average individual student point score at the end of KS4.

##### **Teaching and Learning**

To maintain high quality teaching and learning across the school, a Vocational Department has been established to look at raising the standard of options qualifications and increasing the number of students gaining merit and distinction grades. This will be led by the Design Technology Teacher, Hollie Crewdson who is undertaking NPQSL CPD.

To broaden the curriculum offer both in vocational and academic subjects, for example, Year 10 students will benefit from the introduction of the new Technical Awards in Child Development and Care, and Graphic Design.

##### **Behaviour and Safety**

Strong and effective pastoral management for all our students is integral to their experience at Harmonize Academy and will continue to be at the heart of the school's activity. We endeavour to ensure that behaviour across the academy is good to outstanding at all times and, that students feel safe in school. We also aim to improve whole school attendance and punctuality aspiring to National averages. The Enrichment activities programme will support these aims through activities such as:

- A Gifted and Talented programme offering GCSEs in English Literature and History will be piloted for a small group of year 11 students.
- In addition, the Design Technology Teacher, Hollie Crewdson is setting up a social enterprise [Enterprize @ Harmonize] enrichment activity with a small group of students which aims to teach them how to set up and run a small business and gain valuable insights into enterprise. This will also allow students to earn money from their designs and encourage them to develop a sense of social responsibility as 20% of profits will be donated to charity.
- Further enrichment activities new for the coming year, will include mindfulness and yoga to encourage students to develop mental and emotional resilience; and setting up a Food Bank for student involvement with the local community.

##### **Leadership and Governance**

- 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 apply for MAT status and to successfully bid to open a new AP free school or schools in conjunction with local authority bids such as in the Manchester region if funding becomes available in 2019.
- To apply for Condition Improvement Funding to expand the number on roll to 120 and provide the school with an enhanced vocational curriculum via the addition of a hair dressing salon on the premises.



## **Lighthouse Harmonize Education Trust**

### **Trustees' Report for the Year Ended 31 August 2018 (continued)**

#### **Funds held as Custodian Trustee on behalf of others**

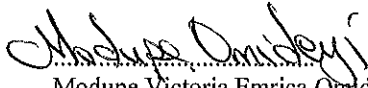
The Trust does not act as a custodian trustee for any charities.

#### **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.

Trustees' Report, incorporating a Strategic Report, was approved by order of the members of the Governing Body on 3/12/2018, and signed on its behalf by:

  
Modupe Victoria Emrica Omdéyi  
Governor

## **Lighthouse Harmonize Education Trust**

### **Governance Statement**

#### **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 Governing Body has delegated the day-to-day responsibility to the Principal (previously Mr Stephen Philip Daley and wef 1st September 2018, Mrs Marie McConville) Marie McConville, 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. They are also responsible for reporting to the Governing Body 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 Governing Body has formally met 4 times during the year. Attendance during the year at meetings of the Governing Body was as follows:

<b>Trustee</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Modupe Victoria Emrica Omideyi	4	4
Stephen Philip Daley	4	4
Martin Flatman	4	4
Stephen Allen Harper	3	4
Jennifer Hicks	3	4
Anthony Lawson	3	4
Marie McConville	4	4
Rebecca Jane Ross-Williams	3	4
James Angus Osbourne-White	3	4
Sheelagh Janet Cloonan	1	3
Reverend Rachael Alison Garland	1	3

#### **Governance reviews**

Governors' 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 interests are reviewed on an ongoing basis, either as a group or one-to-one with the Chair.

Challenges which the Board faces include:

Replacing governors who move on, especially in the light of the steadily increasing demands in time, capability and commitment required by the DfE. LHET has always adopted a skills-based approach to governor recruitment. Attempts were made to fill vacant roles through the NGA's Inspiring Governance Service, and through Governors for Schools (formerly SGOSS). LHET has been fortunate in being able to fill its governor vacancies this year, including that of SEND governor.

## **Lighthouse Harmonize Education Trust**

### **Governance Statement (continued)**

#### **Finance and Resources Committee**

The Finance and Resources Committee is a sub-committee of the main Governing Body. 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 Q&E and CCM 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.

