

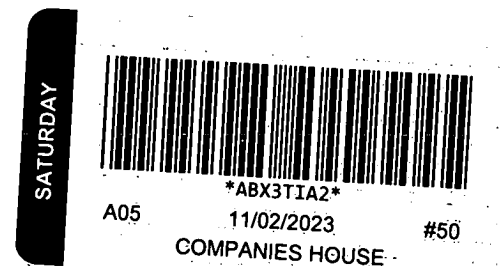
Company registration number 09235635 (England and Wales)

LIVERPOOL DIOCESAN SCHOOLS TRUST

(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2022



LIVERPOOL DIOCESAN SCHOOLS TRUST

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LIVERPOOL DIOCESAN SCHOOLS TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Members

Mr M Eastwood
Mr M Elliott
Rt. Rev. B Mason
Rev. Dr C Pailing
Dr D Dennison

Directors

Canon Dr J Richardson
Mrs M Swinson (Vice Chair of Directors, Appointed Chair of Directors 18/10/2022)
Mr J Nichols (Resigned 18 October 2022)
Mrs R Coulthard
Reverend H Wood
Mrs C Roberts
Mr N J Lockwood (Appointed Vice Chair of Directors 18/10/2022)
Ms L Kwissa (Chief Executive Officer)
Mr C Barratt
Mrs L Ryder
Mr S Harrison (Chair of Directors) (Resigned 27 September 2022)

Senior management team

- Chief Executive Officer
- Trust Corporate Services Director
- Trust Education Director

Ms L Kwissa
Mr S Boothroyd
Mrs S Aspinwall

Company secretary

Mr S Boothroyd

Company registration number

09235635 (England and Wales)

Registered office

St James' House
St James Road
Liverpool
L1 7BY

LIVERPOOL DIOCESAN SCHOOLS TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Academies operated

St Michael's CE High School
Cronton CE Primary School
Halewood CE Primary School
St Thomas CE Primary School
The Beacon CE Primary School
Huyton with Roby CE Primary School
Holy Trinity CE Primary School
Parish CE Primary School
St James CE Primary School
St Andrew's CE Primary School
Bishop Martin CE Primary School
St Helen's CE Primary School
St James' CE Primary School
St Paul's CE Primary School
Highfield St Matthews CE Primary School
Glazebury CE Primary School
Rainford CE Primary School

Location

Liverpool
Widnes
Liverpool
Liverpool
Liverpool
Southport
St Helens
Wigan
Maghull
Liverpool
Warrington
St Helens
Wigan
Wigan
Warrington
St Helens

Headteacher

Mr J Morrin (Acting)
Mrs S Thomson
Mrs O Coleman (Acting)
Mr M Ward
Mrs S Aspinwall
Mrs J Stratford
Mrs L Thompson
Mrs J Young
Mr G Lovgreen
Mr S Jones
Mrs S Aspinwall
Mrs K Erskine (Acting)
Mrs J Young
Mrs A Jackson
Mrs A Barron
Mrs K Mowbray
Mrs A Richardson

Independent auditor

MHA Moore and Smalley
Richard House
9 Winckley Square
Preston
PR1 3HP

Bankers

Lloyds Bank
Liverpool Law Courts
PO Box 1000
BX1 1LT

Solicitors

Lee Bolton Monier-Williams
1 The Sanctuary
Westminster
London
SW1P 3JT

LIVERPOOL DIOCESAN SCHOOLS TRUST

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2022

The Directors present their annual report together with the accounts and auditor's report of the Trust for the year 1 September 2021 to 31 August 2022. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The Liverpool Diocesan Schools Trust ("The Trust") operated 17 academies during the year ended 31 August 2022. The academies served catchment areas in Liverpool, Sefton, Knowsley, St Helens, Warrington and Wigan. One academy (St Michael's Church of England High School) is a secondary academy for pupils aged 11 to 18. The remaining 16 academies are primary academies for pupils aged 4 to 10. Several academies also operate nursery provision for pupils aged 2 to 4.

Structure, governance and management

Constitution

The charitable company is known as The Liverpool Diocesan Schools Trust.

The Directors of Liverpool Diocesan Schools Trust 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.

Directors' indemnities

The Trust has purchased indemnity insurance to protect directors and officers from claims arising in connection with Trust business. The insurance provides cover of up to £10,000,000 on any one claim.

Method of recruitment and appointment or election of Directors

The Trust shall have the following Directors as set out in its Articles of Association:

- The Members shall appoint a minimum of five directors but are not subject to any maximum.
- The Chief Executive Officer shall be a Director for as long as they remain in office.
- The Trust may also appoint up to two co-opted Directors.
- Where directors have not appointed Local Governing Bodies, at least two parent directors appointed by parents of registered pupils of the Trust.

The Directors are appointed for a four year period, except this time limit does not apply to the Chief Executive Officer. Subject to remaining eligible to be a particular type of Director, any Director can be re-appointed or re-elected.

Policies and procedures adopted for the induction and training of Directors

When appointing new Directors, the Members will give consideration to the skills and experience mix of existing Directors in order to ensure that the Board has the necessary skills to contribute fully to the Trust's development.

There is a comprehensive induction programme managed by the Chair and Chief Executive Officer that is tailored to the individual and includes briefings by senior staff, tour of schools within the Trust to meet staff, students; and review of necessary paperwork to ensure fulfilment of the role.

LIVERPOOL DIOCESAN SCHOOLS TRUST

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Organisational structure

The Directors meet at least three and up to six times per year. They establish an overall framework for the governance of the Trust and determine membership, terms of reference and procedures of Committees and other groups. They receive reports including proposals from its Committees for ratification and monitor the activities of the Committees through the minutes of their meetings.

The Liverpool Diocesan Schools Trust has developed a scalable governance structure such that a single Board of Directors (the Board) will ultimately be responsible for the whole Trust. The Board will include at least five non-executive directors, and the Chief Executive Officer, and will be accountable to the Department for Education.

The following decisions are reserved to the Directors:

- to consider any proposals for changes to the status or constitution of the Trust and its structure;
- to appoint or remove the Chair and/or Vice Chair; and
- to appoint Headteachers within the Academies of the Trust.

The Directors are responsible for setting general policy, adopting a development plan and budget, approving the statutory accounts, monitoring the Trust's finances by the use of budgets and other data and making major decisions about the direction of the academies within the Trust, capital expenditure and senior staff appointments.

The Directors have devolved responsibility for day to day governance of the Academies within the Trust to the Local Governing Bodies of each Academy.

Arrangements for setting pay and remuneration of key management personnel

The key management personnel having authority and responsibility for planning, directing and controlling the activities of the Trust, directly or indirectly, are the Directors and the Senior Management Team.

Directors receive no remuneration. The remuneration of the senior management team is set annually by the Directors based on performance.

The key management personnel having authority and responsibility for planning, directing and controlling the activities of each individual school within the Trust is the Headteacher of the school. The remuneration of each Headteacher is set during the annual performance appraisal and salary review undertaken by the appraisal review committee. The appraisal review committee includes the Chair of the Local Governing Body and at least one other Local Governing Body member, in conjunction with the Chief Executive Officer's designated officer.

LIVERPOOL DIOCESAN SCHOOLS TRUST

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the relevant period

-

Full-time equivalent employee number

-

Percentage of time spent on facility time

Percentage of time

Number of employees

0%

-

1%-50%

-

51%-99%

-

100%

-

Percentage of pay bill spent on facility time

Total cost of facility time

-

Total pay bill

-

Percentage of the total pay bill spent on facility time

-

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours

-

Engagement with employees

The Trust has a publicly available Equality, Diversity and Inclusion Policy published on its website and aims to ensure that no job applicant suffers discrimination because of any of the protected characteristics (age, disability, gender reassignment, marital or civil partner status, pregnancy or maternity, race, colour, nationality, ethnic or national origin, religion or belief, sex or sexual orientation). Our recruitment procedures are reviewed regularly to ensure that individuals are treated on the basis of their relevant merits and abilities. Job selection criteria are regularly reviewed to ensure that they are relevant to the job and are not disproportionate. Short listing of applicants is done by more than one person wherever possible.

The Trust engages regularly with employee unions representing both teaching and support staff through an established Joint Consultative and Negotiation Committee (JCNC).

The Trust has developed a number of forums for consultation with different elements of the employee base and wider stakeholders, including a Chair of Governors' Forum, Headteachers' Forum, and School Business Managers' Forum. At each school level, regular staff briefings and engagement provide the opportunities for employees to be consulted and to contribute to matters affecting them and their school.

Related parties and other connected charities and organisations

The Trust is connected with Liverpool Diocesan Board of Finance (LDBF). Member Mr M Eastwood is a Director of LDBF. The Trust share office space in St James House with LDBF. The Trust pays LDBF for a Diocesan Partnership service level agreement which provides for various religious education training, NQT support and attendance at the annual Church of England conference.

The Trust is also connected with Liverpool Hope University as Director Mrs M Swinson is a Trustee. During the year the Trust has paid for a training course from Liverpool Hope University.

The related party transactions with Liverpool Diocesan Board of Finance and Liverpool Hope University have been declared to the ESFA during the year in advance. Specific declaration of the Diocesan Partnership Service Level Agreement has been made and all other transactions were individually trivial and did not exceed £5,000 in total. Procedures are in place to monitor all transactions with related parties and ensure they are declared to the ESFA in advance.

LIVERPOOL DIOCESAN SCHOOLS TRUST

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Objectives and activities

Objects and aims

Objects

The objects of the Trust, as set out in its governing document, are to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing Academies which shall offer a broad and balanced curriculum and which shall include:

- Church of England schools designated as such which shall be conducted in accordance with the principles, practices and tenets of the Church of England both generally and in particular in relation to arranging for religious education and daily acts of worship, and having regard to any advice issued by the Diocesan Board of Education; and
- other Academies whether with or without a designated religious character; but in relation to each of the Academies to recognise and support their individual ethos, whether or not designated Church of England.

