

Company Registration Number: 07591868 (England and Wales)

Lighthouse School
(A Company Limited by Guarantee)

Annual Report and Financial Statements
Year ended 31 August 2023

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Lighthouse School
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Lighthouse School

Reference and Administrative Details

Members

Rada Grkinic
Caroline Mitchell
Catherine Parlett
Katherine Webber

Trustees

Daniel Cohen
Matthew Cryer
Adele Darlington
Alan Dunwell*
Matthew Hirst
Ian Hughes*
Rebecca McDonnell
Catherine Parlett* (Chair of Trustees)
Emma Sullivan (Principal and Accounting Officer)*

* members of the Finance, Resources and Building Committee

Senior Management Team

Emma Sullivan	Principal
Helen Manyanya	Deputy Principal
Daniel Sitkin	Assistant Principal
John Bolas	Assistant Principal
Katherine Atkinson	School Business Manager

Principal and Registered Office

Lighthouse School
Arthington House
Hospital Lane
Cookridge
Leeds
LS16 6QB

Company Registration Number

07591868 (England and Wales)

Independent Auditor

Gibson Booth
Chartered Accountants and Statutory Auditors
New Court
Abbey Road North
Shepley
Huddersfield
HD8 8BJ

Bankers

Lloyds Bank
1st Floor
14 Church Street
Sheffield
LS1 1NX

Lighthouse School

Trustees' Report

Year ended 31 August 2023

The Trustees present their annual report together with the financial statements and auditors' report of the Charitable Company for the period 1 September 2022 to 31 August 2023. The Annual Report serves the purposes of both a Trustees' Report and a Directors' Report under company law. The school operates a free school academy for pupils aged 11 to 19 serving a catchment area of West and North Yorkshire. The school has a capacity of 80 students and in the academic year 2022 - 2023 82 students were on roll.

Structure, Governance and Management

Constitution

The Academy Trust is a company limited by guarantee and an exempt charity. The Charitable Company's memorandum and articles of association are the primary governing documents of the Academy Trust. The Trustees act as the governors of The Lighthouse School and are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as The Lighthouse School.

Details of the Trustees who served throughout the period except as noted are included in the Reference and Administrative Details on page 1.

Members' Liability

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

Principal Activities

The company was formed for the purposes of opening a free school for the provision of education pupils aged 11 to 19 with autism spectrum condition.

Trustees' Insurance

In accordance with normal commercial practice the academy has purchased insurance to protect Trustees and officers through its membership of the Department of Education's Risk Protection Arrangement.

Method of Recruitment and Appointment or Election of Trustees

All of the Trustees are directors of the Charitable Company for the purposes of the Companies Act 2006.

The members may appoint up to 6 Trustees.

The local authority may appoint 1 Trustee.

A minimum of 2 parent Trustees shall be elected by parents of registered pupils at the free school.

The Members may appoint staff Trustees through such process as they may determine, provided that the total number of Trustees (including the Principal) who are employees of the Academy Trust does not exceed one third of the total number of Trustees.

The Principal shall be treated for all purposes as being an ex officio Trustee.

The Board of Trustees shall appoint a person who is the parent of a registered pupil at the free school; or where it is not reasonably practical to do so, a person who is the parent of a child of compulsory school age.

The Board of Trustees shall make all necessary arrangements for, and determine all other matters relating to, an election of parent Trustees, including any question of whether a person is a parent of a registered pupil at the free school. Any election of parent Trustees which is contested shall be held by secret ballot.

The Trustees may appoint co-opted Trustees. A 'Co-opted Trustee' means a person who is appointed to be a Trustee by being co-opted by Trustees who have not themselves been so appointed. The Trustees may not co-opt an employee of the Academy Trust as a co-opted Trustee if thereby the number of Trustees who are employees of the Academy Trust would exceed one third of the total number of Trustees (including the Principal).

Policies and Procedures Adopted for the Induction and Training of Trustees

The training and induction provided for new Trustees will depend on their existing experience. Where necessary induction will provide training on charity and educational legal and financial matters. All new Trustees will be given a tour of the school and the chance to meet with staff and students. All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need in order to undertake their role as Trustees.

Organisational Structure

The Trustees are responsible for setting general policy, adopting an annual plan and budget, monitoring the School by the use of budgets and making major decisions about the direction of the School, capital expenditure and senior staff appointments.

The Principal controls the school at an executive level implementing the policies laid down by the Trustees and reporting back to them. A senior leadership team (SLT) supports the Principal in this role. The Principal is responsible for the appointing of all staff, with the involvement of key Trustees.

Lighthouse School

Trustees' Report (continued)

Year ended 31 August 2023

Arrangements for Setting Pay and Remuneration of Key Management Personnel

Salary levels for all roles are determined in line with the school's pay policy which is approved and agreed at full meetings of the Trustees.

Trade union facility time

No employees were union officials in the year. The Academy did not pay for any trade union facility time.

Connected Organisations Including Related Party Relationships

The Academy has an active associated body, Lighthouse Futures Trust (previously called Friends of Lighthouse School) which assists the academy pupils and other young people on the autism spectrum into employment and work experience opportunities. A cohort of Lighthouse School students attended the World of Work (WoW) programme in 2022-23. WoW is a US programme which supports students to try different occupations in a skill laboratory to support students in career decision and next steps.

Objectives and Activities

Objects and Aims

In setting our objectives and planning our activities our Trustees have given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education. The Lighthouse School is a special school dedicated to providing high quality teaching and learning for young people with a diagnosis of autism. Working closely with all members of our community: children, staff, parents, Trustees and friends, the school aims to provide a safe, warm, caring, friendly and ordered atmosphere where students can thrive.

School aspires for all children to leave The Lighthouse School happy, well-educated and as independent as possible with employability skills and relevant life skills that enable them to successfully transition to adulthood. School students are to have had many relevant work experience opportunities and School will assist students directly into internships, employment or college on leaving the school.

Aims:

- To promote students' individual talents and abilities to the highest level;
- To provide a first-class education;
- To offer a relevant and varied curriculum personalised to meet individual needs;
- To use a range of research-based strategies suitable for use with young people with ASC;
- To ensure a culture of learning;
- To develop resilient, responsible and reflective learners;
- To provide value for money;
- To comply with statutory requirements of provision for students.
- We intend to regularly review the curriculum and organisational structure in order to improve the effectiveness of the school.
- Ensure that by operating in an innovative way, with secure partnerships across sectors and organisations the school will model to the pupils the world in which they will live and work.
- The provision of high quality teaching and learning in an educational setting that will meet the academic, social, emotional and personal needs of the students with ASC in Leeds and surrounding areas.
- To give high levels of support to ensure effective transition both into the school and in moving on to the next stage of life providing guided pathways to employment, FE/HE and independent living.

Objectives: Strategies

The school has met the growth plans and continues to exceed expected numbers. Our primary priority is to maintain demand for places to ensure we are always at capacity.

School has implemented a curriculum based on the national curriculum and additional programmes suitable for the specific needs of students with a diagnosis of ASC across all the key stages. All students will access to a broad and balanced curriculum to be, as far as possible, in line with mainstream settings. This will continue to be a key objective over the coming years. Trustees ensure the school maintains the high standards required to attract parents and their children to the school and achieve high OFSTED judgement.

Integrating the school into the community is an important strategic objective for the success of the school. The school is now part of the wider community in Leeds and surrounding areas, with membership of key local authority committees and groups. The school is a member of the Leeds Learning Partnership and Red Kite Alliance.