#### **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.

## **Lighthouse Harmonize Education Trust**

### **Governance Statement (continued)**

- 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 during the year was as follows:

<b>Trustee</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Modupe Victoria Emrica Omidoyi	3	3
Stephen Philip Daley	3	3
Stephen Allen Harper	2	3
James Angus Osbourne-White	3	3
Marie McConville	3	3

## **Lighthouse Harmonize Education Trust**

### **Governance Statement (continued)**

#### **Audit Committee**

The Audit Committee is a sub-committee of the main Governing Body. 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 NAO 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 during the year was as follows:

<b>Trustee</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Modupe Victoria Emrica Omidoyi	3	3
Stephen Philip Daley	3	3
Stephen Allen Harper	2	3
James Angus Osbourne-White	3	3
Marie McConville	3	3

## **Lighthouse Harmonize Education Trust**

### **Governance Statement (continued)**

#### **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 SIP reports written by SLT.
- 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:-

<b>Trustee</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Modupe Victoria Emrica Omideyi	3	3
Stephen Philip Daley	3	3
Martin Flatman	3	3
Anthony Lawson	3	3
Marie McConville	3	3

## Lighthouse Harmonize Education Trust

### Governance Statement (continued)

**Community, Communications & Marketing Committee** - ceased 4th December 2017.

**Arts and Community Committee** - established 30th April 2018

Previously:

- To develop, review and ensure good communication with all stakeholders and interested parties; including pupils, parents, staff, governors, ex-pupils, PTA, prospective pupils, parents and referring organisations.
- To monitor and oversee the school's work in the community; to secure and build on constructive links with the wider community including local schools, voluntary groups, elected representatives (local and national), businesses and other relevant agencies.
- To promote the best interests of the school through the provision of best quality information to diverse audiences through a range of media.
- To support the Principal in communicating with stakeholders and the media in the event of a significant incident.
- To monitor and review annually all policies allocated to the Committee, making recommendations to the Governing Body.

New:

- 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:-

Trustee	Meetings attended	Out of a possible
Modupe Victoria Emrica Omideyi	2	2
Sheelagh Janet Cloonan	1	1
Stephen Philip Daley	2	2
Martin Flatman	2	3
Rachael Garland	1	1
Jennifer Hicks	2	2
Marie McConville	2	2
Rebecca Ross Williams	1	2

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)**

#### **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 Trust's use of its resources has provided good value for money during each academic year, and reports to the Governing Body where value for money can be improved, including the use of benchmarking data where available. The Accounting Officer for the Academy Trust has delivered improved value for money during the year by:-

- 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 new minibus and the purchase of the previously leased minibus at a greatly discounted cost have proved invaluable in transporting students on PE lessons and enrichment activities including trips to local sports venues. This has proved much more cost effective than regular hire arrangements and taxi costs.
- The procurement policy has been updated to ensure flexibility for the Trust whilst also ensuring that value for money is achieved and that procurement risks are managed appropriately

#### **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 year ended 31 August 2018 and up to the date of approval of the annual report and financial statements.

#### **Capacity to Handle Risk**

The Governing Body 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 Governing Body 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 year ending 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Governing Body.

#### **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 Governing Body;
- 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;
- delegation of authority and segregation of duties;
- identification and management of risks.



## **Lighthouse Harmonize Education Trust**

### **Governance Statement (continued)**

The Governing Body has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the governors have appointed Beever and Struthers as the external auditor to perform additional checks in order to provide assurance in regard to the Systems of Internal Control.

The role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. A review of financial areas for testing has been completed during the year.

These arrangements can provide only reasonable and not absolute assurance that assets are safeguarded, transactions are authorised and properly recorded, and that material errors or irregularities are either prevented or would be detected within a timely period.

On a termly basis, the reports to the Governing Body on the operation of the systems of control and on the discharge of the Governing Body's financial responsibilities.

There were no material control or other issues reported by the Governing Body to date.

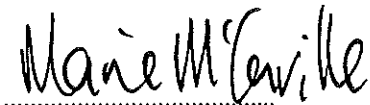
#### **Review of Effectiveness**

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

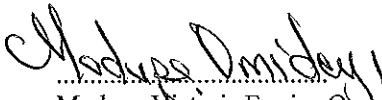
- the work of the Assurance Advisers ;
- the work of the external auditor;
- the financial management and governance self assessment process;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

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 the Finance and Resources Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Governing Body on 31.12.2018.. and signed on its behalf by:



Marie McConville  
Accounting officer  
Governor



Modupe Victoria Emrica Omdedei  
Governor

## **Lighthouse Harmonize Education Trust**

### **Statement on Regularity, Propriety and Compliance**

As Accounting Officer of Lighthouse Harmonize Education Trust I have considered my responsibility to notify the academy trust Governing Body and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2017.

I confirm that I and the academy trust Governing Body 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 2017.

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 Governing Body and ESFA.



