

Lighthouse Learning Trust
(A Company Limited by Guarantee)
Annual Report and Financial Statements
Year ended 31 August 2021

Company Registration Number:
10819176 (England and Wales)

Lighthouse Learning Trust

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Lighthouse Learning Trust

Reference and Administrative Details

Members:

A Banks (appointed 9 June)
Ven. G Collins (resigned 1 January 2021)
L Docherty
D Lloyd
C Manning (appointed 9 June 2021)
R Woolley

Trustees:

D Canham
T Cardy
M Cooper (resigned 9 June 2021)
L Docherty
H Dovey (resigned 6 July 2021)
E Flaherty
I Golding (resigned 21 October 2020)
R Hall
Z Huggins
M Kelly (resigned 18 November 2020)
O Sheehan Pundyke (appointed 15 December 2020)
A Thompson
N Weston (appointed 9 June 2021)

Company Secretary

A McVittie

Key Management Personnel

M Atkinson Chief Executive Officer (until 6 June 2021)
A Berry Chief Executive Officer (from 7 June 2021)
A Born Chief Financial Officer and Deputy Chief Executive Officer
A Grant Principal, St Vincent College
P Swindale Principal, Richard Taunton College (from 1 September 2020)

Company Name

Lighthouse Learning Trust

Principal and Registered Office

c/o St Vincent College
Mill Lane
Gosport
Hampshire
PO12 4QA

Lighthouse Learning Trust

Reference and Administrative Details

Company Registration Number
10819176 (England and Wales)

Independent Auditor
Hopper Williams & Bell Limited
Statutory Auditor
Highland House
Mayflower Close
Chandlers Ford
Eastleigh
Hampshire
SO53 4AR

Bankers
Lloyds Bank Plc
25 Gresham St
London
EC2V 7HN

Lighthouse Learning Trust

Trustees' Report

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year ended 31 August 2021. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The Lighthouse Learning Trust is a Multi Academy Trust which operates two academies, St Vincent College and Richard Taunton College. Both academies were previously established under the Further and Higher Education Act 1992.

St Vincent College and Richard Taunton College Corporations dissolved on 31 October 2017 and their respective activities, assets, liabilities and staff transferred to the Lighthouse Learning Trust.

The company was incorporated on 14 June 2017 but was dormant until 1 November 2017.

Structure, Governance and Management

Constitution

The Academy Trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Academy Trust. The Trustees of Lighthouse Learning Trust are also the directors of the charitable company for the purposes of company law. The charitable company operates as the Lighthouse Learning Trust.

Details of the Trustees who served during the year and to the date these accounts are approved are included in the Reference and Administrative Details on page 1.

Members' Liability

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

Trustees' Indemnities

Trustees benefit from indemnity insurance purchased at the Trust's expense to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of any wrongful act of which they may be guilty in relation to the Academy Trust. The insurance does not extend to any claim arising from any act or omission which the Trustees knew to be a breach of trust or breach of duty, or to the costs of any unsuccessful defence to a criminal prosecution brought against the Trustees in their capacity as Directors of the Academy Trust.

Lighthouse Learning Trust

Trustees' Report

Method of Recruitment and Appointment or Election of Trustees

Trustees are appointed in accordance with the Trust's Articles of Association. The Members may appoint up to 12 Trustees (Article 50). Parent Trustees or Parent Local Governors may be elected or appointed (Article 54). Trustees may Co-opt additional Trustees, including staff Trustees subject to limitations (Article 58). The disqualification of Trustees is dealt with by Articles 68-80. The Governance and Audit Committee oversees the Trust's Search process and this is explained in more detail in the Corporate Governance statement. The Trust seeks to attract Trustees with a range of diverse skills and backgrounds in order to provide the Trust Board with the best possible advice and support.

Policies and Procedures Adopted for the Induction and Training of Trustees

All Trustees receive support from their Board colleagues and from the Clerk/Company Secretary. Additionally, the Trust Chair operates an on-going programme of one to one review sessions with individual Trustees in order to identify any areas of support that they may require in order to fulfil their roles. Trustees also receive regular internal training with regard to their duties and responsibilities. The Trust has adopted a model induction policy for Trustees as drafted by ICSA. This was reviewed by the Trust's Governance & Audit Committee. The Clerk/Company Secretary participates in professional governance networks and is able to share best practice with Trustees where this is identified. A Trustees' Skills & Experience audit was completed during the year and this is repeated annually. An annual governance self-assessment was also completed. Both of these exercises inform the on-going development and training of Trustees.

Organisational Structure

The Senior Management Team consists of:

- Chief Executive Officer of The Lighthouse Learning Trust
- Principal of St Vincent College
- Principal of Richard Taunton College
- Chief Financial Officer and Deputy Chief Executive Officer
- Vice Principals of teaching and learning (two)
- MIS Director
- HR Director
- Estates, Facilities, and Safety Director

The Chief Executive Officer of the Lighthouse Learning Trust is the Accounting Officer.

The committee structure of the Board of Trustees consists of:

- Governance and Audit Committee
- Finance and Resources Committee
- Remuneration Committee
- Local Governing Bodies

Lighthouse Learning Trust

Trustees' Report

Organisational Structure (continue)

In accordance with the Trust's Scheme of Delegation, all Committees are chaired by Trustees. Local Governors are encouraged to join Board Committees where they have specific skills and experience to contribute. However, with the exception of Local Governing Bodies, Trustees always form the majority of Board sub-Committee memberships.

Arrangements for setting pay and remuneration of key management personnel

In its role as the legal employer, the Board of Trustees is responsible for agreeing the Pay Policy on an annual basis. The Remuneration Committee is responsible for reviewing and making recommendations to the Board with regard to remuneration of the Trust's leadership. Further details regarding the remit of this Committee can be found in the Corporate Governance statement. All pay decisions are made finally by the Board of Trustees.

Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
4	2.32

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	-
1%-50%	3
51%-99%	-
100%	-

Percentage of pay bill spent on facility time

Provide the total cost of facility time	£4,719
Provide the total pay bill	£9.9m
Percentage of the total pay bill spent on facility time	0.05%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	9%
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Lighthouse Learning Trust

Trustees' Report

Related Parties and other Connected Charities and Organisations

The Trust works in partnership with local secondary schools in and around Southampton, Gosport, and Fareham, directly and also through the Southampton Education Forum which brings together Southampton schools, colleges and the local authority with the aim of supporting quality improvement.

We also have good links with our local universities in Southampton, Portsmouth, Winchester, and beyond. It works with the Wessex Group, a group of Hampshire colleges to collaborate over curriculum development, staff training and development.

In line with other multi academy trusts, academies, colleges and universities, The Lighthouse Learning Trust has many stakeholders. These include:

- Students
- Parents
- Education sector Funding Bodies
- The Regional Schools Commissioner
- Staff
- Local employers (with specific links)
- Hampshire County Council, Southampton City Council and Gosport Borough Council
- Local Enterprise Partnerships
- The local community
- Other FE institutions
- Trade unions and
- Professional bodies.

The Trust recognises the importance of these relationships and engages in regular communication with them through written correspondence and by meetings.

Engagement with employees (including disabled persons)

The Trust is committed to ensuring equality of opportunity for all who learn and work here. We respect and value positively differences in race, gender and gender identity, parental and marital status, sexual orientation, disability, religion or belief and age. We strive vigorously to remove conditions which place people at a disadvantage and we will actively combat discrimination. Our policy is resourced, implemented and monitored on a planned basis. The Equality, Diversity and Inclusion Policies are published on our college websites. The Trust publishes an Annual Equality Statement and each college proposes a set of equality objectives together with an action plan that the local Governing Bodies.

The Trust considers all employment applications from disabled persons, bearing in mind the aptitudes of the individuals concerned, and guarantees an interview to any disabled applicant who meets the essential criteria for the post. Where an existing employee becomes disabled, every effort is made to ensure that employment with the Trust continues. The Trust's policy is to provide training, career development and opportunities for promotion which, as far as possible, provide identical opportunities to those of non-disabled employees.

Lighthouse Learning Trust

Trustees' Report

Engagement with employees (including disabled persons) (continued)
The Trust carries out regular Equality & Diversity training for all staff.

Disability statement

The Trust seeks to achieve the objectives set down in the Equality Act 2010:

- a) Lifts and ramps have been installed so that most college facilities are accessible to people with a disability. During the year further investment was made at St Vincent College, funded by Hampshire County Council, in providing improved hygiene and physio facilities for our students with Education Health Care Plans (EHCPs).
- b) There is a list of specialist equipment, such as radio aids, hearing loops, laptop computers with specialist software, adaptive aids for computer usage which the Trust can make available for use by students and staff.
- c) The Trust has made a significant investment in the appointment of specialist staff to support students with learning difficulties and / or disabilities who can provide a variety of support for learning.
- d) There is a continuing programme of staff development to ensure the provision of a high level of appropriate support for students who have learning difficulties and / or disabilities.
- e) Specialist programmes are described in Trust prospectuses, and achievements and destinations are recorded and published.
- f) Counselling and welfare services are described in each college's student guides.

Engagement with suppliers, customers and others in a business relationship with the trust

The trust seeks to engage fairly and efficiently with suppliers, customers and others in a business relationship with the trust through sound business and financial practices. For suppliers these practices include including clear and transparent communications, the use of procurement frameworks, issuing of purchase orders, prompt payment and other good procurement practices. For customers, we use tariffs for goods and services, professional valuations for property related transactions, we issue invoices and are developing the use of online payment systems. During Covid 19 lockdown we communicated openly and fairly with customers and suppliers to find fair and solutions to the many issues that arose and endeavoured to ensure supplier payments were not interrupted.

Lighthouse Learning Trust

Trustees' Report

Objectives and Activities

Objects and Aims

The Trust exists to deliver high quality education and training which creates ambition for all and promotes social mobility in its members' communities. The Trust will play a full part in the 'self-improving' school and college sector through partnership with other appropriate institutions and/or through judicious expansion.

Founding Principles

All decisions made by the Board of Trustees are informed by the Trust's Founding Principles. These are:

- Teaching and Learning – the pursuit of high-quality teaching is the first priority of the Trust. By ensuring high standards and achievement, and good progression, it will improve the lives and life chances of our students.
- Value for money – the Trust must bring benefit to students. Management structures should be efficient and effective, ensuring that resources for teaching and learning are maximised.
- Inclusivity – member organisations are committed to the full range of students in their communities. They adopt a 'growth mind-set' attitude and seek improved outcomes through the quality of provision and curriculum and not through selection or exclusion.
- Safety – The Trust will provide students and staff with a safe environment based on respect for all and free from prejudice and intimidation.
- Accountability – we are accountable to our communities who fund our activity and, rightly, expect excellence and professionalism in all that we do.
- Integrity – member institutions and their staff are on a journey of self-improvement. This requires honesty, a self-critical culture, evidence-based analysis and a rejection of arrogance. Celebration – helping people progress through education is a privilege. We celebrate our successes, our students' successes and those of our partner institutions.

Public Benefit

The Lighthouse Learning Trust is an exempt charity under part 3 of the Charities Act 2011 and is regulated by the Secretary of State for Education. The Directors, who are Trustees of the charitable company, are disclosed on page 1. The Board of Trustees has due regard for the Charity Commission's guidance on public benefit and particularly upon its supplementary guidance on the advancement of education. The guidance sets out the requirement that all organisations wishing to be recognised as charities must demonstrate, explicitly, that their aims are for the public benefit.

In delivering its mission, the Academy Trust provides the following identifiable public benefits through the advancement of education:

- High-quality teaching
- Widening participation and tackling social exclusion
- Excellent progression record for students including employment and further and higher education and training
- Strong student support systems
- Links with employers, industry and commerce.