Public Benefit

The school has strong principles around benefits to the wider community and continues to share good practice and skills with other ASC professionals within the region. In 2019 the school hosted a national school network event for other potential specialist

Lighthouse School

Trustees' Report (continued)

Year ended 31 August 2023

free school and the school continues to provide training and outreach to a number of schools within Leeds and the region. The school provides events and opportunities for extracurricular activities, as appropriate, to the wider ASC community.

There is evidence that the effective delivery of a dedicated education and training programme for children with ASC is a cost-effective use of public funds. Parents of children with ASC often feel that mainstream schooling does not address the educational needs of pupils.

In setting our objectives and planning our activities the trustees have carefully considered the Charity Commission's general guidance on public benefit.

Strategic Report

Achievements and Performance

The school has reached its enrolment capacity and places are still in very high demand. Trustees have, as a result, agreed to allow the school to continue to maintain the increased numbers for students on roll above its current pupil agreed number (PAN) and to further increase number for the coming academic year (23-24). The school building is in the 8th year of delivery and remains a positive environment. Maintenance costs have increased and there has been financial investment in improvements and maintenance due to growth and wear and tear. All areas designed are fully utilised and it continues to create a calm and inspiring place to learn. Accommodation space is a growing issue to accommodate the growth in students and associated staff members. To elevate space within the building, school was successful in seeking planning permission for a new modular building and new building was installed in April 2023.

The school continues to broaden and deepen the curriculum and provision at the school. The school has investment in a new MIS system which was embedded in 2022-23 has made significant improvements in communication across the school, timetabling, cover arrangement, and enable parents, teachers and the senior team to view student progress and ensure timely action to support student achievement. This has also improved administration efficiencies across the organisation.

The number of qualifications offered has been widened and carefully selected to meet the talents and interests of the students. School has examination status for a number of exam boards and a range of GCSEs are on offer including English and Maths. All students were successful in their examinations in June 2023 which has supported their next steps into college and employment.

School has continued to build the staff team and continue to attract highly skilled graduates who bring valuable knowledge of autism and child development to enhance the team. We have reaffirmed the vision and developed a clear strategy in how we embed our destination led ethos every day through the four cornerstones of the school. The four cornerstones are Curriculum, Speech and Language, Wellbeing and Skills and Experiences (Life/Work).

In April 2023 the school received an Ungraded OFSTED inspection which confirmed the school continues to be a Good School.

- Leaders have developed an ambitious, destination-led curriculum.
- Staff focus on inspiring all pupils to have a bright future. Providing pupils with skills and experiences is a cornerstone of the 'Lighthouse way'.
- Developing pupils' communication skills is an important part of the school's curriculum. Speech and language therapists support teachers to ensure pupils get the support they need.
- Relationships between staff and pupils are highly secure. They show mutual respect. This ensures that pupils engage with lessons well.
- Pupils are encouraged to try hard. Staff use motivational language to get the best from pupils.
- Personal development is a strength of the school.
- Pupils feel safe in school. They say bullying is not an issue. If it were, staff would deal with it effectively.
- The curriculum is highly ambitious. Leaders have precisely mapped out what pupils will learn across subjects and year groups.
- Leaders prioritise developing pupils' communication skills. Reading is an important part of the curriculum.
- Pupils behave exceptionally well. There is a calm but purposeful atmosphere around school. They show respect towards each other.
- Pupils are encouraged to contribute and have a voice.
- They are very well supported for next steps to work and college. The school has an in-house careers advisor. There is strong support for pupils next steps. All pupils from Year 9 to Year 14 receive individual careers meetings and all pupils leave the school with a plan for the future.
- Pupils have an appropriate understanding of people that are different to them. They can describe different religions and faiths. They speak confidently about celebrating difference.
- Staff are well trained. They are developed to be effective in their roles.
- Staff feel leaders listen to them. They say they have a voice about their work.
- Trustees have ambition for pupils. Trustees visit the school regularly which allows them to test what is happening in school is effective.
- Staff understand their safeguarding responsibilities well. Leaders ensure that all staff are well trained with regular inputs on statutory information. Leaders' mantra is 'see something, say something'. Staff are proactive
- Leaders are tenacious when pursuing support for pupils.

The area for improvement were to:

- Leaders have developed an ambitious curriculum. Most subjects are highly developed and well embedded. Some subjects do not currently match the quality of the strongest subject areas. This means the development of pupils' knowledge is stronger in some subject areas than others. Leaders should further develop the curriculum, so that it is equally strong in all subject areas.

Lighthouse School

Trustees' Report (continued)

Year ended 31 August 2023

The key focus areas for improvement for the school was agreed with Trustees and shared with staff in September 2022.

These were:

Develop outstanding leadership at all levels across all stakeholder groups.

- Effective strategic planning for improvement.
- Robust quality assurance procedures.
- New performance management system.
- Effective professional development programme.
- Implement Mental Health Action Plan.

Consistent high-quality teaching leads to excellent progress and outcomes for all students

- Excellent teaching, learning and assessment.
- Consistently excellent classroom practice.
- Integrate Cornerstones.
- Objective benchmarking and target setting.
- Remove gaps in progress between vulnerable groups.

Communication strategies fully support efficient organisational improvement.

- Enhanced systems support excellent EHCP outcomes.
- Increase support services (OT, EP, SaLT).
- Universal access point for all student information ensures consistent provision
- Website that is fit for purpose.

Intentionally budget for expansion to meet School's strategic aims.

- Ensure budget allows long term planning in current financial climate.
- Budget for strategic usage of financial reserves to support expansion.
- Undertake comprehensive review of efficiencies of school site.

The school now has rigorous quality assurance system and a vibrant teaching and learning group, which has strengthened the quality of teaching and learning across the school. Further improvement was made in Teaching and Learning with a focus on core subjects, reading and progressive IT learning strategy.

A whole school approach to reviewing school's operational practice supported the creation of the School Development Plan, which clearly addressed the required improvements and the success factors to measure impact. The School Development plan was supported by the Trustees with clear actions for leadership and governance and the plan had a demonstrable impact in all areas of the school. All staff members performance management targets were directly linked to the school development plan to ensure school improvement was whole school approach and efficient use of resources.

Staff Wellbeing has been prioritised with continuation of Staff Wellbeing Working Party, who have led on a number of positive and well received initiatives and staff trained to be Mental Aid First Aiders. The school also has a staff led Neurodiversity Staff group to support an environment and systems where all staff can flourish.

Close monitoring of the school's finance is required due to the complexities of SEN student funding and the different requirements and working methodologies of 4 local authorities that school is required to work with. School finances was challenging this year due to the late pay rise announcement by the government after the annual budget had been set and staff recruitment had been completed for the year. The trustees agreed to match the offer within the school pay scales, which in turn resulted in the school having to run a deficit budget.

The Trustees continued to work on the three agreed strategic aims of the organisation and has used external consultancy to support this during 2022-23.

Strategic Aims:

- Lighthouse School is the Centre of Excellence for ASC education in our Region
- Sustainably provide or Support Excellent Education for Increased Numbers of Autistic Students in our region
- National Leaders for Destination Led education for Autistic Students

Trustees remain committed and dedicated to the vision and values of the school and their high level of support and high level of challenge is welcomed as we continue to develop our school, always striving for excellence.

