

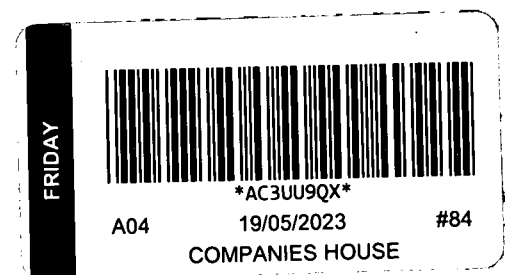
Company No: 08565932
(England and Wales)

LIVERPOOL COLLEGE INDEPENDENT SCHOOL TRUST

(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND GROUP FINANCIAL ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2022



LIVERPOOL COLLEGE INDEPENDENT SCHOOL TRUST

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LIVERPOOL COLLEGE INDEPENDENT SCHOOL TRUST

REFERENCES AND ADMINISTRATIVE DETAILS

Members	M Mason T Nichol
Governors	M Mason (Chair) C Turbitt H van Mourik Broekman - (Principal & Accounting Officer) T Nichol (Deputy Chair) S Carr A Case K Clarke (resigned 1 September 2022) K Atkinson R Morgan E Parr A Williams M Sharpe Leila Saeed (appointed 18 October 2021) Y Shepherd (appointed 18 October 2021) L Sheridan M Amanuel (appointed 18 October 2021) C Barlow (appointed 18 October 2021) O Barden (resigned 18 October 2021) T Hallam (resigned 18 October 2021)
Company Secretary	S Loveridge (appointed 20 December 2021) C Flynn (resigned 20 December 2021)
Executive Leadership Team	
Principal	H van Mourik Broekman
Vice Principal	H Cassidy
Vice Principal	A Haynes
Director of Finance	C Furnival (appointed 1 January 2022)
Director of Finance and Operations	C Flynn (resigned 20 December 2021)
Registered office	Liverpool College Mossley Hill Liverpool L18 8BG
Company Registration Number	08565932
Auditors	MHA Moore and Smalley Chartered Accountants & Statutory Auditor Richard House Winckley Square Preston PR1 3HP
Bankers	Barclays Bank Plc 48b and 50 Lord Street Liverpool L2 1TD
Solicitors	Brabners LLP Horton House Exchange Flags Liverpool L2 3YL

LIVERPOOL COLLEGE INDEPENDENT SCHOOL TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2022

The governors present their annual report together with the consolidated financial statements and auditor's report of the charitable company and subsidiary for the period from 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 trust operates an all through academy for pupils aged 4-19 serving a catchment area in South Liverpool. On the January 2022 census the college had 1,604 pupils on roll.

Structure, Governance and Management

Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy for the purposes of company law. The governors act as the trustees of the academy trust are also the directors of the charitable company for the purposes of company law. The charitable company operates as Liverpool College Independent School Trust.

Details of the governors who served throughout the year, except as noted, are included in the Reference and Administrative Details on page 1.

Members' liability

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

Governors' indemnities

The governors are indemnified in respect of their legal liability for financial losses arising as a result of a negligent act, accidental error or omission in the course of their official duties. The limit of this indemnity is £10,000,000.

Method of recruitment and appointment or election of governors

The procedure for the recruitment, appointment and election of governors is set out in the company's articles of association. The Liverpool College trustees oversee the operation of the Academy by the Governors. The Liverpool College trustees are independent of the Governing Body and are responsible for approving members to serve on the Governing Body. These trustees do not serve on the Governing Body but work within the framework set out in the Articles. The Governing Body shall comprise no more than seventeen members comprising the Principal (ex-officio), up to twelve Foundation Governors, one governor appointed by the Vice Chancellor of the University of Liverpool, one staff governor and so nominated by the staff, and two governors being appointed as parental representatives, having undertaken a nomination and ballot exercise within the pupil parent body.

LIVERPOOL COLLEGE INDEPENDENT SCHOOL TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Method of recruitment and appointment or election of governors (continued)

The Governors are appointed by the following:

Parent governors	Elected by parents of the pupils of the academy
Staff governor	Elected by staff of the academy
Foundation governors	Appointed by the trustees of Liverpool College
University governor	Appointed by the Vice Chancellor of the University of Liverpool

Policies and procedures adopted for the induction and training of governors

The academy maintains an induction handbook for new governors. The academy also funds, via an external provider, training opportunities for Governors, including specific induction training.

Organisational structure

The academy is governed by its Governing Body, whose members are directors of the charitable company for the purposes of the Companies Act 2006 and trustees for the purposes of charity legislation. The organisational structure of the academy consists of 3 levels: the Governing Body, the Principal, and the College Leadership Team.

