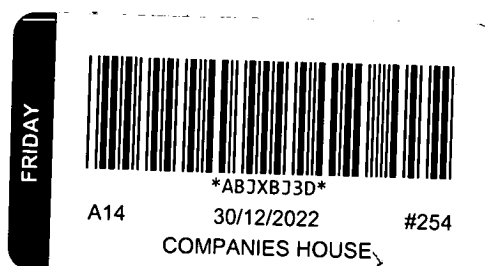


Company Registration No. 08867114 (England and Wales)

SCHOOL IMPROVEMENT LIVERPOOL LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2022



SCHOOL IMPROVEMENT LIVERPOOL LIMITED

COMPANY INFORMATION

Director	Mr C Lomas
Company number	08867114
Registered office	Toxteth Annexe Aigburth Road Liverpool Merseyside L17 7BN
Auditor	Grant Thornton UK LLP Royal Liver Building Liverpool L3 1PS
Bankers	Barclays Public Sector Team PO Box 3333 One Snowhill Snowhill Queensway Birmingham B3 2WN
Solicitors	Bevan Brittan LLP 1 Temple Row Birmingham B2 5LG

SCHOOL IMPROVEMENT LIVERPOOL LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2022

The director presents the strategic report for the year ended 31 March 2022.

1. Introduction

Welcome to School Improvement Liverpool Limited's (SIL's) Strategic Report for 2021/22. This report provides a commentary on SIL's reported financial position and business performance for the year ended 31st March 2022 and identifies planned future developments.

It is the view of the directors that the company accounts represent a true and fair view of the state of affairs of the company for the year ended 31st March 2022. Suitable accounting policies have been established and applied consistently having consideration to updates within the financial regulation standards.

The directors have also noted that continued challenges due to the Covid-19 pandemic have resulted in changes in how the company delivers its services and this has enabled SIL to continue to mitigate the financial impact of the pandemic.

SIL is a wholly owned company of Liverpool City Council with no other shareholders. SIL has a reported turnover of £11.2m (2021: £10.2m) for 2021-2022 which is an increase of 10% compared to the previous financial year. This is due to the reopening of Liverpool swimming pools plus the changes to the way in which the Company delivers services using online platforms which has extended the reach to greater customer numbers.

SIL employed 167 staff (excluding Supply agency staff) as at 31st March 2022. This is an increase of 2 employees compared to 1st April 2021.

The Directors of the company during the year to 31st March 2022 were:

Steve Reddy	Director of Children's Services
Christopher I Lomas	Assistant Director, Environment
Claire Slinger	Assistant Director, Investment & Development
Councillor B. Murray	Cabinet member Schools & Education (resigned 4 April 2021)
Jonathan Jones	Director of School Improvement Liverpool (resigned 31 October 2021)

Resignations after 31st March 2022:

Steve Reddy	Director of Children Services (resigned 11 July 2022)
Claire Slinger	Assistant Director, Investment & Development (resigned 15 August 2022)

2. Principal Activity

School Improvement Liverpool delivers a range of highly effective, quality assured services to schools and education providers with the aim of supporting and challenging them to achieve the best possible outcomes for children and young people. This is being achieved with a skilled, motivated, flexible and enthusiastic team of well qualified and highly motivated staff.

School Improvement Liverpool is the service provider of choice through genuine collaboration and partnership with headteachers and leaders of education. The company uses its well-established knowledge of the local context in which our schools operate to provide tailored and well-focused support.

SCHOOL IMPROVEMENT LIVERPOOL LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

3. Performance

SIL began trading in 2014 with 137.4 (FTE) staff across the 21 service areas with running costs of circa £10.9m. The company now employs 167 staff, excluding supply staff, as at 31st March 2022. SIL's annual revenue has increased to circa £11.2m. The performance of the company continues to be resilient with a significant effort by staff and managers to change services and products resulting in an increase in trading of 10% compared to the previous year.

The position as per the Statement of Comprehensive Income is a reported loss for the financial year of £0.586m. This is in comparison to a reported loss of £0.906m in the previous year 2020/21. This reflects the impact of the pension re-valuation detailed in section 5 of this report.

Monthly budget monitoring reports provide the leadership team with ongoing analysis of the company's accounts, and relevant information relating to risks and opportunities impacting performance of individual teams against cost and income targets.

Revised budget and cash flow information is scrutinized at the company's Resources Committee on a quarterly basis and approved at Board level.

When the pension evaluation is removed from the accounts the Company achieved an overall pre-tax profit in the year ending March 2022 of £0.963m.

4. Future Developments

SIL has set a number of strategic targets to be achieved by the summer of 2024 to ensure the company is fit for purpose.

- Redesign the services within the management agreement with LCC to ensure they fit the funding envelope, continue to offer value for money and show demonstrable impact.
- Launch and embed the new range of SLAs that replace the Universal Offer for Liverpool schools.
- Redesign the performance reporting arrangements ensuring it is fit for purpose and SMART.
- Increase the spend per customer and the customer base. This is vital to secure the long term viability of the company.