Key Performance Indicators

Financial management

Based on the data used to complete the 2021-2022 school resource management self-assessment tool the analysis illustrates that the school is operating broadly in line with similar schools. Where its operating costs are outside of similar schools it reflects the school objectives to provide a supportive and safe environment for students to develop and learn. Education support staff are the backbone of the teaching and learning at the Lighthouse School. Led by professional teaching staff the support staff deliver the individual learning programmes for students while caring for their physical and emotional needs. Administrative staff underpin the compliance environment to ensure the school is a safe environment for the students

Reserve and balance

Assessment area	School data	% of Inc	Rating against thresholds
In-year balance	£19,000.00	0.8%	Low Risk

Lighthouse School

Trustees' Report (continued)

Year ended 31 August 2023

Revenue reserve	£650,000.00	27.90%	Low Risk
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Spending

Assessment area	School data	% of Exp	Rating against thresholds
Teaching staff	£760,000.00	32.9%	Broadly in line with similar schools
Supply staff	£112,000.00	4.8%	Highest 20% of similar schools
Education support staff	858,000.00	37.1%	Broadly in line with similar schools
Administrative and clerical staff	£194,000.00	8.4%	Highest 10% of similar schools
Other staff costs	£36,000.00	1.60%	Broadly in line with similar schools
Premises costs	£101,000.00	4.40%	Broadly in line with similar schools
Educational supplies	£75,000.00	3.2%	Broadly in line with similar schools
Energy	£20,000.00	0.900%	Broadly in line with similar schools

School characteristics

Assessment area	School data	Rating against thresholds
Average teacher cost	£59,984.22	Highest 20% of similar schools
Senior leaders as a percentage of workforce	7.5%	Broadly in line with similar schools
Pupil to teacher ratio	6.47	Middle 20% of similar schools
Pupil to adult ratio	1.84	Middle 20% of similar schools

Administrative staff: reflects the high costs of regulation compliance for this type of school.

Average teacher costs: As a small school, most teachers take on additional responsibilities which are reflected in their salaries.

Pupil to teacher ratio: Pupils are taught in small groups. Educational support is dependent on pupil need.

Going Concern

The Academy's activities, together with the factors likely to affect its future development, performance and position are set out in the achievements review above. The financial position of the company, its cash flows and liquidity position are detailed in the financial statements on pages 18 to 34.

The Trustees believe that the Academy is well placed to manage its business risks successfully. The Trustees have a reasonable expectation based on the preparation of a five-year budget forecast that the Academy has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Financial Review

During the year the majority of the Academy's operating income was obtained from the Department for Education (DfE) and LEA in the form of grants, the use of which is restricted to particular purposes. The grants received from the DfE and LEA during the year ended 31 August 2023 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

In April 2023 the project to provide more accommodation on the site for teaching and learning was completed with installation of a 'portacabin' unit. The portacabin is used by the administration staff (finance and HR). Moving these functions released accommodation in the main building for additional much needed classroom space. The cost of unit and fitting out is £187,909. This expenditure was financed from the Trust's reserves.

During the year ended 31 August 2023, revenue expenditure of £2,636,746 was in excess of total revenue income of £2,619,398. The excess of expenditure over income for the year was £17,348.

At 31 August 2023 the carrying amount of fixed assets was £2,807,681 and movements in intangible and tangible fixed assets are shown in notes 11 and 12 to the financial statements. The assets are to be used exclusively for providing education and the associated support services to the pupils of the Academy.

The Academy held fund balances at 31 August 2023 of £3,314,713 comprising of £356,742 restricted general funds, £2,807,680 of fixed asset funds and £150,291 unrestricted funds (see note 15). The balance of £356,742 on restricted general funds is after a provision for the deficit on defined benefit pension schemes of £39,000.

Reserves Policy

Lighthouse School is currently dependent on ESFA GAG and LEA income to sustain its activities. This means that if there were a reduction in GAG and LEA funding, it is likely that the Lighthouse School would have financial difficulties in the medium and short term.

Lighthouse School

Trustees' Report (continued)

Year ended 31 August 2023

In these circumstances the main concerns of the board would be to ensure that:

- pupils are provided a safe and secure environment, and
- future expenditure, related to the academy's Development Plan's strategic aims and developments, can be met, and
- staff can continue working and delivering high quality teaching and learning.

In order to address this risk, the Lighthouse School Trustees have agreed to hold contingency reserves designed to meet the cyclical needs of renewal, growth and any other unforeseen contingencies, subject to the constraint that the level of resources does not exceed the level permitted by the DfE.

The reserves policy states the following;

Scope

The overall contingency funds will include the Unrestricted Reserve and the amount available from restricted GAG fund (which can be used to cover elements of those contingencies which fall under the purposes permitted for use of GAG funding).

The reserves will be reviewed as at the end of the school's financial year as part of the process of preparing the annual accounts. Reserves above or below target may be held in the short term if needed to smooth out budget surplus or deficit over a three to five-year budget cycle.

Designation of the Capital and Revenue Reserves

a) Maintenance, renewal and site development plans:

The Trustees have agreed to set aside £50,000 in 2023/24 for the maintenance and renewal of capital items: Funds should only be spent on agreed budgeted spend on items on the capital maintenance schedule or to support applications for capital funding grants that require the School to fund part of the works to be covered by the grant or other items which are approved by the Trustees or by delegated authority to the Principal outside the budget process procedure.

- The School Business Manager should prepare and maintain a capital and maintenance schedule agreed with the Principal and provided to the Trustees identifying the need to replace assets and the related sums required in each future year of the school's 3 to 5-year budget.
- The Trustees should agree the value of Designated Maintenance Reserve to be created in a year as part of the budget approval process.
- Funds should be allocated to the Designated Maintenance Reserve in order to manage payments received under the capital maintenance programme.

b) The fulfilment of the school's plans to expand:

- The Trustees have agreed to set aside a sum of up to £150,000 to fund works to the car park, perimeter fencing and resurfacing of Hospital Lane. Works to be completed in 2023/2024.

c) Unforeseen contingencies fund:

- The Trustees have agreed to set aside a sum equal to 2 months Local Authority top up funding to ensure that salary commitments can continue to be met in the event of a delay in receiving Local Authority top up funding. In 2023/24 this level of funding will be £270,000. This sum may also be used in the event that the appointment of additional staff at short notice to accommodate students with high needs is required.

Principal Risks and Uncertainties

The Academy has undertaken work during the year to develop and embed a system of internal control, including financial, operational and risk management which is designed to protect the Academy's assets and reputation.

Good estates management for Schools

Throughout the year ending 31 August 2023 to address the risks associated with the premises year the Trust has actively implemented the ESFA advice and requirements for Good Estates Management for Schools (GEMS). This means managing the school estate strategically and maintaining the estate in a safe working condition and complying with all the relevant regulation. The Trustees, senior management, the estates personnel all play an active role in implementing the GEMS criteria. All staff are briefed and aware of keeping the premises safe for all stakeholders. Working towards the adoption of all aspects of GEMS is included in the school's 2023-2024 School Development plan.

A risk register is maintained at the Academy and identifies the key risks, the likelihood of those risks occurring, their potential impact on the Academy and the actions being taken to reduce and mitigate the risks. Outlined below is a description of the principal risk factors that may affect the Academy. Not all the factors are within the Academy's control. Other factors besides those listed below may also adversely affect the Academy.

1. Funding

The Academy has considerable reliance on continued government funding through the ESFA and special needs 'top-up' funding from Local Authorities. In the year ended 31 August 2023 96% of the Academy's revenue funding was central and local government funded. It is envisaged the majority of income for the foreseeable future will be derived from public sources.