Marie McConville  
Accounting Officer

Date: 3/12/2018

## **Lighthouse Harmonize Education Trust**

### **Statement of Trustees' Responsibilities**

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

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

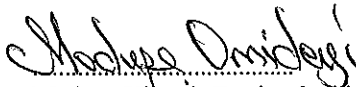
- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Board on 31.12.18 and signed on its behalf by:

  
Modupe Victoria Emrica Omidoyi  
Governor

## **Lighthouse Harmonize Education Trust**

### **Independent Auditor's Report on the Financial Statements to the Members of Lighthouse Harmonize Education Trust**

#### **Opinion**

We have audited the financial statements of Lighthouse Harmonize Education Trust "the academy trust" for the year ended 31 August 2018, which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, Balance Sheet, Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2017 to 2018 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2018 and of its incoming resources and application of resources, including income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Academies Accounts Direction 2017 to 2018 issued by the Education and Skills Funding Agency.

#### **Basis for opinion**

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

#### **Conclusions relating to going concern**

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

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

#### **Other information**

The Trustees (who are also the directors of the academy trust for the purposes of company law) are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

## **Lighthouse Harmonize Education Trust**

### **Independent Auditor's Report on the Financial Statements to the Members of Lighthouse Harmonize Education Trust (continued)**

We have nothing to report in this regard.

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

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

- the information given in the Trustees' Report (incorporating the Strategic Report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the 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 our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report.

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

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

#### **Responsibilities of Trustees**

As explained more fully in the Statement of Trustees' Responsibilities [set out on page 25], the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Academy'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 Academy or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

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

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Academy's internal control.

## **Lighthouse Harmonize Education Trust**

### **Independent Auditor's Report on the Financial Statements to the Members of Lighthouse Harmonize Education Trust (continued)**

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- Conclude on the appropriateness of the Trustees use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Academy's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Academy to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

#### **Use of our report**

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



.....  
Sue Hutchinson (Senior Statutory Auditor)  
For and on behalf of Beever and Struthers, Statutory Auditor

St George's House  
215-219 Chester Road  
Manchester  
M15 4JE

Date: .....

17/12/18

## **Lighthouse Harmonize Education Trust**

### **Independent Reporting Accountant's Report on Regularity to Lighthouse Harmonize Education Trust and the Education & Skills Funding Agency**

In accordance with the terms of our engagement letter dated 27 July 2017 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, 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 2017 to 31 August 2018 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 the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we may state to Lighthouse Harmonize Education Trust and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Lighthouse Harmonize Education Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

#### **Respective responsibilities of the Governing Body's accounting officer and the reporting accountant**

The Accounting Officer is responsible, under the requirements of the Governing Body's funding agreement with the Secretary of State for Education dated and the Academies Financial Handbook extant from 1 September 2017, 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 2017 to 2018. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year from 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

#### **Approach**

We conducted our engagement in accordance with the Academies Accounts Direction 2017 to 2018 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:

- Review and testing of financial systems of internal control
- Sample testing of transactions
- Discussions with management

## **Lighthouse Harmonize Education Trust**

### **Independent Reporting Accountant's Report on Regularity to Lighthouse Harmonize Education Trust and the Education & Skills Funding Agency (continued)**

#### **Conclusion**

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year from 1 September 2017 to 31 August 2018 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

*Beever and Struthers*

.....  
Sue Hutchinson

For and on behalf of Beever and Struthers, Chartered Accountants

St George's House  
215-219 Chester Road  
Manchester  
M15 4JE

Date:.....

*17/12/18*



# Lighthouse Harmonize Education Trust

## Statement of Financial Activities for the Year Ended 31 August 2018 (including Income and Expenditure Account)

	Note	Restricted General Funds £ 000	Restricted Fixed Asset Funds £ 000	2017/18 Total £ 000	2016/17 Total £ 000
<b>Income and endowments from:</b>					
Donations and capital grants	2	-	5	5	11
<i>Charitable activities:</i>					
Funding for the Academy trust's educational operations	3	<u>1,746</u>	<u>-</u>	<u>1,746</u>	<u>1,716</u>
Total		1,746	5	1,751	1,727
<b>Expenditure on:</b>					
<i>Charitable activities:</i>					
Academy trust educational operations	5	<u>1,774</u>	<u>96</u>	<u>1,870</u>	<u>1,869</u>
Net expenditure		(28)	(91)	(119)	(142)
Transfers between funds		(6)	6	-	-
<b>Other recognised gains and losses</b>					
Actuarial gains on defined benefit pension schemes	20	<u>90</u>	<u>-</u>	<u>90</u>	<u>(50)</u>
Net movement in funds/(deficit)		56	(85)	(29)	(192)
<b>Reconciliation of funds</b>					
Total (deficit)/funds brought forward at 1 September 2017		<u>(165)</u>	<u>2,311</u>	<u>2,146</u>	<u>2,338</u>
Total (deficit)/funds carried forward at 31 August 2018		<u>(109)</u>	<u>2,226</u>	<u>2,117</u>	<u>2,146</u>