In order to achieve the strategic targets, there are a number of areas which SIL is investing in during the next 3 financial years.

- Build on the success of SIL's recovery plan from Covid-19 which saw gains in reach from the online presence, well received 'catch-up' resources and securing funding for key roles from public health.
- Improvements to SIL's Marketing strategy, using data and information more strategically, helping to develop and increase the range of services offered.
- Review, update and further development of the SIL website ensuring it is flexible, responsive and capitalising on all web-based activity.
- Expand the SIL supply agency.
- Improve the use of management information including the development of improved customer engagement, data and impact analysis.
- Development of an on-line training portal, capitalising on the growing on-line training market.

In conjunction with the Board a revised business plan is currently being developed identifying new methods of service delivery that will reduce the cost base and identify opportunities for growth whilst supporting outcomes for Children.

SCHOOL IMPROVEMENT LIVERPOOL LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

5. Risk

LCC Management Services Agreement

A review of the services carried out by SIL on behalf of LCC under the Management services agreement must be undertaken. Changes and increased demand in some areas need to be captured and associated costs re-aligned to the funding available. Cashflow risk continues to be mitigated by advance invoicing of the management agreement.

Historic Commitment funding – Universal offer

With the historic commitment funding ending in March 2023, SIL has developed appropriate service level agreements for schools to purchase in order to receive the same level of service. The level of buy back is not guaranteed and therefore presents a risk to the company.

Value for money

In order for SIL to demonstrate the services offered are value for money and can maximise impact on the quality of curriculum and teaching and learning and subsequently on improving children's outcomes, SIL have adopted a consistent benchmarking approach for all phases of education. This involves the use of a school improvement framework for schools and settings, where the current quality of provision is evaluated using all available evidence to place them into school/setting support access (SSA) groupings identifying priority schools and settings. Resources are allocated using this framework and the impact of actions and use of allocated funding is monitored through a team around the setting/school (TAS) meetings.

Previously, public examination, attendance and behaviour data has been used to inform these actions and evaluate impact, but in the previous 2 academic years comparable data has not been available due to the impact of the pandemic on examinations and data profiles. These data sets will again begin to inform the evaluation, once examinations are in place again in the next financial year but will need to be used with caution for some time.

SIL will continue to review and update the process for demonstrating value for money as the funding profile for each aspect of the work changes.

Economic Climate

Annual staff pay awards are governed by national negotiations via the National Joint Council, School Teacher Review Body and Soulbury.

Due to the current economic climate wage increases in 2022/23 have been agreed at higher than anticipated rates, with the majority of employees receiving 5+% pay award within the financial year 2022/23, Soulbury pay negotiations are ongoing.

Customer Schools have faced the same issue relating to higher than anticipated staff pay awards, which have not been funded by increased government funding. Schools are also facing rising energy prices. The Company has not yet felt the impact of these higher costs on demand for services and there is a need to balance future service costs with customer affordability.

In conjunction with the review of services carried out by SIL on behalf LCC, mentioned previously, SIL is scrutinizing cost of service delivery against income across all departments to ensure services remain viable and cost effective.

Pension review

Pension liabilities have not been able to be absorbed within trading profit expectations. However, SIL does have sufficient funds within its retained balances to cover the increases in current service costs. The current service cost is outside the control of the company.

SIL used the assumptions adopted in the actuary report and, comparing this to the assumptions adopted at the end of the previous year, we have seen a reduction in the accounting deficit to the fund of £2.3m leading to an overall pension deficit of £11.5m (2021: £13.8m).

SCHOOL IMPROVEMENT LIVERPOOL LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

6. Cash Sufficiency

SIL's business model is based upon the following revenue streams for the Financial Year 2021/22:

- 43% (£4.8m) generated from LCC Management Services Agreement which has been extended to 31 March 2024. The contract is paid quarterly in advance and increased annually in line with the Public Sector Pay Award.
- Circa 34% (£3.8m) generated from Annual Service Level Agreements which schools pay annually in advance. 100% of Liverpool Schools buy back some form of SLA with SIL.
- Circa 23% (£2.6m) generated from pay as you go traded services from all educational establishments from within Liverpool and outside the City boundaries. SIL has in excess of 720 current customers.

As a result, SIL has to date enjoyed a strong cash position. From the outset, there has been no requirement for LCC to inject additional funds for operational purposes with cash in bank at 31st March 2022 being £5m. SIL's cash flow position has seen a net increase of cash of £2.8m.

Having formed an opinion at the time of approving these accounts it is the intention of the directors to continue to support the company with the profits earned and retained within the company being sufficient to ensure the company has adequate resources to continue existing trading policies and the directors have adopted a going concern basis in preparing the accounts.

The company has no borrowing and is a wholly owned subsidiary of Liverpool City Council.

On behalf of the board

Chris Lomas

.....
Mr C Lomas
Director

23/12/2022
Date:

SCHOOL IMPROVEMENT LIVERPOOL LIMITED

DIRECTOR'S REPORT

FOR THE YEAR ENDED 31 MARCH 2022

The director presents his annual report and financial statements for the year ended 31 March 2022.