Lighthouse School

Trustees' Report (continued)

Year ended 31 August 2023

To mitigate this risk the academy will maintain and manage key relationships with the ESFA and local authorities, and will make every effort to ensure student numbers, the key driver of funding in the sector, will grow. In addition to ESFA funding the school is seeking community contributions to support the enrichment of the curriculum and the school's activities.

2 Staffing

Difficulties recruiting of well qualified, experienced and special staff could hold back the successful development of the school and prevent it achieving its short and medium-term objectives.

Single central register

Safeguarding and child protection is paramount objective in creating and ensuring the safe learning environment for stakeholders at the school. Maintaining and carrying out regular reviews of the single central record is a critical procedure to ensure the safeguarding objectives of the school. OFSTED inspectors will expect an up-to-date and complete single central record, Failure in this area can lead to an automatic OFSTED rating putting the school into special measures.

Safeguarding/ H&S practice in classrooms

To ensure a safe and healthy learning and working environment an on-going concerns with Covid and other respiratory illness require the school to carefully monitor and deal with the student's and staff's health and wellbeing by regularly updating the procedures and communications in this area.

3. Minimise the risk of litigation against the Academy

Trustees are aware of the need to ensure that the risks of litigation from employees, suppliers, parents, students and other stakeholders are minimised to prevent reputational damage and financial loss. Insurance cover remains a necessity for risk mitigation in this area.

Fundraising

No fundraising activities have taken place during the year.

Plans for Future Periods

The Lighthouse School will continue to offer a dedicated special education choice to parents of pupils with autism. The next 12 months will be focussed on establishing a strong combination of developing pupils' life skills and tailoring the curriculum to individual pupils' abilities and needs. As well as establishing the strong educational provision there will be a clear focus on recruitment using the evidenced progress being made by all pupils and the quality of the educational provision and resources. School has met with a number of key agencies and organisation during 2022-23 to support the growth of the school. Lighthouse School has expressed an interest in an opportunity in North Yorkshire.

Funds Held as Custodian Trustee for Others

There are no funds held on behalf of others.

Auditors

In so far as the Trustees are aware:

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

18 Dec 2023

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



Chair of Trustees
18 Dec 2023,
3:16pm

Lighthouse School

Governance Report

Year ended 31 August 2023

Governance Report

Scope of Responsibility

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

The board of trustees has delegated the day-to-day responsibility to the Principal as accounting officer, for ensuring that financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between the Lighthouse School and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdown in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' responsibilities. The board of trustees has formally met 4 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Actual	Out of a Possible
Matthew Cryer	3	4
Dan Cohen	1	4
Alan Dunwell	4	4
Matthew Hirst	3	4
Ian Hughes	2	4
Catherine Parlett	4	4
Rebecca McDonnell	4	4
Emma Sullivan	4	4
Adele Williams	3	4

Oversight of funds

The Trustees meet a minimum of 4 times per financial period where they consider the financial health and performance of the school against the approved budget. These reports are presented to Trust Board by the Chair (a qualified ACA accountant) of the Finance, Resources and Building subcommittee. The subcommittee considers in detail the latest monthly management accounts, variances to budget and considers requests to action expenditure not previously approved by the Trustees and the related financial impact. In addition, the school business manager produces each month management accounts that are distributed to the Trust Chair, Chair of the Finance, Resources and Building subcommittee and the Principal/Accounting Officer who are able to raise queries and follow up on any matters raised in the report.

The Finance and Resources and Audit Committee is a sub-committee of the main board of trustees. Its purpose is:

- Initial review and authorisation of the annual school budget;
- Regular monitoring of actual expenditure and income against budget;
- Ensuring that the school annual accounts are produced in accordance of the requirements of the Companies Act 2006 and the DfE and ESFA guidance issued to Academies;
- Authorising the award of contracts over £10,000;
- Authorising changes to the school personnel establishment;
- Reviewing the reports on the effectiveness of the financial procedures and controls. These reports must also be made available to the Board of Trustees.

Attendance during the year at meetings of the Finance and Resources Committee was as follows:

Trustee	Actual	Out of a Possible
Alan Dunwell	3	3
Matthew Hirst	1	3
Ian Hughes	3	3
Catherine Parlett	3	3

Lighthouse School

Governance Report (continued)

Year ended 31 August 2023

Emma Sullivan	3	3
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Conflict of Interest

The Trust maintains a trustee's declaration of interest which is updated annually at the start of the academic year. All meetings of the trustees begin with an agenda item asking Trustees and others present to declare any conflicts of interest arising from any of the items on the agenda. Potential conflicts of interests such as those arising from the Trust Chair being the CEO of Lighthouse Futures Trust are monitored carefully by the Trust's Accounting Officer and Chief Financial Officer to ensure they dealt with correctly and decisions of the Trust are not influenced arising from the relationship.

Review of Value for Money

As Accounting Officer, the Principal has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes, as well as Estates safety and management, achieved in return for the taxpayer resources received.

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

1. Improving educational outcomes.

We set high expectations for outcomes for our pupils. In the main, all children achieved higher than expected outcomes, with significant gains in language and communication.

2. Financial governance and oversight

The Academy benefit from a Trustees' Finance committee with members including a consultant Academy Finance Manager with many years' experience, one Trustee who is a qualified accountant and retired academies audit partner and a Business Manager who is a qualified banker, part qualified accountant and holds a Certificate in School Business Management. The committee review key financial policies, systems and procedures, including the use of tenders. Comprehensive monthly management accounts are submitted to the committee and Board of Trustees.

The Academy received support throughout the year from its External Auditors on compliance and accounting practices.

The Trustees approved the budget and are mindful of the need to balance expenditure against income to ensure the Academy Trust remains a 'going concern'.

3. Better Purchasing

- Fitness for purpose; the trust reappraised and renegotiated a number of services and contracts this year to obtain quality and effectiveness for the least cost, for example; a licence with an online recruitment agency was negotiated at a lower price this year than last; training for the accounting package and budgeting software was provided by our consultant at a reduced cost; and a consultancy contract was ended early when the service provided was deemed to be poor quality.
- Benchmarking; The monthly accounts compare key financial performance indicators for the Academy to those of other Academy trusts to demonstrate that the Trust provides good value for money.
- Options appraisal; financial regulations and a scheme of delegation are in place and are adhered to. Three quotes are required for purchases between £2,000 and £9,999. In practice comparisons are made for most purchases to ensure the lowest price is obtained for comparable quality. For example, during the financial year 2022/23, a number of services were reviewed including staff absence insurance. A minimum of 3 quotes were obtained for each and these were analysed and the quote providing the best value for money in each case was selected. For larger contracts such as the energy contracts, the school utilised the services of Crown commercial Services.
- Economies of Scale; the school subscribed to a number of services operated by Leeds City Council to reduce costs.

4. Good estates management for Schools

Throughout the year the Trust has actively implemented the ESFA advice and requirements for Good Estates Management for Schools (GEMS). This means managing the school estate strategically and maintaining the estate in a safe working condition and complying with relevant regulation. The Trustees, senior management, the estates personnel all play an active role in implementing the GEMS criteria. All staff are briefed and aware of keeping the premises safe for all stakeholders. Working towards the adoption of all aspects of GEMS is included in the school's 2023-2024 School Development plan.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Lighthouse School for the period 1 September 2022 to 31 August 2023 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The Board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for

Lighthouse School

Governance Report (continued)

Year ended 31 August 2023

the period ending 31 August 2023 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

The Risk and Control Framework

The 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:

- budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees;
- setting targets to measure financial and other performance;
- delegation of authority and segregation of duties;
- identification and management of risks. An external consultant was engaged during the financial year to assist with drawing up a comprehensive Business Continuity Plan and Risk Register.