The Governing Body is responsible for setting general policies, adopting a college development plan and budget, monitoring the academy's performance, making major policy decisions, appointing senior staff, and through its various committees, overseeing the general strategic operation of the academy. Certain elements of these responsibilities are delegated to the following sub committees who make recommendations to the full Governing Body:

- Education
- Operations
- Strategy

The Principal is also the Accounting Officer and in addition to the responsibilities associated with this role has responsibility for the strategic direction of the Academy, the day to day management of the Academy and its curriculum delivery.

The Executive Leadership Team comprises:

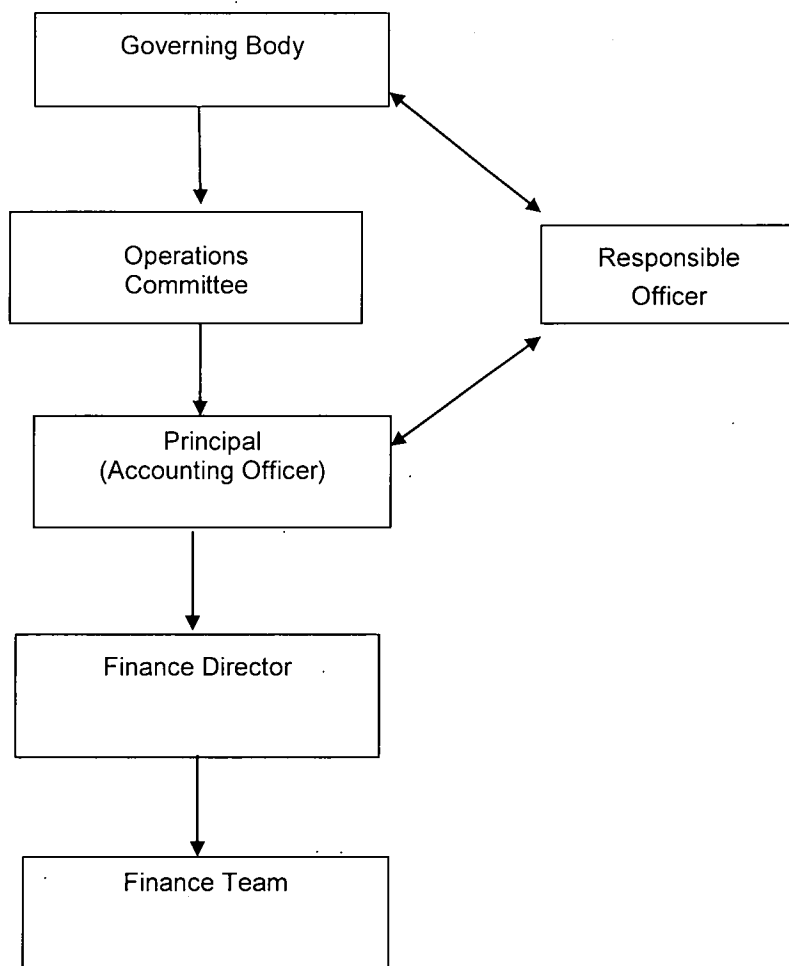
- H van Mourik Broekman
- Mrs H Cassidy
- Mrs A Haynes
- C Furnival

The Finance, Risk & Audit Committee of the Governing Body together with the Principal and Finance Director will ensure the effective allocation of resources to appropriate budget holders for staffing, premises, administration, curriculum resources and pupil services. An annual budget is presented to the Governing Body for approval and management accounts are regularly reviewed by the Governing Body and Finance, Risk & Audit Committee. Various levels of responsibility are set out in the Academy's Financial Procedures Manual.

LIVERPOOL COLLEGE INDEPENDENT SCHOOL TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022



Arrangements for setting pay and remuneration of key management personnel

The Governors' Pay Committee meets to consider the pay and remuneration of the academy's key management personnel. Staff who are paid on the Leadership Spine must demonstrate sustained high-quality performance, with particular regard to leadership, management and pupil progress at the school and will be subject to a review of performance against performance objectives before any performance points will be awarded. Annual pay progression within the range for this post is not automatic and is linked to performance.

All key management are performance managed and have their whole school targets set as well as specific personal targets. These targets are reviewed as part of the performance management process. This is done within the framework of the Governors' Pay Policy.

LIVERPOOL COLLEGE INDEPENDENT SCHOOL TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Trade Union Facility Time

The academy does not have any staff who are relevant union officials.

Related parties and other connected charities and organisations

Related parties

Liverpool College Foundation own the freehold of the college land and buildings and leases these to the academy. The foundation continues to be a source of donations and other financial support for the college.

