

Registration number: 07657235

Lighthouse Harmonize Education Trust

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 August 2020

Lighthouse Harmonize Education Trust

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Lighthouse Harmonize Education Trust

Reference and Administrative Details

Members	Elsie Hogan-Edem Henry Keesz Liverpool Lighthouse Limited, represented by Helen Hawley Love and Joy Ministries Limited, represented by Tanidabi Omideyi Modupe Omideyi Estelle Springer (retired 19 September 2019)
Governors / Trustees	Martin Flatman, (deceased 2nd April 2020) Stephen Allen Harper Jennifer Hicks Marie McConville Modupe Victoria Emrica Omideyi, Chair Rebecca Jane Ross-Williams James Angus Osborne-White Osoba Otaigbe (appointed 21 September 2020) Anthony Lawson, (Staff Trustee) Sheelagh Janet Cloonan (retired 4 October 2019)
Senior Management Team	Marie McConville, Principal Carl Parkinson, Vice Principal Gerard Tiernan, Assistant Principal (SENDCo) Elizabeth Cunningham, Assistant Principal Wynn Ridge, Assistant Principal Catherine Martin, School Business Manager (resigned 16 October 2020) Denise McNeil, School Business Manager (appointed 30 September 2020)
Principal and Registered Office	7 Phillimore Road Liverpool L6 6DL
Company Registration Number	07657235

Lighthouse Harmonize Education Trust

Reference and Administrative Details (continued)

Auditors Beever and Struthers
Chartered Accountants and Statutory Auditors
St George's House
215-219 Chester Road
Manchester
M15 4JE

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

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

Lighthouse Harmonize Education Trust

Trustees' Report for the Year Ended 31 August 2020

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2020. 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, see note 8.

Method of recruitment and appointment or election of Trustees

In accordance with the Articles of Association, the trust may appoint up to 9 governors. 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 the 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 Committee. The Pay Committee is convened once a year.

Lighthouse Harmonize Education Trust

Trustees' Report for the Year Ended 31 August 2020 (continued)

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).

Related Parties and other Connected Charities and Organisations

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

Objectives and activities

Objects and aims

The academy trust operates an Alternative Provision (AP) Free School for pupils aged 13 to 16 servicing the Merseyside and Cheshire area. The school has a pupil capacity of 104 and had a head roll of 76 on the school census in October 2019 and 87 in January 2020. A summer 2020 census data collection did not take place owing to the COVID-19 pandemic. There were 77 students on roll at the October 2020 census.

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 Academy 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 2019/20 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 2020 (continued)

Strategic Report

Achievements and performance

The school's capacity for 2019-20 was 104 with 98 students on roll on 20th March 2020 before national lockdown due to the COVID-19 pandemic, comprising 18 places commissioned from Liverpool City Council's Alternative Provision Team for students who have been permanently excluded from school, and 80 places commissioned from schools across Merseyside and Cheshire, for those students in danger of exclusion or for those students who cannot cope in a mainstream setting for a variety of reasons.

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

We aimed to strengthen the focus on the core subjects, English, Maths and Science and improve levels of attainment across the 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.

We have had an exceptional year with more students on roll and the highest attendance of 85% in the first term of 2019. For the past 18 months we have worked on preparation for our second Ofsted visit which was due as it had been almost five years since our last one in 2015. Everything was in place and in line with the new Ofsted Framework that was statutory from September 2019. We had our Ofsted inspection on 14th & 15th January and we were judged as remaining an Outstanding School with no recommendations for improvement. The inspectors' comments included:

- 'The best thing ever'. This is how pupils describe their experience at Harmonize Academy AP Free School. From their first day, pupils feel part of a happy community.
- This school is exceptionally successful at helping pupils become 'the best version of themselves'.
- 'This school succeeds where no-one else can'. This sums up the view of all those pupils who spoke with us during the inspection. (Headline of Liverpool Echo article published on 16th February)
- Before joining Harmonize Academy AP Free School, many pupils and their families have lost faith in the education system. When they arrive at this school, pupils turn their lives around.
- The school's curriculum puts the needs of pupils at its heart.
- Pupils develop into respectful, caring and considerate young people. This is because the school prioritises pupils' personal development extremely well.
- Inspectors said pupils at the school demonstrate excellent work ethic in working to make up for lost time and said they are supported by a team of staff who know them 'exceptionally well'.

Lighthouse Harmonize Education Trust

Trustees' Report for the Year Ended 31 August 2020 (continued)

Strategic Report

On 23rd March due to the spread of COVID-19 globally, a national lockdown was instituted and all schools were closed. We continued to make daily contact with all our students to check their welfare and to offer support for families. We provided work for students to do at home to continue their studies. We produced virtual lessons and uploaded these to our new school Facebook page so students could successfully continue their studies from home. We supported families who were struggling with vouchers and food parcels to ensure everyone was looked after and safe throughout this time. In June, although school remained closed, we opened for the first time to provide face to face sessions with all our year 10 students. The face to face sessions were well attended and of great benefit to students helping to keep them on track and prepared for full school reopening in September 2020.

No exams took place in summer 2020 due to the COVID-19 outbreak. Schools were required to provide a centre assessed grade (CAG) for each student, this is the grade that school believed they would be most likely to have achieved had exams gone ahead, taking into account the range of evidence including non-exam assessment and mock results. This grade was put through a process of standardisation using a model developed by Ofqual to arrive at the final calculated grade. On 17th August, Ofqual confirmed that there would no longer be a standardisation process for GCSEs and all students would be awarded the CAG submitted by their school.

During 2019-20, Harmonize Academy continued to develop its curriculum offer with GCSE Statistics and GCSE History in enrichment.

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

An improvement has been shown each year with more qualifications achieved (484 qualifications in 2018-19 and 496 this year) owing to the broader curriculum. 89.4% of students were entered for 5 GCSEs or equivalent which is an increase of 8% on the previous year. The GCSE results were of course based on teacher assessment as a consequence of the nationwide response to the COVID-19 pandemic. Whilst this has inflated the grades awarded to students nationally, the Academy's results were nevertheless very pleasing. It is worthy of note that there is no reason to suggest that the positive trends in student performance that have been evident year on year at the Academy would not have continued with the 2020 cohort had the normal external examination process remained in operation. The teacher assessments indicate that increases in the number of qualifications awarded, the GCSE grades achieved and students' average GCSE point scores would have risen under "normal" circumstances and therefore, these results as tabled are an accurate indication of the students' attainment and progress. Also because centre assessed grades were submitted this year it meant that our students achieved the grade they would most likely have achieved if exams had gone ahead, it also meant that students did not have to overcome the disadvantage of exam stress, anxiety and external factors that would normal affect their exam success.

Lighthouse Harmonize Education Trust

Trustees' Report for the Year Ended 31 August 2020 (continued)

Strategic Report

Activities

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

- From September 2019 the school's capacity remained at 104.