The board of trustees considered the need for a specific internal audit function and decided to appoint Veritau as internal auditor. Due to Covid 19, the auditors conducted a remote responsible officer examination of the financial records and procedures. A report of the findings has been received and will be considered by the Trustees at the next Finance and Resources Committee meeting, with the recommendations to be implemented during 2023/24.

Due to the requirements of the newly revised FRC Ethical Standards for auditors, the external auditors can no longer provide the internal audit services. The board of trustees have decided to appoint a new firm of internal auditors.

Review of Effectiveness

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

- the work of the external auditor, including the additional checks performed and reports provided;
- 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 a consultant and a plan to ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 18 Dec 2023 and signed on its behalf by:



Katie Parlett (Dec 18, 2023, 3:16pm)

Catherine Parlett
Chair of Trustees



Emma Sullivan (Dec 18, 2023, 3:23pm)
Emma Sullivan
Accounting Officer

Lighthouse School

Statement of Regularity, Propriety and Compliance

Year ended 31 August 2023

As accounting officer of The Lighthouse School, I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy Trust, including for Estates safety and management 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 Handbook 2022, including responsibilities for Estates safety and management.

I confirm that I and the Academy Trust Board of Trustees are able to identify any material irregular or improper use of funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Handbook 2022.

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 the statement, these will be notified to the Board of Trustees and ESFA.



Emma Sullivan (Dec 18, 2023, 3:23pm)

Emma Sullivan
Accounting officer

18 Dec 2023
.....

Lighthouse School

Statement of Trustees' Responsibilities

Year ended 31 August 2023

The trustees (who act as governors of The Lighthouse School and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Annual Accounts Direction published by the Education 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 then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 of trustees on 18 Dec 2023 and signed on its behalf by:



Katie Parlett (Dec 18, 2023, 3:16pm)
Catherine Parlett
Trustee

Lighthouse School

Independent Auditor's Report to the Members of Lighthouse School

Year ended 31 August 2023

Opinion

We have audited the financial statements of Lighthouse School (the 'academy trust') for the year ended 31 August 2023, which comprise the Statement of Financial Activities, the Balance Sheet, the 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 (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*, the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023 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 trust's affairs as at 31 August 2023, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023 issued by the Education and Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the academy trust's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue. Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Independent Auditor's Report to the Members of Lighthouse School (continued)

Year ended 31 August 2023

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 13, the trustees (who are also the directors of the academy trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the 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.

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

Based on our understanding of the charity and the charity sector, we identified that the principal risks of non-compliance with law and regulations related to the Charities Act 2011 and the Companies Act 2006, and we considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements and the audit procedures performed included:

- discussions with management including consideration of known or suspected instances of non-compliance with laws, regulation and fraud;
- challenging assumptions and judgements made by management in their significant accounting estimates;
- testing of non-purchase and sales ledger bank transactions;
- testing the appropriateness of journal entries;
- testing of purchase invoice authorisations.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

Lighthouse School

Independent Auditor's Report to the Members of Lighthouse School (continued)

Year ended 31 August 2023

Use of our report

This report is made solely to 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.

AJR: R.00000000

Alistair Russell (Dec 18,
2023, 3:25pm)
Alistair Russell FCA (Senior Statutory Auditor)
For and on behalf of
Gibson Booth Chartered Accountants
and Statutory Auditors
New Court
Abbey Road North
Shepley
Huddersfield
HD8 8BJ

18 Dec 2023

Lighthouse School

Independent Reporting Accountant's Assurance Report on Regularity to Lighthouse School and the Education Funding Agency

Year ended 31 August 2023

In accordance with the terms of our engagement letter dated 6 October 2023 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2022 to 2023, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Lighthouse School during the period from 1 September 2022 to 31 August 2023 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 School and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Lighthouse School 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 School and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Lighthouse School's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements Lighthouse School's funding agreement with the Secretary of State for Education dated 11 July 2013 and the Academies Financial Handbook, extant from 1 September 2022, 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 2022 to 2023. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2022 to 31 August 2023 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 2022 to 2023 issued by the 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 our conclusions includes:

- an initial risk assessment, the result of which were used to tailor a specific work programme to ensure sufficient appropriate evidence could be obtained to support the conclusion; and
- a review of the academy trust's accounting and internal control procedures; and
- consideration and review of the evidence supporting the accounting officer's statement on regularity, propriety and compliance.

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2022 to 31 August 2023 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Alistair Russell (Dec 18, 2023,
3:25pm)

Gibson Booth Chartered Accountants
New Court
Abbey Road North
Shepley
Huddersfield
HD8 8BJ

18 Dec 2023

Lighthouse School

Statement of Financial Activities for the year ended 31 August 2023 (including Income and Expenditure Account)

		Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total 2023	Total 2022
	Note	£	£	£	£	£
Income and endowments from:						
Donations and capital grants	2	-	7,979	25,644	33,623	11,062
Charitable activities:						
Funding for the academy trust's educational operations	3	-	2,565,537	-	2,565,537	2,321,410
Other trading activities	4	45,825	-	-	45,825	27,953
Investments	5	57	-	-	57	80
Total		<u>45,882</u>	<u>2,573,516</u>	<u>25,644</u>	<u>2,645,042</u>	<u>2,360,505</u>
Expenditure on:						
Raising funds		25,789	-	-	25,789	28,693
Charitable activities:						
Academy trust educational operations	7	-	2,610,957	118,199	2,729,156	2,858,418
Total	6	<u>25,789</u>	<u>2,610,957</u>	<u>118,199</u>	<u>2,754,945</u>	<u>2,887,110</u>
Net income / (expenditure)		20,093	(37,440)	(92,555)	(109,903)	(526,605)
Transfers between funds	15	-	(205,000)	205,000	-	-
Other recognised gains and losses:						
Actuarial gains/ (losses) on defined benefit pension schemes	15,21	-	651,000	-	651,000	(273,000)
Net movement in funds		<u>20,093</u>	<u>408,560</u>	<u>112,445</u>	<u>541,097</u>	<u>(799,606)</u>
Reconciliation of funds						
Total funds brought forward		130,198	(51,817)	2,695,235	2,773,617	1,433,262
Total funds carried forward		<u>150,291</u>	<u>356,742</u>	<u>2,807,680</u>	<u>3,314,713</u>	<u>633,655</u>

Lighthouse School

Balance Sheet as at 31 August 2023

		31 August 2023	31 August 2022
	Note	£	£
Fixed assets			
Intangible assets	11	5,699	9,684
Tangible assets	12	2,801,982	2,685,550
		<u>2,807,681</u>	<u>2,695,235</u>
Current assets			
Debtors	13	34,951	124,242
Cash at bank and in hand		650,986	645,924
		<u>685,937</u>	<u>770,166</u>
Creditors: Amounts falling due within one year	14	(139,905)	(119,784)
Net current assets		<u>546,032</u>	<u>650,382</u>
Net assets excluding pension liability		<u>3,353,713</u>	<u>3,345,617</u>
Defined benefit pension scheme liability	21	(39,000)	(572,000)
Total net assets		<u><u>3,314,713</u></u>	<u><u>2,773,617</u></u>
Funds of the academy trust:			
Restricted funds			
General Funds	15	395,742	520,183
Fixed asset Reserve	15	2,807,680	2,695,235
Pension reserve	15	(39,000)	(572,000)
Total restricted funds		<u>3,164,422</u>	<u>2,643,418</u>
Unrestricted income funds	15	150,291	130,198
Total funds		<u><u>3,314,713</u></u>	<u><u>2,773,617</u></u>