Connected Parties

The academy has an active Parent Teacher Association which supports the work of the college and provides funds.

Community Organisations

The academy has strong collaborative links with its feeder primary schools, and other secondary schools within Liverpool.

The Principal is a member of the Liverpool Association of Secondary Head Teachers (LASH). The school engages support and guidance from School Improvement Liverpool, who provide a School Improvement Partner to provide support to the Governing Board.

Charities

The school is active in supporting a range of local charities through fund raising activities in school.

Objectives and Activities

Objects and Aims

The main objects of the academy 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 a generality of the foregoing, by establishing, maintaining, carrying on, managing and developing a Church of England school designated as such which shall offer a broad and balanced curriculum and shall be conducted in accordance with the principles, practices and tenets of the Church of England including any memorandum and articles governing the use of land used by the academy 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 Bishop.

Strategies and Activities

The Academy's main strategy is encompassed in its mission statement and its school motto which is:

Non Solum ingenii verum etiam virtutis - Not only the Intellect but also the Character.

Mission Statement - Liverpool College values the dignity of each individual and promotes the development of character and learning through a commitment to high standards within a caring community.

Core Values

We recognise that all pupils have different talents and strive to ensure that every pupil has an equal opportunity to find and develop the talents they do possess

We believe that the development of spirituality, character, intellect and creativity are the primary aims of education.

We work together to create a happy and caring school community which is engaged in our local community and the wider world

We pursue high standards in every area of school life

LIVERPOOL COLLEGE INDEPENDENT SCHOOL TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

To this end the activities provided include:

- Tuition and learning opportunities for all pupils to attain appropriate academic qualifications
- Training opportunities for all staff, especially teaching staff
- A programme of sporting and after school leisure activities for all pupils.
- Before and after school club provision to allow pupils to explore topics in a practical manner

Objectives, strategies and activities

The main objectives for the period were:

- To work with the Education and Skills Funding Agency (ESFA) to further develop a strategy for the future funding of the Academy and its projected growth

These were achieved by working with the ESFA, Governing Body, Trustees, Staff, parents and other associated parties.

Public benefit

In setting objectives and planning activities, the Governing Body have paid due regard to the published guidance from the Charity Commission on the operation of the public benefit requirement under the Charities Act 2006.

Strategic Report

Achievements and Performance

During the course of the period the Principal has reported on the following:

- Academic Results
- Admissions and admission appeal's
- Attendance and Exclusions
- Boarding
- Capital Income Donations
- College Development Plan – Development and Review
- Curriculum and Curriculum Staffing Review
- Dashboard – data analysis and information
- Facilities
- Funding and Finance
- Growth
- LA Social Inclusion
- LC Press
- LC Sports
- Ofsted and self-evaluation
- Partnerships
- Policies
- Pupil Premium
- Reporting Systems
- Safeguarding
- Schools Direct
- Sixth Form Strategy
- Staffing, staffing issues and School Organisation (including Leadership Structures)
- Strategic update
- Term dates
- Uniform

LIVERPOOL COLLEGE INDEPENDENT SCHOOL TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

This reporting period represents the Academy's ninth period of operation and it has set strategic goals related to achievement, progress, engagement, destinations and its provision. These goals are monitored closely by the Governing Body. Liverpool College received 1465 applications for Year 7 2022. A banding test was held in October 2021. Total main school pupils in the academic year ended 31st August 2022 numbered 1,579 (including 252 in the sixth form) and the Academy had full complements in all year groups up to and including Year 11. A total of 69 admission appeals were heard during the course of the year. None of these were upheld.

The College provides a balanced curriculum that encourages students to achieve their potential. The summer of 2022 saw the return to external GCSE and A-Level examinations for the first time since 2019, albeit with some reduction of content and some advanced information to students to help mitigate the impact of the pandemic. Highlights of the 2022 external results include attainment in Key Stage 2 SATs being significantly above national figures and in the top 20% nationally for Reading, Writing and Mathematics. Progress in all three subjects at Key Stage 2 was also significantly above national figures and in the top 20% nationally. At A Level the average grade of a B- was an improvement in attainment from 2019 when it was a C+. The A*-B pass rate of 58.5 exceeded both national and local figures, as did the A*-C pass rate of 80.8% and the A* – D pass rate of 94%. There were no published value-added figures for Key Stage 5 in 2022. At GCSE level the attainment 8 figure of 56 exceeds our 2019 figure of 54 and is significantly above national and in the top 20% nationally. Attainment in Mathematics, English and the Ebacc subjects was significantly above national and in the highest 20% nationally. Progress at Key Stage 4 was also strong with an overall Progress 8 figure of 0.33 and progress in both the English element and the EBacc elements being significantly above national figures and in the highest 20% nationally.