Principal activities

The principal activity of the company has been disclosed within the strategic report.

Director

The director who held office during the year and up to the date of signature of the financial statements was as follows:

Councillor B Murray	(Resigned 4 April 2021)
Mr S Reddy	(Resigned 11 July 2022)
Mr J Jones	(Resigned 31 October 2021)
Mr C Lomas	(Appointed 19 October 2021)
Mrs C Slinger	(Appointed 19 October 2021 and resigned 15 August 2022)

Results and dividends

The results for the year are set out on page 11.

No ordinary dividends were paid. The director does not recommend payment of a final dividend.

Auditor

Grant Thornton UK LLP have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditors in the absence of an Annual General Meeting.

Strategic report

The company has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the company's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report. It has done so in respect of future developments.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, each director has taken all the necessary steps that she ought to have taken as a director in order to make herself aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board

Chris Lomas

.....
Mr C Lomas
Director

23/12/2022
Date:

SCHOOL IMPROVEMENT LIVERPOOL LIMITED

DIRECTOR'S RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 MARCH 2022

The director is responsible for preparing the Strategic Report and the Director's Report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law including FRS 102 'The Financial Reporting Standard in the UK and Republic of Ireland'). Under company law the director must not approve the financial statements unless she is satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SCHOOL IMPROVEMENT LIVERPOOL LIMITED

Opinion

We have audited the financial statements of School Improvement Liverpool Limited (the 'company') for the year ended 31 March 2022, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2022 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 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.

Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the company to cease to continue as a going concern.

In our evaluation of the directors' conclusions, we considered the inherent risks associated with the company's business model including effects arising from macro-economic uncertainties such as Brexit and Covid-19, we assessed and challenged the reasonableness of estimates made by the directors and the related disclosures and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period.

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

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

The responsibilities of the directors with respect to going concern are described in the 'Responsibilities of directors for the financial statements' section of this report.

Other information

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

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

We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SCHOOL IMPROVEMENT LIVERPOOL LIMITED (CONTINUED)

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matter on which we are required to report under the Companies Act 2006

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

Matters on which we are required to report by exception

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

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

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement, the directors 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 directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the 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 directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SCHOOL IMPROVEMENT LIVERPOOL LIMITED (CONTINUED)

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

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. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

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 applicable to the company and the industry in which it operates and determined which may influence the financial statements.

We determined that the following laws and regulations are the most significant which are directly relevant to specific assertions in the financial statements:

- Those that relate to reporting frameworks being FRS102 and the Companies Act 2006 and the relevant tax compliance regulations.
- Those that relate to the operational activities of the company in respect of the provision of services to Schools including Health and Safety requirements and data protection.
- We assessed the susceptibility of the company's financial statements to material misstatements, including how fraud might occur. We performed the following audit procedures to address the risks related to irregularities and fraud:
 - evaluation of the processes and controls in place to address the risks related to irregularities and fraud;
 - challenge of the assumptions and judgements made by management in its significant accounting estimates;
 - review and testing of journal entries, relating to management estimates and journal entries impacting the reported result for the year;
 - consideration of the potential for fraud in revenue recognition;
 - identifying and testing related party transactions.
- We enquired of management whether there was any awareness of instances of non-compliance with laws and regulations or whether they had any knowledge of actual or suspected fraud.
- In assessing the potential risks of material misstatement, we obtained an understanding of the company's operations, the applicable statutory provisions and business risks that may result in risk of material misstatement, and the company's control environment, including the adequacy of procedures for authorisation of transactions.
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it;
- The engagement team's experience with similar engagements, their understanding and knowledge of the company's industry and their understanding of the industry and regulatory requirements were considered in assessing the appropriateness of the collective competence and capabilities of the engagement team.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SCHOOL IMPROVEMENT LIVERPOOL LIMITED (CONTINUED)

Use of our report

This report is made solely to the 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 company's members those matters we are required to state to her 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Michael Lowe

Michael Lowe (Senior Statutory Auditor)

For and on behalf of Grant Thornton UK LLP, Statutory Auditor

Chartered Accountants

Liverpool

23/12/2022.....

SCHOOL IMPROVEMENT LIVERPOOL LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2022

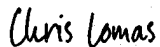
	Notes	2022 £	2021 £
Turnover	3	11,205,008	10,225,513
Cost of sales		(8,064,953)	(8,041,904)
Gross profit		3,140,055	2,183,609
Administrative expenses		(1,340,074)	(1,310,541)
Administrative expense- Defined benefit pension scheme		(1,898,000)	(1,602,000)
Operating loss	6	(98,019)	(728,932)
Interest payable and similar expenses	8	(280,000)	(175,000)
Loss before taxation		(378,019)	(903,932)
Tax on loss	9	(207,038)	(2,455)
Loss for the financial year		(585,057)	(906,387)
Other comprehensive income net of taxation			
Actuarial gain/(loss) on defined benefit pension schemes		3,663,000	(5,094,000)
Total comprehensive income for the year		3,077,943	(6,000,387)