Vision and values

As a Diocesan Trust, our Christian values are intrinsically linked to our commitment to provide an innovative, high quality education, so that children and learners make excellent progress and fulfil their academic potential, by ensuring that:

- We live out our Christian values to develop future citizens who can contribute positively to a caring, compassionate nation
- We share a Trust-wide commitment to providing an education that enables children and learners to flourish and achieve - academically, spiritually, morally, socially, culturally, physically.
- We celebrate diversity, address inequality, overcome disadvantage and raise aspirations so that learners can achieve their highest academic potential.
- Access to an inspirational curriculum and excellent teaching enables our children to acquire a deep body of knowledge and zest for life-long learning
- Our schools can thrive under outstanding local leadership, accountable to the executive team and Board of Directors.
- We identify talents and provide opportunities for staff to develop, pursue career developments contribute significantly to wider improvements
- We maintain talents and provide opportunities for staff to develop, pursue career developments and contribute significantly to wider improvements
- We maintain a strong emphasis on safeguarding and the mental health and well-being of all our pupils and staff
- Our schools are self-sustaining, inclusive learning communities of professionals who connect and collaborate to share best practice and innovative approaches rooted in informed evidence

LIVERPOOL DIOCESAN SCHOOLS TRUST

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Our strategic aims:

In order to achieve our vision, we have identified 9 strategic aims:

Christian Distinctiveness:

- Ensure that Jesus is at the heart of each of our schools, and that each school has an excellent Christian character in accordance with the Church of England vision for education

Excellent Education:

- Pursue academic excellence for all and to continually strive to improve progress and raise attainment.
- Tackle disadvantage and raise aspirations in order that our young people achieve their maximum potential.
- Ensure that all schools in LDST provide an excellent education that enables children to grow academically, socially, spiritually
- To embed a curriculum that will enable our children to develop and build on a deep body of knowledge so that they can grow in understanding, ensuring they know more and remember more.

Robust, strategic leadership:

- To secure outstanding leadership and management in all our schools.
- To ensure that effective safeguarding always keeps all of our young people safe, and respects the value of individuals
- To promote the mental health and wellbeing of staff and pupils
- To ensure a financially sustainable Trust

To achieve these aims, our schools connect and collaborate to share best practice and innovative approaches rooted in informed evidence.

Objectives, strategies and activities

To achieve these aims, the Trust has established a rigorous school improvement strategy that supports and challenges schools to ensure that children achieve as well as they can. This support is provided by the Chief Executive Officer, Trust Education Director and Headteachers who undertake the role of Challenge Partners across our schools.

The Core Aims of our School Improvement strategy steer our work and ensure that through a collaborative model we are providing a systematic approach to school improvement to ensure that our pupils attain the highest standards possible, by:

- Ensuring that the distinctly Christian ethos underpins all the work of the Trust and every aspect of school life;
- Overcoming disadvantage, raising attainment and improving progression for all pupils;
- Encouraging excellent teaching and learning, enhanced by the school's distinctively Christian ethos;
- Celebrating, nurturing and developing inspirational leadership and management;
- Ensuring safeguarding is effective and integral to all aspects of school;
- Providing a graduated level of support, challenge and intervention to schools based on accurate categorisation of strengths, needs and priorities; and
- Ensuring that every school in the Diocese is supported to reach outstanding.

LIVERPOOL DIOCESAN SCHOOLS TRUST

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

The 17 schools in our Trust last year all accessed the full school improvement package of support, regardless of when they joined the Trust. This support included:

- Support and guidance for LGBs for Headteacher appraisal;
- A termly meeting in schools to provide appropriate support and challenge to strengthen school systems further and improve outcomes for pupils, to identify strengths and priorities for development, to share best practice and broker support;
- Support for school self-evaluation;
- Support for data analysis and school improvement planning;
- Safeguarding training and policy;
- Cross-school moderation activities;
- Access to high quality CPD
- Involvement in a cross-school network to raise standards in reading; and
- Involvement in the Headteacher forum to shape and review the school improvement strategy.

Those schools categorised as requiring additional support, received additional Education Officer visits and a school review which identified next steps and a package of support to address the priorities.

Public benefit

The Trust aims to advance, for the public benefit, education in the United Kingdom. In setting the objectives of the Schools within the Trust and planning associated activities, the Directors have given careful consideration to the Charity Commission's general guidance on Public Benefit.

Strategic report

Achievements and performance

OFSTED

School OFSTED Rating

- St Michael's Church of England High School - Good (October 2017)
- Cronton Church of England Primary School - Outstanding (March 2013)
- Halewood Church of England Primary School - Outstanding (November 2008)
- St Thomas' Church of England Primary School - Outstanding (July 2013)
- The Beacon Church of England Primary School - Outstanding (February 2014)
- Holy Trinity Church of England Primary School - Good (May 2022)
- Huyton with Roby Church of England Primary School - Good (April 2022)
- Parish Church of England Primary School - Outstanding (January 2022)
- St James' Church of England Primary School (Wigan) - Good (March 2016)
- St Andrew's Church of England Primary School - Good (September 2017)
- Bishop Martin Church of England Primary School - Requires Improvement (September 2016)
- St Helen's Church of England Primary School - Good (March 2017)
- St James' Church of England Primary School (Haydock) - Good (March 2017)
- St Paul's Church of England Primary School - Outstanding (September 2011)
- Highfield St Matthew's Church of England Primary School - Requires Improvement (June 2017)
- Glazebury Church of England Primary School – Good (June 2015)
- Rainford Church of England Primary School – Good (May 2012)

LIVERPOOL DIOCESAN SCHOOLS TRUST

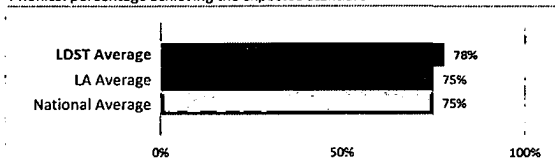
DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

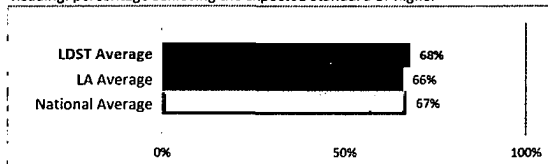
Key performance indicators

Key Stage 1 (All Primary Schools)

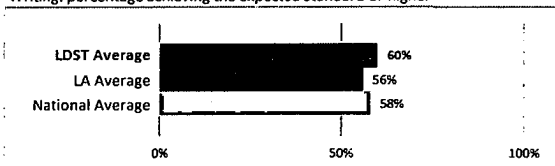
Phonics: percentage achieving the expected standard



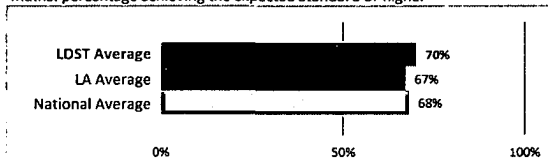
Reading: percentage achieving the expected standard or higher



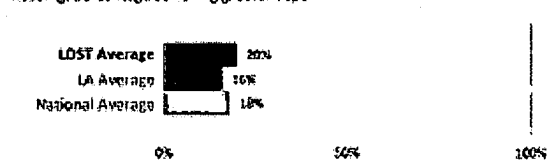
Writing: percentage achieving the expected standard or higher



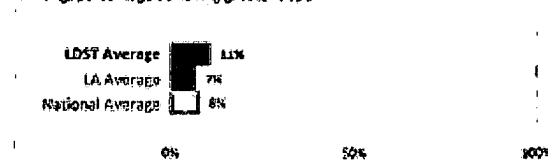
Maths: percentage achieving the expected standard or higher



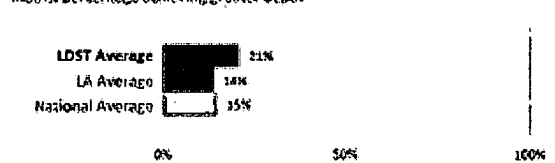
Reading: percentage achieving greater depth



Writing: percentage achieving greater depth

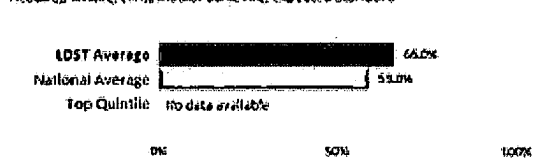


Maths: percentage achieving greater depth

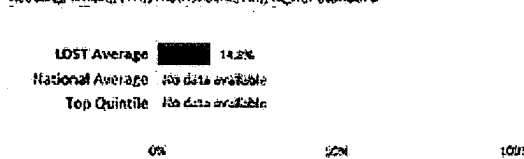


Key Stage 2 (All Primary Schools)

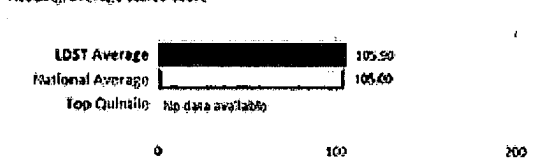
Reading, writing (TA), maths: achieving expected standard



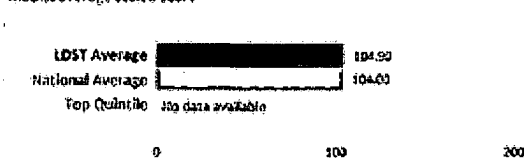
Reading, writing (TA), maths: achieving higher standard