Attainment – Results from external examinations are as follows:

	% A*-B at A' Level	% A*-E at A' Level	% 7 - 9 at GCSE	5 passes (inc Eng & Maths)
2022	59	97	43	78
2021*	71	100	37	85
2020*	60	100	43	86
2019	45	98	33	75

*represents teacher assessed grades during the pandemic

Pupil attendance for 2021/22

Year Group	R	Y1	Y2	Y3	Y4	Y5	Y6
% Attendance	93.7	94.4	93.7	95.8	95.8	96.2	95.6
% Attendance	Pre Prep: 94.1			Prep: 95.9			

LIVERPOOL COLLEGE INDEPENDENT SCHOOL TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Year Group	Y7	Y8	Y9	Y10	Y11	Y12	Y13
% Attendance	95.2	94.8	92.4	92.8	82.4 *	88.7	76.2 *
% Attendance	Senior School: 91.6					Sixth Form: 82.7	

% Persistent Absence	Whole School: 10.8
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Staff Ratios

Pupil teacher ratio is 1:18

Going concern

After making appropriate enquiries, the board of trustees has a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

Financial Review

The academy's total incoming resources during the period were £13,066,335 (2021: £9,880,444).

The majority of the academy's income derives from central government funding via the Education and Skills Funding Agency, in the form of current grants. Total funding received for the School's educational operations in the period was £9,469,494 (2021: £8,777,707) and further details are provided in Note 3 to the accounts.

Total outgoing resources for the period were £11,564,946 (2021 £10,806,629), the majority of which related to the direct provision of educational operations £11,246,121 (2021 £10,530,200).

At the period end the academy's total reserves were £35,837,736, including unrestricted funds of £373,422, general restricted funds of £Nil, pension reserve of (£350,000) and restricted fixed asset funds of £35,814,314. The balances on general restricted funds relate to funding received in the period which is due to be spent in 2022/23 in accordance with the terms of funding. Further detail is provided in Note 16.

At 31 August 2022 all assets shown in the financial statements were used exclusively for providing education and associated support services to students of the academy.

LIVERPOOL COLLEGE INDEPENDENT SCHOOL TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Reserves policy

Reserves held as at 31 August 2022 were as follows:

	£
Total reserves	35,837,736
Add back pension reserve	350,000
Less reserves attributable to fixed assets	(35,814,314)
Unrestricted and general restricted funds	373,422
Less other restricted funds	-
Free reserves	373,422

Reserves policy

The Governors review reserve levels of the academy annually. This review encompasses the nature of the income and expenditure stream, the need to match income with commitments, the uncertainty surrounding the levels of future funding and the nature of reserves. The Governors take into consideration the future plans of the academy, the uncertainty over future income streams and other key risks identified during the risk review.

It is the Governors' aim to build a reserve to compensate for anticipated reductions in income for capital works.

Restricted GAG reserves

The Governors have considered the level of GAG reserves which they believe will provide sufficient working capital to cover delays between the spending and receipt of grants and unexpected or planned future revenue and capital costs. The Governors believe that, under normal circumstances, the appropriate level of GAG reserve should be between 2% and 5% of GAG income and aim to keep the reserve within these parameters.

At 31 August 2022 the school only held GAG reserves of £Nil. The Governors will seek to increase this reserve in future years as funding allows.

Unrestricted reserves

In addition to the GAG reserve, which can only be utilised for the restricted purposes set out in the funding agreement, the academy holds unrestricted free reserves, which provide additional working capital and are not committed or designated. It is the Governors' policy to aim to hold approximately 3 months' expenditure in unrestricted reserves, to provide an additional cushion over and above the restricted GAG reserve.

At 31 August 2022 the level of unrestricted reserves held was £373,422.

LIVERPOOL COLLEGE INDEPENDENT SCHOOL TRUST
TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Investment policy

All investments are agreed by the Governing Body, which has regard to the Charity Commission guidance in relation to charity investment policy. The academy does not currently hold any investments other than cash, which is held for its normal operations. The Governing Body has adopted a low risk strategy to its cash holdings. Surplus cash is held in an instant access account to ensure that there is always sufficient cash to meet short and medium-term requirements.

Principal risks and uncertainties

One of the academy's main risk is uncertainty surrounding pupil numbers. The Academy has a growth plan in respect of pupil numbers to move towards financial viability. Further capital building will be required to accommodate the additional numbers.

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

A risk register is maintained and is reviewed annually by the Governors and more frequently where necessary.