18 Dec 2023

The financial statements on pages 18 to 34 were approved by the trustees, and authorised for issue on and are signed on their behalf by:



Katie Parlett (Dec 18, 2023, 3:16pm)

Catherine Parlett
Chair of Governors

Lighthouse School

Statement of Cash Flows for the year ended 31 August 2023

	Notes	2023 £	2022 £
Cash flows from operating activities			
Net cash (used in)/ provided by operating activities	17	<u>227,499</u>	<u>(34,082)</u>
Cash flows from investing activities			
Interest received		57	80
Purchase of intangible fixed assets		-	(3,149)
Purchase of tangible fixed assets		(230,645)	(26,492)
Capital grants from DfE/ESFA		<u>8,151</u>	<u>8,202</u>
		<u>(222,437)</u>	<u>(21,359)</u>
Change in cash and cash equivalents in the reporting period		5,062	(55,441)
Cash and cash equivalents at 1 September 2022		645,924	701,365
Cash and cash equivalents at the 31 August 2023		<u><u>650,986</u></u>	<u><u>645,924</u></u>

Lighthouse School

Notes to the Financial Statements for the period ended 31 August 2023

1 Statement of 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 2022 to 2023 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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

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.

Incoming Resources

All incoming resources are recognised when the academy trust has entitlement to 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 when there is entitlement and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

Donations

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

Other income

Other income is recognised in the period it is receivable and to the extent the goods have been provided or on completion of the service.

Donated goods, facilities and services

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

Expenditure

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

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.

Lighthouse School

Notes to the Financial Statements for the year ended 31 August 2023 (continued)

Statement of Accounting Policies (continued)

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 £1,000 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 over its expected useful life, as follows:

Computer software	25% straight line
-------------------	-------------------

Tangible Fixed Assets

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. 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 such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the academy trust's depreciation policy.

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

Freehold Land & Buildings	2% straight line
Furniture & fixtures	20% straight line
IT equipment	25% straight line
Motor Vehicles	25% straight line

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.

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.

Leased assets

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

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 School

Notes to the Financial Statements for the year ended 31 August 2023 (continued)

Statement of Accounting Policies (continued)

Pensions Benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 21, 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 and other funders where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received and include grants from the Education and Skills Funding Agency and Department for Education.

Critical accounting estimates and areas of judgement

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

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 21, will impact the carrying amount of the pensions liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2023. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

The annual amortisation and depreciation charge for intangible and tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on economic utilisation and the physical condition of the assets. See note 11 and 12 for the carrying amount of the intangible and tangible assets, and accounting policies for the amortisation and depreciation rates used for each class of assets.

Critical areas of judgement

No significant judgements have been made in the process of applying the entity's accounting policies.

Lighthouse School

Notes to the Financial Statements for the year ended 31 August 2023 (continued)

2 Donations and capital grants

	Unrestricted Funds	Restricted Funds	Total 2023
	£	£	£
Devolved capital grants	-	8,151	8,151
Donations	-	7,979	7,979
Other DfE capital grants	-	17,492	17,492
	<u>-</u>	<u>33,623</u>	<u>33,623</u>

	Unrestricted Funds	Restricted Funds	Total 2022
	£	£	£
Devolved capital grants	-	8,202	8,202
Donations	-	2,860	2,860
	<u>-</u>	<u>11,062</u>	<u>11,062</u>

3 Funding for the Academy Trust's Educational Operations

	Unrestricted Funds	Restricted Funds	Total 2023
	£	£	£
DfE / ESFA grants			
General Annual Grant (GAG)	-	840,000	840,000
Pupil Premium	-	17,962	17,962
Other DfE/ESFA grants	-	35,579	35,579
	<u>-</u>	<u>893,540</u>	<u>893,540</u>

Other Government grants

Local authority grants	-	1,671,997	1,671,997
Other Government grants	-	-	-
	<u>-</u>	<u>2,565,537</u>	<u>2,565,537</u>

	Unrestricted Funds	Restricted Funds	Total 2022
	£	£	£
DfE / ESFA grants			
General Annual Grant (GAG)	-	840,000	840,000
Pupil Premium	-	17,004	17,004
Mass testing grants	-	4,030	4,030
Other DfE/ESFA grants	-	22,782	22,782
	<u>-</u>	<u>883,816</u>	<u>883,816</u>

Other Government grants

Local authority grants	-	1,414,237	1,414,237
Other Government grants	-	23,357	23,357
	<u>-</u>	<u>2,321,410</u>	<u>2,321,410</u>

Lighthouse School

Notes to the Financial Statements for the year ended 31 August 2023 (continued)

4 Other trading activities

	Unrestricted Funds	Restricted Funds	Total 2023
	£	£	£
Trips and meal income	11,737	-	11,737
Other income	34,088	-	34,088
	<u>45,825</u>	<u>-</u>	<u>45,825</u>

	Unrestricted Funds	Restricted Funds	Total 2022
	£	£	£
Trips and meal income	13,729	-	13,729
Other income	9,335	4,889	14,224
	<u>23,064</u>	<u>4,889</u>	<u>27,953</u>

5 Investment income

	Unrestricted Funds	Restricted Funds	Total 2023
	£	£	£
Bank interest	57	-	57
	<u>57</u>	<u>-</u>	<u>57</u>

	Unrestricted Funds	Restricted Funds	Total 2022
	£	£	£
Bank interest	80	-	80
	<u>80</u>	<u>-</u>	<u>80</u>

Lighthouse School

Notes to the Financial Statements for the year ended 31 August 2023 (continued)

6 Expenditure

	Non Pay Expenditure			Total
	Staff Costs	Premises	Other	2023
	£	£	£	£
Expenditure on raising funds	-	-	25,789	25,789
Academy's educational operations:				
Direct costs	1,845,467	-	72,274	1,917,741
Allocated support costs	454,198	122,834	234,383	811,415
	<u>2,299,665</u>	<u>122,834</u>	<u>332,446</u>	<u>2,754,945</u>

	Non Pay Expenditure			Total
	Staff Costs	Premises	Other	2022
	£	£	£	£
Expenditure on raising funds	-	-	28,693	28,693
Academy's educational operations:				
Direct costs	1,706,628	-	150,311	1,856,939
Allocated support costs	693,855	125,042	182,582	1,001,479
	<u>2,400,483</u>	<u>125,042</u>	<u>361,586</u>	<u>2,887,111</u>

Net income/(expenditure) for the period includes:

	2023	2022
	£	£
Operating lease rentals	5,277	719
Fees payable to auditor:		
Audit	4,500	4,500
Other services	<u>2,235</u>	<u>1,175</u>

7 Charitable Activities

	Total	Total
	2023	2022
	£	£
Direct costs – educational operations	1,917,741	1,856,939
Support costs – educational operations	<u>811,415</u>	<u>1,001,479</u>
	<u>2,729,156</u>	<u>2,858,418</u>

Analysis of support costs	Total	Total
	2023	2022
	£	£
Support staff costs	454,198	693,855
Depreciation	118,198	24,846
Technology costs	38,648	39,610
Premises costs	93,926	100,196
Other support costs	99,709	137,817
Governance costs	<u>6,735</u>	<u>5,155</u>
Total support costs	<u>811,415</u>	<u>1,001,479</u>

Lighthouse School**Notes to the Financial Statements for the year ended 31 August 2023 (continued)****8 Staff****a. Staff costs**

Staff costs during the period were:

	Total 2023 £	Total 2022 £
Wages and salaries	1,672,426	1,505,594
Social security costs	150,628	130,937
Operating costs of defined benefit pension schemes	405,928	652,433
	<u>2,228,982</u>	<u>2,288,964</u>
Non-contracted staff	70,683	111,519
	<u>2,299,665</u>	<u>2,400,483</u>

b. Staff numbers

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

	2023 No.	2022 No.
Teachers	18	15
Administration and support	49	55
Management	5	5
	<u>72</u>	<u>75</u>

c. Higher paid staff

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

	2023 No.	2022 No.
£70,001 - £80,000	1	1

d. Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The amounts of employee benefits (including employer pension contributions) received by the key management personnel for their services to the academy trust was £352,559 (2022: £331,075).