SCHOOL IMPROVEMENT LIVERPOOL LIMITED**STATEMENT OF FINANCIAL POSITION****AS AT 31 MARCH 2022**

	Notes	2022 £	£	2021 £	£
Fixed assets					
Intangible assets	10	-	-	-	-
Tangible assets	11	13,130	13,130	13,381	13,381
			13,130		13,381
Current assets					
Debtors falling due after more than one year	12	1,498,693	1,493,410		
Debtors falling due within one year	12	1,592,213	2,165,136		
Cash at bank and in hand	19	5,035,012	2,261,926		
		8,125,918	5,920,472		
Creditors: amounts falling due within one year	13	(4,555,098)	(3,105,846)		
Net current assets		3,570,820	2,814,626		
Total assets less current liabilities		3,583,950	2,828,007		
Net assets excluding pension liability		3,583,950	2,828,007		
Defined benefit pension liability	15	(11,453,000)	(13,775,000)		
Net liabilities		(7,869,050)	(10,946,993)		
Capital and reserves					
Called up share capital	16	1	1		
Profit and loss reserves	17	(7,869,051)	(10,946,994)		
Total equity		(7,869,050)	(10,946,993)		

23/12/2022

The financial statements were approved by the board of directors and authorised for issue on and are signed on its behalf by:



Mr C Lomas

Director

SCHOOL IMPROVEMENT LIVERPOOL LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2022

	Share capital	Profit and loss reserves	Total
	£	£	£
Balance at 1 April 2020	1	(4,946,607)	(4,946,606)
Year ended 31 March 2021:			
Loss for the year	-	(906,387)	(906,387)
Other comprehensive income net of taxation:			
Actuarial losses on defined benefit plans	-	(5,094,000)	(5,094,000)
Total comprehensive income for the year	-	(6,000,387)	(6,000,387)
Balance at 31 March 2021	1	(10,946,994)	(10,946,993)
Year ended 31 March 2022:			
Loss for the year	-	(585,057)	(585,057)
Other comprehensive income net of taxation:			
Actuarial gains on defined benefit plans	-	3,663,000	3,663,000
Total comprehensive income for the year	-	3,077,943	3,077,943
Balance at 31 March 2022	1	(7,869,051)	(7,869,050)

SCHOOL IMPROVEMENT LIVERPOOL LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2022

	Notes	2022 £	£	2021 £	£
Cash flows from operating activities					
Cash generated from operations	18	2,829,652		508,410	
Income taxes paid		(36,810)		(40,796)	
Net cash inflow from operating activities		2,792,842		467,614	
Investing activities					
Purchase of tangible fixed assets		(19,756)		-	
Net cash used in investing activities		(19,756)		-	
Net increase in cash and cash equivalents		2,773,086		467,614	
Cash and cash equivalents at beginning of year		2,261,926		1,794,312	
Cash and cash equivalents at end of year		5,035,012		2,261,926	

SCHOOL IMPROVEMENT LIVERPOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

Company information

School Improvement Liverpool Limited is a private company limited by shares and is registered and incorporated in England and Wales. The registered office is Toxteth Annexe, Aigburth Road, Liverpool, Merseyside, L17 7BN.

The company's principal activities and nature of its operations are disclosed in the Strategic Report.

Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

Going concern

Notwithstanding the deficit in reserves which has arisen as a result of the liability on the defined benefit pension scheme, the financial statements have been prepared on a going concern basis.

The directors have considered cash flow projections and forecasts through to 31 March 2024, taking into account the availability of financial support from its parent undertaking, Liverpool City Council.

The support from the parent undertaking, Liverpool City Council (LCC), is committed under the terms of the management agreement between the company and LCC. The short term borrowing facility that is available under the management agreement is set on a basis of expenditure, the facility currently available is c£3.5m. This support has also been demonstrated by advance payment of the annual management fee to the company by LCC. In addition, LCC have also provided confirmation to the directors that they will continue to provide the facility to the company as required for the period until at least 31 March 2024.

As a result of the cash reserves of the company and the continued support from LCC, the directors consider it is appropriate to adopt the going concern basis in preparing the financial statements.

Turnover

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Revenue in respect of the provision of services to Schools is recognised on delivery of the service.

Annual service level agreement income and management fee income is recognised in the period to which it relates.

SCHOOL IMPROVEMENT LIVERPOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies (Continued)

Intangible fixed assets other than goodwill

Intangible assets being software are shown at cost and are amortised to the Statement of comprehensive income over its estimated useful economic life. This is currently estimated to be:

Software	- 3 years
----------	-----------

Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets over their estimated useful lives, as set out below.

Depreciation is provided on the following basis:

Computer equipment	- 3 years
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The assets' useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of comprehensive income.

Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

SCHOOL IMPROVEMENT LIVERPOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies (Continued)

Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors.