Lighthouse Learning Trust

Trustees' Report

Strategic Report

Strategic Plan

The Trusts' Strategic Plan is driven by the needs of the local education requirements, Government policy and opportunities for growth to secure a viable and sustainable future for the Trust and the education and training it provides. The plan is updated annually.

The key strategic themes are:

- Ensuring our students have outstanding teaching and support regardless of level of study, subject or individual need
- Ensuring our curriculum meets the needs of our students, our community and supports economic growth
- Achieve value for money through sharing of management and resources
- Achieve sustainability and growth of the multi academy trust
- Utilise our college estates and resources to achieve the best environment for our students

Achievements and Performance

Student achievement

Students continue to achieve well at the Trust both academically and personally. Overall achievement rates are stable with improvements in some areas. The 'Value Added' by the college is good with students progressing well, including students from a range of disadvantaged backgrounds, with a proportion progressing to university. Compared to national averages the proportion of students who improve their GCSE English and Mathematics grades is high. The Trust is committed to offering a broad curriculum as well as extra curriculum opportunities to develop their character strengths, including resilience. This has been vital but also challenging during this last year.

Teacher Assessed Grades have been expertly delivered with a rigorous process led by senior curriculum leaders in both colleges. The Trust received full approval from the awarding organisations with no amendments. A small number of appeals were received and we support from each college the appeal was upheld and resulted in a positive outcome for the students involved.

Lighthouse Learning Trust

Trustees' Report

Achievements and Performance (continued)

Headline results

Overall A-Levels has a three year trend of improving and a significant improvement in Value Added at both colleges.

Overall improvement in grades has been seen with the exception of High grades for Level 3 vocational course at St Vincent, however, the current grade is still above the national benchmark.

Richard Taunton

Level / Cohort	Measure	18/19	19/20	20/21
A-level	Pass Rate %	94.5%	98.1%	98.6%
	High Grades %	29.2%	44.5%	54.1%
	Value Added	6	4	2
Level 1	Pass Rate %	77.1%	92.3%	78.4%
Level 2	Pass Rate %	96.2%	85.8%	73.7%
GCSE English	9-4 High Grades (Pass)	22.8%	55.8%	61.4%
GCSE Maths	9-4 High Grades (Pass)	27.4%	62.9%	64.6%
Level 3	Pass Rate %	93.7%	98.0%	95.5%
Level 3 Voc	Pass Rate %	94.0%	97.9%	94.1%
	High Grades %	56.4%	52.2%	65.9%

Excluding ME	Level 1	Pass Rate %	68.8%	87.5%	72.7%
Excluding ME	Level 2	Pass Rate %	88.6%	87.2%	84.8%

St. Vincent

Level / Cohort	Measure	18/19	19/20	20/21
A-level	Pass Rate %	89.2%	100.0%	97.8%
	High Grades %	22.0%	47.2%	45.5%
	Value Added	7	2	2
Level 1	Pass Rate %	90.7%	91.8%	86.7%
Level 2	Pass Rate %	87.8%	92.7%	93.1%
GCSE English	9-4 High Grades (Pass)	62.9%	67.6%	72.0%
GCSE Maths	9-4 High Grades (Pass)	36.5%	42.9%	58.8%
Level 3	Pass Rate %	95.4%	99.5%	99.6%
Level 3 Voc	Pass Rate %	97.9%	99.3%	99.8%
	High Grades %	90%	88%	75.5%

Excluding ME	Level 1	Pass Rate %	98.1%	99.1%	99.2%
Excluding ME	Level 2	Pass Rate %	87.9%	91.8%	97.2%

Lighthouse Learning Trust

Trustees' Report

Achievements and Performance (continued)

Inspection

St Vincent College was inspected in December 2018 and graded as 'Good' for all its provision. Vocational teaching and learning was described as Outstanding. The college was not inspected in 2019/2020.

Richard Taunton College was inspected in January 2019 and graded as 'Require Improvement' overall. Ofsted carried out a monitoring visit in February 2020 and judged the college to be making 'reasonable progress' in all areas. During the last academic year inspections have been suspended and further monitoring visits have been delayed.

Curriculum developments

The Trust has a curriculum offer predominately build on historical pathways and teacher expertise.

The trust has evaluated the curriculum offer, which is currently broad with some areas not having a clearly defined progression route. Both colleges have embraced curriculum review to ensure that the education and training needs of our students, community and local and regional industries are met.

Both colleges offer A levels (Richard Taunton Sixth Form on a larger scale than St Vincent College) and general vocational courses (usually the new reformed BTEC National Qualifications). Students can also take level 2 vocational programmes alongside retake English and Maths GCSEs as a preparatory year before progressing to Advanced level study.

St Vincent College also offers a Foundation (level 1) programme and provides a range of courses for learners with Educational and Health Care (EHC) Plans within its School of Personalised learning. This area of provision has grown to meet the demand locally and across the region. Richard Taunton has seen a small increase in students with EHC Plans and is working with agencies across Southampton to build further provision for the future. The shared expertise across the trust will be invaluable to ensuring a high quality SEND provision.

Both colleges have been approved to deliver T-Levels from September 2023.

The Trust maintains formal procedures for quality assurance and self-assessment. These are reviewed annually, culminating in the production of a Self-Assessment Report which is validated by Local Governors each November.

Lighthouse Learning Trust

Trustees' Report

Achievements and Performance (continued)

Impact of Covid-19

The Trust has continued to respond to the challenges created by the pandemic. Online learning as well as the mechanisms required to do this effectively have included whole college development as well as investment in IT equipment. The central IT service has been key to ensuring we can reach every student and deliver good quality education remotely.

Students returning to site, Lateral Flow testing requirements, and an increase in demand for welfare support have put a strain on the resources available and both colleges have responded well and put the students and staff at the heart of our Covid-19 strategy.

As guidance continued to change throughout the pandemic both colleges responded quickly and effectively to ensure no students were left behind or without the support required. Timetables, seating plans, one way systems, enhanced cleaning, and additional bus services) have been adapted following thorough risk assessments being completed and reviewed in full consultation with union and staff representatives and agreed by local governing bodies.

The longer-term impact of Covid is at the forefront of the Trusts thinking, especially with regards to the Teacher Assessed Grades process. Both colleges have enhanced the initial assessment process to ensure the correct level of study is selected for each student, as well as planning additional support as early as possible.

Both colleges utilise ESFA funding for catch up activities with our students, through small group and one-to-one tuition.

Financial Objectives

The main purpose of the Trust's Financial Strategy is to ensure that the Academy Trust's objectives as set out in the Strategic Plan are achieved whilst at the same time, maintaining the financial viability and sustainability of the Trust.

The key objectives of the financial strategy are:

- To ensure financial viability and sustainability
- To generate an operating surplus before interest and depreciation
- To attract and retain the best staff by ensuring salaries are attractive
- To ensure that sufficient funds are available to enable the maintenance and improvement of the accommodation and equipment
- To maintain positive relationships with our bankers, auditors and the Funding Bodies

Lighthouse Learning Trust

Trustees' Report

Achievements and Performance (continued)

A series of financial performance indicators have been agreed to monitor the financial position:

Financial Performance Indicator	Target	Actual as at 31 August 2021	Actual as at 31 August 2020	Actual as at 31 August 2019
Earnings before interest, taxation, depreciation and amortisation (EBITDA) as % of income (note 1)	3.0%	-16.6%	9.1%	8.1%
Operating cash flow	-	(1,049)	(699)	263
Cash days	50	33	81	79
Adjusted current ratio	1.4	1.1	2.8	2.6
Borrowings as % of income	0.0%	2.9%	3.6%	4.1%
Staff costs as % of income (excluding restructuring costs and LGPS pension adjustment)	75.0%	90.6%	81.9%	76.6%
Reliance on ESFA income	80.0%	81.9%	82.1%	79.5%

Note 1:

- the year ended 31 August 2021 included £nil (2020: £951,075) of Condition Improvement Fund capital grants receivable from the ESFA for roof replacement projects, and £836,752 of costs (2020: £231,244).
- Year ended 31 August 2021 included £53,550 of laptops and IT assets donated by the Department of Education. Year ended 31 August 2020 included £129,881 in respect of donated fixed assets from Hampshire County Council.

Key Performance Indicators

The Trust sets targets at curriculum, college and Trust level. These are reviewed each year. College curriculum teams carry out annual self-assessment.

The curriculum targets focus on the following headline targets:

- Student progression to higher levels of study
- Student achievement – raw and value-added
- Student recruitment
- Quality of teaching Student Voice

The college and Trust level targets focus on:

- Financial Health indicators
- Generation of commercial income
- Low staff absence
- Market share

Lighthouse Learning Trust

Trustees' Report

Going Concern

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable company to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of signing of these financial statements. In order to make this assessment the Trustees consider evidence including the Trust's five year forecast, which includes a cash flow forecast, and a more detailed 12 month forecast. They also consider the stated intentions of the Department for Education in terms of funding per student, funding for teachers pay and pension increases, and other funding.

Although the Trust had a healthy level of cash at the end of 2021, the impact of the further drop in student funding, the previous three years' income reductions, and the requirement to continue to invest in buildings and resources means that the Trust is unlikely to be financially sustainable without some additional funding from the ESFA. Following the meeting with the ESFA and the Regional Schools Commissioner in October 2020, and again in June 2021, at which commitments were made by the ESFA to provide financial support, the Trustees have concluded that there is a reasonable expectation that Trust will have adequate resources to continue in operational existence for the foreseeable future, and thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Promoting the success of the company

The Companies Act 2006 (section 172) specifies that Directors have a duty to promote the success of the company as follows:

A director of a company must act in the way that she or he considers, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to—

- a) the likely consequences of any decision in the long term,
- b) the interests of the company's employees,
- c) the need to foster the company's business relationships with suppliers, customers and others,
- d) the impact of the company's operations on the community and the environment,
- e) the desirability of the company maintaining a reputation for high standards of business conduct, and
- f) the need to act fairly as between members of the company.

Lighthouse Learning Trust

Trustees' Report

Promoting the success of the company (continued)

The Directors of the Lighthouse Learning Trust are committed to furthering the objects of the Trust in a manner that demonstrates regard for its key stakeholders which include students, staff, parents, suppliers, and members of the wider community. The Board believes that this approach is best secured through enthusiastic adherence to the principles of good and inclusive governance. To this end the Trust ensures that students, parents, and staff have an opportunity to serve as Local Governors at each of the Trust's colleges. This helps the Board to understand the different perspectives of each stakeholder group and to have regard for these in its decision-making. Stakeholders are also regularly surveyed and this data is reviewed and acted upon by the Board. Plans are in place to further enhance Student Voice as a key element in determining and monitoring the quality of the Trust's colleges.

In 2020-21, Trustees have continued to review the strategic direction of the Trust and its colleges. They review financial planning over a 5-year period which has helped to ensure that Trustees remain sensitive to the long-term consequences of decisions being made by the Board. In doing so, the Board has been proactive in consulting with funding bodies as these are also key stakeholders. The same approach has been applied to the consideration of plans for collaboration with other local providers of education with a view to being able to provide communities with a curriculum that best meets their needs, both now and in the future. Trustees do not believe that short-termism and/or unnecessary local competition are in the best interests of students.

The Trust believes that with a decisive and results driven approach to decision-making and the high standards of its governance and operational practice will help to ensure that the promotion of its success is of benefit to all. Trustees have received training about their duties as Directors under the Companies Act, and this is refreshed regularly.