Lighthouse School

Notes to the Financial Statements for the year ended 31 August 2023 (continued)

9 Related Party Transactions - Trustees' Remuneration and Expenses

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

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

	Salaries	Employer's pension costs
E Sullivan	£75,001 - £80,000 (2022: £70,001 - £75,000)	£15,001 - £20,000 (2022: £15,001 - £20,000)

During the year ended 31 August 2023, no expenses were reimbursed to trustees (2022: £nil).

Other related party transactions involving the trustees are set out in note 22.

10 Governors Insurance

The Governors Liability section of the RPA will indemnify Governors, members of the governing body or board of governors of the Academy; Employees of the Academy acting in a managerial capacity and any employee named as a co-defendant in a claim made against a Governor.

11 Intangible Fixed Assets

	Computer Software
Cost	£
At 1 September 2022	22,021
Additions	-
At 31 August 2023	<u>22,021</u>
Amortisation	
At 1 September 2022	12,337
Charged in year	3,985
At 31 August 2023	<u>16,322</u>
Carrying amount	
At 31 August 2023	<u>5,699</u>
At 31 August 2022	<u>9,684</u>

12 Tangible Fixed Assets

	Freehold Land & Buildings	Furniture & Fixtures	IT Equipment	Motor Vehicles	Total
	£	£	£	£	£
Cost					
At 1 September 2022	2,975,992	200,939	190,375	27,967	3,395,273
Additions	182,214	43,488	4,943	-	230,645
At 31 August 2023	<u>3,158,206</u>	<u>244,427</u>	<u>195,318</u>	<u>27,967</u>	<u>3,625,918</u>
Depreciation					
At 1 September 2022	416,474	113,808	151,474	27,967	709,723
Charged in year	60,133	31,919	22,162	-	114,214
At 31 August 2023	<u>476,607</u>	<u>145,727</u>	<u>173,636</u>	<u>27,967</u>	<u>823,937</u>
Carrying amount					
At 31 August 2023	<u>2,681,599</u>	<u>98,701</u>	<u>21,682</u>	<u>-</u>	<u>2,801,982</u>
At 31 August 2022	<u>2,559,518</u>	<u>87,131</u>	<u>38,901</u>	<u>-</u>	<u>2,685,550</u>

Lighthouse School

Notes to the Financial Statements for the year ended 31 August 2023 (continued)

13 Debtors

	2023	2022
	£	£
Trade debtors	-	586
Prepayments and accrued income	8,345	83,951
VAT recoverable	26,606	39,705
	<u>34,951</u>	<u>124,242</u>

14 Creditors: Amounts Falling due within one year

	2023	2022
	£	£
Trade creditors	52,610	43,811
Taxation and social security	31,875	31,480
Other creditors	34,456	31,506
Accruals and deferred income	20,964	12,987
	<u>139,905</u>	<u>119,784</u>

There was no deferred income at 31 August 2023 (2022: £nil).

15 Funds

	Balance at 1 September 2022	Income	Expenditure	Gains, losses and transfers	Balance at 31 August 2023
	£	£	£	£	£
Restricted general funds					
General Annual Grant (GAG)	434,357	840,000	(679,639)	(205,000)	389,718
Local authority grants	21,700	1,671,997	(1,687,673)	-	6,024
Pupil Premium	-	17,962	(17,962)	-	-
Other DfE/ESFA grants	64,126	35,579	(99,705)	-	-
Voluntary income	-	7,979	(7,979)	-	-
Other income	-	-	-	-	-
Pension reserve	(572,000)	-	(118,000)	651,000	(39,000)
	<u>(51,817)</u>	<u>2,573,516</u>	<u>(2,610,957)</u>	<u>446,000</u>	<u>356,742</u>
Restricted fixed asset funds					
DfE/ESFA	2,107,758	25,644	(53,450)	-	2,079,952
DfE/ESFA revenue funding	108,969	-	(54,311)	205,000	259,658
Capital expenditure from unrestricted funds	554	-	-	-	554
Voluntary Income	477,954	-	(10,438)	-	467,516
	<u>2,695,235</u>	<u>25,644</u>	<u>(118,199)</u>	<u>205,000</u>	<u>2,807,680</u>
Total restricted funds	<u>2,643,418</u>	<u>2,599,160</u>	<u>(2,729,156)</u>	<u>651,000</u>	<u>3,164,422</u>
Unrestricted funds					
General unrestricted funds	130,198	45,882	(25,789)	-	150,291
	<u>130,198</u>	<u>45,882</u>	<u>(25,789)</u>	<u>-</u>	<u>150,291</u>
Total funds	<u>2,773,617</u>	<u>2,645,041</u>	<u>(2,754,945)</u>	<u>651,000</u>	<u>3,314,713</u>

Lighthouse School

Notes to the Financial Statements for the year ended 31 August 2023 (continued)

15 Funds (continued)

Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2023.

The other restricted general funds relate to grants and other income receivable from the DfE, ESFA and other sources towards the operating activities of the academy trust.

The restricted fixed asset funds represent the net book values of donated fixed assets purchased out of income from other resources which are held for the continuing use of the academy.

The transfer of £205,000 into the fixed asset fund represents fixed assets purchased using GAG.

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

	Balance at 1 September 2021	Income	Expenditure	Gains, losses and transfers	Balance at 31 August 2022
	£	£	£	£	£
Restricted general funds					
General Annual Grant (GAG)	445,485	840,000	(829,689)	(21,439)	434,357
Local authority grants	-	1,437,594	(1,415,894)	-	21,700
Pupil Premium	-	17,004	(17,004)	-	-
Other DfE/ESFA grants	52,932	26,812	(15,618)	-	64,126
Voluntary income	-	2,860	(2,860)	-	-
Other income	-	4,889	(4,889)	-	-
Pension reserve	(2,486,000)	-	(460,000)	2,374,000	(572,000)
	<u>(1,987,583)</u>	<u>2,329,159</u>	<u>(2,745,954)</u>	<u>2,352,561</u>	<u>(51,817)</u>
Restricted fixed asset funds					
DfE/ESFA	2,152,978	8,202	(53,422)	-	2,107,758
DfE/ESFA revenue funding	127,219	-	(39,689)	21,439	108,969
Capital expenditure from unrestricted funds	554	-	-	-	554
Voluntary Income	497,307	-	(19,353)	-	477,954
	<u>2,778,058</u>	<u>8,202</u>	<u>(112,464)</u>	<u>21,439</u>	<u>2,695,235</u>
Total restricted funds	<u>790,475</u>	<u>2,337,361</u>	<u>(2,858,418)</u>	<u>2,374,000</u>	<u>2,643,418</u>
Unrestricted funds					
General unrestricted funds	135,748	23,143	(28,693)	-	130,198
	<u>135,748</u>	<u>23,143</u>	<u>(28,693)</u>	<u>-</u>	<u>130,198</u>
Total funds	<u>926,223</u>	<u>2,360,505</u>	<u>(2,887,111)</u>	<u>2,374,000</u>	<u>2,773,617</u>

The transfer of £21,439 into the fixed asset fund represents fixed assets purchased using GAG.