Debt instruments (other than those wholly repayable or receivable within one year), including other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or finance at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the Statement of Financial Position date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

SCHOOL IMPROVEMENT LIVERPOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies (Continued)

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Basic financial liabilities

Short term creditors are measured at the transaction price. Other financial liabilities are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the company's contractual obligations are discharged, cancelled, or they expire.

Equity instruments

Equity instruments issued by the company are recorded at the fair value of proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the Statement of Financial Position date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the Statement of Financial Position date.

SCHOOL IMPROVEMENT LIVERPOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies (Continued)

Retirement benefits

Teachers' Pension Scheme (TPS)

The TPS is an unfunded scheme. Contributions to the TPS are calculated so as to spread the cost of pensions over employees' working lives with the Company in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by qualified actuaries on the basis of valuations using a prospective benefit method.

The TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution plan and the contributions recognised as an expense in the statement of comprehensive income in the periods during which services are rendered by employees.

Defined benefit pension plan

The Company operates a defined benefit plan for certain employees. A defined benefit plan defines the pension benefit that the employee will receive on retirement, usually dependent upon several factors including but not limited to age, length of service and remuneration. A defined benefit plan is a pension plan that is not a defined contribution plan.

The liability recognised in the Statement of Financial Position in respect of the defined benefit plan is the present value of the defined benefit obligation at the end of the Statement of Financial Position date less the fair value of plan assets at the Statement of Financial Position date (if any) out of which the obligations are to be settled. The net defined benefit liability reflects the impact of the McCloud judgement.

The defined benefit obligation is calculated using the projected unit credit method. Annually the company engages independent actuaries to calculate the obligation. The present value is determined by discounting the estimated future payments using market yields on high quality corporate bonds that are denominated in sterling and that have terms approximating to the estimated period of the future payments ('discount rate').

The fair value of plan assets is measured in accordance with the FRS 102 fair value hierarchy and in accordance with the Company's policy for similarly held assets. This includes the use of appropriate valuation techniques.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income. These amounts together with the return on plan assets, less amounts included in net interest, are disclosed as 'Actuarial gains/(losses) on defined benefit pension scheme'.

The cost of the defined benefit plan, recognised in profit or loss as employee costs, except where included in the cost of an asset, comprises:

- a) the increase in net pension benefit liability arising from employee service during the period; and
- b) the cost of plan introductions, benefit changes, curtailments and settlements.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is recognised in profit or loss as a 'finance expense'.

SCHOOL IMPROVEMENT LIVERPOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies (Continued)

Operating leases

Rentals paid under operating leases are charged to the Statement of comprehensive income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

The Company has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard of 1 April 2015 to continue to be charged over the period to the first market rent review rather than the term of the lease.

2 Judgements and key sources of estimation uncertainty

The directors consider the key judgements and estimates in the accounts to be as follows:

- the valuation of pension scheme liabilities and associated deferred tax asset

Defined benefit pension scheme liability (estimate)

The present value of the defined benefit pension scheme amounting to £11,453,000, depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions which are disclosed in note 15, will impact the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 March 2022. 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.

Deferred tax asset recognised on the defined benefit pension scheme liability (estimate)

Management have recognised a deferred tax asset amounting to £1,500,964, in respect of the defined benefit scheme on the basis that they will obtain corporation tax relief in the future when the liability is paid down. This is considered a significant area of estimation given the length of time the liability will take to settle and the assessment that the company will be profitable in the future.

3 Turnover and other revenue

	2022 £	2021 £
Turnover analysed by class of business		
Income from the provision of services to schools	11,205,008	10,225,513
	<u>11,205,008</u>	<u>10,225,513</u>
	2022 £	2021 £
Turnover analysed by geographical market		
United Kingdom	11,205,008	10,225,513
	<u>11,205,008</u>	<u>10,225,513</u>

SCHOOL IMPROVEMENT LIVERPOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

4 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2022 Number	2021 Number
Employees	167	165

Their aggregate remuneration comprised:

	2022 £	2021 £
Wages and salaries	6,495,667	6,934,589
Social security costs	629,153	658,545
Pension contributions	185,480	1,096,519
Charge in respect of defined benefit pension scheme	1,898,000	717,913
	9,208,300	9,407,566

5 Director's remuneration

	2022 £	2021 £
Remuneration for qualifying services	59,515	94,896

The number of directors for whom retirement benefits are accruing under defined benefit schemes amounted to 1 (2021 - 1).

Pension contributions paid during the year amounted to £10,177 (2021: £16,277).

The remuneration of the Director as stated above has been paid by the company. However, a reimbursement of £31,504 (2021 - £48,446) has been made by LCC as part of the Management Agreement.