We welcomed the following new staff:

- Mrs Rita Knight, Receptionist
- Miss Bethany Hanna, Psychology Teacher appointed to cover maternity
- Teaching Assistants: Megan Burns, Ali Thompson, Laura Yankey
- Teaching Assistant Interns: Emily Charlton, Sarah Corby, Allia Jabakhanji, Amelia Sherlock, Jess Waring

Ms Kimberley Ball resigned to take up a full-time Music Teacher post

The school's curriculum offer was broadened further this year with the introduction of GCSE Statistics and GCSE History. These are in addition to the core subjects of English, Maths, Biology, PE, LAMDA Speaking and Listening and PSHE, supplemented with Performing Arts and Music, Beauty, Chemistry, Childcare, Design Technology, Food Technology, and GCSE Physical Education. These options underpin the school's ethos of 'A Vision for Life' and its values of Trust, Respect, Compassion and Forgiveness permeate through the whole school.

Enrichment offers pupils many choices including beauty, catering, dance, gospel 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, Science and Vocational subjects.

Lighthouse Harmonize Education Trust

Trustees' Report for the Year Ended 31 August 2020 (continued)

Strategic Report

Exam Results 2020

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:

Results 2020	Number of end of key stage 4 pupils	No of Quails	Percentage of pupils entered for 5+ GCSEs or equivalent ^a	Percentage of pupils at the end of key stage 4 achieving						Average GCSE and equivalents point score per pupil at the end of key stage 4
				5+ GCSE at 9-4 or equivalent	5+ 9-4 including English and mathematics GCSEs	5+ GCSE at 9-1 or equivalent	Level 2 English and mathematics skills	Level 1 English and mathematics skills	A pass in any qualification	
Harmonize Academy 2019/2020	47	496	89.4	35.7	28.6	100.0	46.81	100.00	100	226.18
Harmonize Academy 2018/2019	43	484	81.4	11.4	11.4	96.88	22.37	96.88	100	183.57
Harmonize Academy 2017/2018	43	389	74.4	9.4	3.1	87.50	13.16	94.74	100	164.16
Harmonize Academy 2016/2017	39	362	72.5	13.8	10.3	89.86	15	77.5	100	152.41
Harmonize Academy 2015/2016	39	305	76.3	13.8	13.8	55.17	32.76	63.79	100	124.81
Harmonize Academy 2014/2015	26	151	84.61	0.0	0.0	84.61	11.36	81.82	100	100.88
Harmonize Academy 2013/2014	19	97	68.42	21.05	10.53	47.37	25.00	70.00	100	95.53
Liverpool 2014/2015	147		0.0	0.0	0.0	0.0	0.0	0.0	32.7	17.3
Knowsley 2014/2015	17		0.0	0.0	0.0	0.0	0.0	35.3	66.2	51.0
Sefton 2014/2015	26		19.2	x	x	19.2	x	15.4	73.1	75.1
Manchester 2014/2015	118		29.0	5.9	2.5	25.4	4.2	43.2	72.9	68.1

All year 11 students who left the academy in summer 2020 went into education, employment or training, or received ongoing support from Career Connect. Over 70% of leavers enrolled at regional Further Education or Sixth Form Colleges including The City of Liverpool College, Hugh Baird College, Myerscough College, Knowsley Community College and Riverside College. A smaller percentage of students commenced an apprenticeship or internship, and two students secured a place at prestigious football academies established by former players Robbie Fowler and Jamie Carragher. Another enterprising student launched her own Beauty business. Once again, learning and career choices included progression to a diverse range of fields: Animal Care, Beauty, Business, Football, Sport, Music, Health and Social Care, Personal Care, Mechanical Engineering and Rail Track Engineering.

Lighthouse Harmonize Education Trust

Trustees' Report for the Year Ended 31 August 2020 (continued)

Strategic Report

Qualifications available 2019-20:

GCSEs		Marking Scheme	Equivalent Qualifications	Marking Scheme	
WJEC/Eduqas English Language	CORE	9 – 1	NCFE EL, L1, L2 Certs English	CORE	Pass, Fail
AQA English Literature	OPTIO	9 – 1			
CIE IGCSE English Language	N CORE	9 – 1			
Edexcel Maths (Foundation / Higher)	CORE	9 – 1	NCFE EL, L1, L2 Certs Maths	CORE	Pass, Fail
Exexcel Statistics	OPTIO N	9 - 1			
AQA Biology (Foundation / Higher)	CORE	9 – 1			
AQA Chemistry (Foundation / Higher)	OPTIO	9 – 1			
	N				
AQA Drama	OPTIO	9 – 1	LAMDA Public Speaking Grades NCFE L2 Cert Performance Skills NCFE L2 Cert Music Technology Arts Award Bronze / Silver (Music Technology, Dance, Drama)	ORACY	Pass, Merit, Distinction
AQA Dance	N	9 – 1		CORE	Pass, Fail
	OPTIO N			OPTION OPTION	Pass, Fail
WJEC/Eduqas Physical Education Full / Short Course	OPTIO N	9 – 1	AQA L1 Foundation Project DT NCFE L1/L2 Technical Award Graphic Design	CORE	A*, A, B, U
Edexcel Psychology	OPTIO N	9 – 1		OPTION	Pass, Merit, Distinction, Dist*
AQA History	OPTIO N	9-1			
ENRICHMENT ACTIVITIES TEAM UP: English, Lit, Maths, Science, Vocational, Psychology, History Fitness / Football / Free-running / Golf / Horse-riding / Pool / Volley-ball Drama Band Workshops Rap Singing / Gospel Singing Art Beauty / Body-Art Cookery Computing Food Bank Games Graphics Photography Chaplaincy OAP Home Visits Well-being Gardening			NCFE L1 Cert Food and Cookery Skills NCFE L2 Cert Food and Cookery Skills	OPTION OPTION	Pass, Merit, Distinction Pass, Merit, Distinction
			NCFE L1 Award PSD NCFE L1 Cert PSD NCFE CACHE L1 Award Sexual Health Awareness NCFE CACHE L1 Award Mental Health Awareness NCFE PSHE L1 Awards Bundle ASM, SA, AA, MHA, SHA, SG	PSHE PSHE PSHE PSHE PSHE	Pass, Fail Pass, Fail Pass, Fail Pass, Fail Pass, Fail
			VTCT L1 Award Introduction to Hair & Beauty Sector VTCT L1 Cert Introduction to Hair & Beauty Sector VTCT L2 Award Hair & Beauty Skills VTCT L2 Ext Award Hair & Beauty Skills VTCT L2 Ext Cert Hair & Beauty Skills	OPTION OPTION OPTION OPTION OPTION	Pass, Fail Pass, Fail Pass, Merit, Distinction Pass, Merit, Distinction Pass, Merit, Distinction
			NCFE L1 Award Photography NCFE L2 Certificate Photography	ENRICHME NT ENRICHME NT	Pass, Fail Pass, Fail
			NCFE CACHE L2 Technical Award Child Development & Care	OPTION	A* - D
			BHS EL Award Equestrian Skills	ENRICHME NT	Pass, Fail
			Archbishop of York Young Leaders Award KS3 / KS4	SMSC	Pass, Fail
			Trinity: ESOL Grade 5	Literacy	Pass, Merit, Distinction