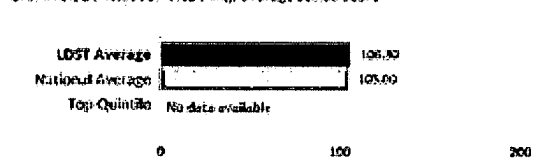
Reading: average scaled score



Maths: average scaled score



Grammar, punctuation & spelling: average scaled score



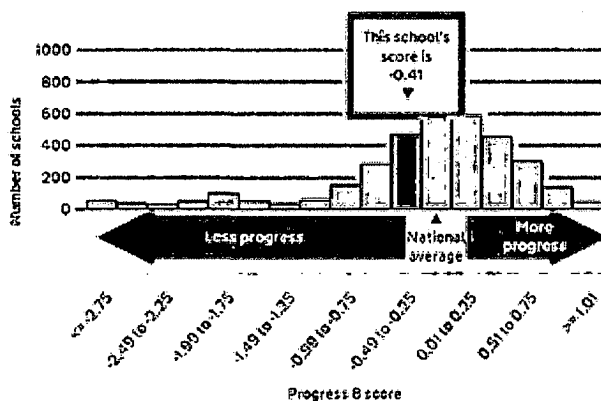
LIVERPOOL DIOCESAN SCHOOLS TRUST

DIRECTORS' REPORT (CONTINUED)

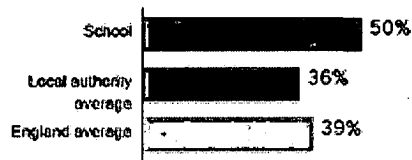
FOR THE YEAR ENDED 31 AUGUST 2022

Key Stages 3 and 4 (St Michael's Church of England High School)

Progress 8 score



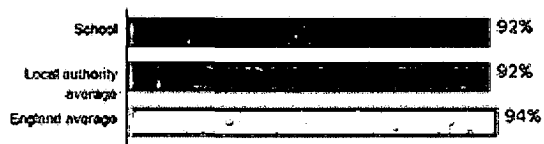
Entering EBacc



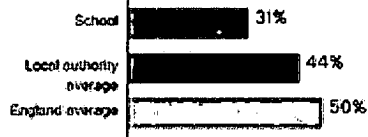
The local authority (Sefton) average score for state-funded schools is -0.34

The average score for all state-funded schools in England is -0.03

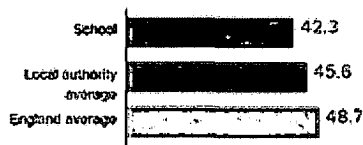
Staying in education or entering employment



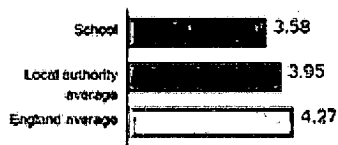
Grade 5 or above in English & maths GCSEs



Attainment 8 score



EBacc average point score



LIVERPOOL DIOCESAN SCHOOLS TRUST

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Key Stage 5 (St Michael's Church of England High School)

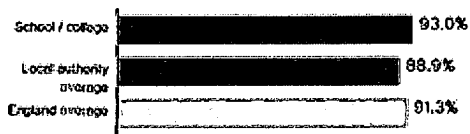
A-Levels

Progress score

Average	-0
---------	----

% of students completing their main study programme

Number of students enrolled to study mainly A levels: 43



Average result

School / college	Average result	Points
	C+	26.63
Sefton state-funded schools / colleges	C	30.11
England all schools schools / colleges	C+	34.01

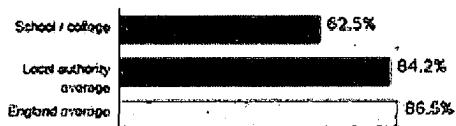
Applied General

Progress score

Average	0.14
---------	------

% of students completing their main study programme

Number of students enrolled to study mainly applied general qualifications: 8



Average result

School / college	Average result	Points
	Merit+	26.79
Sefton state-funded schools / colleges	Merit+	28.50
England all schools schools / colleges	Merit+	28.91

LIVERPOOL DIOCESAN SCHOOLS TRUST

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

COVID-19

LDST schools have remained open throughout the pandemic. During periods of lockdown, all schools have remained open to vulnerable children. Despite some positive cases and closures of bubbles, attendance has remained positive throughout the year.

To mitigate the impact of the pandemic, all schools have focussed on:

- Supporting schools in securing good mental health and wellbeing for staff and pupils
- Supporting schools in mitigating the impact of school closure upon disadvantaged pupils
- Supporting schools in considering and overcoming the implications of school closure upon curriculum and assessment

Trust-wide action plans were developed to address the above and to inform curriculum, teaching and learning:

- All schools planned for additional PSHE lessons within a recovery curriculum
- All schools focused on basic skills and addressing gaps following teacher assessment
- Ongoing Trust wide assessment to enable further target setting

Ongoing financial challenges are being experienced by schools particularly as a result of: higher rates of sickness absence resulting in increased supply costs; and lower take up of clubs including wrap-around provision resulting in lower levels of ancillary income. Whilst some additional COVID-19 support funds have been received the majority of the additional costs have been absorbed by schools' reserves.

Going concern

After making appropriate enquiries, the Board of Directors has a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason the Board of Directors continues to adopt the going concern basis in preparing the accounts. Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies.

Financial review

This set of financial statements are for the accounting year 1 September 2021 to 31 August 2022.

Most of the schools' income is received from the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the year and the associated expenditure are shown as restricted funds in the statement of financial activities. Total income for the period was £29,090,562 (2021: £27,135,502), of which £Nil related to the net deficit inherited on conversion (2021: £43,241 net deficit).

During the period to 31 August 2022, the total expenditure was £30,965,077 (2021: £28,602,189), all of which related to the direct provision of educational operations.

On conversion in 2014, St Michaels inherited a deficit of £1,740,000 in respect of the Local Government Pension Scheme and an additional deficit of £5,628,000 was inherited from the ten schools that converted in the 2017/18 year. A further deficit of £776,000 was inherited from the five schools that converted in the 2018/19 year. For the single school which converted in the 2020/21 year, a deficit of £315,000 was inherited. The total value of the deficit has decreased to £7,010,000 as at 31 August 2022. The Trust is currently paying contributions of approximately £302,550 towards the deficit from the GAG. The level of these deficit payments will be reviewed following the next actuarial review in 2023 and any changes in the level of repayment will be included in each school's annual budget from that date forward.

Parliament has agreed, at the request of the Secretary of State for Education, to guarantee that, in the event of academy closure, outstanding local government pension liabilities would be met from the Department of Education.

LIVERPOOL DIOCESAN SCHOOLS TRUST

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Reserves policy

The Trust and its schools are required to maintain adequate reserves to meet their future plans, mitigate against the risk of uncertainty and effectively manage overall funds. However, this should not be at the significant detriment of existing pupils for whom the funding has been provided.

The overall target reserve level is set at 8.3% of overall income, reflecting on average one month's total costs.

Where schools exceed their target reserve position, plans will be made to spend the relevant excess to bring the reserve level to the target position over a maximum period of 3 years.

The central Trust team will achieve an annual surplus to maintain an overall reserve position commensurate with the number of schools within the Trust, as approved annually by the Board of Directors.

The policy is subject to the following overall principles:

- Schools will set annual budgets with an overall position between 0% and 5% surplus.
- Schools' reserves will only be decreased (i.e. a deficit budget set) due to capital investment, or specific one-off need. In either case, the budget will be subject to authorisation by the Board of Directors.
- Schools will be expected to reach the intended target reserve level within their medium term financial plan (i.e. within 3 to 5 years) subject to the above.

The Directors will review the level of reserves annually. It is their intention to balance future needs of the Trust with allocating appropriate funds to the education of the students on their roll.

At 31 August 2022, the Trust had a balance on its Unrestricted and Restricted General Funds available for educational and general purposes of £2,199,401. This represents 7.56% of overall income for the year, which is marginally below the target reserve level.

Investment policy

Due to the nature of funding, the Trust may at times hold cash balances surplus to the short term requirements. Directors are committed to ensuring that all funds under their control are managed in such a way as to maximise return whilst minimising risk.

Principal risks and uncertainties

Directors have considered the principal risks and uncertainties to which the Trust may be exposed. Policies and controls have been designed so that these risks and uncertainties can be quickly identified, allowing the Trust to respond swiftly in order to eliminate them.

The Directors have implemented several systems to assess the risks that the Trust faces especially in the operational areas, for instance, teaching, health & safety and in the control of finance. They maintain such systems including vetting of new staff and visitors, and the appointment of MHA Moore & Smalley for independent checks of financial reporting. The Trust has adequate insurance cover obtained through the ESFA RPA scheme.

The Trust's system of internal financial control is based on a framework of regular management information and administrative procedures including segregation of duties and a system of delegation and accountability. The Directors have approved and work to a detailed set of Financial Regulations and a supporting Scheme of Delegation and comply with the requirements as set out in the Academies Financial Handbook.

The Trust's system of internal financial control has been reviewed by TIAA Ltd as part of an annual programme of internal audit work which is approved by the Trust's Audit, Finance and Risk Committee. Internal financial controls have also been examined as part of the external audit carried out by MHA Moore and Smalley. Recommendations arising from the audit have been accepted and will be implemented within agreed timescales.

LIVERPOOL DIOCESAN SCHOOLS TRUST

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

The Trust has also been monitored through the completion and submission of ESFA and other returns:

- The accounts return 2020/21
- The Schools Resource Management Self-Assessment Toolkit
- Teachers' Pensions Audit
- Budget Forecast Return and Budget Forecast Return Outturn
- Regular communication with the Regional Schools Commissioner

The following risks form the Trust's strategic level risk register and are reviewed throughout the year by the Trust's Audit, Finance and Risk Committee:

- Failure to meet statutory H&S obligations
- Failure to improve academic outcomes
- Failure to monitor or control finances
- Financial Non-viability
- Data Breach
- Failure to adequately safeguard
- Ofsted failure
- Lack of Growth
- Equal pay breach
- Fraud / Illegality / Impropriety
- Failure to recruit and retain key staff
- Failure of due diligence
- Failure of Physical Infrastructure (Buildings) / Disaster Scenario
- Cyber Security / IT security failure
- Non-compliance by schools with Trust policy

Additionally, the Trust continued to monitor a Covid-19 specific risk register which includes the following risks:

- Failure to Safeguard Vulnerable Pupils
- Failure of Communication Systems
- Failure to meet government requirements for repurposing of schools
- Failure to maintain liquidity / banking arrangements
- Failure to pay staff wages
- Data Breach
- Failure to procure necessary essential materials/products
- Failure to maintain security of closed premises
- Failure to prevent the widening disadvantage gap
- Failure to support the H&S include mental health and wellbeing of all staff

Fundraising

The Trust does not work with professional fundraisers or commercial participators to undertake fundraising activities.