Financial Review

The Trust receives the majority of its funding from the Education and Skills Funding Agency (ESFA) in the form of recurrent grants paid on a monthly basis. The grants received during the period are shown as 'restricted funds' in the Statement of Financial Activities. During the period ended 31 August 2021 the Trust had total income of £10.8m (2020: £12.9m). Of this £8.8m (2020: £9.6m) was received from the ESFA in respect of its General Annual grant and other DfE/ ESFA grants, and used for its day to day running costs. Total income in 2020 included £0.95m of capital income in respect of roof repair projects at both colleges. Expenditure on these roof projects in 2020-21 totalled £0.84m. Income of £1.18m (2020: £1.3m) was received from Local Authorities in respect of provision for High Needs students.

The Trust benefited from Devolved Formula Capital grants of £43k (2020: £49k). This money is used for maintenance projects and to invest in our resources.

During the year the Department for Education donated £54k of assets to the Trust, in the form of laptop computers to support disadvantaged students through lockdowns and with studying at home.

Lighthouse Learning Trust

Trustees' Report

Financial Review (continued)

During the period, it has been necessary to review the cost base at both colleges, and as a result significant staff restructuring has taken place, resulting in a number of redundancies, as well as taking advantage of staff turnover.

The Trust generated the following results at operating level, excluding capital project income and expenditure:

	Year to August 2021	Year to August 2020
	£k	£k
Operating (Deficit) excluding FRS102 pension adjustments	(3,404)	(531)
(Loss)/Earnings Before Interest, Tax, Depreciation, and Amortisation ("EBITDA")	(1,795)	1,071

The Covid-19 pandemic and national lockdown had the following impact on college finances:

- Reduction of commercial income from lettings of £250k versus pre-pandemic levels
- Shortfall in Adult Education Budget income of £50k due to the disruption of adult community provision
- Donated assets income (government laptops) £54k
- Furlough income £18k

The Trust had total net funds as at 31st August 2021 of £27.1m (2020: £30.8m). At 31st August 2021 the net book value of fixed assets was £38.3m (2020: £39.5m). Movements in tangible fixed assets are shown in note 12 to the financial statements.

The closing level of unrestricted and restricted reserves (excluding fixed asset reserves and the LGPS deficit) stands at a deficit of £432k (2020: a surplus of £971k).

Lighthouse Learning Trust

Trustees' Report

Reserves Policy

Trustees regularly review the finances, budgets and spend against budgets as part of the effective stewardship of the trust. Multi academy trusts are expected to create reserves from their annual funding. This is becoming increasingly difficult with declining student numbers, cuts in funding, two successive years of Covid-19 affecting commercial income, and increasing cost pressures. The Trust has ended the period with total reserves of £27.1m (2020: £30.8m). Within this the restricted fund balance is a deficit of £10,734k (2020: £10,441k), which includes the LGPS pension reserve deficit of £10,849k (2020: £10,558k). However this does not mean that an immediate liability for this amount crystallises. The restricted and unrestricted revenue reserves balance is a deficit of £432k (2020: a surplus of £971k). Within this, the reserves for Richard Taunton college are a deficit of £1,324k (2020: deficit £424k). £85k of this arose from the investment in IT equipment. The College aims to clear the deficit balance by completing the work described in the Future Developments section on pages 21-24.

The Trust aims to continue to accumulate reserves and cash balances in order to enable future capital development, finance the Trust's working capital and provide contingency against the risks and uncertainties in running a trust. During the 12 month period the trust has invested in its facilities, including IT equipment at both colleges, and further improvements to the buildings. The Trustees consider an ongoing bank balance of £1.5m to be a reasonable level of cash for normal purposes.

Treasury Management and Investment Policy

Treasury Management is the management of the Trust's cash flows and banking transactions; the effective control of risks associated with these activities; and the pursuit of optimum performance consistent with the associated risks. The Trust has an Investment Policy in place which restricts the institutions that funds may be placed with to a small number of high credit ratings.

During the period, there was no short term borrowing for temporary revenue purposes. The Trust has two loans with the ESFA; one for £258k (balance at 31 August 2021: £155k) which replaced the bank loan of Richard Taunton College with Barclays bank, the other is for £275k (balance at 31 August 2021: £165k) and represents a loan to assist with the conversion of the two colleges into academies and the creation of the multi academy trust. Both loans bore interest of 1.11%, and repayments to the ESFA are payable in five equal instalments commencing in December 2019. The first instalment payment was not in fact requested until June 2020. The second instalment was paid in December 2020. All borrowing requires the authorisation of the Trustees and must comply with the requirements of the Funding Agreement agreed with the ESFA.

Lighthouse Learning Trust

Trustees' Report

Principal Risks and Uncertainties

The system of internal control maintained by the Trust includes financial, operational and risk management which is designed to protect the assets and reputation.

A Risk Register is maintained at the Trust, which is reviewed at each meeting of the Audit Committee, and on a regular basis by the Senior Management Team. The Risk Register identifies the key risks, the likelihood of those risks occurring, their potential impact on the Trust and the actions being undertaken to reduce and mitigate the risk. Risks are prioritised using a consistent scoring system. This is supported by risk management training and awareness of risks throughout the Trust. Outlined below is a description of the principal risk factors that may affect the Trust. Not all the factors are within the Trust's control. Other factors besides those listed below may also adversely affect the Trust.

1. Student numbers

Student recruitment has remained a challenge for both colleges and overall been in decline for the last few years. This has had a significant impact on the financial position of the Trust. The impact of COVID and reduced opportunity to engage with the potential student population and their families has affected our ability to communicate the positive changes we are making within our colleges. Analysis of local data and intelligence, including young people demographics, curriculum offer of local post 16 providers alongside internal progression data suggests student numbers will remain stable in 2022-23, with growth in 2023-24. The new career focused curriculum offer will also support our ambitions to grow our student numbers.

2. Government funding (strategic and financial risk)

The Trust has considerable reliance on continued Central and Local Government funding from the ESFA and Hampshire County Council. In the period, 93% of the Academy Trust's revenue was ultimately publicly funded, an increase on 2019-20 as commercial income from letting college facilities was impacted by Covid 19. There can be no assurance that Government policy and practice will remain the same, or that public funding will continue at the same level or on the same terms. The increase in the base rate of funding for 16-19 year olds from September 2020 (the first increase since 2012) was welcome. Equally welcome was the confirmation that the ESFA would fund the increased employers' contribution to the Teachers' Pension Scheme for a further year from September 2022. Uncertainties over funding remain beyond August 2023.

The Trust is aware of the following issues that may impact on future funding:

- Future potential changes in the funding methodology which may result in a change in funding for post 16 students.
- Future changes in the funding of High Needs students, which in part comes from Local Government, is subject to in-year fluctuation and varies between councils.
- The risk of changing the curriculum offer in line with other or new local providers.
- Changes in emphasis to more technical education arising from Government policy.

Lighthouse Learning Trust

Trustees' Report

Principal Risks and Uncertainties (continued)

The risks are mitigated in a number of ways:

- The Trust has a robust marketing strategy that seeks to ensure that student numbers are maintained in the face of demographic decline.
- By ensuring the Trust is rigorous in delivering high quality education and training.
- Ensuring the Trust is focussed on those priorities which will continue to benefit from public funding.
- Continued dialogue with the Funding Body and the Local Authorities, particularly with regard to High Needs student funding.
- Continued development of shared services provision to ensure value for money.

3. Increases in national teacher pay awards, Teachers Pension and Local Government pension Scheme

The Trust is exposed to the risk of increases in the Teachers' pension and local Government pension schemes, over which it has no control and which may become unaffordable. In addition it considers it needs to remain competitive with national pay awards in order to attract and retain good staff. The risk is mitigated by robust budgeting and forecasting, and early consideration of the need to make savings through re-structuring where necessary. The creation of the Trust allows economies of scale to be achieved.

4. Changes to level 3 Qualifications including T levels (strategic risk)

The post-16 education landscape continues to have uncertainties, which in turn creates a risk. There are ongoing challenges within the sector around the future of applied general qualifications, the introduction of T-Levels and the need to have a post-16 education offer that can meet the skills requirements to deliver economic recovery and in turn growth. The Senior Leadership Team keeps up to date with sector intelligence and ensures findings are at the centre of our strategic thinking and planning.

5. Non-compliance with legislation

There is a considerable range of legislation that the Trust must comply with, including Safeguarding and Prevent, employment law, Disability Discrimination, health and safety, General Data Protection Regulation. There are risks of non-compliance resulting in fines and reputational damage. The trust ensures staff inductions and training are carried out. Internal audit reviews and professional advice is procured where necessary to ensure staff are able to ensure compliance. Senior management team meetings regularly consider our ability to respond to legal changes and developments and remain compliant.

6. Reduction in income from lettings and commercial activity as a result of Covid-19

The Trust experienced a significant fall in income during 2019-20 as a result of the lockdown, which prevented it from hiring out its facilities and finding tenants to rent surplus buildings, and which continued into 2020-21. This has a direct and material impact on the financial position leading to lower reserves.

Lighthouse Learning Trust

Trustees' Report

Principal Risks and Uncertainties (continued)

7. Provision of adequate buildings and IT equipment

The age, number and complexity of the Trusts' buildings and IT equipment at both college sites means there is a significant cost to maintaining and repairing the buildings that is not encompassed within its main student funding streams. The Trust commissioned building condition surveys at both sites to enable objective assessment of condition and estimated costs of repair. The Trust uses the Devolved Formula Capital grants of £43k (2020: £49k) for maintenance projects and to invest in our buildings and IT assets. It bids for funds from the Department for Education for urgent repairs and replacements. It also bid for funds for decarbonisation projects to improve the efficiency of heating and lighting the buildings.

Fundraising

The Trust is predominantly funded by the ESFA based upon the submission of student data returns on a periodic basis to the Department for Education. The Trust engaged more actively in fundraising by making a number of bids to donors on a local, regional, and national basis. The Covid-19 pandemic has resulted in a number of charitable donors advising that they are restricting their donations to Covid-19 specific projects. The Trust does not contract with any external agencies to fundraise on its behalf.

Streamlined Energy and Carbon Reporting

UK Greenhouse gas emissions and energy Data use	Period 1 September 2020 to August 2021	Period 1 September 2019 to August 2020
Energy Consumption used to calculate emissions (kWh)	2,617,835	2,719,201
<u>Scope 1 emissions in metric tonnes CO2e</u>		
Gas consumption	319	320
Owned transport – mini buses	0	9
<u>Total Scope 1</u>	319	329
<u>Scope 2 emissions in metric tonnes CO2e</u>		
Purchased electricity	207	219
<u>Scope 3 emissions in metric tonnes CO2e</u>		
Business travel in employee owned vehicles	0	0
<u>Total gross emissions in metric tonnes CO2e</u>	526	548
<u>Intensity ratio</u>		
Tonnes CO2e per pupil	0.275	0.25

Quantification and Reporting Methodology

We have followed the 2019 HM Government Reporting Guidelines. We have also used the GHG Reporting Protocol- Corporate Standard and have used the 2020 UK Government's Conversion Factors for Company reporting.

Intensity measurement

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO2e per pupil, the recommended ratio for the sector.

Lighthouse Learning Trust

Trustees' Report

Streamlined Energy and Carbon Reporting (continued)

Measures taken to improve energy efficiency

We have installed smart meters across all sites and increased video conferencing technology for staff meetings, to reduce the need for travel between sites. As and when roofs are replaced we will install insulation.

The Trust was successful in its bid to the Low Carbon Skills Fund, receiving £7k to support it in making a bid to the Public Sector Decarbonisation Fund (PSDF). Although we were not successful with the latter bid, the knowledge and expert input has enabled us to start developing plans, and to apply for Phase 2 of the Low Carbon Skills Fund for the Trust to create a comprehensive decarbonisation plan which we can use to apply for future rounds of the PSDF. The Trust continues to build knowledge, seek further funding, and plan for reducing the carbon footprint of the Trust.