Lighthouse Harmonize Education Trust

Trustees' Report for the Year Ended 31 August 2020 (continued)

Strategic Report

Partnerships

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

- **Addaction** - Worked with individual students
- **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
- **EBD Schools Football League**- Football Tournaments
- **Fagends** - Addiction support
- **Hugh Baird College** - Mental Health Awareness
- **LACES**- Looked after Children, Liverpool
- **Liverpool Dyslexia Society**- Individual support for students 2 days per week
- **Liverpool Lighthouse**
- **Liverpool Learning Partnership**
- **Liverpool Youth Service**
- **Merseyside Police**
- **New Schools Network**
- **RARE Dance & Performing Arts Studio: Mental Health performance**
- **Resonate- Liverpool's Music Hub**- Enrichment Music lessons
- **Royal Court: Terriers**
- **Rowan Garth Nursing Home**- Enrichment visits for Archbishop of York, Young Leaders Award
- **University student placements** 6 x Edge Hill University; 4 x Hope University; 1 x LJMU
- **Young Everyman Playhouse**

VIP Visitors

I wanted to write and thank you for accommodating the visit to Harmonize Academy. The tour and the conversation we had with yourself, staff and Parents was enlightening, and the facilities were very impressive. You must be extremely proud of the work the Academy is doing to re-engage young people in education.
Hannah Horne, DfE Behaviour, Attendance, Exclusion & AP Division.

Education Visitors and Events 2019-2020:

Regional:

- **Mr Chris Caskie, Commissioner, Alternative Provision Team (APT), Liverpool City Council**
- **Mr Martin Flatman, Governor and Chair of Quality of Education Committee**
- **Councillor Barbara Murray, Cabinet Member - Education, Employment and Skills**
Labour Councillor for Yew Tree Ward
- **Ms Vanessa Nice, Halton Borough Council (Behaviour)**
- **Ms Philippa Hilbre, Hope Academy**
- **Ms Gill McFadyen, Head of Learning, Stockport PRU**

Lighthouse Harmonize Education Trust

Trustees' Report for the Year Ended 31 August 2020 (continued)

Strategic Report

National:

- **Mr Shaun Brown, The Difference - Programme Director**
- **Karen Cruise, Cruise Coaching Consultancy, Leeds**
- **Ms Hannah Horne Department for Education, Behaviour, Attendance, Exclusion & AP Division**
- **Unity Howard, Director, New Schools Network**
- **Group of delegates from St Kitts and Nevis looking at Youth Offending and Alternative Provision in the UK**
- **Ms Caroline Pritchett, Derby Pride Childcare Teacher**

Guest Facilitators:

- **Mr George Bennett, Chef**
- **Ms Lorraine O'Kane, Beauty Facilitator**
- **Ms Deborah O'Su, Knife Crime Awareness**
- **Ms Kelly Wilkinson, Hollyoaks Make-up Artist**
- **Ms Jude Wright, Peace Museum**

Regular Individual Facilitators:

- **Sandra Andrew - Liverpool Dyslexia Society**
- **Dr Andy Cornes - Psychologist**
- **James Dodd and Matt Humphries - Resonate**
- **Carla Ellington - Choir Tutor**
- **Alex Lowry - Addactions**
- **James Reader - Frontrow Films (Harmonize TV) and Photography Tutor**
- **Matt Rutter - Young Everyman Playhouse**
- **Talisha Thomas - Lindsay - Dance Facilitator**

The following schools placed students at Harmonize Academy during 2019-20:

Alsop High School, Bank View High School, Bishops Bluecoat School, Broadgreen International School, Broughton Hall Catholic High School, Cardinal Heenan Catholic High School, Childwall Sports & Science Academy, The De La Salle Academy, The Ellesmere Port CE College, Fazakerley High School, Finch Woods Academy, Gateacre School, Helsby High School, Hillside High School, Holly Lodge Girls' College, King David High School, Kirkby High School, Lord Derby Academy, Maricourt Catholic High School, Neston High School, North Liverpool Academy, Notre Dame Catholic College, Ormiston Bolingbroke Academy, Ormiston Chadwick Academy, Rainhill High School, St Edmund Arrowsmith Catholic Centre for Learning, St Edward's College, The Academy of Saint Francis of Assisi, St Francis Xavier's College, St Hilda's CE High School, The Academy of St Nicholas, Studio@Deyes, Weatherhead High School, Weaverham High School, West Derby School, Woodchurch High School.

Lighthouse Harmonize Education Trust

Trustees' Report for the Year Ended 31 August 2020 (continued)

Strategic Report

The following Local Authorities placed students at Harmonize Academy during 2019-20:

Liverpool City Council Alternative Provision Team, Looked After Children and SEN Teams; Knowsley Metropolitan Borough Council, Knowsley Virtual School, Warrington SEN, Wirral Virtual School.

Enrichment Trips and Activities

(There were fewer trips than normal due to school closure in March 2020 for national lockdown.)

- Beauty: Make up workshop; Hair masterclass
- Design Technology: Zapp Graffiti workshop
- First Aid: I Can save a Life
- Food: World Food Day event, Bon Pan
- Liverpool Lighthouse Christmas Service
- Music and Photography: A range of indoor and outdoor architectural, cultural and green space venues such as local museums, galleries, historic houses, parks and gardens
- Performing Arts: YEP performance, Road
- PSHE: Prevent training for students online - Peace Museum, LCC; Environment Awareness
- Science: RSS David Attenborough launch; Liverpool Water sports, sailing taster; Bright Park
- Sports & Fitness: Aintree Golf Course, Boccia, Boxing, Clip 'n' Climb, Dance, Football, Go-Karting, Hollywood Bowl, Horse-riding Ice-skating, Jubilee Sports Centre, Table-tennis, Flip-Out Trampoline Park, Volleyball
- Wellbeing activity days

Harmonize Productions:

(There were fewer school productions than normal due to school closure in March 2020 for national lockdown.)