Plans for future periods

The Trust will serve schools generally within the Diocesan boundaries which incorporate the local authority areas of Liverpool, Knowsley, Sefton, St Helens, and parts of Halton, Warrington, Wigan and Lancashire. There are more than 33,000 primary and secondary pupils in 119 schools across the Diocese of Liverpool.

As the Trust grows over the next five to seven years, it will transition to a hub model. Growth will be organised in tranches to ensure that enough good and outstanding schools join in each tranche to support those joining who require improvement, and to where possible maintain balance in numbers/scale across the hubs.

The Trust will ensure a Christian culture of collaboration. Our schools will have a strong Christian commitment to each other so that individual schools, and the family of schools grow and improve through working together in a strong school to school network.

LIVERPOOL DIOCESAN SCHOOLS TRUST

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

The Trust will continue to work closely with and seek guidance from the Regional Schools Commissioner whenever growth is planned so that the standard of education provided by the existing academies is maintained.

The Trust will embrace the benefits of self-determination to empower its strongest leaders and teachers to drive excellence within their own schools and within the system as a whole. It will encourage and promote the most effective established local collaboratives and networks, as well as develop new ones, so as to replicate what works across all its academies, and it will work closely with teaching schools and school-centred initial teacher training networks. Close collaborative links to further and higher education providers in the region will be preserved and developed.

The Trust will remain a prominent member of the Diocesan family of schools and as such will continue to work closely with each Church of England School-led MAT and all Church of England schools in the Diocese. All Diocesan and Liverpool School led MATs will have representation on the Diocesan Strategic Planning Group which is a sub-committee of the Board of Education and whose remit is to consider, amongst other things, Trust growth and standards. This alliance will allow flexibility and diversity of choice within the overall MAT structure.

The Trust will maintain strong links with neighbouring Dioceses and will continue to consider cross Diocesan border MAT proposals when the circumstances require.

In managing the Trust, the organisation will:

- promote an openness to build trust, be transparent, sharpen accountability and drive improvement
- strive to operate a simple efficient low cost organisation;
- operate an effective and strong governance framework;
- utilise its resources to achieve economies, efficiencies and effectiveness across the services offered to member schools; and
- work closely with Regional and Local Union representatives to ensure the equitable treatment of all members of staff transferring to or joining the Trust.

Funds held as custodian trustee on behalf of others

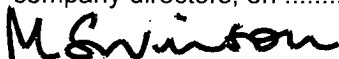
The Trust and its Directors do not act as the Custodian Trustees of any other Charity.

Auditor

In so far as the Directors are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Directors 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 Directors' report, incorporating a strategic report, was approved by order of the Board of Directors, as the company directors, on 15/12/2022..... and signed on its behalf by:



.....
Mrs M Swinson

Vice Chair of Directors, Appointed Chair of Directors 18/10/2022

LIVERPOOL DIOCESAN SCHOOLS TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2022

Scope of responsibility

As Directors we acknowledge we have overall responsibility for ensuring Liverpool Diocesan Schools 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 Board of Directors has delegated the day-to-day responsibility to the Chief Executive Officer, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and are in accordance with the requirements and responsibilities assigned to it in the funding agreement between Liverpool Diocesan Schools Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Directors any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Directors' Report and in the Statement of Directors' Responsibilities. The Board of Directors has formally met four times during the year. Attendance during the year at meetings of the Board of Directors was as follows:

Directors	Meetings attended	Out of possible
Canon Dr J Richardson	3	4
Mrs M Swinson (Vice Chair of Directors, Appointed Chair of Directors 18/10/2022)	4	4
Mr J Nichols (Resigned 18 October 2022)	1	4
Mrs R Coulthard	3	4
Reverend H Wood	3	4
Mrs C Roberts	4	4
Mr N J Lockwood (Appointed Vice Chair of Directors 18/10/2022)	4	4
Ms L Kwissa (Chief Executive Officer)	3	4
Mr C Barratt	4	4
Mrs L Ryder	3	4
Mr S Harrison (Chair of Directors) (Resigned 27 September 2022)	4	4

The Directors have been principally concerned with managing the growth and development of the Trust.

The Trust has previously undertaken a skills review for Directors. The opportunity to bring additional skills onto the Board of Directors has been reviewed throughout the year. A formal governance review is intended to take place in line with good practice over the forthcoming year.

LDST has maintained all existing Trust level and school level governance arrangements throughout Covid-19 pandemic disruption. Meetings have been held virtually using available video conferencing platforms.

The Audit, Finance and Risk Committee is a sub-committee of the main Board of Directors. Its purpose includes to consider the external auditors' findings resulting from their audit of the financial statements, and to recommend the financial statements to the Board of Directors for approval. The Audit, Finance and Risk Committee comprised five Directors: Mrs M Swinson (Chair), Mr J Nichols, Mr N J Lockwood, Ms L Kwissa and Mr C Barratt

LIVERPOOL DIOCESAN SCHOOLS TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Attendance at meetings in the year was as follows:

Directors	Meetings attended	Out of possible
Mrs M Swinson (Vice Chair of Directors, Appointed Chair of Directors 18/10/2022)	3	3
Mr J Nichols (Resigned 18 October 2022)	1	3
Mr N J Lockwood (Appointed Vice Chair of Directors 18/10/2022)	3	3
Mr C Barratt	3	3

The Standards committee is a sub-committee of the main Board of Directors. Its purpose is to advise the Board on matters relating to the Trust's curriculum, quality and standards.. The Standards committee comprised four Directors: Mrs R Coulthard (Chair), Mrs L Kwissa, Mr J Nichols, and Mr NJ Lockwood.

Attendance at meetings in the year was as follows:

Directors	Meetings attended	Out of possible
Mr J Nichols (Resigned 18 October 2022)	1	3
Mrs R Coulthard	3	3
Mr N J Lockwood (Appointed Vice Chair of Directors 18/10/2022)	3	3

Review of value for money

As accounting officer the Chief Executive Officer 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 Directors where value for money can be improved, including the use of benchmarking data where available. The accounting officer for the Trust has delivered improved value for money during the year by:

- Regular review of the functions of the Trust, challenging how and why services are provided and setting targets and performance indicators for improvement;
- Monitoring outcomes and comparing performance with similar schools and within the Trust;
- Consulting appropriate stakeholders before major decisions are made; and
- Promoting fair competition through quotations and tenders to ensure that goods and services are secured in the most economic, efficient and effective way.

The Directors of Liverpool Diocesan Schools Trust are committed to achieving value for money in all decisions made.

We use value for money principles as they apply to securing continuous improvement in all our schools.

We will strive to ensure that the Trust is using its resources effectively to meet the needs of pupils.

The progress of the annual budget plan will be monitored with school improvement plans in order to determine the extent of continuous improvement.

The Trust has in place a strategy and a set of guidelines, updated annually, which will ensure that value for money will be reviewed and demonstrated.

LIVERPOOL DIOCESAN SCHOOLS TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

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 Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in the Trust for the period 1 September 2021 to 31 August 2022 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Board of Directors has reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Directors is of the view that there is a formal ongoing process for identifying, evaluating and managing the Trust's significant risks that has been in place for the period 1 September 2021 to 31 August 2022 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the Board of Directors.

The risk and control framework

The 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 Directors;
- regular reviews by the Audit, Finance and Risk Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties; and
- identification and management of risks.

The Board of Directors appointed TIAA Ltd as internal auditor for the 2021/22 academic year. The internal auditor reviewed the Trust systems during the year, specifically focusing on:

Payroll; Marketing; Business Continuity and Disaster Recovery Planning; and the transfer of balance between the old and new financial ledgers. The Board of Directors have appointed MHA Moore & Smalley as the external auditor. Their role includes giving advice on financial matters and performing a range of checks on the Trust's financial systems as part of the financial statements audit. Control issues raised during the checks have been agreed and will be implemented within agreed timescales.

Review of effectiveness

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

- Management accounts;
- Reports and Minutes;
- The financial management and governance self-assessment process;
- Internal and External audit;
- The work of the Senior Management Team within the Trust who have responsibility for the development and maintenance of the internal control framework;
- Scheme of delegation; and
- The Business Interests process and register.

LIVERPOOL DIOCESAN SCHOOLS TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the Audit, Finance and Risk Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the Board of Directors on 15/12/2022..... and signed on its behalf by:



Mrs M Swinson

Ms L Kwissa

Vice Chair of Directors, Appointed Chair of Chief Executive Officer
Directors 18/10/2022

LIVERPOOL DIOCESAN SCHOOLS TRUST

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE FOR THE YEAR ENDED 31 AUGUST 2022

As accounting officer of Liverpool Diocesan Schools Trust, I have considered my responsibility to notify the Trust Board of Directors and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Trust, under the funding agreement in place between the Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academy Trust Handbook.

I confirm that I and the Trust's Board of Directors are able to identify any material irregular or improper use of funds by the Trust, or material non-compliance with the terms and conditions of funding under the Trust's funding agreement and the Academy Trust Handbook 2021.

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 Directors and ESFA.

Laurie Kwissa

Ms L Kwissa
Accounting Officer

19/12/2022
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LIVERPOOL DIOCESAN SCHOOLS TRUST

STATEMENT OF DIRECTORS' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2022

The Directors (who also act as trustees for Liverpool Diocesan Schools Trust) are responsible for preparing the Directors' report and the accounts in accordance with the Academies Accounts Direction 2021 to 2022 published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Directors to prepare accounts for each financial year. Under company law, the Directors must not approve the accounts 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 accounts, the Directors are required to:

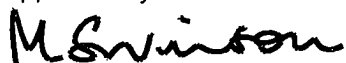
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Directors 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 accounts 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 Directors 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 that grants received from ESFA/DfE have been applied for the purposes intended.