# Lighthouse Harmonize Education Trust

(Registration number: 07657235)  
Balance Sheet as at 31 August 2018

	Note	2018 £ 000	2017 £ 000
<b>Fixed assets</b>			
Intangible assets	9	-	2
Tangible assets	10	2,226	2,309
		<u>2,226</u>	<u>2,311</u>
<b>Current assets</b>			
Debtors	11	7	16
Cash at bank and in hand		89	63
		<u>96</u>	<u>79</u>
<b>Liabilities</b>			
Creditors: Amounts falling due within one year	12	(46)	(39)
<b>Net current assets</b>		<u>50</u>	<u>40</u>
<b>Total assets less current liabilities</b>		<u>2,276</u>	<u>2,351</u>
<b>Net assets excluding pension liability</b>		2,276	2,351
Defined benefit pension scheme liability	20	(159)	(205)
<b>Total net assets including pension liability</b>		<u>2,117</u>	<u>2,146</u>
<b>Funds of the Academy:</b>			
<b>Restricted funds</b>			
Restricted general fund		50	40
Restricted fixed asset fund		2,226	2,311
Restricted pension fund		(159)	(205)
		<u>2,117</u>	<u>2,146</u>
<b>Total funds</b>		<u>2,117</u>	<u>2,146</u>

The financial statements on pages 31 to 53 were approved by the Trustees, and authorised for issue on 31/12/18... and signed on their behalf by:

*Modupe Omideyi*  
Modupe Victoria Emrica Omideyi  
Governor

# **Lighthouse Harmonize Education Trust**

## **Statement of Cash Flows for the Year Ended 31 August 2018**

	Note	2018 £ 000	2017 £ 000
<b>Cash flows from operating activities</b>			
Net cash provided by/(used in) operating activities	16	32	(21)
<b>Cash flows from investing activities</b>	17	<u>(6)</u>	<u>(9)</u>
<b>Change in cash and cash equivalents in the year</b>		26	(30)
<b>Cash and cash equivalents at 1 September</b>		<u>63</u>	<u>93</u>
<b>Cash and cash equivalents at 31 August</b>	18	<u><u>89</u></u>	<u><u>63</u></u>

## **Lighthouse Harmonize Education Trust**

### **Notes to the Financial Statements for the Year Ended 31 August 2018**

#### **1 Accounting policies**

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

##### **Basis of preparation**

The financial statements 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 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

##### **Going concern**

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

##### **Income**

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

##### **Grants**

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

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

Capital grants are recognised 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.

## **Lighthouse Harmonize Education Trust**

### **Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)**

#### **1 Accounting policies (continued)**

##### ***Donations***

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

##### ***Other income***

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

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

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

##### ***Donated fixed assets***

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

##### ***Expenditure***

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

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 for the Year Ended 31 August 2018 (continued)**

#### **1 Accounting policies (continued)**

##### **Intangible fixed assets**

Intangible assets costing £250 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment. Amortisation is provided on intangible 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:

<b>Asset class</b>	<b>Amortisation method and rate</b>
Computer Software	20% straight line

##### **Tangible fixed assets**

Assets costing £250 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset over its expected useful lives, per the table below.

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

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.

<b>Asset class</b>	<b>Depreciation method and rate</b>
Leasehold land	Not depreciated
Leasehold buildings	2% straight line
Leasehold improvements	2% straight line
Computer equipment and software	20 - 33% straight line
Furniture and fittings	5 - 10% straight line

##### **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.

## **Lighthouse Harmonize Education Trust**

### **Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)**

#### **1 Accounting policies (continued)**

##### ***Provisions***

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

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

##### **Leased assets**

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

##### **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 as detailed in note 11. Prepayments are not financial instruments. Amounts due to the charity's wholly owned subsidiary are held at face value less any impairment.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 12. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to charity's wholly owned subsidiary are held at face value less any impairment.

##### **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.

## **Lighthouse Harmonize Education Trust**

### **Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)**

#### **1 Accounting policies (continued)**

##### **Pension benefits**

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in the notes to the financial statements, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

##### **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 the Education & Skills Funding Agency/Department for Education/sponsor/other funders where the asset acquired or created is held for a specific purpose.