- Christmas Performance at Liverpool Lighthouse

Continuing Professional Development:

- Be Safe Online: Teachers and Teaching Assistants
- Joanne Fitzsimmons, Prevent Educational Lead Liverpool: Teachers and Teaching Assistants
- Basic First Aid (I Can Save a Life): Teachers and Teaching Assistants
- CERT Ed: completed Maths TA, now 0.5 Maths Teacher
- NPQML: completed Science Teacher
- NPQSL: completed Design Technology Teacher
- Careers Leader Training (Teach First): completed Maths Teacher, now Careers Leader
- PGCE: started two interns
- Postgraduate Award in Assessment for Access Arrangements and Mental Health Foundation Course: SENDCo/Assistant Principal
- L3 Award Supporting Teaching and Learning: one Teaching Assistant

Lighthouse Harmonize Education Trust

Trustees' Report for the Year Ended 31 August 2020 (continued)

Strategic Report

Parental/Carer Support

We hosted our first Year 11 review evening on 15th January 2020 and it was a great success with a huge turnout from students, parents and carers. It was observed by the Lead Ofsted Inspector on the second day of our Ofsted inspection who praised the event. The annual Review Day normally held in July was not able to go ahead due to the COVID-19 pandemic but we did carry out a student and parent/carers survey - see comments below:

- My daughter has been in Harmonize Academy since October and this school is amazing in every area, and so caring and attentive, especially over the difficult times of lockdown.
- I have been happy with the support my nephew has received from school. The school rang every time to check his welfare and whether he is completing his course work.
- My son only went to Harmonize Academy for a couple of weeks before lockdown. In that time, he settled well and seemed happy. I'm hoping when he's back, he will thrive and do well in his new school.
- I was really happy with my daughter's report and, in the short time she has been there, she has made so much progress.
- Thank you for everything you have done and continue to do for my son.
- I was very pleased with my daughter's report. I didn't know she was doing so well in her lessons. I am very happy with her progress and the help and support she has received so, thank you.
- I am extremely proud of my daughter for her report and hope that she keeps up with all the hard work, and continues with her good behaviour. Thank you all for teaching/helping/understanding my daughter and her needs.
- I really enjoyed reading my child's report.
- We were pleasantly surprised at our grand-daughter's report and hope she keeps it up.
- I was really pleased with my son's report. The comments and scores were great.
- During lockdown, I felt the school supported us with homework online and phone calls/ text messages every day.
- Over lockdown, I received a lot of support from Sheelagh.
- During lockdown I spoke to Liz a lot. She supported and helped me more than she probably knows. Carl and Wynn also helped and supported us too.

Multi Academy Trust Status:

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

Lighthouse Harmonize Education Trust

Trustees' Report for the Year Ended 31 August 2020 (continued)

Strategic Report

Key performance indicators

Key Performance Indicators (KPI) were identified for the period 2019-20 which related to the aims and objectives of the Academy. These were used to evaluate the Academy's success and progress towards achieving these objectives. These included:

- Ofsted rating: Harmonize Academy was rated outstanding by Ofsted in January 2020, the target is to maintain this rating.

- Exam results: Target agreed for 20% of students achieving five 9-4 including English & Maths. 28.6% achieved in 2019-20

An improvement has been shown each year with more qualifications achieved (484 in 2018-19 and 494 this year) owing to the broader curriculum including more options such as Statistics, History, English Literature and the PSHE suite of six qualifications. The school continues to achieve a 100% pass rate for each year 11 student achieving at least one qualification. The individual student Point Score has increased each year – from 183.51 in 2018-19 to 226.15 in 2019-20

- Academic progress: 90% of students making one level of progress.
57% of students reached their target grade in English and 43% made at least expected progress. 60% made at least expected progress in Maths and 70% reached their target grade in Maths. Overall all students made at least one level of progress per year.

- Progression: 95% Engagement rates in FE/HE and/or Employment or Training:
100% year 11 leavers summer 2020 progressed to FE/HE and/or Employment or Training.
Overall, 79% enrolled at Further Education or Sixth Form Colleges, 11% started an apprenticeship process, 4% started at football academies, 2% internship, 2% self-employed and 2% engineering.

Maintain school capacity: The academy's projected capacity for September 2019 was 104 students. There were 87 students recorded on the spring 2020 census (90 in spring 2019). A summer 2020 census did not take place owing to the COVID-19 pandemic. There were 98 students on roll when the school closed on 23rd March (108 in summer 2019). Student numbers were higher this year than previous years before national lockdown and closure of schools. As far as can be accurately measurable given the COVID-19 circumstances the number on roll has continued to improve.

Lighthouse Harmonize Education Trust

Trustees' Report for the Year Ended 31 August 2020 (continued)

Strategic Report

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.

Promoting the success of the academy

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 2020 is £112k (2019: £149k) after depreciation and amortisation charges of £65k (2019: £78k).

After accounting for the actuarial loss on the local government pension scheme the net movement in funds for the year is a negative £63k (2019: £338k).

A full financial strategy document is currently under development.

Reserves policy

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

The governors are looking at developing income streams that would enable the trust to build up reserves to act as a buffer against any changes in funding, and will set a reserve level in their policy. The latter is still in development and, owing to the current pandemic, will now be prioritised in the current year along with the identification of associated costs.

In 2020, the value of restricted general reserves is £56k (2019: £39k) and restricted fixed asset reserves is £2,115k (2019: £2,160k). In the financial statements this shows a net surplus excluding pension liability of £2,171k (2019: £2,199k).

Support staff are members of the Local Government Pension Scheme. The academy's share of the deficit on the scheme in 2019 was £420k 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 2020 is £455k. The current position will be evaluated in line with the annual valuation and the plan to address the deficit extended. This will be monitored by the Finance & Resources Committee on a regular basis.

Lighthouse Harmonize Education Trust

Trustees' Report for the Year Ended 31 August 2020 (continued)

Strategic Report

Investment policy

The governors have not considered a formal investment policy to be necessary up to this time given that the only cash investments are the funds held within bank accounts. However, going forward they will consider an investment policy as part of the financial strategy.

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 was the subject of review by Beever & Struthers during the 2017-18 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 following categories are utilised in order that all risks, including the principal risks stated, are subject to governance via the appropriate committee.

- Strategic and Reputational Risks: 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; loss of key skills;
- 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;
- Cross-training and internal development of staff;
- 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 2020 was £455k (2019: £420k). 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.

Lighthouse Harmonize Education Trust

Trustees' Report for the Year Ended 31 August 2020 (continued)

Strategic Report

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.

Two examples of key risks currently identified within the risk register are:

- An economic event outside the Academy Trust's control that has an adverse impact. An example of this is the CoVID-19 pandemic and it is a key risk because of its potential impact on the finances of the trust, as well as the longer term well-being of the senior leadership, staff and pupils.
- Non-compliance with GDPR and associated regulation, because of the potential for reputational harm and financial sanctions.

Fundraising

The Arts and Community Committee in particular will take responsibility for initiating fundraising activities. Three successful applications were submitted. £7,680 was received from The Steve Morgan Foundation to fund mental health support for students during lockdown; £1,000 was paid by Ford Trust Funding towards laptops for an English project; and £500 was received from the Liverpool Learning Partnership to produce a virtual tour of the school for the website to be used for promoting the school to potential referrers.

- Harmonize Academy received a donation from the Margaret Bryce Smith School Scholarship which was set up to further the education of pupils attending any secondary school in the City of Liverpool by the award of prizes.
- Harmonize Academy would like to thank The Steve Morgan Foundation for funding mental health support for students during lockdown and over the school holidays.

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

Chair's Thanks

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 seven years which has enabled the school to flourish and more importantly, to make a significant difference to the life chances of the students in our care.