6 Operating loss

	2022 £	2021 £
Operating loss for the year is stated after charging:		
Depreciation of owned tangible fixed assets	20,007	13,422
Operating lease charges	46,500	46,500

SCHOOL IMPROVEMENT LIVERPOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

7 Auditor's remuneration

	2022	2021
	£	£
Fees payable to the company's auditor and its associates:		
For audit services		
Audit of the financial statements of the company	30,525	27,750
	<u> </u>	<u> </u>
For other services		
All other non-audit services	1,700	1,545
	<u> </u>	<u> </u>

8 Interest payable and similar expenses

	2022	2021
	£	£
Other finance costs:		
Net interest on the net defined benefit liability	280,000	175,000
	<u> </u>	<u> </u>

9 Taxation

	2022	2021
	£	£
Current tax		
UK corporation tax on losses for the current period	174,541	-
Adjustments in respect of prior periods	37,780	(970)
	<u> </u>	<u> </u>
Total current tax	212,321	(970)
	<u> </u>	<u> </u>
Deferred tax		
Origination and reversal of timing differences	466,320	3,425
Changes in tax rates	(471,603)	-
	<u> </u>	<u> </u>
Total deferred tax	(5,283)	3,425
	<u> </u>	<u> </u>
Total tax charge	207,038	2,455
	<u> </u>	<u> </u>

SCHOOL IMPROVEMENT LIVERPOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

9 Taxation (Continued)

The total tax charge for the year included in the Statement of Comprehensive Income can be reconciled to the loss before tax multiplied by the standard rate of tax as follows:

	2022 £	2021 £
Loss before taxation	(378,019)	(903,932)
Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	(71,824)	(171,747)
Tax effect of expenses that are not deductible in determining taxable profit	-	171,829
Tax effect of income not taxable in determining taxable profit	-	(39)
Adjustments in respect of prior years	37,780	(970)
Amounts relating to other comprehensive income	695,970	-
Remeasurement of deferred tax for changes in tax rates	(699,762)	-
Fixed asset differences	(1,126)	1,546
Losses carried back	-	1,836
Movements in Deferred Tax not recognised	246,000	-
Taxation charge for the year	207,038	2,455

Factors that may affect future tax charges

There is a further deferred tax asset amounting to £1,385,620 (2021 - £1,139,620) in respect of the defined benefit pension scheme that the directors have not recognised due to insufficient probability the assets will be recovered. The directors believe at this time it would not be appropriate to recognise this increase due to uncertainty over whether this asset can be utilised in the future.

10 Intangible fixed assets

	Software £
Cost	
At 1 April 2021 and 31 March 2022	14,035
Amortisation and impairment	
At 1 April 2021 and 31 March 2022	14,035
Carrying amount	
At 31 March 2022	-
At 31 March 2021	-

SCHOOL IMPROVEMENT LIVERPOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

11 Tangible fixed assets

	Computer equipment £
Cost	
At 1 April 2021	122,696
Additions	19,756
At 31 March 2022	142,452
Depreciation and impairment	
At 1 April 2021	109,315
Depreciation charged in the year	20,007
At 31 March 2022	129,322
Carrying amount	
At 31 March 2022	13,130
At 31 March 2021	13,381

12 Debtors

	2022 £	2021 £
Amounts falling due within one year:		
Trade debtors	719,029	423,251
Corporation tax recoverable	-	970
Amounts owed by group undertakings	797,772	1,612,252
Other debtors	-	11,087
Prepayments and accrued income	75,412	117,576
	1,592,213	2,165,136
Amounts falling due after more than one year:		
Deferred tax asset (note 14)	1,498,693	1,493,410
Total debtors	3,090,906	3,658,546

An impairment loss of £24,465 (2021: £1,681) was recognised against trade debtors.

SCHOOL IMPROVEMENT LIVERPOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

13 Creditors: amounts falling due within one year

	2022 £	2021 £
Trade creditors	586,439	557,508
Amounts owed to group undertakings	2,854,905	1,654,891
Corporation tax	174,541	-
Other taxation and social security	644,196	505,511
Other creditors	132,934	98,480
Accruals and deferred income	162,083	289,456
	<u>4,555,098</u>	<u>3,105,846</u>

14 Deferred taxation

The major deferred tax liabilities and assets recognised by the company are:

	Assets 2022 £	Assets 2021 £
Balances:		
Accelerated capital allowances	(2,271)	(1,605)
Retirement benefit obligations	1,500,964	1,477,630
Short term timing differences	-	17,385
	<u>1,498,693</u>	<u>1,493,410</u>

	2022 £
Movements in the year:	
Asset at 1 April 2021	(1,493,410)
Charge to profit or loss	466,320
Effect of change in tax rate - profit or loss	(471,603)
Asset at 31 March 2022	<u>(1,498,693)</u>

15 Retirement benefit schemes

	2022 £	2021 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>185,480</u>	<u>212,432</u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

SCHOOL IMPROVEMENT LIVERPOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

15 Retirement benefit schemes (Continued)

Defined benefit schemes

The Company's employees belong to two principal post employment benefit plans: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Merseyside Local Government Pension Scheme (LGPS) for non teaching staff. Both are multi-employer defined benefit plans.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest formal actuarial valuation of the TPS was 31 March 2012 and of the LGPS 31 March 2019.

Contributions amounting to £19,607 (2021: £21,384) were payable to the TPS at 31 March and are included within creditors.