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

##### **Critical accounting estimates and areas of judgement**

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



## Lighthouse Harmonize Education Trust

### Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

#### 1 Accounting policies (continued)

##### *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 (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 20, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31/08/2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

#### 2 Donations and capital grants

	Restricted fixed asset funds £ 000	2018 Total £ 000	2017 Total £ 000
Capital grants	<u>5</u>	<u>5</u>	<u>11</u>

#### 3 Funding for the Academy Trust's educational operations

	Restricted funds £ 000	2018 Total £ 000	2017 Total £ 000
<b>DfE/ESFA revenue grants</b>			
General Annual Grant (GAG)	1,067	1,067	1,083
Other DfE/EFA Grants	<u>60</u>	<u>60</u>	<u>51</u>
	1,127	1,127	1,134
<b>Other government grants</b>			
Local Authority Grants	612	612	570
<b>Non-government grants and other income</b>			
Other income	<u>7</u>	<u>7</u>	<u>12</u>
Total grants	<u>1,746</u>	<u>1,746</u>	<u>1,716</u>

# Lighthouse Harmonize Education Trust

## Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

### 4 Expenditure

	Non Pay Expenditure			2018	2017
	Staff costs £ 000	Premises £ 000	Other costs £ 000	Total £ 000	Total £ 000
<b>Academy's educational operations</b>					
Direct costs	1,118	-	149	1,267	1,275
Allocated support costs	305	139	159	603	594
	<u>1,423</u>	<u>139</u>	<u>308</u>	<u>1,870</u>	<u>1,869</u>

### Net income/(expenditure) for the year includes:

	2018 £ 000	2017 £ 000
Operating lease rentals	(8)	(2)
Depreciation	(94)	(100)
Amortisation of intangible fixed assets	(2)	(4)
Fees payable to auditor - audit	(6)	(6)
(Gain)/loss on disposal of fixed assets	<u>-</u>	<u>(2)</u>

### 5 Charitable activities

	Total 2018 £ 000	Total 2017 £ 000
Direct costs - educational operations	1,267	1,275
Support costs - educational operations	<u>603</u>	<u>594</u>
	<u>1,870</u>	<u>1,869</u>

## Lighthouse Harmonize Education Trust

### Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

#### 5 Charitable activities (continued)

	Educational operations £ 000	Total 2018 £ 000	Total 2017 £ 000
<b>Analysis of support costs</b>			
Support staff costs	305	305	304
Depreciation	94	94	102
Amortisation of intangible assets	2	2	4
Technology costs	10	10	5
Premises costs	43	43	31
Other support costs	114	114	106
Governance costs	35	35	42
Total support costs	<u>603</u>	<u>603</u>	<u>594</u>

#### 6 Staff

##### Staff costs

	2018 £ 000	2017 £ 000
<b>Staff costs during the year were:</b>		
Wages and salaries	1,173	1,117
Social security costs	108	103
Pension costs	145	118
	<u>1,426</u>	<u>1,338</u>
Supply staff costs	-	9
	<u>1,426</u>	<u>1,347</u>

##### Staff numbers

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

	2018 No	2017 No
<b>Charitable Activities</b>		
Teachers	24	23
Administration and support	20	20
Management	5	2
	<u>49</u>	<u>45</u>

## Lighthouse Harmonize Education Trust

### Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

#### 6 Staff (continued)

##### Higher paid staff

The number of employees whose emoluments exceeded £60,000 was:

	2018 No	2017 No
£60,001 - £70,000	1	1
£80,001 - £90,000	1	1
	<u>1</u>	<u>1</u>

##### Key management personnel

The key management personnel of the Academy Trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Academy Trust was £266,797 (2017: £219,663).

#### 7 Related party transactions - trustees' remuneration and expenses

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

Stephen Philip Daley (Principal and Trustee (resigned 31 August 2018)):

Remuneration: £85,000 - £90,000 (2017 - £80,000 - £85,000)

Employer's pension contributions: £10,000 - £15,000 (2017 - £10,000 - £15,000)

Marie McConville (Vice Principal and Trustee):

Remuneration: £60,000 - £65,000 (2017 - £60,000 - £65,000)

Employer's pension contributions: £10,000 - £15,000 (2017 - £5,000 - £10,000)

Saffron Anouska Collister (Staff Governor, resigned 31 March 2017):

Remuneration: £Nil (2017 - £15,000 - £20,000)

Employer's pension contributions: £Nil (2017 - £0 - £5,000)

Susan Boyle (Staff Governor, resigned 30 September 2016):

Remuneration: £Nil (2017 - £35,000 - £40,000)

Employer's pension contributions: £Nil (2017 - £5,000 - £10,000)

Anthony Lawson (Staff Governor, appointed 1 October 2016):

Remuneration: £25,000 - £30,000 (2017 - £25,000 - £30,000)

Employer's pension contributions: £0 - £5,000 (2017 - £0 - £5,000)

Sheelagh Janet Cloonan (Staff Governor):

Remuneration: £15,000 - £20,000 (2017 - )

Employer's pension contributions: £0 - £5,000 (2017 - )

During the year ended 31 August 2018, travel and subsistence expenses totalling £782 (2017- £582) were reimbursed or paid directly to 3 trustees (2017 - 2).