Current and Future Development and Performance

Staffing

The Trust considers good communication with its staff and students to be very important, and publishes bulletins to students and staff. Weekly staff briefings and termly staff meetings are held. Staff and student involvement is encouraged through membership of formal committees, and electronically via email and the Virtual Learning Environment (VLE). Staff are required to complete a programme of mandatory training, and the trust encourages continuing professional development. The Trust works collaboratively with its recognised unions. Both colleges employ a managerial level resource dedicated to helping teaching staff improve their professional delivery capability, and helping support staff develop their technical, supervisory and managerial capability. The Trust also invests in training and development in the form of apprenticeships and other training programmes. Throughout the pandemic when staff have been required to work from home we continued to hold meetings using online platforms.

Maintenance Programme

The Trust operates a rolling programme of planned maintenance, which is reviewed each year and monitored on an ongoing basis. The costs are charged to the income and expenditure account in the year in which they are incurred. Minor Capital Works that add value to the estate are capitalised at the period end.

Lighthouse Learning Trust

Trustees' Report

Current and Future Development and Performance (continued)

Future Prospects

The increased base level of funding from September 2020 was welcome, but the Trust remains concerned that the additional funding for the increased teachers pension scheme is not confirmed after August 2023, as the benefit from the additional base rate funding would be lost if the teachers pension funding did not continue.

Student numbers at both colleges have declined sharply over the last five years. The headline 16-18 funded student numbers are as follows:

	Richard Taunton number	St Vincent number	Total number
2017-18	1,245	882	2,127
2018-19	1,158	831	1,989
2019-20	956	814	1,770
2020-21	796	629	1,425
2021-22	842	572	1,414
2022-23 forecast	735	613	1,348
2023-24 forecast	768	643	1,411

There is an overall drop in student numbers between 2017-18 and 2021-22 of 711. This equates to a drop in annual funding of £3 million, or one third of the 2017-18 funding level. These numbers were predicted in the student number modelling we did in 2018, along with full financial modelling of the impact of this over the next 5 years. This modelling was first shared with the ESFA in autumn 2018 and further updates of the five year forecast have been shared with them each year since that time.

The Trust has made significant savings since 2017-18, and has only invested in essential capital expenditure, but has been unable to make sufficient savings fast enough to reduce the cost base to a level that ensures financial sustainability. The work during 2019-20 towards further re-structuring of the cost base was impacted by the Covid lockdown and hence the budget for 2020-21 submitted to the ESFA was for a significant operating deficit of £1.3 million. The outturn operating deficit was £0.8m, through earning additional income to budget and making savings made on pay and non pay. The Trust also spent significant sums replacing essential equipment including servers and other critical IT equipment, sports hall floor, boilers, emergency lighting and two second hand minibuses to enable a cost effective and more environmentally efficient transport arrangement for Richard Taunton students to get to college from Southampton City Centre.

In September 2020 the Trust presented a financial recovery plan to the ESFA, outlining proposed significant savings plans and requesting financial support to enable it to continue as a going concern and return to financial sustainability.

Lighthouse Learning Trust

Trustees' Report

Current and Future Development and Performance (continued)

The ESFA acknowledged the financial recovery plan and at a meeting in October 2020 with the ESFA and the Regional Schools Commissioner, the Trust welcomed the continuation of discussions about the Trust's future, and the firm commitment from the ESFA to provide financial support to enable the Trust to continue. At a further meeting in June 2021 the ESFA re-confirmed its intention to provide financial support for the Trust.

The Trust welcomed the appointment of a School Resource Management Advisor ("SRMA") in November 2020 to support the Trust's financial planning and further inform the ESFA of the Trust's financial position. The Trust responded to the SRMA's recommendations for further saving by implementing a wide ranging re-structure, which was completed by the end of the financial year, and by setting further savings targets for 2022-23 and 2023-24.

Along with the challenge of growing 16-19 student numbers, the Trust is addressing the following:

- Designing a curriculum offer that meets the needs of its local communities, including adults and high needs learners, whilst being particularly mindful of the need for catch up opportunities and upskilling following Covid-19
- Meeting the challenge of successive years of reduction in funding and increasing staff costs, which are severe.
- Maintaining the quality of outcome and experience for students whilst reducing the cost base to reflect reduced income
- Maintaining the current high reputation of the Trust and improving the reputation of each individual college to secure a greater share of the local market.
- Seeking funding to enable us to maintain the extensive number of ageing buildings across the two sites, which amounts to 27 separate buildings, six of which are Grade 2 Listed
- Continuing to collaborate with other schools, colleges and other MATs in the best interests of students.

Following the decision by the FE Commissioner to hold a review of post-16 provision in Southampton City during the summer of 2019, the subsequent City-Wide Solution was commissioned involving the 10 main providers of education across Southampton. As a Trust we are participating in this review and fully support the need to have a solution to develop outstanding post-16 career focused education to Southampton. The report will be published in early 2022 and we are keen to be at the centre of the solution and continue to align our strategic ambitions as best we can. The Trust continues to build strong and open relationships with the Regional Schools Commissioner and the ESFA to develop and build a future for the Lighthouse Learning Trust and its contribution to education in Hampshire and Southampton.

Lighthouse Learning Trust

Trustees' Report

Current and Future Development and Performance (continued)

Resources

The Trust has various resources that it can deploy in pursuit of its strategic objectives:

- Its freehold estate, with a net balance sheet value of £37.0m (2020: £38.3m)
- Net current assets of £0.98m (2020: £2.4m)
- established staff of 360 people (2020: 381 people) (expressed as an average headcount), of which 131 (2020: 142) are teaching staff
- its reputation, both locally as an academy trust that achieves good outcomes, together with high quality pastoral support.

Funds Held as Custodian Trustee on Behalf of Others

No funds are held as custodian trustee on behalf of others.

Auditor

Insofar as the Trustees are aware:

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

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 13 December 2021 and signed on the board's behalf by:

Zoe Huggins

Zoe Huggins (Dec 14, 2021 16:45 GMT)

Z Huggins

Chair of Trustees

Lighthouse Learning Trust

Governance Statement

Scope of Responsibility

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

The Trustees have delegated the day-to-day responsibility to the Chief Executive, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the Funding Agreement between Lighthouse Learning Trust and the Secretary of State for Education. The Chief Executive is also responsible for reporting to the Trustees any material weaknesses or breakdowns in internal control.

The Trust Board is committed to full compliance with the Articles of the Trust, its Funding Agreements, the Academies Financial Handbook, and all relevant statutory legislation. Trustees also acknowledge and give due regard to guidance found in the Governance Handbook and competency framework for governance.

Impact of Covid-19 Pandemic on Governance Arrangements

As part of its response to the Covid-19 pandemic restrictions during 2019-20, the Board put in place emergency governance arrangements between March and August 2020. These arrangements included the formation of an Emergency Committee with delegated powers as a means of providing a rapid response to quickly changing events. The Committee met on a weekly basis and was comprised of the Chair and two Vice Chairs as well as the Chief Executive and Clerk. Its output was reported to the wider Trust Board throughout. The Trust was also successful in continuing to operate a full schedule of Board and sub-Committee meetings using video-conferencing platforms. The Emergency Committee was disbanded at the end of August 2020 by which point further Covid risk assessments had been fully developed and on-going arrangements for remote meetings had been put in place. As such the Trust's governance framework was able to operate in its full capacity throughout 2020-21.

Lighthouse Learning Trust

Governance Statement

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 seven times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings Attended	Out of a Possible
D Canham	7	7
T Cardy (Vice Chair from 19 November 2021)	7	7
M Cooper	6	6
L Docherty	7	7
S Dovey (Chair)	7	7
E Flaherty	6	7
A Foss	1	1
I Golding	-	1
R Hall (Vice Chair)	6	7
Z Huggins	7	7
M Kelly (Vice Chair until 18 November 2021)	2	2
O Sheehan Pundyke	3	4
A Thompson	6	7
N Weston	-	1

In attendance:

M Atkinson (Chief Executive until 6 June 2021)
A Berry (Chief Executive from 7 June 2021)
A Grant (Principal, St Vincent College)
A Born (Chief Financial Officer and Deputy CEO)
A McVittie (Clerk to the Trustees)
P Swindale (Principal, Richard Taunton College)

Appointments to the Board of Trustees

Any new appointments to the Board of Trustees are a matter for the consideration of the Board of Trustees as a whole. The Trust has established a clearly defined "Search" process which is overseen and operated by the Governance and Audit Committee and this Committee also makes recommendations regarding appointments. The Search process is designed to ensure that the Board's capacity is regularly enhanced and refreshed by encompassing a broad and diverse range of skills and experience brought by individual Trustees. Trustees are appointed for a term not exceeding four years, upon the expiry of which they may be re-elected for a further term.

Lighthouse Learning Trust

Governance Statement

Governance (continued)

Finance and Resources Committee

The Finance and Resources Committee is a sub-committee of the main Board of Trustees and operates in accordance with written terms of reference as approved by the Trustees. Its purpose is to review the financial position of the Trust through regular scrutiny of the management accounts as well as to make recommendations to the Board of Trustees with regard to annual and longer-term financial planning, including capital expenditure. The Committee also oversees the Trust's central services where these exist such as Human Resources, Estates Management, and Information Technology. The Committee has no delegated powers but advises the Board with a view to ensuring compliance with the Academies Financial Handbook and the terms of the Trust's Funding Agreements.

Attendance during the period at meetings was as follows:

Trustee	Meetings Attended	Out of a Possible
D Canham (Trustee)	7	7
T Cardy	7	7
R Hall (Committee Chair and Trust Board Vice Chair)	7	7
J Hampton (Local Governor)	2	4
Z Huggins	4	7
A Thompson	7	7

In attendance:

M Atkinson (Chief Executive until 6 June 2021)
A Berry (Chief Executive from 7 June 2021)
A Grant (Principal, St Vincent College)
A Born (Chief Financial Officer)
A McVittie (Clerk to the Trustees)
P Swindale (Principal, Richard Taunton College)

Lighthouse Learning Trust

Governance Statement

Governance (continued)

Governance and Audit Committee

The Governance and Audit Committee is a sub-Committee of the main Board of Trustees and operates in accordance with written terms of reference as approved by the Trustees. Its purpose is to advise the Trustees on the adequacy and effectiveness of the Trust's systems of internal control and its arrangements for risk management, control and governance processes. An annual report is presented to the Board of Trustees by the Committee Chair for this purpose. The Committee also provides a forum for reporting by the Trust's Internal Auditors, Reporting Accountants and Financial Statements Auditors, all of whom have access to the Committee for independent discussion, and without the presence of management if deemed necessary.

The Trust's Internal Auditors review the systems of internal control, risk management controls and governance processes in accordance with an agreed plan of input and report their findings to management and the Governance and Audit Committee. Management are responsible for the implementation of agreed audit recommendations and progress towards implementation is tracked regularly as part of the Committee's plan of business.

The Governance and Audit Committee also advises the Trustees and Members on the appointment of Internal Auditors, Reporting Accountants and Financial Statements Auditors, and their remuneration for both audit and non-audit work. The Committee has no delegated powers.