Total amount paid into the TPS and charged to the Statement of Comprehensive Income for the year was £160,480 (2021: £179,432).

Teachers' Pension Scheme

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

SCHOOL IMPROVEMENT LIVERPOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

15 Retirement benefit schemes (Continued)

The Teachers' Pension Budgeting and Valuation Account

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

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

Valuation of the Teachers' Pension Scheme

The latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2020. As a result of this valuation TPS employers will pay an increased contribution rate of 23.68% from September 2019 (this includes the administration levy of 0.8%). The timing of the implementation is to align its introduction with employers' budget planning cycles. Prior to this, employers paid contributions of 16.48%.

A copy of the latest valuation report can be found on the Teachers' Pension Scheme website at the following location:

<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>

Scheme Changes

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

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

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

FRS 102 (28)

Under the definitions set out in FRS 102 (28.11), the TPS is a multi employer pension plan. The Company is unable to identify its share of the underlying assets and liabilities of the plan.

Accordingly, the Company has taken advantage of the exemption in FRS 102 and has accounted for its contributions to the scheme as if it were a defined contribution plan. The Company has set out above the information available on the plan and the implications for the Company in terms of the anticipated contribution rates.

SCHOOL IMPROVEMENT LIVERPOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

15 Retirement benefit schemes (Continued)

Local government pension scheme

The Company operates a Defined benefit pension scheme.

The pension cost and provision for the year ended 31 March 2022 are based on the advice of a professionally qualified actuary. The most recent full actuarial valuation is dated 31 March 2019. The results of this valuation were based upon a set of assumptions and assumed that the experience of the fund will be in line with these assumptions.

The contribution made for the year ended 31 March 2022 was £862,000 (2021: £906,000). The agreed contribution rate for future years is 17.1% and projected contributions for the year ended 31 March 2023 amounts to £680,000.

	2022	2021
	%	%
<i>Key assumptions</i>		
Discount rate	2.8	2.1
Expected rate of increase of pensions in payment	3.4	2.8
Expected rate of salary increases	4.8	4.2
Inflation assumption (CPI)	3.3	2.7

	2022	2021
	Years	Years
<i>Mortality assumptions</i>		
Assumed life expectations on retirement at age 65:		
Retiring today		
- Males	20.9	21
- Females	24.0	24.1
Retiring in 20 years		
- Males	22.4	22.6
- Females	25.9	26

	2022	2021
	£	£
<i>Amounts recognised in the income statement</i>		
Current service cost	1,898,000	1,602,000
Net interest on net defined benefit liability	280,000	175,000
The effect of any curtailment or settlement	-	7,000
Other costs and income	25,000	26,000
Total costs	2,203,000	1,810,000

SCHOOL IMPROVEMENT LIVERPOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

15 Retirement benefit schemes (Continued)

	2022 £	2021 £
<i>Amounts taken to other comprehensive income</i>		
Actual return on scheme assets	(2,947,000)	(4,706,000)
Less: calculated interest element	666,000	631,000
Return on scheme assets excluding interest income	(2,281,000)	(4,075,000)
Actuarial changes related to obligations	(1,382,000)	9,169,000
Total costs/(income)	(3,663,000)	5,094,000

The amounts included in the statement of financial position arising from the company's obligations in respect of defined benefit plans are as follows:

	2022 £	2021 £
Present value of defined benefit obligations	46,390,000	45,175,000
Fair value of plan assets	(34,937,000)	(31,400,000)
Deficit in scheme	11,453,000	13,775,000

	2022 £
<i>Movements in the present value of defined benefit obligations</i>	
Liabilities at 1 April 2021	45,175,000
Current service cost	1,898,000
Benefits paid	(616,000)
Contributions from scheme members	369,000
Actuarial gains and losses	(1,382,000)
Interest cost	946,000
At 31 March 2022	46,390,000

The defined benefit obligations arise from plans which are wholly or partly funded.

SCHOOL IMPROVEMENT LIVERPOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

15 Retirement benefit schemes (Continued)

	2022 £
<i>Movements in the fair value of plan assets</i>	
Fair value of assets at 1 April 2021	31,400,000
Interest income	666,000
Return on plan assets (excluding amounts included in net interest)	2,281,000
Benefits paid	(616,000)
Contributions by the employer	862,000
Contributions by scheme members	369,000
Other	(25,000)
At 31 March 2022	<u>34,937,000</u>

The actual return on plan assets was £2,947,000 (2021: £4,706,000).

	2022 £	2021 £
<i>The analysis of the scheme assets at the reporting date were as follows:</i>		
Equity instruments	17,363,000	16,045,000
Property	3,354,000	2,826,000
Bonds	4,472,000	4,019,000
Cash	734,000	691,000
Other	9,014,000	7,819,000
	<u>34,937,000</u>	<u>31,400,000</u>

16 Share capital

	2022 Number	2021 Number	2022 £	2021 £
Ordinary share capital				
Issued and fully paid				
Ordinary share of £1 each	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

Ordinary share rights

The Company's ordinary shares, which carry no right to fixed income, each carry the right to one vote at general meetings of the Company.