The Directors 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 accounts may differ from legislation in other jurisdictions.

Approved by order of the members of the Board of Directors on 15/12/2022 and signed on its behalf by:



Mrs M Swinson

Vice Chair of Directors, Appointed Chair of Directors 18/10/2022

LIVERPOOL DIOCESAN SCHOOLS TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LIVERPOOL DIOCESAN SCHOOLS TRUST FOR THE YEAR ENDED 31 AUGUST 2022

Opinion

We have audited the accounts of Liverpool Diocesan Schools Trust for the year ended 31 August 2022 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the accounts, including 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), the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022 issued by the Education and Skills Funding Agency.

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2022 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 prepared in accordance with the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022.

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 accounts' section of our report. We are independent of the Trust in accordance with the ethical requirements that are relevant to our audit of the accounts in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report other than the accounts and our auditor's report thereon. The Directors are responsible for the other information contained within the annual report. Our opinion on the accounts 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 accounts 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 accounts 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.

LIVERPOOL DIOCESAN SCHOOLS TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LIVERPOOL DIOCESAN SCHOOLS TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

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 Directors' report including the incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts; and
- the Directors' report including the incorporated strategic report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' report, including the incorporated strategic report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the accounts 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

As explained more fully in the statement of Directors' responsibilities, the Directors are responsible for the preparation of the accounts 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 accounts that are free from material misstatement, whether due to fraud or error. In preparing the accounts, the Directors are responsible for assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the charitable company, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the accounts

Our objectives are to obtain reasonable assurance about whether the accounts 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 accounts.

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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud, are detailed below:

- Enquiries with management, including trustees, about any known or suspected instances of non-compliance with laws and regulations and fraud;
- Reviewing minutes of meetings of those charged with governance;
- Reviewing internal audit reports;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness.

LIVERPOOL DIOCESAN SCHOOLS TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LIVERPOOL DIOCESAN SCHOOLS TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Because of the field in which the client operates, we identified the following areas as those most likely to have a material impact on the financial statements: Health & Safety; compliance with the Academy Trust Handbook; safeguarding and child protection; employment law; data protection and compliance with the UK Companies Act.

Owing to the inherent limitations of an audit, there is an unavoidable risk that some 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). For instance, the further removed non-compliance is from the events and transactions reflected in the financial statements, the less likely the auditor is to become aware of it or to recognize the non-compliance.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our 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.

Nicola Mason

**Nicola Mason (Senior Statutory Auditor)
for and on behalf of MHA Moore and Smalley
Chartered Accountants
Statutory Auditor**

Richard House
9 Winckley Square
Preston
PR1 3HP

19/12/2022
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LIVERPOOL DIOCESAN SCHOOLS TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO LIVERPOOL DIOCESAN SCHOOLS TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY FOR THE YEAR ENDED 31 AUGUST 2022

In accordance with the terms of our engagement letter dated 9 November 2021 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2021 to 2022, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Liverpool Diocesan Schools Trust during the period 1 September 2021 to 31 August 2022 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 Liverpool Diocesan Schools Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Liverpool Diocesan Schools Trust and 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 Liverpool Diocesan Schools Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Liverpool Diocesan Schools Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Liverpool Diocesan Schools Trust's funding agreement with the Secretary of State for Education dated 29 October 2014 and the Academies Financial Handbook, extant from 1 September 2021, 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 2021 to 2022. 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 2021 to 31 August 2022 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity.

A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion.

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the Trust's income and expenditure.

The work undertaken to draw to our conclusion includes an evaluation of the control environment of the School together with enquiry, analytical review, substantive testing of transactions and consideration of governance issues.

LIVERPOOL DIOCESAN SCHOOLS TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO LIVERPOOL DIOCESAN SCHOOLS TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

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 2021 to 31 August 2022 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

MHA Moore and Smalley

Reporting Accountant MHA Moore and Smalley

Richard House
9 Winckley Square
Preston
PR1 3HP

19/12/2022

LIVERPOOL DIOCESAN SCHOOLS TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2022

		Unrestricted funds	Restricted general funds	Restricted fixed asset funds	Total 2022	Total 2021
	Notes	£	£	£	£	£
Income and endowments from:						
Donations and capital grants	3	-	44,534	821,690	866,224	810,324
Donations - transfer from local authority on conversion		-	-	-	-	(43,241)
Charitable activities:						
- Funding for educational operations	4	170,321	27,507,973	-	27,678,294	25,920,870
Other trading activities	5	545,700	-	-	545,700	447,154
Investments	6	344	-	-	344	395
Total		<u>716,365</u>	<u>27,552,507</u>	<u>821,690</u>	<u>29,090,562</u>	<u>27,135,502</u>
Expenditure on:						
Charitable activities:						
- Grants	9	-	786,311	-	786,311	314,555
- Educational operations	10	680,771	29,076,873	421,122	30,178,766	28,287,634
Total	7	<u>680,771</u>	<u>29,863,184</u>	<u>421,122</u>	<u>30,965,077</u>	<u>28,602,189</u>
Net income/(expenditure)		35,594	(2,310,677)	400,568	(1,874,515)	(1,466,687)
Transfers between funds	20	(119,000)	1,175,413	(1,056,413)	-	-
Other recognised gains/(losses)						
Actuarial gains/(losses) on defined benefit pension schemes	22	-	13,456,000	-	13,456,000	(1,815,000)
Net movement in funds		(83,406)	12,320,736	(655,845)	11,581,485	(3,281,687)
Reconciliation of funds						
Total funds brought forward		<u>1,610,406</u>	<u>(18,658,335)</u>	<u>5,349,810</u>	<u>(11,698,119)</u>	<u>(8,416,432)</u>
Total funds carried forward	20	<u>1,527,000</u>	<u>(6,337,599)</u>	<u>4,693,965</u>	<u>(116,634)</u>	<u>(11,698,119)</u>

LIVERPOOL DIOCESAN SCHOOLS TRUST

BALANCE SHEET

AS AT 31 AUGUST 2022

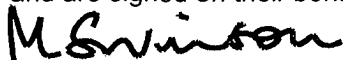
	Notes	2022		2021	
		£	£	£	£
Fixed assets					
Intangible assets	14		15,122		30,867
Tangible assets	15		4,678,843		4,752,808
			<u>4,693,965</u>		<u>4,783,675</u>
Current assets					
Debtors	16	1,661,575		1,302,928	
Cash at bank and in hand		2,581,442		3,427,815	
		<u>4,243,017</u>		<u>4,730,743</u>	
Current liabilities					
Creditors: amounts falling due within one year	17	(2,041,107)		(2,403,025)	
Net current assets			<u>2,201,910</u>		<u>2,327,718</u>
Total assets less current liabilities			<u>6,895,875</u>		<u>7,111,393</u>
Creditors: amounts falling due after more than one year	18		(2,509)		(3,512)
Net assets before defined benefit pension scheme liability			<u>6,893,366</u>		<u>7,107,881</u>
Defined benefit pension scheme liability	22		(7,010,000)		(18,806,000)
Total net liabilities			<u>(116,634)</u>		<u>(11,698,119)</u>
Funds of the Trust:					
Restricted funds	20				
- Fixed asset funds			4,693,965		5,349,810
- Restricted income funds			672,401		147,665
- Pension reserve			(7,010,000)		(18,806,000)
Total restricted funds			<u>(1,643,634)</u>		<u>(13,308,525)</u>
Unrestricted income funds	20		<u>1,527,000</u>		<u>1,610,406</u>
Total funds			<u>(116,634)</u>		<u>(11,698,119)</u>

LIVERPOOL DIOCESAN SCHOOLS TRUST

BALANCE SHEET (CONTINUED)

AS AT 31 AUGUST 2022

The accounts on pages 27 to 55 were approved by the Directors and authorised for issue on 15/12/2022 and are signed on their behalf by:



.....
Mrs M Swinson

Vice Chair of Directors, Appointed Chair of
Directors 18/10/2022

Company registration number 09235635

LIVERPOOL DIOCESAN SCHOOLS TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2022

	Notes	2022 £	£	2021 £	£
Cash flows from operating activities					
Net cash used in operating activities	23	(1,335,993)		(761,939)	
Cash funds transferred on conversion		-		164,516	
		<u>(1,335,993)</u>		<u>(597,423)</u>	
Cash flows from investing activities					
Dividends, interest and rents from investments		344		395	
Capital grants from DfE Group		821,690		881,405	
Purchase of intangible fixed assets		-		(7,025)	
Purchase of tangible fixed assets		<u>(331,411)</u>		<u>(456,565)</u>	
Net cash provided by investing activities		490,623		418,210	
Cash flows from financing activities					
Repayment of other loan		<u>(1,003)</u>		<u>(1,003)</u>	
Net cash used in financing activities		<u>(1,003)</u>		<u>(1,003)</u>	
Net decrease in cash and cash equivalents in the reporting period		(846,373)		(180,216)	
Cash and cash equivalents at beginning of the year		3,427,815		3,608,031	
Cash and cash equivalents at end of the year		<u><u>2,581,442</u></u>		<u><u>3,427,815</u></u>	

LIVERPOOL DIOCESAN SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2022

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.

1.1 Basis of preparation

The accounts of the 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 2021 to 2022 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

1.2 Going concern

The Directors assess whether the use of going concern is appropriate, ie 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 Directors make this assessment in respect of a period of at least one year from the date of authorisation for issue of the accounts. The Directors have considered the impact of the Government response to Covid-19 on the activity of the academy trust in terms of both increased costs of compliance with guidelines, catch up on learning and increased staff costs and also reduced income from nursery and wrap-around provision. The Directors have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern. Thus they continue to adopt the going concern basis of accounting in preparing the accounts.

1.3 Income

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

Grants

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

General Annual Grant is recognised in full in the statement of financial activities in the year for which it is receivable, and any abatement in respect of the period is deducted from income and recognised as a liability.

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

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.