Plans for future periods

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

Lighthouse Harmonize Education Trust

Trustees' Report for the Year Ended 31 August 2020 (continued)

Strategic Report

Achievement

During 2019-20 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 last six years the school has 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, the Vocational Department has been improved standards of options qualifications in Graphic Design, Design Technology and Food Technology. All schemes of work for each subject have been updated in line with the new Ofsted Framework and sequenced lesson plans are in place to ensure that the right thing is taught at the right time and is in sync with what is being taught in other subjects. A literacy group was established in 2019-20 to bring English, Drama, Music Technology (Rap) together to enrich the language of students and address recent research on the 30M word gap.

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 Statistics, English Literature and History will continue in enrichment for a small group of year 11 students.
- Catch Up sessions are offered as team up sessions in enrichment for English, Maths, Science, Vocational and Psychology and after school between 3pm and 4pm for all students wishing to stay in school to do extra learning and 'catch up' with their education that may have missed during lockdown
- Further enrichment activities new for the coming year, will include a Student Focus Group and wellbeing enrichment days throughout the year to develop mental and emotional resilience; the Food Bank grows from strength to strength and although students cannot drop food parcels off currently we are working in partnership with Liverpool Lighthouse to enable deliveries to continue to local families in need and for student families who are struggling at this time.

Leadership and Governance

- To maintain outstanding leadership and governance across the school at all levels with regard to the quality of education, behaviour and attitudes, personal development and leadership and management.
- 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 2020.

Lighthouse Harmonize Education Trust

Trustees' Report for the Year Ended 31 August 2020 (continued)

Funds held as Custodian Trustee on behalf of others

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

Auditor

Insofar as the Trustees are aware:

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

The trustees' report, incorporating a Strategic Report, was approved by order of the members of the Governing Body on 07/12/20 and signed on its behalf by:



.....
Modupe Victoria Emrica Omideyi
Chair

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 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 7 times during the year. Attendance during the year at meetings of the Governing Body was as follows:

Trustee	Meetings attended	Out of a possible
Modupe Victoria Emrica Omidéyi, Chair	7	7
Sheelagh Janet Cloonan (retired 4 October 2019)	0	1
Martin Flatman, (deceased 2nd April 2020)	2	3
Stephen Allen Harper	6	7
Jennifer Hicks	5	7
Anthony Lawson, (Staff Trustee)	7	7
Marie McConville	7	7
James Angus Osborne-White	7	7
Rebecca Jane Ross-Williams	6	7

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 are usually made to fill vacant roles through the NGA's Inspiring Governance Service, and through Governors for Schools. LHET is now looking to fill the more recent vacancies that have arisen.

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 Quality of Education and Arts and Community committees, as appropriate, and to make recommendations to those committees about the financial aspects of matters being considered by them.
- To monitor and review expenditure on a regular basis and ensure compliance with the overall financial plan for the academy, and with the financial regulations of the DfE, drawing any matters of concern to the attention of the Governing Body.
- To monitor and review procedures for ensuring the effective implementation and operation of financial procedures, on a regular basis, including the implementation of bank account arrangements and, where appropriate to make recommendations for improvement.
- To prepare the financial statement to form part of the annual report of the Governing Body to parents and for filing in accordance with Companies Act and Charity Commission requirements.
- To receive auditors' reports and to recommend to the full Governing Body action as appropriate in response to audit findings.
- To recommend to the full Governing Body the appointment or re-appointment of the auditors of the academy.
- To ensure, as far as is practical, that Health and Safety issues are appropriately prioritised.
- To determine whether sufficient funds are available for pay increments as recommended by the Principal or the Principal's Performance Review Group.
- To annually review the following policies: Charges and Remissions, Expenses, Lettings.
- Additional items which individual Governing Bodies may wish to include.

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.

Lighthouse Harmonize Education Trust

Governance Statement (continued)

- To oversee the process leading to staff reductions.
- To keep under review staff work/life balance, working conditions and well-being, including the monitoring of absence.
- To make recommendations on personnel related expenditure to the Governing Body.
- To consider any appeal against a decision on pay grading or pay awards.
- To review all staffing-related policies.
- Additional items which the Governing Body may wish to include.

Assets:

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

Disqualification:

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

Attendance at meetings during the year was as follows:

Trustee	Meetings attended	Out of a possible
Modupe Victoria Emrica Omideyi	3	3
Stephen Allen Harper	3	3
Marie McConville	3	3
James Angus Osborne-White	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 National Audit Office and the Education Funding Agency and other funding bodies, and where appropriate, management responses to these.
- To monitor, within an agreed timescale, the implementation of agreed recommendations relating to Responsible Officer work reports and the financial statements auditor's management letter.
- To establish in conjunction with the School's management, relevant annual performance measures and indicators, and to monitor the effectiveness of the financial statements auditor through these measures and indicators and decide, based on this review, whether a competition for price and quality of the audit service is appropriate.
- To produce an annual report for the Governing Body and Accounting officer, this should include the Committee's advice on the effectiveness of the school's risk management, control and governance processes and any significant matters arising from the Responsible Officer work and the financial statements auditor.
- To ensure that all allegations of fraud and irregularity are properly followed up.
- To be informed of all additional services undertaken by the financial statements auditor.
- Additional items which the Governing Body may wish to include.

Attendance at meetings during the year was as follows:

Trustee	Meetings attended	Out of a possible
Modupe Victoria Emrica Omidoyi	3	3
Stephen Allen Harper	3	3
Marie McConville	3	3
James Angus Osborne-White	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 School Improvement Plan reports written by Senior Leadership Team.
- To receive and discuss reports on the provision of Special and Additional Educational Needs.
- To maintain an overview of all education-related school policies and review these on a regular basis.
- To be kept informed of the staffing situation, to support Principal and Finance and Resources Committee in reviewing staffing structure and assist with appointments where appropriate.
- Additional items which the Governing Body may wish to include.

Attendance at meetings in the year was as follows:-

Trustee	Meetings attended	Out of a possible
Modupe Victoria Emrica Omideyi	2	2
Martin Flatman	2	2
Jenni Hicks	-	2
Anthony Lawson	2	2
Marie McConville	2	2
Rebecca Jane Ross-Williams	-	2

Lighthouse Harmonize Education Trust

Governance Statement (continued)

Arts and Community Committee

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

The Arts and Community Committee did not convene during this period due to unforeseen and unavoidable circumstances. Nonetheless there was significant activity in the time period. This included a focus on World View through the delivery of arts subjects. It included pupils' engagement with refugees and asylum seekers to inspire a devised piece of drama, GCSE pupils working on the text of Noughts and Crosses by Malorie Blackman, and Everyman and Playhouse Theatres' staff working in school to support drama delivery.

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

Review of value for money

As Accounting Officer, the member has responsibility for ensuring that the Academy Trust delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The Accounting Officer considers how the Academy Trust's use of its resources has provided good value for money during each academic year, and reports to the 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.