Other related party transactions involving the trustees are set out in note 21.

## Lighthouse Harmonize Education Trust

### Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

#### 8 Trustees' and officers' insurance

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 provides cover up to £1,500,000 on any one claim and the cost for the year ended 31 August 2018 was £2,080 (2017 - £2,100).

The cost of this insurance is included in the total insurance cost.

#### 9 Intangible fixed assets

	Computer Software £ 000	Total £ 000
<b>Cost</b>		
At 1 September 2017	19	19
At 31 August 2018	19	19
<b>Amortisation</b>		
At 1 September 2017	17	17
Charge for the year	2	2
At 31 August 2018	19	19
<b>Net book value</b>		
At 31 August 2018	-	-
At 31 August 2017	2	2

# Lighthouse Harmonize Education Trust

## Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

### 10 Tangible fixed assets

	Leasehold land and buildings £ 000	Leasehold improvements £ 000	Furniture and fixtures £ 000	Computer equipment £ 000	Total £ 000
<b>Cost</b>					
At 1 September 2017	1,469	829	247	140	2,685
Additions	-	-	5	6	11
At 31 August 2018	1,469	829	252	146	2,696
<b>Depreciation</b>					
At 1 September 2017	90	66	110	110	376
Charge for the year	23	16	28	27	94
At 31 August 2018	113	82	138	137	470
<b>Net book value</b>					
At 31 August 2018	1,356	747	114	9	2,226
At 31 August 2017	1,379	763	137	30	2,309

### 11 Debtors

	2018 £ 000	2017 £ 000
Trade debtors	-	9
VAT recoverable	3	1
Prepayments	4	6
	7	16

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

	2018 £ 000	2017 £ 000
Other taxation and social security	40	32
Accruals	6	7
	46	39

# Lighthouse Harmonize Education Trust

## Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

### 13 Funds

	Balance at 1 September 2017 £ 000	Incoming resources £ 000	Resources expended £ 000	Gains, losses and transfers £ 000	Balance at 31 August 2018 £ 000
<b>Restricted general funds</b>					
General Annual Grant	40	1,067	(1,051)	(6)	50
Other DfE/ESFA Grants	-	60	(60)	-	-
Local Authority Grants	-	612	(612)	-	-
Other income	-	7	(7)	-	-
	<u>40</u>	<u>1,746</u>	<u>(1,730)</u>	<u>(6)</u>	<u>50</u>
<b>Restricted pension funds</b>					
Pension reserve	(205)	-	136	(90)	(159)
<b>Total restricted general funds</b>	<u>165</u>	<u>(1,746)</u>	<u>1,594</u>	<u>96</u>	<u>109</u>
<b>Restricted fixed asset funds</b>					
DfE/ESFA Capital Grants	932	5	(68)	6	875
LCC lease	1,379	-	(28)	-	1,351
	<u>2,311</u>	<u>5</u>	<u>(96)</u>	<u>6</u>	<u>2,226</u>
<b>Total funds</b>	<u>2,146</u>	<u>1,751</u>	<u>(1,690)</u>	<u>(90)</u>	<u>2,117</u>

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

	Balance at 1 September 2016 £ 000	Incoming resources £ 000	Resources expended £ 000	Gains, losses and transfers £ 000	Balance at 31 August 2017 £ 000
<b>Restricted general funds</b>					
General Annual Grant	-	1,083	(1,033)	(10)	40
Other DfE/ESFA Grants	-	51	(51)	-	-
Local Authority Grants	56	570	(626)	-	-
Other income	-	12	(12)	-	-
	<u>56</u>	<u>1,716</u>	<u>(1,722)</u>	<u>(10)</u>	<u>40</u>
<b>Restricted fixed asset funds</b>					
DfE/ESFA Capital Grants	995	11	(84)	10	932
LCC lease	1,401	-	(22)	-	1,379
	<u>2,396</u>	<u>11</u>	<u>(106)</u>	<u>10</u>	<u>2,311</u>
<b>Restricted pension funds</b>					
Pension reserve	(114)	-	(41)	(50)	(205)