Attendance during the period at meetings was as follows:

Trustee	Meetings Attended	Out of a Possible
D Canham (Committee Chair and Trustee)	3	3
M Cooper	2	3
S Dovey (Trust Board Chair)	3	3
P Need (Local Governor)	3	3
H Shrimpton (Local Governor)	1	3

In attendance:

M Atkinson (Chief Executive until 6 June 2021) by invitation for non-audit items only

A Berry (Chief Executive from 7 June 2021) by invitation for non-audit items only

A Born (Chief Financial Officer)

A McVittie (Clerk to the Trustees)

Lighthouse Learning Trust

Governance Statement

Governance (continued)

Remuneration Committee

The Remuneration Committee comprises the Chair and Vice Chair of the Board of Trustees along with the Chairs of each sub-Committee including the Chairs of Local Governing Bodies. The Committee is chaired by the Trust's Vice Chair and operates in accordance with written terms of reference as approved by the Trustees. The Committee has no delegated powers. Its responsibilities are to make recommendations to the Board of Trustees on the remuneration and benefits of: the Trust Chief Executive and Accounting Officer; the College Principals; the Chief Financial Officer; and the Clerk to the Trustees/Company Secretary. The Committee met once during the period and attendance was as follows:

Trustee	Meetings Attended	Out of a Possible
S Dovey (Trust Chair)	1	1
R Hall (Committee Chair and Trust Vice Chair)	1	1
Z Huggins (Trust Vice Chair and Chair of St Vincent LGB)	1	1
M Kelly (Trust Vice Chair and Chair of Richard Taunton LGB)	1	1

In attendance:

M Atkinson (CEO) except for discussions about his own remuneration

A McVittie (Clerk and Company Secretary) except for discussions about his own remuneration

Local Governing Bodies

Lighthouse Learning Trust is committed to developing and maintaining strong and effective Local Governing Bodies (LGBs) for each of its institutions. These LGBs are accountable to the Board of Trustees and are its "eyes and ears" at the local level. The role of LGBs has been clearly set out in the Trust's Scheme of Delegation and this is very much focused towards supporting quality improvement and challenging leadership teams to drive up standards in terms of teaching, learning, and outcomes for students. Local Governors also monitor the deployment and effectiveness of Trust policies and resources. LGBs help the Trust to establish an on-going dialogue with the key stakeholders of each institution (including parents and staff), and are also there to champion the development of Student Voice. Finally, Local Governors are expected to be active in celebrating student and Academy success.

Local Governing Bodies are scheduled to meet at both Richard Taunton College and at St Vincent College on a half termly basis.

Lighthouse Learning Trust

Governance Statement

Governance (continued)

Governance Self-Assessment

The composition of the Board of Trustees is set out in the Trustees' Report. The Trustees conduct their business through a number of committees. There is a clearly defined Scheme of Delegation in place to support this framework and each committee has terms of reference, which have been approved by the Board of Trustees. Trustees are provided with regular and timely information regarding the overall financial performance of the Trust and the quality of its institutions. Trustees also understand that the Board holds ultimate responsibility for both Safeguarding and Health & Safety. As such, lead governance roles have been established at both Board and Local Governing Body level to provide assurance in these areas. During the period, the Board of Trustees has been active in considering strategic options for the future of the Trust and the Trust's strategic plan is being further developed as an output from this work.

During the period, all Trustees received training with regard to their roles and responsibilities. In particular, Trustees understand their duties to include the following:

1. Duty to act within powers
2. Duty to promote the success of the company
3. Duty to exercise independent judgment
4. Duty to exercise reasonable care, skill and diligence
5. Duty not to accept benefits from third parties
6. Duty to avoid conflicts of interests
7. Duty to declare an interest in a proposed transaction or arrangement

Trustees also understand their obligations to comply with the Charities Act 2016 and, as Directors, with the Companies Act 2006.

In carrying out their duties, Trustees are committed to ensuring compliance with the following:

1. The Trust's Articles
2. The Trust's Funding Agreements
3. The Academies Financial Handbook
4. The Governance Handbook
5. All statutory guidance issued by the Department of Education and/or the Education Skills and Funding Agency

The Board of Trustees, its sub-Committees, and Local Governing Bodies are all supported by a professionally qualified Clerk/Company Secretary. This role is seen as essential in terms of help the Trust to achieve its declared aspiration of achieving excellence in governance. The appointment, evaluation and removal of the Clerk/Company Secretary are matters for the Board of Trustees as a whole.

Lighthouse Learning Trust

Governance Statement

Governance (continued)

Trustees understand that it is their responsibility to bring independent judgement to bear on issues of strategy, performance, resources, and standards of conduct. In doing so, the Board of Trustees seeks to ensure that it holds the executive team properly to account. The Board of Trustees has a strong and independent non-executive element and no individual or group dominates its decision-making process. The Board of Trustees considers that each of its non-executive members is independent of management and free from any business or other relationship which could materially interfere with the exercise of their independent judgement. The Clerk/company maintains a register of financial and personal interests of the Trustees, which is available for inspection on request and is also published online. There is a clear division of responsibility between the roles of the Chair of the Board of Trustees and the Accounting Officer (Chief Executive Officer) which are kept separate.

The effectiveness of the Trust's Governance is self-assessed on an on-going and annual basis. During the reporting period the Trust Board adopted the Charity Governance Code as the framework for its governance self-assessment. Meeting reviews are also conducted at the end of each meeting, and a self-assessment framework is deployed annually.

Review of Value for Money

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

The Accounting Officer considers how the Trust's use of its resources has provided good value for money during each academic year, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where appropriate. In addition, the Trust's Finance & Resources Committee has a remit to evaluate all contractual expenditure in excess of £75,000 and to make recommendations for approval of this expenditure to the Board of Trustees.

With regard to demonstrating value for money, in 2018, both colleges achieved a 97% pass rate at A Level, with 30% at St Vincent and 24% at Richard Taunton achieving A* - B grades. Both colleges achieved 99% pass rate for Vocational qualifications. The Trust historically has a strong value-added performance for Vocational learners using the ALPS measurements and has been placed within the top quartile on a national basis. The Trust carried out a wide ranging staff restructure in 2020-21, including taking advantage of staff turnover to improve efficiency. It has also carried out a number of combined procurement exercises for both colleges which have achieved savings. We continue to develop the Trust's Central Services which achieves efficiencies through economies of scale whilst improving resilience.

The Trust has strong links with other providers, in particular local schools and it collaborates with other colleges. It is a member of the Wessex Federation, a grouping of Sixth Form colleges that collaborate in the areas of curriculum improvement, procurement and policy development.

Lighthouse Learning Trust

Governance Statement

Review of Value for Money (continued)

Despite reductions in funding necessitating reductions in expenditure, the Trust has maintained the quality of outcomes for students in most areas, and the quality of its resources and accommodation. The Trust has realistic plans for ensuring its financial viability in the face of possible further cuts and falling rolls within the county.

The Trust continues to generate savings through shared procurement activity, targeting the efficiency of central and local college processes, and building the resilience of college systems and teams.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Lighthouse Learning Trust for the period 1 September 2020 to 31 August 2021 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 the period 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

Lighthouse Learning Trust

Governance Statement

The Risk and Control Framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees
- regular reviews by the Finance and Resources Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes
- setting targets to measure financial and other performance
- clearly defined purchasing (asset purchase or capital investment) guidelines
- identification and management of risks

The board of trustees has considered the need for a specific internal audit function and has decided not to appoint a single internal auditor. Instead they commissioned a series of audits to address the key risks. Audits carried out in 2020-21 included:

- A review of financials controls, focussing on procurement
- A review of controls over payroll
- Two funding audits, one for each college by a national audit firm that specialises in post 16 funding
- An audit of GDPR arrangements by a large national internal audit firm
- An audit of Health & Safety by a large national internal audit firm

The work of internal auditors is informed by an analysis of the risks to which the Trust is exposed, and annual internal audit plans are based on this analysis. The analysis of risks and the internal audit plans are endorsed by the Trustees on the recommendation of the Governance and Audit Committee.

Lighthouse Learning Trust

Governance Statement

Review of Effectiveness

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

- the work of the internal auditors
- the work of the external auditor
- the school resource management self-assessment tool

The Accounting Officer (CEO) has been advised of the implications of the result of their review of the system of internal control by the Governance and Audit Committee, which oversees the work of the internal auditors and other sources of assurance, and a plan to address weaknesses and ensure continuous improvement of the systems in place.

The Senior Management Team receives reports setting out key performance and risk indicators and considers possible control issues brought to their attention by early warning mechanisms, which are embedded within the departments and reinforced by risk awareness training. The Senior Management Team and the Governance and Audit Committee received two reports from TIAA covering health & safety and GDPR, two from specialist funding auditors which include recommendations for improvement, and two from Strictly Educational covering financial controls. The Governance and Audit Committee's role in this area is confined to a high-level review of the arrangements for internal control. The Board of Trustees's agenda includes a regular item for consideration of risk and control and receives reports thereon from the Senior Management Team and the Governance and Audit Committee. The emphasis is on obtaining the relevant degree of assurance and not merely reporting by exception.

Approved by order of the members of the Board of Trustees on 13 December 2021 and signed on its behalf by:


Zoe Huggins (Dec 14, 2021 16:45 GMT)

Z Huggins
Chair of Trustees


Angela Berry (Dec 15, 2021 08:29 GMT)

A Berry
Accounting Officer

Lighthouse Learning Trust

Statement of Regularity, Propriety and Compliance

As Accounting Officer of Lighthouse Learning Trust I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy Trust, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2020.

I confirm that I and the Academy Trust Board of Trustees are able to identify any material irregular or improper use of all funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook 2020.

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

Angela Berry
Angela Berry (Dec 15, 2021 08:29 GMT)

A Berry
Accounting Officer
13 December 2021

Lighthouse Learning Trust

Statement of Trustees' Responsibilities

The Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Academies Accounts Direction published by the Education & 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 2020 to 2021
- make judgments and accounting estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- 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 13 December 2021 and signed on its behalf by:


Zoe Huggins (Dec 14, 2021 16:45 GMT)

Z Huggins
Chair of Trustees

Lighthouse Learning Trust

Independent Auditor's Report on the Financial Statements to the Members of Lighthouse Learning Trust

Opinion

We have audited the financial statements of Lighthouse Learning Trust ('the charitable company') for the year ended 31 August 2021 which comprise the Statement of Financial Activities (including the Income and Expenditure Account), 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, 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 2020 to 2021 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been properly prepared in accordance with the Charities SORP 2019 and Academies Accounts Direction 2020 to 2021.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company 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.

Material uncertainty related to going concern

We draw attention to note 1 in the financial statements, which indicates that the academy trust has a deficit of £432k on unrestricted and restricted general funds as at 31 August 2021, is projecting a deficit of £597k (excluding restricted pension fund and restricted fixed asset funds but after deducting a £700k contribution in respect of expenditure on tangible fixed assets) in respect of the year ending 31 August 2022, and is currently in discussions with the ESFA regarding additional funding. As stated in note 1, these events or conditions, along with the other matters as set forth in note 1, indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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

Lighthouse Learning Trust

Independent Auditor's Report on the Financial Statements to the Members of Lighthouse Learning Trust

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. It includes the Reference and Administrative Details, the Trustees' Report (including the Strategic Report), and the Governance Statement. 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' 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;
- the financial statements are not in agreement with the accounting records and returns;
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not obtained all the information and explanations necessary for the purposes of our audit.

Lighthouse Learning Trust

Independent Auditor's Report on the Financial Statements to the Members of Lighthouse Learning Trust

Responsibilities of the Trustees

As explained more fully in the Statement of Trustees' Responsibilities, the Trustees (who are also the directors of the charitable company 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 to 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 charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Our 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 a Report of the Independent Auditors 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:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Academy Trust, and the sector in which it operates. These include but are not limited to compliance with the Companies Act 2006, 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, the Academies Financial Handbook 2020, and the Academies Accounts Direction 2020 to 2021.
- We obtained an understanding of how the Academy Trust is complying with these frameworks through discussions with management.