Lighthouse Harmonize Education Trust

Governance Statement (continued)

The purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of 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 2020 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 ended 31 August 2020 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.

The Governing Body has considered the need for a specific internal audit function and as a result of the COVID-19 pandemic and associated restrictions this function was undertaken by the Chair of the Audit Committee.

The role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems.

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.

The Chair of the Audit Committee conducted a review of Internal Observations previously raised, and management's completion of agreed responses, together with a financial controls review focused on purchase transactions at the Academy.

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

Lighthouse Harmonize Education Trust

Governance Statement (continued)

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:

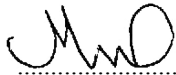
- the work of the Chair of the Audit Committee;
- the work of the external auditor;
- the financial management and governance self assessment process;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

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 ~~..07/12/20~~ and signed on its behalf by:



.....
Marie McConville
Accounting officer
Governor



.....
Modupe Victoria Emrica Omideyi
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 and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2019.

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 2019.

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: 07/12/20.....

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 Academies Accounts Direction published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial 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 2019 to 2020;
- 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 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 **.07./12/20** and signed on its behalf by:



Modupe Victoria Emrica Omidanyi
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 2020, 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 2019 to 2020 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 2020 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;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2019 and Academies Accounts Direction 2019 to 2020.

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.

Lighthouse Harmonize Education Trust

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

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.

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 29, 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 Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Academy Trust 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.

Lighthouse Harmonize Education Trust

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

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 Trust's internal control.
- 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 Trust'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 Trust 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 FCCA (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: 18 December 2020

Lighthouse Harmonize Education Trust

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

In accordance with the terms of our engagement letter dated 27 July 2017 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, 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 2019 to 31 August 2020 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 2019, 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 2019 to 2020. 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 2019 to 31 August 2020 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 2019 to 2020 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 and 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 2019 to 31 August 2020 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 FCCA
For and on behalf of Beever and Struthers, Chartered Accountants

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

Date: 18 December 2020

Lighthouse Harmonize Education Trust

Statement of Financial Activities for the Year Ended 31 August 2020 (including Income and Expenditure Account)

	Note	Restricted General Funds £ 000	Restricted Fixed Asset Funds £ 000	2019/20 Total £ 000	2018/19 Total £ 000
Income and endowments from:					
Donations and capital grants	2	-	5	5	12
<i>Charitable activities:</i>					
Funding for the Academy trust's educational operations	3	1,866	-	1,866	1,748
Total		1,866	5	1,871	1,760
Expenditure on:					
<i>Charitable activities:</i>					
Academy trust educational operations	5	1,918	65	1,983	1,909
Net expenditure		(52)	(60)	(112)	(149)
Transfers between funds		(15)	15	-	-
Other recognised gains and losses					
Actuarial gains/(loss) on defined benefit pension schemes	20	49	-	49	(189)
Net movement in deficit		(18)	(45)	(63)	(338)
Reconciliation of funds					
Total (deficit)/funds brought forward at 1 September 2019		(381)	2,160	1,779	2,117
Total (deficit)/funds carried forward at 31 August 2020		(399)	2,115	1,716	1,779

Lighthouse Harmonize Education Trust

(Registration number: 07657235)
Balance Sheet as at 31 August 2020

	Note	2020 £ 000	2019 £ 000
Fixed assets			
Tangible assets	9	2,115	2,160
Current assets			
Debtors	10	7	5
Cash at bank and in hand		104	87
		111	92
Liabilities			
Creditors: Amounts falling due within one year	11	(55)	(53)
Net current assets		56	39
Total assets less current liabilities		2,171	2,199
Net assets excluding pension liability		2,171	2,199
Defined benefit pension scheme liability	20	(455)	(420)
Total net assets including pension liability		1,716	1,779
Funds of the Academy:			
Restricted funds			
Restricted general fund		56	39
Restricted fixed asset fund		2,115	2,160
Restricted pension fund		(455)	(420)
		1,716	1,779
Total funds		1,716	1,779

The financial statements on pages 35 to 58 were approved by the Trustees, and authorised for issue on **07/12/20** and signed on their behalf by:



Modupe Victoria Emrica Omideyi
Chair

Lighthouse Harmonize Education Trust

Statement of Cash Flows for the Year Ended 31 August 2020

	Note	2020 £ 000	2019 £ 000
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	15	32	(2)
Cash flows from investing activities	16	<u>(15)</u>	<u>-</u>
Change in cash and cash equivalents in the year		17	(2)
Cash and cash equivalents at 1 September		<u>87</u>	<u>89</u>
Cash and cash equivalents at 31 August	17	<u><u>104</u></u>	<u><u>87</u></u>

Lighthouse Harmonize Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2020

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 2019 to 2020 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 spent on capital projects in line with the terms and conditions of the grant. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

Donations

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

Lighthouse Harmonize Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

1 Accounting policies (continued)

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.

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.

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:

Asset class	Amortisation method and rate
Computer Software	20% straight line

Lighthouse Harmonize Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

1 Accounting policies (continued)

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.

Asset class	Depreciation method and rate
Leasehold land	125 years straight line
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.

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.

Lighthouse Harmonize Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

1 Accounting policies (continued)

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 10. Prepayments are not financial instruments.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 11. 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.

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 2020 (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 and 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 and Skills Funding Agency/Department for Education Group.

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 2020 (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 August 2020. 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	2019/20 Total £ 000	2018/19 Total £ 000
Capital grants	<u>5</u>	<u>5</u>	<u>12</u>

The income from donations and capital grants was £4,776 (2019: £11,879) of which £Nil was unrestricted (2019: £Nil), £Nil restricted (2019: £Nil) and £4,776 restricted fixed assets (2019: £11,879).

Lighthouse Harmonize Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

3 Funding for the Academy Trust's educational operations

	Restricted funds £ 000	2019/20 Total £ 000	2018/19 Total £ 000
DfE/ESFA revenue grants			
General Annual Grant (GAG)	1,044	1,044	1,056
Other DfE/EFA Grants	103	103	47
	<u>1,147</u>	<u>1,147</u>	<u>1,103</u>
Other government grants			
Local Authority Grants	701	701	642
Non-government grants and other income			
Other income	18	18	3
	<u>18</u>	<u>18</u>	<u>3</u>
Total grants	<u><u>1,866</u></u>	<u><u>1,866</u></u>	<u><u>1,748</u></u>

The funding for educational operations was £1,866,030 (2019: £1,748,415) of which £Nil was unrestricted (2019: £Nil), £1,866,030 restricted (2019: £1,748,415) and £Nil restricted fixed assets (2019: £Nil).