LIVERPOOL DIOCESAN SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies

(Continued)

Sponsorship income

Sponsorship income provided to the Trust which amounts to a donation is recognised in the statement of financial activities in the period in which it is receivable (where there are no performance-related conditions), where the receipt is probable and it can be measured reliably.

Donations

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

Other income

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the 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 accounts until they are sold. This income is recognised within 'Income from other trading activities'.

Donated fixed assets

Donated fixed assets are measured at fair value unless it is impractical to measure this reliably, in which case the cost of the item to the donor is 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 Trust's accounting policies.

1.4 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 are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

This includes all expenditure incurred by the Trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Charitable activities

These are costs incurred on the Trust's educational operations, including support costs and costs relating to the governance of the Trust apportioned to charitable activities.

LIVERPOOL DIOCESAN SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies

(Continued)

1.5 Intangible fixed assets and amortisation

Intangible assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment. Amortisation is provided on intangible fixed assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Computer software	20% per annum straight line
-------------------	-----------------------------

1.6 Tangible fixed assets and depreciation

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 so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Trust's depreciation policy. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

Land and buildings	2% per annum straight line
Computer equipment	33% per annum straight line
Fixtures, fittings & equipment	20% per annum straight line
Motor vehicles	25% per annum straight line

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.

1.7 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 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.

1.8 Leased assets

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

1.9 Financial instruments

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

LIVERPOOL DIOCESAN SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies

(Continued)

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

Financial liabilities

Trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. 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.

1.10 Taxation

The 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 Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by chapter 3 part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.11 Pensions benefits

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

The TPS is an unfunded scheme and contributions are calculated to spread the cost of pensions over employees' working lives with the 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. The 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 are 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 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 or 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.

1.12 Fund accounting

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

LIVERPOOL DIOCESAN SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies

(Continued)

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

Restricted general funds comprise all other restricted funds received with instructions imposed by the funder and include grants from the Education and Skills Funding Agency.

1.13 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 trust does not have control over the charitable application of the funds. The funds received and paid and any balances held are disclosed in the notes to the accounts.

2 Critical accounting estimates and areas of judgement

Accounting 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 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.

Present value of the Local Government Pension Scheme defined benefit liability

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 or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 22, 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 2013 has been used by the actuary in valuing the pensions liability at 31 August 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.

Critical areas of judgement

Classification of occupied land and buildings owned by the diocese

The academy trust company occupies the land and buildings which are owned by the Diocese of Liverpool. The trustees are the providers of the academies on the same basis as when the academies were maintained schools. The academy trust company occupies the land and buildings under a licence. The land and buildings are not included in the accounts on the grounds that the Trust does not have control over the use and access to the Land and Buildings. Further information on the accounting treatment adopted can be found in the tangible fixed assets accounting policy.

LIVERPOOL DIOCESAN SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

3 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
Capital grants	-	821,690	821,690	770,843
Other donations	-	44,534	44,534	39,481
	-	866,224	866,224	810,324

The income from donations and capital grants was £866,224 (2021: £810,324) of which £44,534 was restricted (2021: £39,481) and £821,690 was restricted fixed assets (2021: £770,843).

4 Funding for the Trust's charitable activities

	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
DfE/ESFA grants				
General annual grant (GAG)	-	21,432,057	21,432,057	19,511,640
Other DfE/ESFA grants:				
- UIFSM	-	486,321	486,321	485,438
- Pupil premium	-	1,464,703	1,464,703	1,432,034
- Start up grants	-	-	-	25,000
- Others	-	1,126,577	1,126,577	1,309,156
	-	24,509,658	24,509,658	22,763,268
Other government grants				
Local authority grants	-	2,145,456	2,145,456	2,017,716
Special educational projects	-	-	-	3,500
	-	2,145,456	2,145,456	2,021,216
COVID-19 additional funding				
DfE/ESFA				
Other DfE/ESFA COVID-19 funding	-	-	-	344,580
Non-DfE/ESFA				
Coronavirus job retention scheme grant	-	-	-	1,247
Other COVID-19 funding	-	-	-	181,488
	-	-	-	527,315
Other incoming resources	170,321	852,859	1,023,180	609,071
Total funding	170,321	27,507,973	27,678,294	25,920,870

LIVERPOOL DIOCESAN SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

4 Funding for the Trust's charitable activities

(Continued)

The income from funding for educational operations was £27,678,294 (2021: £25,920,870) of which £170,321 was unrestricted (2021: £122,301) and £27,507,973 was restricted (2021: £25,798,569).

The Trust was eligible to claim additional funding in the prior year from government support schemes in response to the coronavirus outbreak. The funding received is shown above under "exceptional government funding" and was fully expensed in the year.

5 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
Hire of facilities	63,253	-	63,253	70,707
Other income	482,447	-	482,447	376,447
	<u>545,700</u>	<u>-</u>	<u>545,700</u>	<u>447,154</u>

The income from other trading activities was £545,700 (2021: £447,154) of which £545,700 was unrestricted (2021: £447,154).

6 Investment income

	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
Short term deposits	<u>344</u>	<u>-</u>	<u>344</u>	<u>395</u>

The income from funding for investment income was £344 (2021: £395) of which £344 was unrestricted (2021: £395).

7 Expenditure

	Staff costs £	Non-pay expenditure Premises £	Other £	Total 2022 £	Total 2021 £
Academy's educational operations					
- Direct costs	18,576,203	193,891	2,263,639	21,033,733	20,075,265
- Allocated support costs	4,684,701	2,647,221	1,813,111	9,145,033	8,212,369
Grants - support costs	-	786,311	-	786,311	314,555
	<u>23,260,904</u>	<u>3,627,423</u>	<u>4,076,750</u>	<u>30,965,077</u>	<u>28,602,189</u>

LIVERPOOL DIOCESAN SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

7 Expenditure (Continued)

Net income/(expenditure) for the year includes:	2022 £	2021 £
Fees payable to auditor for:		
- Audit	31,900	39,000
- Other services	14,630	13,600
Operating lease rentals	8,206	27,547
Depreciation of tangible fixed assets	421,122	384,867
Net interest on defined benefit pension liability	316,000	275,000

8 Central services

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

- human resources;
- financial services;
- legal services;
- educational support services;
- others as arising.

The Trust charges for these services on the following basis:

- flat percentage of income (approx. 2% to 4.5%);
- other bases as arising.

The amounts charged during the year were as follows:	2022 £	2021 £
St Michael's CE High School	104,124	100,615
Cronton CE Primary School	50,081	44,382
Halewood CE Primary School	49,979	44,145
St Thomas CE Primary School	49,088	42,096
The Beacon CE Primary School	104,861	84,093
Huyton with Roby CE Primary School	99,116	89,113
Holy Trinity CE Primary School	56,062	49,725
Parish CE Primary School	55,748	49,457
St James CE Primary School	56,469	52,468
St Andrew's CE Primary School	67,479	57,124
Bishop Martin CE Primary School	48,614	42,810
St Helen's CE Primary School	34,160	30,569
St James' CE Primary School	41,757	39,662
St Paul's CE Primary School	48,858	44,479
Highfield St Matthews CE Primary School	105,458	90,736
Glazebury CE Primary School	27,543	24,316
Rainford CE Primary School	56,235	26,612
	<u>1,055,632</u>	<u>912,402</u>

LIVERPOOL DIOCESAN SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

9 Analysis of grant expenditure

	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
Improvements to diocesan property occupied by the Trust	-	786,311	786,311	314,555

The expenditure on grants was £786,311 (2021: £314,555) of which £786,311 was restricted (2021: £314,555).

10 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
Direct costs				
Educational operations	680,771	20,352,962	21,033,733	20,075,265
Support costs				
Educational operations	-	9,931,344	9,931,344	8,526,924
	680,771	30,284,306	30,965,077	28,602,189

The expenditure on charitable activities was £30,965,077 (2021: £28,602,189) of which £680,771 was unrestricted (2021: £570,365), £29,863,184 was restricted (2021: £27,646,957) and £421,122 was restricted fixed assets (2021: £384,867).

	2022 £	2021 £
Analysis of support costs		
Support staff costs	4,684,701	3,964,408
Depreciation	227,231	207,227
Premises costs	2,913,121	2,032,642
Legal costs - conversion	-	10,097
Legal costs - other	8,137	756
Other support costs	1,977,407	2,184,598
Governance costs	120,747	127,196
	9,931,344	8,526,924

LIVERPOOL DIOCESAN SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

11 Staff

Staff costs

Staff costs during the year were:

	2022 £	2021 £
Wages and salaries	15,827,087	15,611,559
Social security costs	1,465,207	1,390,470
Pension costs	5,343,373	4,781,071
Staff costs - employees	22,635,667	21,783,100
Agency staff costs	605,596	407,696
Staff restructuring costs	19,641	33,417
Total staff expenditure	23,260,904	22,224,213

Staff restructuring costs comprise:

Severance payments	19,641	33,417
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Severance payments

The Trust paid 2 severance payments in the year, disclosed in the following bands:

0 - £25,000	2
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Staff numbers

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

	2022 Number	2021 Number
Teachers	251	255
Administration and support	407	410
Management	14	17
	672	682

LIVERPOOL DIOCESAN SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

11 Staff

(Continued)

Higher paid staff

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

	2022 Number	2021 Number
£60,001 - £70,000	5	4
£70,001 - £80,000	3	7
£80,001 - £90,000	3	2
£90,001 - £100,000	2	3
£100,001 - £110,000	1	1

The disclosure is made based on the employee benefits received in the year.

Of the above employees, 14 (2021: 15) participated in the Teachers' Pension Scheme. During the year, employer's pension contributions for these members of staff amounted to £238,179 (2021: £275,898).

Key management personnel

The key management personnel of the Trust comprise the Directors, Senior Management team and Headteachers as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Trust was £1,952,104 (2021: £1,866,924).