# Lighthouse Harmonize Education Trust

## Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

### 13 Funds (continued)

	Balance at 1 September 2016 £ 000	Incoming resources £ 000	Resources expended £ 000	Gains, losses and transfers £ 000	Balance at 31 August 2017 £ 000
Total funds	<u>2,338</u>	<u>1,727</u>	<u>(1,869)</u>	<u>(50)</u>	<u>2,146</u>

A current year 12 months and prior year 12 months combined position is as follows:

	Balance at 1 September 2016 £ 000	Incoming resources £ 000	Resources expended £ 000	Gains, losses and transfers £ 000	Balance at 31 August 2018 £ 000
<b>Restricted general funds</b>					
General Annual Grant	-	2,150	(2,084)	(16)	50
Other DfE/ESFA Grants	-	111	(111)	-	-
Local Authority Grants	56	1,182	(1,238)	-	-
Other income	<u>-</u>	<u>19</u>	<u>(19)</u>	<u>-</u>	<u>-</u>
	<u>56</u>	<u>3,462</u>	<u>(3,452)</u>	<u>(16)</u>	<u>50</u>
<b>Restricted fixed asset funds</b>					
DfE/ESFA Capital Grants	995	16	(152)	16	875
LCC lease	<u>1,401</u>	<u>-</u>	<u>(50)</u>	<u>-</u>	<u>1,351</u>
	<u>2,396</u>	<u>16</u>	<u>(202)</u>	<u>16</u>	<u>2,226</u>
<b>Restricted pension funds</b>					
Pension reserve	<u>(114)</u>	<u>-</u>	<u>95</u>	<u>(140)</u>	<u>(159)</u>
Total funds	<u>2,338</u>	<u>3,478</u>	<u>(3,559)</u>	<u>(140)</u>	<u>2,117</u>

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

(i) 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 2018.

(ii) ESFA Lead in Grant and other ESFA grants. These have been received for specific purposes throughout the year and include pupil premium including summer school, 16-19 Bursary, and the lead in grant which was fully spent in the year.

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

(iv) ESFA Capital grants for the building renovation and infrastructure. Depreciation of assets capitalised is the be matched against the income in line with accounting policy.



## Lighthouse Harmonize Education Trust

### Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

#### 14 Analysis of net assets between funds

Fund balances at 31 August 2018 are represented by:

	Restricted general funds £ 000	Restricted fixed asset funds £ 000	Total funds £ 000
Tangible fixed assets	-	2,226	2,226
Current assets	96	-	96
Current liabilities	(46)	-	(46)
Pension scheme liability	(159)	-	(159)
Total net assets	<u>(109)</u>	<u>2,226</u>	<u>2,117</u>

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

	Restricted general funds £ 000	Restricted fixed asset funds £ 000	Total funds £ 000
Intangible fixed assets	-	2	2
Tangible fixed assets	-	2,309	2,309
Current assets	78	-	78
Current liabilities	(38)	-	(38)
Pension scheme liability	(205)	-	(205)
Total net assets	<u>(165)</u>	<u>2,311</u>	<u>2,146</u>

#### 15 Commitments under operating leases

##### *Operating leases*

At 31 August 2018 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2018 £ 000	2017 £ 000
Amounts due within one year	7	3
Amounts due between one and five years	<u>17</u>	<u>4</u>
	<u>24</u>	<u>7</u>

## Lighthouse Harmonize Education Trust

### Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

#### 16 Reconciliation of net expenditure to net cash inflow/(outflow) from operating activities

	2018 £ 000	2017 £ 000
Net expenditure	(116)	(142)
Amortisation	2	4
Depreciation	94	100
Capital grants from DfE and other capital income	(5)	(11)
Defined benefit pension scheme cost less contributions payable	38	38
Defined benefit pension scheme finance cost	3	3
Decrease/(increase) in debtors	9	(4)
Increase/(decrease) in creditors	7	(11)
Loss on disposal of tangible fixed assets	-	2
Net cash provided by/(used in) Operating Activities	<u>32</u>	<u>(21)</u>

#### 17 Cash flows from investing activities

	2018 £ 000	2017 £ 000
Purchase of tangible fixed assets	(11)	(20)
Capital funding received from sponsors and others	<u>5</u>	<u>11</u>
Net cash used in investing activities	<u>(6)</u>	<u>(9)</u>

#### 18 Analysis of cash and cash equivalents

	2018 £ 000	2017 £ 000
Cash at bank and in hand	<u>89</u>	<u>63</u>
Total cash and cash equivalents	<u>89</u>	<u>63</u>

#### 19 Members' liability

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

## **Lighthouse Harmonize Education Trust**

### **Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)**

#### **20 Pension and similar obligations**

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

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

There were no outstanding or prepaid contributions at either the beginning or the 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' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

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

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

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

The key elements of the valuation and subsequent consultation are:

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

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

## Lighthouse Harmonize Education Trust

### Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

#### 20 Pension and similar obligations (continued)

The employer's pension costs paid to TPS in the period amounted to £69,871 (2017: £58,414).