4 Expenditure

	Non Pay Expenditure			2019/20 Total £ 000	2018/19 Total £ 000
	Staff costs £ 000	Premises £ 000	Other costs £ 000		
Academy's educational operations					
Direct costs	1,266	-	106	1,372	1,284
Allocated support costs	364	98	149	611	625
	<u>1,630</u>	<u>98</u>	<u>255</u>	<u>1,983</u>	<u>1,909</u>

Lighthouse Harmonize Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

4 Expenditure (continued)

Net income/(expenditure) for the year includes:

	2019/20 £ 000	2018/19 £ 000
Operating lease rentals	(8)	(9)
Depreciation	(65)	(78)
Fees payable to auditor - audit	<u>(6)</u>	<u>(6)</u>

5 Charitable activities

	Total 2020 £ 000	Total 2019 £ 000
Direct costs - educational operations	1,372	1,284
Support costs - educational operations	<u>611</u>	<u>625</u>
	<u>1,983</u>	<u>1,909</u>

	Educational operations £ 000	Total 2020 £ 000	Total 2019 £ 000
Analysis of support costs			
Support staff costs	364	364	342
Depreciation	65	65	78
Technology costs	11	11	13
Premises costs	33	33	60
Other support costs	93	93	101
Governance costs	<u>45</u>	<u>45</u>	<u>31</u>
Total support costs	<u>611</u>	<u>611</u>	<u>625</u>

6 Staff

Staff costs

	2019/20 £ 000	2018/19 £ 000
Staff costs during the year were:		
Wages and salaries	1,368	1,207
Social security costs	104	96
Operating costs of defined benefit pension schemes	<u>158</u>	<u>165</u>
	<u>1,630</u>	<u>1,468</u>

Lighthouse Harmonize Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

6 Staff (continued)

Staff numbers

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

	2019/20	2018/19
	No	No
Charitable Activities		
Teachers	19	18
Administration and support	23	25
Management	5	5
	<u>47</u>	<u>48</u>

Higher paid staff

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

	2020	2019
	No	No
£60,001 - £70,000	4	4
£70,001 - £80,000	1	-
£80,001 - £90,000	<u>-</u>	<u>1</u>

Key management personnel

The key management personnel of the Academy Trust comprise the governors 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 £376,880 (2018: £335,508).

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:

Lighthouse Harmonize Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

7 Related party transactions - trustees' remuneration and expenses (continued)

Marie McConville (Principal and Trustee):

Remuneration: £75,000 - £80,000 (2019 - £70,000 - £75,000)

Employer's pension contributions: £15,000 - £20,000 (2019 - £10,000 - £15,000)

Anthony Lawson (Staff Governor):

Remuneration: £25,000 - £30,000 (2019 - £25,000 - £30,000)

Employer's pension contributions: £0 - £5,000 (2019 - £0 - £5,000)

Sheelagh Janet Cloonan (Staff Governor):

Remuneration: £0 - £5,000 (2019 - £25,000 - £30,000)

Employer's pension contributions: £0 - £5,000 (2019 - £0 - £5,000)

During the year ended 31 August 2020, travel and subsistence expenses totalling £115 (2019 - £811) were reimbursed or paid directly to 4 trustees (2019 - 5).

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

8 Trustees' and officers' insurance

In accordance with normal commercial practice the Academy Trust 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 2020 was £1,872 (2019 - £2,080).

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

Lighthouse Harmonize Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

9 Tangible fixed assets

	Leasehold land and buildings £ 000	Leasehold improvements £ 000	Furniture and equipment £ 000	Computer equipment £ 000	Total £ 000
Cost					
At 1 September 2019	1,469	830	255	154	2,708
Additions	-	13	4	3	20
At 31 August 2020	1,469	843	259	157	2,728
Depreciation					
At 1 September 2019	136	99	167	146	548
Charge for the year	22	17	21	5	65
At 31 August 2020	158	116	188	151	613
Net book value					
At 31 August 2020	1,311	727	71	6	2,115
At 31 August 2019	1,333	731	88	8	2,160

10 Debtors

	2020 £ 000	2019 £ 000
Prepayments	7	3
Accrued grant and other income	-	2
	7	5

11 Creditors: amounts falling due within one year

	2020 £ 000	2019 £ 000
Other taxation and social security	47	47
Accruals	8	6
	55	53

Lighthouse Harmonize Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

12 Funds

	Balance at 1 September 2019 £ 000	Incoming resources £ 000	Resources expended £ 000	Gains, losses and transfers £ 000	Balance at 31 August 2020 £ 000
Restricted general funds					
General Annual Grant	39	1,044	(1,012)	(15)	56
Other DfE/ESFA Grants	-	29	(29)	-	-
Local Authority Grants	-	701	(701)	-	-
Other income	-	92	(92)	-	-
	<u>39</u>	<u>1,866</u>	<u>(1,834)</u>	<u>(15)</u>	<u>56</u>
Restricted pension funds					
Pension reserve	<u>(420)</u>	<u>-</u>	<u>(84)</u>	<u>49</u>	<u>(455)</u>
Total restricted general funds	<u>381</u>	<u>(1,866)</u>	<u>1,918</u>	<u>(34)</u>	<u>399</u>
Restricted fixed asset funds					
Restricted fixed assets	<u>2,160</u>	<u>5</u>	<u>(65)</u>	<u>15</u>	<u>2,115</u>
Total funds	<u>1,779</u>	<u>1,871</u>	<u>(1,983)</u>	<u>49</u>	<u>1,716</u>

Lighthouse Harmonize Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

12 Funds (continued)

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

	Balance at 1 September 2018 £ 000	Incoming resources £ 000	Resources expended £ 000	Gains, losses and transfers £ 000	Balance at 31 August 2019 £ 000
Restricted general funds					
General Annual Grant	50	1,056	(1,067)	-	39
Other DfE/ESFA Grants	-	47	(47)	-	-
Local Authority Grants	-	642	(642)	-	-
Other income	-	3	(3)	-	-
	50	1,748	(1,759)	-	39
Restricted fixed asset funds					
Restricted fixed assets	2,226	12	(78)	-	2,160
Restricted pension funds					
Pension reserve	(159)	-	(72)	(189)	(420)
Total funds	2,117	1,760	(1,909)	(189)	1,779

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 2020.