12 Directors' remuneration and expenses

One or more of the Directors has been paid remuneration or has received other benefits from an employment with the Trust. The Chief Executive Officer only receives remuneration in respect of services they provide undertaking the role of Chief Executive Officer, and not in respect of their services as Director.

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

L Kwissa (Chief Executive Officer and Director - Appointed 11 December 2019)
Remuneration - £100,001 - £105,000 (2021: £100,001 - £105,000)
Employer's pension contributions - £10,001 - £15,000 (2021: £10,001 - £15,000)

Other related party transactions involving the Directors are set out within the related parties note.

During the year, travel and subsistence payments totalling £nil were reimbursed or paid directly to any directors (2021: £nil).

Other related party transactions involving the Directors are set out within the related parties note.

13 Directors' 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 omission occurring whilst on academy business, and providers cover up to £10,000,000. It is not possible to quantify the trustees and officers indemnity element from the overall cost of the RPA scheme.

LIVERPOOL DIOCESAN SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

14 Intangible fixed assets

	Computer software £
Cost	
At 1 September 2021 and at 31 August 2022	80,778
Amortisation	
At 1 September 2021	49,910
Charge for year	15,746
At 31 August 2022	65,656
Carrying amount	
At 31 August 2022	15,122
At 31 August 2021	30,867

15 Tangible fixed assets

	Land and buildings £	Computer equipment £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Cost					
At 1 September 2021	4,009,841	737,263	893,521	41,115	5,681,740
Additions	-	183,467	147,944	-	331,411
At 31 August 2022	4,009,841	920,730	1,041,465	41,115	6,013,151
Depreciation					
At 1 September 2021	142,824	432,212	338,211	15,685	928,932
Charge for the year	32,078	178,145	184,874	10,279	405,376
At 31 August 2022	174,902	610,357	523,085	25,964	1,334,308
Net book value					
At 31 August 2022	3,834,939	310,373	518,380	15,151	4,678,843
At 31 August 2021	3,867,017	305,051	555,310	25,430	4,752,808

LIVERPOOL DIOCESAN SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

16 Debtors

	2022 £	2021 £
VAT recoverable	1,224,027	488,599
Other debtors	5,419	5,469
Prepayments and accrued income	432,129	808,860
	<u>1,661,575</u>	<u>1,302,928</u>

17 Creditors: amounts falling due within one year

	2022 £	2021 £
Other loans	1,004	1,004
Trade creditors	633,817	554,277
Other taxation and social security	369,474	343,280
Other creditors	459,533	709,778
Accruals and deferred income	577,279	794,686
	<u>2,041,107</u>	<u>2,403,025</u>

18 Creditors: amounts falling due after more than one year

	2022 £	2021 £
Other loans	<u>2,509</u>	<u>3,512</u>
Analysis of loans	2022 £	2021 £
Wholly repayable within five years	3,513	4,516
Less: included in current liabilities	(1,004)	(1,004)
Amounts included above	<u>2,509</u>	<u>3,512</u>
Loan maturity		
Debt due in one year or less	1,004	1,004
Due in more than one year but not more than two years	1,004	1,004
Due in more than two years but not more than five years	1,505	2,508
	<u>3,513</u>	<u>4,516</u>

Included within other loans is a Salix loan with an outstanding balance of £3,513 (2021: £4,516). This is an interest free loan inherited on conversion of Glazebury CE Primary School. The loan is repayable biannually over 8 years from June 2018.

LIVERPOOL DIOCESAN SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

19 Deferred income

	2022 £	2021 £
Deferred income is included within:		
Creditors due within one year	291,597	347,025
Deferred income at 1 September 2021	347,025	513,814
Released from previous years	(347,025)	(513,814)
Resources deferred in the year	291,597	347,025
Deferred income at 31 August 2022	291,597	347,025

The Trust was holding funds received in advance for the following year for the Universal Infant Free School Meals and the Rates grant.

20 Funds

	Balance at 1 September 2021 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2022 £
Restricted general funds					
General Annual Grant (GAG)	147,665	21,432,057	(22,082,734)	1,175,413	672,401
UIFSM	-	486,321	(486,321)	-	-
Pupil premium	-	1,464,703	(1,464,703)	-	-
Other DfE/ESFA grants	-	1,126,577	(1,126,577)	-	-
Other government grants	-	2,145,456	(2,145,456)	-	-
Other restricted funds	-	897,393	(897,393)	-	-
Pension reserve	(18,806,000)	-	(1,660,000)	13,456,000	(7,010,000)
	<u>(18,658,335)</u>	<u>27,552,507</u>	<u>(29,863,184)</u>	<u>14,631,413</u>	<u>(6,337,599)</u>
Restricted fixed asset funds					
Inherited on conversion	3,906,702	-	(59,906)	-	3,846,796
DfE group capital grants	566,135	821,690	-	(1,387,825)	-
Capital expenditure from GAG	876,973	-	(361,216)	331,412	847,169
	<u>5,349,810</u>	<u>821,690</u>	<u>(421,122)</u>	<u>(1,056,413)</u>	<u>4,693,965</u>
Total restricted funds	<u>(13,308,525)</u>	<u>28,374,197</u>	<u>(30,284,306)</u>	<u>13,575,000</u>	<u>(1,643,634)</u>
Unrestricted funds					
General funds	<u>1,610,406</u>	<u>716,365</u>	<u>(680,771)</u>	<u>(119,000)</u>	<u>1,527,000</u>
Total funds	<u>(11,698,119)</u>	<u>29,090,562</u>	<u>(30,965,077)</u>	<u>13,456,000</u>	<u>(116,634)</u>

LIVERPOOL DIOCESAN SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

20 Funds

(Continued)

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

General Annual Grant must be used for the normal running expenses of the School and any amounts carried forward at the end of a financial period must be used in accordance with the terms of the Funding Agreement. The Trust is not subject to a limit on GAG carry forward.

Other DFE/ESFA grants comprise additional funding received for the furtherance of education, which must be used in accordance with the specific terms of each grant.

Other government grants include LA funding for Special Educational Needs and Nursery provision.

Other restricted funds include contributions received for school trips and other donations and their related expenditure.

The pension reserve represents the value of the Trust's share of the deficit in the local Government Pension Scheme.

Restricted fixed asset funds include assets inherited on conversion and expenditure out of GAG and other other capital grants and donations during the period. Depreciation will be charged against the fund.

LIVERPOOL DIOCESAN SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

20 Funds

(Continued)

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

	Balance at 1 September 2020 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2021 £
Restricted general funds					
General Annual Grant (GAG)	293,158	19,511,640	(20,151,547)	494,414	147,665
Start up grants	-	25,000	(25,000)	-	-
UIFSM	-	485,438	(485,438)	-	-
Pupil premium	-	1,432,034	(1,432,034)	-	-
Other DfE/ESFA COVID-19 funding	-	344,580	(344,580)	-	-
Coronavirus job retention scheme grant	-	1,247	(1,247)	-	-
Other Coronavirus funding	-	181,488	(181,488)	-	-
Other DfE/ESFA grants	-	1,309,156	(1,309,156)	-	-
Other government grants	-	2,021,216	(2,021,216)	-	-
Other restricted funds	-	526,251	(526,251)	-	-
Pension reserve	(15,507,000)	(315,000)	(1,169,000)	(1,815,000)	(18,806,000)
	<u>(15,213,842)</u>	<u>25,523,050</u>	<u>(27,646,957)</u>	<u>(1,320,586)</u>	<u>(18,658,335)</u>
Restricted fixed asset funds					
Inherited on conversion	3,871,387	107,243	(71,928)	-	3,906,702
DfE group capital grants	480,192	770,843	-	(684,900)	566,135
Capital expenditure from GAG	726,322	-	(312,939)	463,590	876,973
	<u>5,077,901</u>	<u>878,086</u>	<u>(384,867)</u>	<u>(221,310)</u>	<u>5,349,810</u>
Total restricted funds	<u>(10,135,941)</u>	<u>26,401,136</u>	<u>(28,031,824)</u>	<u>(1,541,896)</u>	<u>(13,308,525)</u>
Unrestricted funds					
General funds	<u>1,719,509</u>	<u>734,366</u>	<u>(570,365)</u>	<u>(273,104)</u>	<u>1,610,406</u>
Total funds	<u>(8,416,432)</u>	<u>27,135,502</u>	<u>(28,602,189)</u>	<u>(1,815,000)</u>	<u>(11,698,119)</u>

LIVERPOOL DIOCESAN SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

20 Funds

(Continued)

Total funds analysis by academy

	2022	2021
	£	£
Fund balances at 31 August 2022 were allocated as follows:		
St Michael's CE High School	491,934	393,457
Cronton CE Primary School	67,258	53,480
Halewood CE Primary School	415,033	358,394
St Thomas CE Primary School	(155,959)	(133,474)
The Beacon CE Primary School	29,234	3,438
Huyton with Roby CE Primary School	390,318	413,139
Holy Trinity CE Primary School	(4,822)	28,754
Parish CE Primary School	107,437	121,824
St James CE Primary School	130,489	131,816
St Andrew's CE Primary School	137,091	23,659
Bishop Martin CE Primary School	28,810	(47,606)
St Helen's CE Primary School	(33,888)	(22,286)
St James' CE Primary School	102,610	165,372
St Paul's CE Primary School	72,981	43,386
Highfield St Matthews CE Primary School	233,586	127,611
Glazebury CE Primary School	86,705	69,331
Rainford CE Primary School	260,531	201,018
Central services	(159,947)	(173,242)
Total before fixed assets fund and pension reserve	2,199,401	1,758,071
Restricted fixed asset fund	4,693,965	5,349,810
Pension reserve	(7,010,000)	(18,806,000)
Total funds	(116,634)	(11,698,119)

LIVERPOOL DIOCESAN SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

20 Funds

(Continued)