Lighthouse Learning Trust

Independent Auditor's Report on the Financial Statements to the Members of Lighthouse Learning Trust

- We enquired with management whether there were any instances of non-compliance with laws and regulations or whether they had knowledge of actual or suspected fraud. These enquiries are corroborated through follow-up audit procedures including but not limited to a review of legal and professional costs, correspondence and a review of board minutes.
- We assessed the susceptibility of the Academy Trust's financial statements to material misstatement, including the risk of fraud and management override of controls. We designed our audit procedures to respond to this assessment, including the identification and testing of any related party transactions and the testing of journal transactions that arise from management estimates, that are determined to be of significant value or unusual in their nature.
- We assessed the appropriateness of the collective competence and capabilities of the engagement team, including consideration of the engagement team's knowledge and understanding of the sector in which the Academy Trust operates in, and their practical experience through training and participation with audit engagements of a similar nature.

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

Use of our report

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

Michaela Johns

M Johns FCCA (Senior statutory auditor)

For and on behalf of Hopper Williams & Bell Limited

Statutory Auditor

Highland House, Mayflower Close, Chandlers Ford, Eastleigh SO53 4AR

Date 15/12/2021

Lighthouse Learning Trust

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

In accordance with the terms of our engagement letter dated 16 June 2017 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Lighthouse Learning Trust during the period 1 September 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Lighthouse Learning Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Lighthouse Learning Trust and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Lighthouse Learning Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Lighthouse Learning Trust's Accounting Officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of Lighthouse Learning Trust's funding agreement with the Secretary of State for Education dated 24 October 2017 and the Academies Financial Handbook, extant from 1 September 2020, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Lighthouse Learning Trust

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

Approach

We conducted our engagement in accordance with the Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts 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 to our conclusion includes:

- Consideration as to whether prior approval was sought from the Secretary of State where it is required by the Academies Financial Handbook (effective from 1 September 2020) (AFH).
- Review of any special payments to staff, including compromise agreements, to consider whether prior approval was sought where required by the AFH and that any payments are in line with the severance guidance published by ESFA.
- Consideration as to whether any borrowings have been made in accordance with the AFH.
- Review of any 'minded to' letters or Notices to Improve which have been issued to the Academy Trust.
- Review of any transactions with related parties to ensure that they have been carried out in accordance with the AFH.
- Review of governance arrangements to determine whether the requirements of the AFH have been met.
- Review of the Academy Trust's internal controls, including whether the general control environment has regard to the regularity of underlying transactions, including fraud management.
- Review of the Academy Trust's procurement policies to determine effectiveness and testing a sample of purchases to confirm that the policies have been correctly implemented.
- Identifying any conditions associated with specialist grant income and determining whether it has been spent as the purposes intended.

Lighthouse Learning Trust

Independent Reporting Accountant’s Assurance Report on Regularity to Lighthouse Learning Trust and the Education & Skills Funding Agency

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2020 to 31 August 2021 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Michaela Johns

M Johns FCCA
Reporting Accountant
Hopper Williams & Bell Limited
Chartered Accountants
Highland House, Mayflower Close, Chandlers Ford, Eastleigh SO53 4AR

Date 15/12/2021

Lighthouse Learning Trust

Statement of Financial Activities for the year ended 31 August 2021 (including Income and Expenditure Account)

	Note	Un- restricted funds £	Restricted General Funds £	Restricted Pension Funds £	Restricted Fixed Asset Funds £	2020/21 Total £	2019/20 Total £
Income and endowments from:							
Donations and capital grants	2	-	-	-	87,115	87,115	1,129,606
Charitable activities:							
Funding for the academy							
trust's educational operations	3	-	10,624,004	-	-	10,624,004	11,541,423
Other trading activities	4	126,042	-	-	-	126,042	180,193
Investments	5	101	-	-	-	101	15,528
Total		126,143	10,624,004	-	87,115	10,837,262	12,866,750
Expenditure on:							
Charitable activities:							
Academy trust educational							
operations	7	-	11,789,512	1,122,000	2,451,908	15,363,420	14,282,271
Net income / (expenditure)		126,143	(1,165,508)	(1,122,000)	(2,364,793)	(4,526,158)	(1,415,521)
Transfers between funds	17	(1,527,524)	1,163,528	-	363,996	-	-
Other recognised gains / (losses):							
Actuarial gains / (losses) on							
defined benefit pension schemes	27	-	-	831,000	-	831,000	(450,000)
Net movement in funds		(1,401,381)	(1,980)	(291,000)	(2,000,797)	(3,695,158)	(1,865,521)
Reconciliation of funds							
Total funds brought forward		853,783	117,454	(10,558,000)	40,347,625	30,760,862	32,626,383
Total funds carried forward		(547,598)	115,474	(10,849,000)	38,346,828	27,065,704	30,760,862

The notes on pages 47 to 71 form part of these financial statements.

Lighthouse Learning Trust

Balance Sheet as at 31 August 2021

Company Number 10819176

	Note	2021 £	2021 £	2020 £	2020 £
Fixed assets					
Tangible assets	12		38,328,118		39,477,794
Current assets					
Stock	13	-		7,523	
Debtors	14	439,654		1,175,411	
Cash at bank and in hand		1,053,189		2,581,818	
		<u>1,492,843</u>		<u>3,764,752</u>	
Liabilities					
Creditors: Amounts falling due within one year	15	<u>(1,356,560)</u>		<u>(1,325,528)</u>	
Net current assets			<u>136,283</u>		<u>2,439,224</u>
Total assets less current liabilities			38,464,401		41,917,018
Creditors:					
Amounts falling due after more than one year	16		<u>(213,089)</u>		<u>(319,633)</u>
Net assets excluding pension liability			38,251,312		41,597,385
Defined benefit pension scheme liability	27		(10,849,000)		(10,558,000)
Other pension provisions	27		(336,608)		(278,523)
Total net assets			<u>27,065,704</u>		<u>30,760,862</u>
Funds of the academy trust:					
Restricted funds					
Fixed asset fund	17	38,346,828		40,347,625	
Restricted income fund	17	115,474		117,454	
Pension reserve	17	<u>(10,849,000)</u>		<u>(10,558,000)</u>	
Total restricted funds			27,613,302		29,907,079
Unrestricted income funds	17		(547,598)		853,783
Total funds			<u>27,065,704</u>		<u>30,760,862</u>

The financial statements on pages 44 to 71 were approved by the trustees and authorised for issue on 13 December 2021 and are signed on their behalf by:

Zoe Huggins

Zoe Huggins (Dec 14, 2021 16:45 GMT)

Z Huggins

Chair of Trustees

The notes on pages 47 to 71 form part of these financial statements.

Lighthouse Learning Trust

Statement of Cash Flows for the year ended 31 August 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Net cash provided by (used in) operating activities	21	(1,048,666)	(699,454)
Cash flows from financing activities	22	(106,544)	(106,545)
Cash flows from investing activities	23	(373,419)	743,560
Change in cash and cash equivalents in the reporting period		<u>(1,528,629)</u>	<u>(62,439)</u>
Cash and cash equivalents at 1 September 2020		2,581,818	2,644,257
Cash and cash equivalents at 31 August 2021	24	<u>1,053,189</u>	<u>2,581,818</u>

Lighthouse Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2021

1 Accounting policies

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

Basis of Preparation

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2020 to 2021 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Going Concern

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the academy trust 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.

The academy trust has a deficit of £432,124 on unrestricted and restricted general funds as at 31 August 2021, is projecting a deficit of £597k (excluding restricted pension fund and restricted fixed asset funds but after deducting a £700k contribution in respect of expenditure on tangible fixed assets) in respect of the year ending 31 August 2022, and is currently in discussions with the ESFA regarding additional funding. This indicates that a material uncertainty exists that may cast significant doubt on the academy trust's ability to continue as a going concern. Further information is given in the Trustees' Report. The Trustees have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future. The Trustees have therefore continued to adopt the going concern basis of accounting in preparing the financial statements.

Income

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

- Donations

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

Lighthouse Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2021

Income (continued)

- Grants

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

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

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

- Government Grants

The following government grants have been received during the year:

Coronavirus Job Retention Scheme

The accrual model has been used to recognise the grant on a systematic basis over the periods in which the related staff costs are incurred.

- Other Income

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

- Donated goods, facilities and services

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

- Donated fixed assets (excluding Transfers on conversion/into the Academy Trust)

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.

Lighthouse Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2021

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.

- 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.

All resources expended are inclusive of irrecoverable VAT.

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. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities.

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

Freehold Land and Buildings	20 to 50 years straight line on buildings; not provided on land
Furniture and Equipment	10 years straight line
Plant and Machinery	10 years straight line
Computer Equipment	5 years straight line
Motor Vehicles	5 years straight line

Where the Academy Trust can identify the value of major components of freehold or leasehold buildings based upon additions following conversion to academy status, the Academy Trust reviews whether one or more such components have significantly different patterns of consumption of economic benefits. In such cases, the Academy Trust allocates the cost of the asset to its major components and depreciates each component separately over its useful life.

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.

Lighthouse Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2021

Liabilities

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

Provisions

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

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

Leased Assets

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

Financial Instruments

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

Financial assets

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

Cash at bank

Cash at bank is classified as a basic financial instrument and is measured at face value. An investment is treated as a cash equivalent when it has a short maturity of three months or less from the date of acquisition.

Financial liabilities

Trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

Stock

Unsold uniforms and catering stocks are valued at the lower of cost or net realisable value.

Lighthouse Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2021

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 part 11, chapter 3 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.

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 to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary based on quadrennial valuations using a prospective unit credit method. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

Fund Accounting

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

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

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

Lighthouse Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2021

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

The assumptions used are disclosed in note 27.

Critical areas of judgement

There are no other critical areas of judgement.

Agency arrangements

The Academy Trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the Academy Trust does not have control over the charitable application of the funds. The Academy Trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the statement of financial activities. The funds received and paid and any balances held are disclosed in the notes to the financial statements.

2 Donations and capital grants

	Unrestricted funds	Restricted funds	2020/21 Total	2019/20 Total
	£	£	£	£
Capital grants	-	33,565	33,565	999,725
Donated fixed assets	-	53,550	53,550	129,881
	-	87,115	87,115	1,129,606
Total 2020	-	1,129,606	1,129,606	

Lighthouse Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2021

3 Funding for the Academy Trust's educational operations

	Unrestricted funds £	Restricted funds £	2020/21 Total £	2019/20 Total £
DfE / ESFA grants				
General Annual Grant (GAG)	-	8,166,942	8,166,942	9,038,878
Insurance	-	51,474	51,474	-
Rates reclaim	-	93,295	93,295	90,451
Teachers' pay grant	-	93,169	93,169	116,308
Teachers' pension grant	-	263,269	263,269	328,658
Other DfE grants	-	140,773	140,773	67,628
	-	8,808,922	8,808,922	9,641,923
Other government grants				
Local authority grants	-	1,178,625	1,178,625	1,331,953
COVID-19 additional funding (non-DfE/ESFA)				
Coronavirus Job Retention Scheme grant	-	18,152	18,152	3,988
Other Coronavirus funding	-	52,048	52,048	10,000
	-	70,200	70,200	13,988
Other income from the Academy Trust's educational operations				
Other income	-	566,257	566,257	553,559
	-	10,624,004	10,624,004	11,541,423
Total 2020	-	11,541,423	11,541,423	

Following the reclassification of some grants received from the Department for Education and the ESFA in the Academies Accounts Direction 2020/21, the Academy Trust's funding for Rates reclaim, Teachers' pay grant, and Teachers' pension grant are no longer reported under the Other DfE grants heading, but as separate lines under the DfE/ESFA grants heading. The prior year numbers have been reclassified.

The academy trust furloughed some of its premises staff under the government's Coronavirus Job Retention Scheme. The funding received related to staff costs in respect of 20 staff which are included within the staff note below.

The Academy Trust received other Coronavirus funding in respect of emergency support and mass testing funding.