(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 2020 (continued)

13 Analysis of net assets between funds

Fund balances at 31 August 2020 are represented by:

	Restricted general funds £ 000	Restricted fixed asset funds £ 000	Total funds £ 000
Tangible fixed assets	-	2,115	2,115
Current assets	111	-	111
Current liabilities	(55)	-	(55)
Pension scheme liability	(455)	-	(455)
Total net assets	<u>(399)</u>	<u>2,115</u>	<u>1,716</u>

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

	Restricted general funds £ 000	Restricted fixed asset funds £ 000	Total funds £ 000
Tangible fixed assets	-	2,160	2,160
Current assets	92	-	92
Current liabilities	(53)	-	(53)
Pension scheme liability	(420)	-	(420)
Total net assets	<u>(381)</u>	<u>2,160</u>	<u>1,779</u>

14 Commitments under operating leases

Operating leases

At 31 August 2020 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2020 £ 000	2019 £ 000
Amounts due within one year	8	9
Amounts due between one and five years	<u>21</u>	<u>29</u>
	<u>29</u>	<u>38</u>

Lighthouse Harmonize Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

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

	2020 £ 000	2019 £ 000
Net expenditure	(112)	(149)
Depreciation	65	78
Capital grants from DfE and other capital income	(5)	(12)
Defined benefit pension scheme cost less contributions payable	77	71
Defined benefit pension scheme finance cost	7	1
(Increase)/decrease in debtors	(2)	2
Increase in creditors	2	7
Net cash provided by/(used in) Operating Activities	32	(2)

16 Cash flows from investing activities

	2019/20 £ 000	2018/19 £ 000
Purchase of tangible fixed assets	(20)	(12)
Capital funding received from the ESFA	5	12
Net cash used in investing activities	(15)	-

17 Analysis of cash and cash equivalents

	2020 £ 000	2019 £ 000
Cash at bank and in hand	104	87
Total cash and cash equivalents	104	87

18 Analysis of changes in net debt

	At 1 September 2019 £000	Cash flows £000	At 31 August 2020 £000
Cash	87	17	104
	-	-	-
Total	87	17	104

Lighthouse Harmonize Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

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.

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 2019 and of the LGPS 31 March 2019.

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

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS or scheme) is a statutory, unfunded, defined benefit occupational scheme, governed by the Teachers' Pensions Regulations 2010 (as amended), and the Teachers' Pension Scheme Regulations 2014 (as amended). These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

The Teachers' Pension Budgeting and Valuation Account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and Public Service Pensions Act (2013) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis - contributions from members, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Acts.

The Teachers' Pensions Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

Valuation of the Teachers' Pension Scheme

The latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers will pay an increased contribution rate of 23.68% from September 2019 (this includes the administration levy of 0.8%). The timing of the implementation is to align its introduction with employers' budget planning cycles. Until then, employers will pay the current rate of 16.48%.

Lighthouse Harmonize Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

20 Pension and similar obligations (continued)

Scheme Changes

The arrangements for a reformed Teachers' Pension Scheme, in line with the recommendations made by Lord Hutton, in particular the introduction of a Career Average Revalued Earnings (CARE) scheme, were implemented from 1 April 2015.

In December 2018, the Court of Appeal held that transitional protection provisions contained in the reformed judicial and firefighter pension schemes, introduced as part of public service pension reforms in 2015, gave rise to direct age discrimination and were therefore unlawful. The Supreme Court, in a decision made in June 2019, have rejected the Government's application for permission to appeal the Court of Appeal's ruling. The case will now be referred to an Employment Tribunal for a decision regarding the remedy which will need to be offered to those members of the two schemes who were subject of the age discrimination.

HM Treasury are clear that the ruling has implications for the other public service schemes, including the Teachers' Pension Scheme. Those implications are currently being considered and any impact on scheme costs is expected to be looked at within the next scheme valuation, which is currently scheduled to be based on April 2020 data and implemented in April 2023.

The employer's pension costs paid to TPS in the period amounted to £116,000 (2019: £98,000).

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

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

Local government pension scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2020 was £58,000 (2019 - £46,000), of which employer's contributions totalled £42,000 (2019 - £33,000) and employees' contributions totalled £16,000 (2019 - £13,000).

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of an academy trust 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

	2020 %	2019 %
Rate of increase in salaries	3.90	3.60
Rate of increase for pensions in payment/inflation	2.40	2.10
Discount rate for scheme liabilities	1.80	1.80
Inflation assumptions (CPI)	<u>2.50</u>	<u>2.20</u>

Lighthouse Harmonize Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

20 Pension and similar obligations (continued)

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

	2020	2019
Retiring today		
Males retiring today	20.90	22.20
Females retiring today	24.00	25.00
Retiring in 20 years		
Males retiring in 20 years	22.50	25.20
Females retiring in 20 years	<u>25.90</u>	<u>27.90</u>
Sensitivity analysis		
	2020	2019
	£000	£000
Discount rate +0.1%	-22.00	-23.00
Discount rate -0.1%	22.00	24.00
Mortality assumption – 1 year increase	35.00	18.00
Mortality assumption – 1 year decrease	-34.00	-18.00
CPI rate +0.1%	24.00	23.00
CPI rate -0.1%	<u>-24.00</u>	<u>-23.00</u>

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

	2020	2019
	£ 000	£ 000
Equities	377	335
Government bonds	19	67
Other bonds	107	36
Property	70	59
Cash and other liquid assets	42	21
Other	<u>160</u>	<u>138</u>
Total market value of assets	<u>775</u>	<u>656</u>

The actual return on scheme assets was (£4,000) (2019 - £29,000).

Lighthouse Harmonize Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

20 Pension and similar obligations (continued)

Amounts recognised in the statement of financial activities

	2020 £ 000	2019 £ 000
Current service cost	(111)	(64)
Past service cost	(7)	-
Interest income	12	17
Interest cost	(19)	(21)
Admin expenses	(1)	(1)
	<u>(126)</u>	<u>(69)</u>
Total amount recognised in the SOFA		

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

	2020 £ 000	2019 £ 000
At start of period	1,076	741
Current service cost	111	64
Interest cost	19	21
Employee contributions	16	13
Actuarial (gain)/loss	2	201
Benefits paid	(1)	-
Past service cost	7	36
	<u>1,230</u>	<u>1,076</u>
At 31 August		

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

	2020 £ 000	2019 £ 000
At start of period	656	582
Interest income	12	17
Actuarial gain/(loss)	51	12
Employer contributions	42	33
Employee contributions	16	13
Benefits paid	(1)	-
Effect of non-routine settlements	(1)	(1)
	<u>775</u>	<u>656</u>
At 31 August		

Lighthouse Harmonize Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

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 under normal market conditions 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 those disclosed in note 7.

Lighthouse Harmonize Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

22 Statement of Financial Activities for the Year Ended 31 August 2019

	Note	Restricted General Funds £ 000	Restricted Fixed Asset Funds £ 000	2018/19 Total £ 000
Income and endowments from:				
Donations and capital grants	2	-	12	12
<i>Charitable activities:</i>				
Funding for the Academy trust's educational operations	3	<u>1,748</u>	<u>-</u>	<u>1,748</u>
Total		1,748	12	1,760
Expenditure on:				
<i>Charitable activities:</i>				
Academy trust educational operations	5	<u>1,831</u>	<u>78</u>	<u>1,909</u>
Net expenditure		(83)	(66)	(149)
Other recognised gains and losses				
Actuarial gains/(loss) on defined benefit pension schemes	20	<u>(189)</u>	<u>-</u>	<u>(189)</u>
Net movement in deficit		(272)	(66)	(338)
Reconciliation of funds				
Total (deficit)/funds brought forward at 1 September 2018		<u>(109)</u>	<u>2,226</u>	<u>2,117</u>
Total (deficit)/funds carried forward at 31 August 2019		<u>(381)</u>	<u>2,160</u>	<u>1,779</u>