16 Analysis of Net Assets between Funds

Fund balances at 31 August 2023 are represented by:

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total
	£	£	£	£
Intangible fixed assets	-	-	5,699	5,699
Tangible fixed assets	-	-	2,801,982	2,801,982
Current assets	150,291	534,645	-	685,937
Current liabilities	-	(139,905)	-	(139,905)
Pension scheme liability	-	(39,000)	-	(39,000)
Total net assets	<u>150,291</u>	<u>355,740</u>	<u>2,807,681</u>	<u>3,314,713</u>

Lighthouse School

Notes to the Financial Statements for the year ended 31 August 2023 (continued)

16 Analysis of Net Assets between Funds (continued)

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

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total
	£	£	£	£
Intangible fixed assets	-	-	9,684	9,684
Tangible fixed assets	-	-	2,685,551	2,685,551
Current assets	130,198	639,968	-	770,166
Current liabilities	-	(119,784)	-	(119,784)
Pension scheme liability	-	(572,000)	-	(572,000)
Total net assets	<u>130,198</u>	<u>(51,817)</u>	<u>2,695,235</u>	<u>2,773,617</u>

17 Reconciliation of net expenditure to net cash flow from operating activities

	2023 £	2022 £
Net Expenditure	(109,903)	(526,606)
Capital grants from DfE (note 2)	(8,151)	(8,202)
Interest receivable (note 5)	(57)	(80)
Defined benefit pension scheme cost less contribution payable (note 21)	98,000	419,000
Defined benefit pension scheme finance cost	20,000	41,000
Amortisation (note 11)	3,985	1,901
Depreciation (note 12)	114,214	110,563
Decrease/(increase) in debtors	89,291	(66,929)
Increase/ (decrease) in creditors	20,121	(4,729)
Net cash provided by Operating Activities	<u>227,499</u>	<u>(34,082)</u>

18 Analysis of changes in net debt

	01-Sep-22 £	Cash flows £	31-Aug-23 £
Cash at bank and in hand	645,924	5,062	650,986
	<u>645,924</u>	<u>5,062</u>	<u>650,986</u>

19 Members' Liability

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

20 Financial Commitments

Operating leases

At 31 August 2023 the academy trust had annual commitments under non-cancellable operating leases as follows:

	2023 £	2022 £
Other		
Amounts due within one year	3,137	5,277
Amounts due between one and five years	250	3,387
	<u>3,387</u>	<u>8,664</u>

Lighthouse School

Notes to the Financial Statements for the year ended 31 August 2023 (continued)

21 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 West Yorkshire Pension Fund (WYPF). Both are multi-employer defined benefit pension schemes.

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

Contributions amounting to £34,456 were payable to the schemes at 31 August 2023 (2021/22: £31,506) and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

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

The next valuation result is due to be implemented from 1 April 2024.

The employers' pension costs paid to TPS in the period amounted to £168,928 (2022: £127,433).

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 a multi-employer pension scheme. The academy has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2023 was £174,000 (2022: £159,000), of which employer's contributions totalled £119,000 (2022: £106,000) and employees' contributions totalled £55,000 (2022: £53,000). The agreed contribution rates for future years are 10.5% for employers and between 2.75% and 12.5% for employees.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013 and on 21 July 2022, the Department for Education reaffirmed its commitment to the guarantee, with a parliamentary minute published on GOV.UK.

Lighthouse School

Notes to the Financial Statements for the year ended 31 August 2023 (continued)

21 Pension and Similar Obligations (continued)

Principal Actuarial Assumptions	At 31 August 2023	At 31 August 2022
Rate of increase in salaries	3.85%	3.95%
Rate of increase for pensions in payment/inflation	2.60%	2.70%
Discount rate for scheme liabilities	4.90%	4.00%
Inflation assumption (CPI)	2.60%	2.70%

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

	At 31 August 2023	At 31 August 2022
<i>Retiring today</i>		
Males	21.0	21.8
Females	24.1	24.6
<i>Retiring in 20 years</i>		
Males	22.2	22.5
Females	25.1	25.7

Sensitivity analysis of defined benefit obligations

The approximate impact of changing the key assumptions on the present value of the funded defined benefit obligation as at 31 August 2023 is set below:

	At 31 August 2023 £	At 31 August 2022 £
Discount rate +0.1%	1,882,000	1,865,000
Discount rate -0.1%	2,000,000	2,011,000
Rate of increase in salaries +0.1%	1,944,000	1,945,000
Rate of increase in salaries -0.1%	1,936,000	1,929,000
Rate of increase for pensions in payment/inflation +0.1%	1,996,000	2,003,000
Rate of increase for pensions in payment/inflation -0.1%	1,886,000	1,873,000
Mortality assumption – 1 year increase	1,892,000	1,881,000
Mortality assumption – 1 year decrease	1,989,000	1,993,000

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

	Fair value at 31 August 2023	Fair value at 31 August 2022
		£
Equity instruments	1,522,000	1,091,000
Debt instruments	227,000	146,000
Property	63,000	53,000
Cash	74,000	55,000
Other	15,000	20,000
Total market value of assets	1,901,000	1,365,000
Present value of scheme liabilities		
-funded	(1,940,000)	(1,937,000)
Deficit in scheme	<u>(39,000)</u>	<u>(572,000)</u>

The actual return on scheme assets was £377,000 (2022: £11,000).

Lighthouse School

Notes to the Financial Statements for the year ended 31 August 2023 (continued)

Amounts recognised in the statement of financial activities

	2023	2022
	£	£
Current service cost	217,000	525,000
Net interest cost	20,000	41,000
Total operating charge	<u>237,000</u>	<u>566,000</u>

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

	2023	2022
	£	£
At 1 September	1,937,000	3,701,000
Current service cost	217,000	525,000
Interest cost	78,000	63,000
Employee contributions	55,000	53,000
Actuarial (gain)/ loss	(332,000)	(2,385,000)
Benefits paid	<u>(15,000)</u>	<u>(20,000)</u>
At 31 August	<u>1,940,000</u>	<u>1,937,000</u>

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

	2023	2022
	£	£
At 1 September	1,365,000	1,215,000
Interest income	58,000	22,000
Actuarial (loss)/ gain	319,000	(11,000)
Employer contributions	119,000	106,000
Employee contributions	55,000	53,000
Benefits paid	<u>(15,000)</u>	<u>(20,000)</u>
At 31 August	<u>1,901,000</u>	<u>1,365,000</u>

22 Related Party Transactions

Owing to the nature of the academy trust and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. The following related party transactions took place in the financial period.

Expenditure related party transactions

Lighthouse Futures Trust, a charitable company in which the Chair of trustees is CEO, recharged costs of £17,600 (2022: £16,557) to the academy trust during the year. A balance of £nil (2022: £nil) was outstanding at 31 August 2023. All transactions involving such organisations are conducted in accordance with the requirements of the Academy Trust Handbook, including notifying ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

Income related party transactions

The academy trust recharged costs of £nil (2022: £637) to Lighthouse Futures Trust, a charitable company with common trustees, during the year. A balance of £nil (2022: £nil) was outstanding at 31 August 2023.