Lighthouse Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2021

4 Other trading activities

	Unrestricted funds	Restricted funds	2020/21 Total	2019/20 Total
	£	£	£	£
Hire of facilities	126,042	-	126,042	180,193
Total 2020	180,193	-	180,193	

5 Investment income

	Unrestricted funds	Restricted funds	2020/21 Total	2019/20 Total
	£	£	£	£
Short term deposits	101	-	101	15,528
Total 2020	15,528	-	15,528	

6 Expenditure

	Non Pay Expenditure		Total 2020/21	Total 2019/20
	Staff costs	Premises		
	£	£	£	£
Academy's educational operations:				
Direct costs	7,145,912	-	675,548	7,821,460
Allocated support costs	3,719,492	1,474,606	2,347,862	7,541,960
	10,865,404	1,474,606	3,023,410	15,363,420
Total 2020	10,354,862	730,482	3,196,927	14,282,271

Net income/(expenditure) for the period includes:

	2020/21	2019/20
	£	£
Operating lease rentals	27,990	36,332
Depreciation	1,608,802	1,578,208
Impairment	-	23,118
(Gain)/loss on disposal of fixed assets	1,509	-
Fees payable to auditor for:		
Audit	15,910	14,750
Other services	4,625	4,395

Lighthouse Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2021

7 Charitable activities

	2020/21 Total £	2019/20 Total £
Direct costs	7,821,460	7,610,310
Support costs	7,541,960	6,671,961
	<u>15,363,420</u>	<u>14,282,271</u>

Analysis of support costs:

	Educational operations £	2020/21 Total £	2019/20 Total £
Support staff costs	3,719,492	3,719,492	3,579,763
Depreciation	1,608,802	1,608,802	1,578,208
Impairment	-	-	23,118
Technology costs	164,284	164,284	154,244
Premises costs	1,474,606	1,474,606	730,482
Legal costs - other	3,220	3,220	243
Other support costs	542,306	542,306	576,168
Governance costs	29,250	29,250	29,735
Total support costs	<u>7,541,960</u>	<u>7,541,960</u>	<u>6,671,961</u>
Total 2020	<u>6,671,961</u>	<u>6,671,961</u>	

Premises costs includes £841,597 (2020: £231,244) in respect of expenditure on capital projects, which were funded by capital grants from the ESFA.

Lighthouse Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2021

8 Staff

a) Staff costs

Staff costs during the period were:

	2020/21	2019/20
	£	£
Wages and salaries	7,491,751	7,427,770
Social security costs	625,537	589,547
Pension costs	2,499,091	2,209,370
	<u>10,616,379</u>	<u>10,226,687</u>
Agency staff costs	52,580	78,666
Other staff costs	19,080	28,569
Staff restructuring costs	177,365	20,940
	<u>10,865,404</u>	<u>10,354,862</u>
Staff restructuring costs comprise:		
Redundancy payments	156,090	-
Other restructuring costs	21,275	20,940
	<u>177,365</u>	<u>20,940</u>

b) Staff numbers

The average number of persons employed by the Academy Trust during the year was as follows:

	2020/21	2019/20
	No.	No.
Teachers	131	142
Administration and support	220	229
Management	9	10
	<u>360</u>	<u>381</u>

c) Higher paid staff

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

	2020/21	2019/20
	No.	No.
£60,001 - £70,000	1	1
£70,001 - £80,000	3	2

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 total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £377,910 (2020: £350,574).

Lighthouse Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2021

9 Related Party Transactions – Trustees’ remuneration and expenses

During the period ended 31 August 2021, no trustees received any remuneration or other benefits (2020: none).

During the period ended 31 August 2021, no trustees received any reimbursement of expenses (2020: none).

10 Trustees and officers insurance

The Academy Trust has opted into the Department for Education’s risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides cover up to £10m. It is not possible to quantify the Trustees and officers indemnity element from the overall cost of the RPA scheme.

11 Central Services

The Academy Trust has provided the following central services to its academies during the year:

- Senior Management Team remuneration
- Human resources and payroll
- Finance
- MIS
- IT
- Premises management
- Exams management
- Insurance costs
- Governance costs

The academy trust charges for these services on based upon the budgeted total income of each academy. The actual amounts charged during the year were as follows:

	2020/21	2019/20
	£	£
Richard Taunton Sixth Form College	410,008	393,017
St Vincent College	540,838	542,740
	<u>950,846</u>	<u>935,757</u>

Lighthouse Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2021

12 Tangible fixed assets

	Freehold Land and Buildings £	Furniture and Equipment £	Plant and Machinery £	Computer Equipment £	Motor Vehicles £	Total £
Cost						
At 1 September 2020	41,749,915	61,948	1,143,242	903,145	7,301	43,865,551
Acquisitions	-	-	153,977	270,613	36,045	460,635
Disposals	-	(1,782)	-	(2,176)	-	(3,958)
At 31 August 2021	<u>41,749,915</u>	<u>60,166</u>	<u>1,297,219</u>	<u>1,171,582</u>	<u>43,346</u>	<u>44,322,228</u>
Depreciation						
At 1 September 2020	3,445,898	54,552	405,937	474,069	7,301	4,387,757
Charged in year	1,219,146	6,180	168,654	214,822	-	1,608,802
Disposals	-	(1,782)	-	(667)	-	(2,449)
At 31 August 2021	<u>4,665,044</u>	<u>58,950</u>	<u>574,591</u>	<u>688,224</u>	<u>7,301</u>	<u>5,994,110</u>
Net book values						
At 31 August 2020	38,304,017	7,396	737,305	429,076	-	39,477,794
At 31 August 2021	<u>37,084,871</u>	<u>1,216</u>	<u>722,628</u>	<u>483,358</u>	<u>36,045</u>	<u>38,328,118</u>

13 Stock

	2020/21 £	2019/20 £
Catering stocks	-	<u>7,523</u>

14 Debtors

	2020/21 £	2019/20 £
Trade debtors	8,055	(3,496)
VAT recoverable	76,595	81,783
Other debtors	450	951,075
Prepayments and accrued income	354,554	146,049
	<u>439,654</u>	<u>1,175,411</u>

Lighthouse Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2021

15 Creditors: amounts falling due within one year

	2020/21	2019/20
	£	£
Trade creditors	163,092	143,807
Other taxation and social security	153,792	147,088
ESFA creditor: abatement of GAG	-	646
Loans falling due within one year	106,544	106,544
Other creditors falling due within one year	393,985	327,637
Accruals and deferred income	539,147	599,806
	<u>1,356,560</u>	<u>1,325,528</u>

	2020/21	2019/20
	£	£
Deferred income at 1 September 2020	165,084	194,889
Released from previous years	(165,084)	(194,889)
Resources deferred in the year	116,605	165,084
Deferred income at 31 August 2021	<u>116,605</u>	<u>165,084</u>

At the balance sheet date the academy trust was holding funds received in advance for grant income relating to the forthcoming financial year and £48,161 (2020: £37,764) held on behalf of Southampton Education Forum.

Merger support and pre-academisation loans from the ESFA carry interest at 1.8% and are repayable in instalments from December 2019 over a period of five years.

16 Creditors: amounts falling due in greater than one year

	2020/21	2019/20
	£	£
Loans falling due in greater than one year	<u>213,089</u>	<u>319,633</u>

Merger support and pre-academisation loans from the ESFA carry interest at 1.8% and are repayable in instalments from December 2019 over a period of five years.

Lighthouse Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2021

17 Funds

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers £	Gains and losses £	Balance at 31 August 2021 £
Restricted general funds						
General Annual Grant (GAG)	-	8,166,942	(9,330,470)	1,163,528	-	-
Insurance	-	51,474	(51,474)	-	-	-
Rates reclaim	-	93,295	(93,295)	-	-	-
Teachers' pay grant	-	93,169	(93,169)	-	-	-
Teachers' pension grant	-	263,269	(263,269)	-	-	-
Other DfE grants	-	140,773	(140,773)	-	-	-
Local authority grants	-	1,178,625	(1,178,625)	-	-	-
Coronavirus Job Ret'n Scheme	-	18,152	(18,152)	-	-	-
Other Coronavirus funding	-	52,048	(52,048)	-	-	-
Desty legacy fund	117,454	-	(1,980)	-	-	115,474
Other educational activities	-	566,257	(566,257)	-	-	-
	117,454	10,624,004	(11,789,512)	1,163,528	-	115,474
Pension reserve	(10,558,000)	-	(1,122,000)	-	831,000	(10,849,000)
	<u>(10,440,546)</u>	<u>10,624,004</u>	<u>(12,911,512)</u>	<u>1,163,528</u>	<u>831,000</u>	<u>(10,733,526)</u>
Restricted fixed asset funds						
Fixed asset fund	39,477,794	-	(1,610,311)	460,635	-	38,328,118
ESFA capital grants (DFC)	-	43,089	-	(43,089)	-	-
ESFA capital grants (CIF)	869,831	(9,524)	(841,597)	-	-	18,710
Donated fixed assets	-	53,550	-	(53,550)	-	-
	<u>40,347,625</u>	<u>87,115</u>	<u>(2,451,908)</u>	<u>363,996</u>	<u>-</u>	<u>38,346,828</u>
Total restricted funds	<u>29,907,079</u>	<u>10,711,119</u>	<u>(15,363,420)</u>	<u>1,527,524</u>	<u>831,000</u>	<u>27,613,302</u>
Total unrestricted funds	<u>853,783</u>	<u>126,143</u>	<u>-</u>	<u>(1,527,524)</u>	<u>-</u>	<u>(547,598)</u>
Total funds	<u>30,760,862</u>	<u>10,837,262</u>	<u>(15,363,420)</u>	<u>-</u>	<u>831,000</u>	<u>27,065,704</u>

Lighthouse Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2021

17 Funds (continued)

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

General annual grant

This includes all funding received from the ESFA to carry out the objectives of the academy. It includes the school budget share; minimum funding guarantee; education services grant; insurance; rates; and pre-16 high needs funding streams.

Other DfE/ESFA grants

This is funding received from the ESFA for specific purposes.

Local authority grants

This is funding received from the local authority for specific purposes, for example Special Educational Needs funding.

Desty legacy fund

The Desty Legacy Fund represents a legacy given to Richard Taunton College by the Desty family to promote science at the college. This is being achieved through a) a Denis Desty Science Scholarship for prospective students, b) the Desty Aspiration Scholarship, to raise aspirations of students towards studying science in higher education and c) the Desty Science Enhancement Fund, to enhance science in the curriculum. The college envisages using the fund over a time span of twelve to fifteen years.

Other educational activities

This includes all other educational income/expenditure.

Pension reserve

This represents the negative reserve in respect of the liability on the LGPS pension scheme which was transferred to the Academy Trust on conversion.

Fixed asset fund

The fund includes the value of the tangible fixed assets of the academy on conversion, and amounts transferred from GAG or other restricted funds specifically for expenditure on tangible fixed assets, and the annual charges for depreciation of these assets.

DfE/ESFA capital grants

This is funding received from the DfE/ESFA specifically for expenditure on tangible fixed assets.

Transfers between funds

Transfers to the restricted fixed asset fund represent the cost of fixed asset additions which have been funded from restricted or unrestricted general funds.

Lighthouse Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2021

17 Funds (continued)

The Academy Trust is carrying a net deficit of £432,124 on restricted general funds (excluding pension reserve) plus unrestricted funds due to under-recruitment of students, a shortfall in commercial income due to two years of Covid-19, and the need to continue to make essential building repairs and replace essential equipment. The Academy Trust is taking the following action to return these funds to surplus:

- Continue to market and promote both colleges to increase market share and thus increase income.
- Continue to review all aspects of the trust's cost base and reduce expenditure where possible.
- Continue to re-build commercial income streams which have been hit by Covid 19 lockdown.
- Request additional financial support from the ESFA to enable it to return to financial sustainability.
- Make bids to CIF and other government funds to fund essential repairs of the building and improvements to reduce the energy and other building running costs.