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

Under the definitions set out in Financial Reporting Standard 102 (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 scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £46,000 (2017 - £29,000), of which employer's contributions totalled £33,000 (2017 - £19,000) and employees' contributions totalled £13,000 (2017 - £10,000).

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

#### Principal actuarial assumptions

	2018 %	2017 %
Rate of increase in salaries	3.60	3.70
Rate of increase for pensions in payment/inflation	2.10	2.20
Discount rate for scheme liabilities	2.80	2.40
Inflation assumptions (CPI)	<u>2.20</u>	<u>2.20</u>

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

	2018	2017
<b>Retiring today</b>		
Males retiring today	22.00	21.60
Females retiring today	24.80	24.70
<b>Retiring in 20 years</b>		
Males retiring in 20 years	25.00	24.20
Females retiring in 20 years	<u>27.80</u>	<u>27.70</u>

# Lighthouse Harmonize Education Trust

## Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

### 20 Pension and similar obligations (continued)

The academy trust's share of the assets in the scheme were:

	2018 £ 000	2017 £ 000
Equities	302	266
Government bonds	20	17
Other bonds	69	61
Property	53	41
Cash and other liquid assets	18	24
Other	120	98
Total market value of assets	<u>582</u>	<u>507</u>

The actual return on scheme assets was £30,000 (2017 - £9,000).

### Amounts recognised in the statement of financial activities

	2018 £ 000	2017 £ 000
Current service cost	(73)	(38)
Interest income	13	2
Interest cost	(16)	(5)
Admin expenses	(1)	-
Total amount recognised in the SOFA	<u>(77)</u>	<u>(41)</u>

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

	2018 £ 000	2017 £ 000
At start of period	712	192
Current service cost	73	57
Interest cost	16	5
Employee contributions	13	10
Actuarial (gain)/loss	(73)	449
Benefits paid	-	(1)
At 31 August	<u>741</u>	<u>712</u>

## Lighthouse Harmonize Education Trust

### Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

#### 20 Pension and similar obligations (continued)

##### Changes in the fair value of academy's share of scheme assets:

	2018 £ 000	2017 £ 000
At start of period	507	78
Interest income	13	2
Actuarial gain/(loss)	17	400
Employer contributions	33	19
Employee contributions	13	10
Benefits paid	-	(1)
Effect of non-routine settlements	(1)	(1)
At 31 August	<u>582</u>	<u>507</u>

#### 21 Related party transactions

Owing to the nature of the Academy Trust 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 Academy Trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy Trust's financial regulations and normal procurement procedures.

There were no related party transactions in the year, other than certain trustees' remuneration and expenses already disclosed in note 7.

# Lighthouse Harmonize Education Trust

## Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

### 22 Statement of Financial Activities for the Year Ended 31 August 2017

	Unrestricted Funds £ 000	Restricted General Funds £ 000	Restricted Fixed Asset Funds £ 000	2016/17 Total £ 000
<b>Income and endowments from:</b>				
Donations and capital grants	-	-	11	11
<i>Charitable activities:</i>				
Funding for the Academy trust's educational operations	-	1,716	-	1,716
<b>Total</b>	<b>-</b>	<b>1,716</b>	<b>11</b>	<b>1,727</b>
<b>Expenditure on:</b>				
<i>Charitable activities:</i>				
Academy trust educational operations	-	1,763	106	1,869
<b>Total</b>	<b>-</b>	<b>1,763</b>	<b>106</b>	<b>1,869</b>
Net income/(expenditure)	-	(47)	(95)	(142)
Transfers between funds	-	(10)	10	-
<b>Other recognised gains and losses</b>				
Actuarial gains on defined benefit pension schemes	-	(50)	-	(50)
Net movement in funds/(deficit)	-	(107)	(85)	(192)
<b>Reconciliation of funds</b>				
Total funds/(deficit) brought forward at 1 September 2016	-	(58)	2,396	2,338
Total funds/(deficit) carried forward at 31 August 2017	-	(165)	2,311	2,146