Total cost analysis by academy

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

	Teaching and educational support staff	Other support staff costs	Educational supplies	Other costs excluding depreciation	Total 2022	Total 2021
	£	£	£	£	£	£
St Michael's CE High School	3,719,509	576,565	397,054	657,968	5,351,096	5,334,526
Cronton CE Primary School	862,239	209,483	92,425	170,890	1,335,037	1,313,154
Halewood CE Primary School	708,883	308,011	53,388	179,842	1,250,124	1,226,966
St Thomas CE Primary School	673,758	222,531	114,222	137,108	1,147,619	1,040,632
The Beacon CE Primary School	1,715,750	221,683	196,620	1,212,053	3,346,106	2,640,390
Huyton with Roby CE Primary School	1,466,623	372,549	167,568	296,047	2,302,787	1,938,968
Holy Trinity CE Primary School	780,213	194,826	109,297	165,499	1,249,835	1,204,376
Parish CE Primary School	844,598	305,441	112,101	184,350	1,446,490	1,370,009
St James CE Primary School	1,014,037	373,935	103,713	217,795	1,709,480	1,574,233
St Andrew's CE Primary School	910,631	246,076	96,261	259,563	1,512,531	1,494,101
Bishop Martin CE Primary School	580,204	112,590	116,545	196,103	1,005,442	1,045,951
St Helen's CE Primary School	481,713	127,749	54,832	201,652	865,946	832,090
St James' CE Primary School	723,354	154,455	103,350	92,429	1,073,588	1,017,741
St Paul's CE Primary School	743,289	139,617	99,947	156,280	1,139,133	1,072,691
Highfield St Matthews CE Primary School	1,582,346	390,449	158,751	265,272	2,396,818	2,456,613
Glazebury CE Primary School	438,895	185,158	49,807	107,397	781,257	729,255
Rainford CE Primary School	900,743	215,801	122,561	187,464	1,426,569	645,980
Central services	429,418	327,782	115,197	331,700	1,204,097	964,646
	<u>18,576,203</u>	<u>4,684,701</u>	<u>2,263,639</u>	<u>5,019,412</u>	<u>30,543,955</u>	<u>27,902,322</u>

LIVERPOOL DIOCESAN SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

21 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
Fund balances at 31 August 2022 are represented by:				
Intangible fixed assets	-	-	15,122	15,122
Tangible fixed assets	-	-	4,678,843	4,678,843
Current assets	1,527,000	2,716,017	-	4,243,017
Current liabilities	-	(2,041,107)	-	(2,041,107)
Non-current liabilities	-	(2,509)	-	(2,509)
Pension scheme liability	-	(7,010,000)	-	(7,010,000)
Total net assets	1,527,000	(6,337,599)	4,693,965	(116,634)

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
Fund balances at 31 August 2021 are represented by:				
Intangible fixed assets	-	-	30,867	30,867
Tangible fixed assets	-	-	4,752,808	4,752,808
Current assets	1,610,406	2,554,202	566,135	4,730,743
Current liabilities	-	(2,403,025)	-	(2,403,025)
Non-current liabilities	-	(3,512)	-	(3,512)
Pension scheme liability	-	(18,806,000)	-	(18,806,000)
Total net assets	1,610,406	(18,658,335)	5,349,810	(11,698,119)

22 Pension and similar obligations

The 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 Merseyside Pension Fund, Greater Manchester Pension Fund and Cheshire Pension Fund. All are multi-employer defined benefit schemes.

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

Contributions amounting to £396,135 were payable to the schemes at 31 August 2022 (2021: £344,042) and are included within creditors.

Teachers' Pension Scheme

Introduction

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

LIVERPOOL DIOCESAN SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

22 Pension and similar obligations

(Continued)

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

Valuation of the Teachers' Pension Scheme

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

The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to the TPS in the period amounted to £2,328,934 (2021: £2,266,843).

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 Trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The 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 contributions are as noted below. The agreed contribution rates for future years are 18.8% for employers and 5.5% - 12.5% for employees.

Additional payments of £195,000 per annum have been agreed. The level of these deficit payments will be reviewed following the next actuarial review.

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

LIVERPOOL DIOCESAN SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

22 Pension and similar obligations

(Continued)

Total contributions made	2022 £	2021 £
Employer's contributions	1,382,000	1,326,000
Employees' contributions	328,000	314,000
Total contributions	1,710,000	1,640,000
Principal actuarial assumptions	2022 %	2021 %
Rate of increase in salaries	4.19	4.08
Rate of increase for pensions in payment/inflation	2.98	2.79
Discount rate for scheme liabilities	4.29	1.69
Inflation assumption (CPI)	2.90	2.87

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

	2022 Years	2021 Years
Retiring today		
- Males	20.83	20.96
- Females	23.84	23.96
Retiring in 20 years		
- Males	22.23	22.46
- Females	25.72	25.85

Scheme liabilities would have been affected by changes in assumptions as follows:

	2022 £	2021 £
Discount rate + 0.1%	(445,000)	(693,000)
Discount rate - 0.1%	452,000	704,000
Mortality assumption + 1 year	496,000	1,037,000
Mortality assumption - 1 year	(492,000)	(1,015,000)
CPI rate + 0.1%	441,000	677,000
CPI rate - 0.1%	(434,000)	(666,000)

LIVERPOOL DIOCESAN SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

22 Pension and similar obligations

(Continued)

Defined benefit pension scheme net liability	2022 £	2021 £
Scheme assets	13,097,000	12,030,000
Scheme obligations	(20,107,000)	(30,836,000)
Net liability	(7,010,000)	(18,806,000)

The Trust's share of the assets in the scheme

	2022 Fair value £	2021 Fair value £
Equities	7,041,000	6,771,000
Government bonds	830,000	881,000
Other bonds	1,025,000	963,000
Cash/liquidity	515,000	383,000
Property	1,367,000	1,069,000
Other assets	2,319,000	1,963,000
Total market value of assets	13,097,000	12,030,000

The actual return on scheme assets was £(378,000) (2021: £1,747,000).

Amount recognised in the statement of financial activities

	2022 £	2021 £
Current service cost	2,697,000	2,201,000
Past service cost	8,000	-
Interest income	(215,000)	(165,000)
Interest cost	531,000	440,000
Administration expenses	21,000	19,000
Total operating charge	3,042,000	2,495,000

LIVERPOOL DIOCESAN SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

22 Pension and similar obligations

(Continued)

Changes in the present value of defined benefit obligations	2022 £	2021 £
At 1 September 2021	30,836,000	23,695,000
Obligations acquired on conversion	-	943,000
Current service cost	2,697,000	2,201,000
Interest cost	531,000	440,000
Employee contributions	328,000	314,000
Actuarial (gain)/loss	(14,049,000)	3,397,000
Benefits paid	(244,000)	(154,000)
Past service cost	8,000	-
At 31 August 2022	20,107,000	30,836,000

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

	2022 £	2021 £
At 1 September 2021	12,030,000	8,188,000
Assets acquired on conversion	-	628,000
Interest income	215,000	165,000
Actuarial loss/(gain)	(593,000)	1,582,000
Employer contributions	1,382,000	1,326,000
Employee contributions	328,000	314,000
Benefits paid	(244,000)	(154,000)
Effect of non-routine settlements and administration expenses	(21,000)	(19,000)
At 31 August 2022	13,097,000	12,030,000

The share of the year end position attributable to St Helen's CE Primary School has been reduced to £nil in light of it being in an asset position of £14,000. This approach was considered prudent given the School does not have an unconditional right to recover the asset at the year end.

LIVERPOOL DIOCESAN SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

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

	Notes	2022 £	2021 £
Net expenditure for the reporting period (as per the statement of financial activities)		(1,874,515)	(1,466,687)
Adjusted for:			
Net deficit on conversion to academy		-	43,241
Capital grants from DfE and other capital income		(821,690)	(770,843)
Investment income receivable	6	(344)	(395)
Defined benefit pension costs less contributions payable	22	1,344,000	894,000
Defined benefit pension scheme finance cost	22	316,000	275,000
Depreciation of tangible fixed assets		421,122	384,867
(Increase) in debtors		(358,647)	(433,609)
(Decrease)/increase in creditors		(361,919)	312,487
Net cash used in operating activities		(1,335,993)	(761,939)

24 Analysis of changes in net funds

	1 September 2021 £	Cash flows £	31 August 2022 £
Cash	3,427,815	(846,373)	2,581,442
Loans falling due within one year	(1,004)	-	(1,004)
Loans falling due after more than one year	(3,512)	1,003	(2,509)
	3,423,299	(845,370)	2,577,929

LIVERPOOL DIOCESAN SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

25 Related party transactions

Michael Eastwood, a Member, is also a Trustee of the Liverpool Diocesan Board of Finance (Diocese of Liverpool).

During the year, the Trust paid the Liverpool Diocesan Board of Finance (Diocese of Liverpool) £16,800 for the Diocesan Partnership Agreement for Church Schools. The Trust also paid the Liverpool Diocesan Board of Finance (Diocese of Liverpool) a total of £1,995 for various religious education training. The services received from the Diocese of Liverpool are associated with securing the Trust's religious character and ethos, which only the diocese can provide, and as such have been regarded as meeting the 'at cost' requirement. There were no amounts outstanding at the year end.

Mrs M Swinson, a Director, is also a Director of Liverpool Hope University. The Trust paid Liverpool Hope University £400 for leadership training. There were no amounts outstanding at the year end. This transaction is below the 'at cost' threshold.

Mr J Nichols, a director is CEO of the Rainbow Education Trust. During the year, The Trust received £3,500 from the Rainbow Education Trust in respect of training provided.

S Roberts, daughter of C Roberts, a Director, is employed by the academy trust as a teaching assistant. S Roberts was employed by the academy trust prior to the appointment of C Roberts as a Director. S Roberts is paid within the normal pay scale for her role and receives no special treatment as a result of her relationship to a Director.

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 or she is a member, or within one year after he or she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he or she ceases to be a member.

27 Agency arrangements

The academy trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2022 the trust received £11,565 (2021: £11,776) and disbursed £11,565 (2021: £19,082) from the fund. An amount of £nil (2021: £nil) is included in other creditors relating to undistributed funds that is repayable to ESFA.