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 2021.

Lighthouse Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2021

17 Funds (continued)

Total funds analysis by academy

Fund balances at 31 August 2021 were allocated as follows:

	2020/21	2019/20
	£	£
Richard Taunton Sixth Form College	(1,324,097)	(423,512)
St Vincent College	923,235	1,455,162
Central services	(31,262)	(60,413)
Total before fixed assets and pension reserve	<u>(432,124)</u>	<u>971,237</u>
Restricted fixed asset fund	38,346,828	40,347,625
Pension reserve	(10,849,000)	(10,558,000)
Total	<u>27,065,704</u>	<u>30,760,862</u>

The following academies are carrying a net deficit on their portion of the funds as follows:

	£
Richard Taunton Sixth Form College	1,324,097
Central services	<u>31,262</u>

The Academy Trust is taking the following action to return the academies to surplus:

- Continue to market and promote both colleges to increase market share and thus increase income.
- Continue to review all aspects of the trust's cost base and reduce expenditure where possible.
- Continue to re-build commercial income streams which have been hit by Covid 19 lockdown.
- Request additional financial support from the ESFA to enable it to return to financial sustainability.
- Make bids to CIF and other government funds to fund essential repairs of the building and improvements to reduce the energy and other building running costs.

Total cost analysis by academy

Expenditure incurred by each academy during the year was as follows:

	Teaching and Educational Support Staff Costs £	Other Support Staff Costs £	Educational Supplies £	Other Costs (excl. dep- reciation) £	2020/21 Total £	2019/20 Total £
Richard Taunton College	2,985,914	1,413,025	426,156	919,208	5,744,303	5,264,258
St Vincent College	4,102,110	1,566,920	248,906	1,163,258	7,081,194	6,515,954
Central services	57,888	739,547	486	131,200	929,121	900,733
	<u>7,145,912</u>	<u>3,719,492</u>	<u>675,548</u>	<u>2,213,666</u>	<u>13,754,618</u>	<u>12,680,945</u>

Lighthouse Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2021

17 Funds (continued)

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

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers £	Gains and losses £	Balance at 31 August 2020 £
Restricted general funds						
General Annual Grant (GAG)	390,619	9,038,878	(9,058,626)	(370,871)	-	-
Rates reclaim	-	90,451	(90,451)	-	-	-
Teachers' pay grant	-	116,308	(116,308)	-	-	-
Teachers' pension grant	-	328,658	(328,658)	-	-	-
Other DfE grants	-	67,628	(67,628)	-	-	-
Local authority grants	-	1,331,953	(1,331,953)	-	-	-
Coronavirus Job Ret'n Scheme	-	3,988	(3,988)	-	-	-
Other Coronavirus funding	-	10,000	(10,000)	-	-	-
Desty legacy fund	-	-	(3,530)	120,984	-	117,454
Other educational activities	-	553,559	(553,559)	-	-	-
	<u>390,619</u>	<u>11,541,423</u>	<u>(11,564,701)</u>	<u>(249,887)</u>	<u>-</u>	<u>117,454</u>
Pension reserve	(9,223,000)	-	(885,000)	-	(450,000)	(10,558,000)
	<u>(8,832,381)</u>	<u>11,541,423</u>	<u>(12,449,701)</u>	<u>(249,887)</u>	<u>(450,000)</u>	<u>(10,440,546)</u>
Restricted fixed asset funds						
Fixed asset fund	40,677,546	-	(1,601,326)	401,574	-	39,477,794
ESFA capital grants (DFC)	79,955	48,650	-	(128,605)	-	-
ESFA capital grants (CIF)	-	951,075	(231,244)	150,000	-	869,831
Donated fixed assets	-	129,881	-	(129,881)	-	-
	<u>40,757,501</u>	<u>1,129,606</u>	<u>(1,832,570)</u>	<u>293,088</u>	<u>-</u>	<u>40,347,625</u>
Total restricted funds	<u>31,925,120</u>	<u>12,671,029</u>	<u>(14,282,271)</u>	<u>43,201</u>	<u>(450,000)</u>	<u>29,907,079</u>
Total unrestricted funds	<u>701,263</u>	<u>195,721</u>	<u>-</u>	<u>(43,201)</u>	<u>-</u>	<u>853,783</u>
Total funds	<u>32,626,383</u>	<u>12,866,750</u>	<u>(14,282,271)</u>	<u>-</u>	<u>(450,000)</u>	<u>30,760,862</u>

Lighthouse Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2021

18 Analysis of net assets between funds

	Un- restricted funds £	Restricted general funds £	Restricted pension funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	-	-	38,328,118	38,328,118
Current assets	(547,598)	2,021,731	-	18,710	1,492,843
Current liabilities	-	(1,356,560)	-	-	(1,356,560)
Non-current liabilities	-	(213,089)	-	-	(213,089)
Pension scheme liability	-	-	(10,849,000)	-	(10,849,000)
Other pension provisions	-	(336,608)	-	-	(336,608)
Total net assets	(547,598)	115,474	(10,849,000)	38,346,828	27,065,704

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

	Un- restricted funds £	Restricted general funds £	Restricted pension funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	-	-	39,477,794	39,477,794
Current assets	853,783	2,041,138	-	869,831	3,764,752
Current liabilities	-	(1,325,528)	-	-	(1,325,528)
Non-current liabilities	-	(319,633)	-	-	(319,633)
Pension scheme liability	-	-	(10,558,000)	-	(10,558,000)
Other pension provisions	-	(278,523)	-	-	(278,523)
Total net assets	853,783	117,454	(10,558,000)	40,347,625	30,760,862

19 Capital commitments

	2020/21 £	2019/20 £
Contracted for, but not provided in the financial statements	89,970	869,831

Lighthouse Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2021

20 Long-term commitments, including operating leases

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

	2020/21	2019/20
	£	£
Amounts due within one year	16,184	21,104
Amounts due between one and five years	11,725	12,980
	<u>27,909</u>	<u>34,084</u>

21 Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2020/21	2019/20
	£	£
Net expenditure for the reporting period	(4,526,158)	(1,415,521)
Adjusted for:		
Depreciation	1,608,802	1,578,208
Impairment	-	23,118
(Gain)/loss on disposal of fixed assets	1,509	-
Capital grants from DfE and other capital income	(87,115)	(1,129,606)
Interest receivable	(101)	(15,528)
Defined benefit pension scheme cost less contributions payable	948,000	724,000
Defined benefit pension scheme finance cost	174,000	161,000
Decrease in stocks	7,523	4,090
Decrease / (increase) in debtors	735,757	(770,060)
Increase in creditors	31,032	140,845
Increase in other pension provisions	58,085	-
Net cash used in Operating Activities	<u>(1,048,666)</u>	<u>(699,454)</u>

22 Cash flows from financing activities

	2020/21	2019/20
	£	£
Repayments of borrowing	(106,544)	(106,545)
Net cash used in financing activities	<u>(106,544)</u>	<u>(106,545)</u>

Lighthouse Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2021

23 Cash flows from investing activities

	2020/21	2019/20
	£	£
Dividends, interest and rents from investments	101	15,528
Purchase of tangible fixed assets	(407,085)	(271,693)
Capital grants from DfE Group	33,565	999,725
Net cash (used in) / provided by investing activities	<u>(373,419)</u>	<u>743,560</u>

24 Analysis of cash and cash equivalents

	2020/21	2019/20
	£	£
Cash at bank and in hand	<u>1,053,189</u>	<u>2,581,818</u>

25 Analysis of changes in net debt

	At 1 September 2020	Cash flows	Acquisition/ disposal of subsidiaries	New finance leases	Other non-cash changes	At 31 August 2021
	£	£	£	£	£	£
Cash	2,581,818	(1,528,629)	-	-	-	1,053,189
Loans falling due within one year	(106,544)	-	-	-	-	(106,544)
Loans falling due after more than one year	(319,633)	106,544	-	-	-	(213,089)
Total	<u>2,155,641</u>	<u>(1,422,085)</u>	-	-	-	<u>733,556</u>

26 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.

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Notes to the Financial Statements for the Year Ended 31 August 2021

27 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 Hampshire County Council. Both are multi-employer defined benefit 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 £168,307 were payable to the schemes at 31 August 2021 (2020: £173,583) and are included within creditors.

Teachers' Pension Scheme

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 four 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% administration levy).
- 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. assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

Lighthouse Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2021

27 Pension and similar obligations (continued)

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

The employer's pension costs paid to TPS in the period amounted to £911,537 (2020: £880,811).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2021 was as follows:

	2021	2020
	£	£
Employer's contributions	576,000	600,000
Employees' contributions	203,000	180,000
	<u>779,000</u>	<u>780,000</u>

The agreed contribution rates for future years are 18.9% for employers and 5.5% to 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 an Academy Trust closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

Principal actuarial assumptions

	2021	2020
Rate of increase in salaries	3.6%	3.3%
Rate of increase for pensions in payment/inflation	2.6%	2.3%
Discount rate for scheme liabilities	1.7%	1.7%
Inflation assumption (CPI)	<u>2.6%</u>	<u>2.3%</u>

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

	2021	2020
Retiring today		
Males	23.1	23.0
Females	<u>25.5</u>	<u>25.5</u>
Retiring in 20 years		
Males	24.8	24.7
Females	<u>27.3</u>	<u>27.2</u>

Lighthouse Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2021

27 Pension and similar obligations (continued)

Sensitivity analysis

	Increase/(reduction) in defined benefit obligation	
	2021	2020
	£	£
Discount rate +0.1%	(638,000)	(565,000)
Discount rate -0.1%	666,000	589,000
Mortality assumption – 1 year increase	1,026,000	884,000
Mortality assumption – 1 year decrease	(998,000)	(859,000)

The Academy Trust's share of the assets in the scheme were:

	2021	2020
	£	£
Equities	9,693,000	7,936,000
Gilts	3,056,000	2,715,000
Property	1,030,000	840,000
Cash	118,000	224,000
Other	2,989,000	2,281,000
Total market value of assets	<u>16,886,000</u>	<u>13,996,000</u>

The actual return on scheme assets was £2,558,000 (2020: £84,000).

Amount recognised in the Statement of Financial Activities

	2020/21	2019/20
	£	£
Current service cost	1,524,000	1,324,000
Interest income	(241,000)	(247,000)
Interest cost	415,000	408,000
Total amount recognised in the SOFA	<u>1,698,000</u>	<u>1,485,000</u>

Lighthouse Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2021

27 Pension and similar obligations (continued)

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

	2020/21	2019/20
	£	£
At 1 September	24,554,000	22,762,000
Current service cost	1,524,000	1,324,000
Interest cost	415,000	408,000
Employee contributions	203,000	180,000
Actuarial loss	1,486,000	287,000
Benefits paid	(447,000)	(407,000)
At 31 August	<u>27,735,000</u>	<u>24,554,000</u>

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

	2020/21	2019/20
	£	£
At 1 September	13,996,000	13,539,000
Interest income	241,000	247,000
Actuarial gain / (loss)	2,317,000	(163,000)
Employer contributions	576,000	600,000
Employee contributions	203,000	180,000
Benefits paid	(447,000)	(407,000)
At 31 August	<u>16,886,000</u>	<u>13,996,000</u>

28 Related party transactions

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

29 Agency arrangements

The Academy Trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ended 31 August 2021 the Academy Trust received £309,748 and disbursed £232,364 from the fund, including £12,566 administration costs. An amount of £100,881 is included in other creditors relating to undistributed funds that are repayable to ESFA. Comparatives for the accounting period ending 31 August 2020 are £279,211 received (plus a contribution of a further £63,167 from its own reserves), £485,913 disbursed and £23,497 included in other creditors.