17 Reserves

Profit and loss reserves

Includes all current and prior periods retained profits and losses.

SCHOOL IMPROVEMENT LIVERPOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

18 Cash generated from operations

	2022 £	2021 £
Loss for the year after tax	(585,057)	(906,387)
Adjustments for:		
Taxation charged	207,038	2,455
Finance costs	280,000	175,000
Depreciation and impairment of tangible fixed assets	20,007	13,422
Pension scheme non-cash movement	1,061,000	729,000
Movements in working capital:		
Decrease in debtors	571,953	256,007
Increase in creditors	1,274,711	238,913
Cash generated from operations	2,829,652	508,410

19 Analysis of changes in net funds

	1 April 2021 £	Cash flows £	31 March 2022 £
Cash at bank and in hand	2,261,926	2,773,086	5,035,012

20 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2022 £	2021 £
Within one year	46,500	46,500
Between one and five years	73,625	139,500
	120,125	186,000

SCHOOL IMPROVEMENT LIVERPOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

21 Related party transactions

As a wholly owned subsidiary of Liverpool City Council, advantage has been taken of the exemption in FRS 102 (section 33) "Related Party Disclosure" in respect of disclosures of transactions and balances with other wholly owned group undertakings.

The individuals that are considered by the company to be key management personnel have received remuneration totalling £267,401 (2021: £511,911).

22 Ultimate controlling party

The immediate and ultimate parent undertaking and controlling party is Liverpool City Council, whose registered office is Cunard Buildings, Pier Head, Water Street, Liverpool L3 1DS.

Liverpool City Council prepares consolidated financial statements which include School Improvement Liverpool Limited. The consolidated financial statements of Liverpool City Council can be obtained from its website.

Certificate Of Completion

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Envelope Originator:

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Initials: 0

Grant Thornton DocuSign Team

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grant.thornton.docusign.team@uk.gt.com

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21/12/2022 | 06:29

grant.thornton.docusign.team@uk.gt.com

Signer Events**Signature****Timestamp**

Chris Lomas

chris.lomas@liverpool.gov.uk

Assistant Director Environment

Security Level: Email, Account Authentication
(None)*Chris Lomas*Signature Adoption: Pre-selected Style
Using IP Address: 10.8.27.52

Sent: 21/12/2022 | 06:29

Viewed: 23/12/2022 | 01:14

Signed: 23/12/2022 | 01:15

Electronic Record and Signature Disclosure:

Not Offered via DocuSign

Grant Thornton UK LLP

michael.p.lowe@uk.gt.com

Director

Grant Thornton UK LLP

Security Level: Email, Account Authentication
(None)*Grant Thornton UK LLP*Signature Adoption: Uploaded Signature Image
Using IP Address: 90.212.93.142

Sent: 23/12/2022 | 01:15

Viewed: 23/12/2022 | 02:20

Signed: 23/12/2022 | 02:21

Electronic Record and Signature Disclosure:

Not Offered via DocuSign

Michael Lowe

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Director

Grant Thornton UK LLP

Security Level: Email, Account Authentication
(None)*Michael Lowe*Signature Adoption: Uploaded Signature Image
Using IP Address: 90.212.93.142

Sent: 23/12/2022 | 01:15

Viewed: 23/12/2022 | 02:22

Signed: 23/12/2022 | 02:22

Electronic Record and Signature Disclosure:

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In Person Signer Events**Signature****Timestamp****Editor Delivery Events****Status****Timestamp****Agent Delivery Events****Status****Timestamp****Intermediary Delivery Events****Status****Timestamp****Certified Delivery Events****Status****Timestamp**

Certified Delivery Events

Denise Weymouth

Denise.Weymouth@si.liverpool.gov.uk

Acting Finance Manager

Security Level: Email, Account Authentication
(None)

Electronic Record and Signature Disclosure:
Not Offered via DocuSign

Status

AD Roberts (ANGELA DOWNEY)
signed on behalf
of Denise
weymouth

Timestamp

Sent: 23/12/2022 | 02:22

Carbon Copy Events

Esther Bevan

esther.m.bevan@uk.gt.com

Grant Thornton UK LLP

Security Level: Email, Account Authentication
(None)

Electronic Record and Signature Disclosure:
Not Offered via DocuSign

Status

COPIED

Timestamp

Sent: 21/12/2022 | 06:29

Viewed: 21/12/2022 | 06:29

Signed: 21/12/2022 | 06:29

Michael Lowe

Michael.p.lowe@uk.gt.com

Security Level: Email, Account Authentication
(None)

Electronic Record and Signature Disclosure:
Not Offered via DocuSign

Witness Events

Signature

Timestamp

Notary Events

Signature

Timestamp

Envelope Summary Events

Status

Envelope Sent

Signing Complete

Hashed/Encrypted

Security Checked

Timestamps

21/12/2022 | 06:29

23/12/2022 | 02:22

Payment Events

Status

Timestamps