Fundraising

Under the provisions of the Charities (Protection and Social Investment) Act 2016 the following section outlines information on fundraising practices. The areas covered are included in section 13 of the Act and include:

- **Approach to fundraising**

- The College seeks voluntary contributions towards educational trips and activities, where appropriate, to allow for the development of both educational and enrichment activities on behalf of the pupils.
- The College invites voluntary donations from parents, alumni, friends and other stakeholders for general or targeted school funding programmes, these may include specific capital projects

The College does not work with any commercial participators/professional fundraisers and consequently does not put parents or other donors under undue pressure to donate

Plans for future periods

The Governing Body and the college leadership team have determined the following key aims for the future:

- The strategy of Liverpool College Independent School Trust must rise to the challenges and opportunities identified with imagination, ambition and excellence of development and delivery
- In line with our heritage, we seek to make our own very distinctive contribution to education and the future of young people available to a greater number of pupils within Liverpool and beyond
- The resources and finances required to develop and deliver the strategy are available and committed over the required time period and that the College remains a viable and sustainable foundation and an establishment of educational excellence

LIVERPOOL COLLEGE INDEPENDENT SCHOOL TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Funds Held as Custodian Trustee on Behalf of Others

The academy does not act as custodian trustee on behalf of others but it does administer a school fund on behalf of parents in respect of school trips and associated activities.

Auditor

In so far as the governors are aware:

- there is no relevant audit information of which the Charitable Company's auditor is unaware; and
- the governors 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.

Governors' Report, incorporating strategic report, approved by order of the members of the Governing Body, being the Board of Trustees and Company Directors on and signed on its behalf by:

13/12/2022

Monica Mason

.....
M Mason

LIVERPOOL COLLEGE INDEPENDENT SCHOOL TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2022

Scope of responsibility

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

The Governing Body has delegated the day-to-day responsibility to the Principal, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Liverpool College Independent School Trust and the Secretary of State for Education. He is also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Governors' Report and in the Statement of Trustees' Responsibilities.

The governing body has formally met 4 times during the year. Attendance during the period at meetings of the governing body was as follows:

	Meetings attended	Out of a possible
H van Mourik Broekman – Principal and Accounting Officer	4	4
K Atkinson	4	4
O Barden –Parent Governor (resigned 18 October 2021)	0	0
S Carr	3	4
A Case	3	4
K Clarke	2	4
T Hallam (resigned 18 October 2021)	0	0
M Mason - Chair	4	4
R Morgan	4	4
T Nichol – Deputy Chair	4	4
E Parr	4	4
M Sharpe	4	4
L Sheridan	4	4
C Turbitt	4	4
A Williams	4	4
M Amanuel	4	4
C Barlow	4	4
L Saeed	2	4
Y Shepherd	4	4

Conflicts of interest

The academy maintains a register of interests to identify any conflicts of interest. Conflicts of interest are discussed at every meeting and the academy has processes in place to manage these in accordance with the academy trust handbook.

The Operations Committee (formerly the Finance, Estates and Resources Committee) is a sub-committee of the main governing body. Its purpose is to monitor financial performance and related activities of the academy on behalf of the Governing Body. The committee met formally 4 times during the year and attendance at meetings in the period was as follows:

LIVERPOOL COLLEGE INDEPENDENT SCHOOL TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

	Meetings attended	Out of a possible
H van Mourik Broekman	4	4
K Clarke	2	4
M Mason	4	4
T Nichol	4	4
M Sharpe	4	4
L Sheridan	4	4
A Williams	4	4

Among the particular issues dealt with within the period were:

- Building and estates issues – CIF bids, Health and safety reports and surveys, future developments, review bids, projects and capital spending plans
- Budget approval and reviews
- Funding
- Review and approval of the Audited Financial statements
- Risk Register
- Policies
- Responsible Officer reports
- Boarding Provisions including finance and accommodation issues
- Catering – contract and provisions
- Sports provisions and partnerships
- ICT Provisions
- Income generation and Fundraising – college fund, schools direct, capital donations
- Monthly management accounts

The Governing Body seeks to build on their strengths and improve the range of skills and abilities available when governors are appointed. The Governing body carries out self-evaluation and a skills audit annually to identify any gaps in knowledge. The Governors have wide ranging knowledge and experience and are well equipped to deal with the challenges and opportunities that arise.

LIVERPOOL COLLEGE INDEPENDENT SCHOOL TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Review of Value for Money

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

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

- The College provides a balanced curriculum that encourages students to achieve their potential.
- Termly reports to the Operations Committee of the Governing Body
- Operation of the Boarding Provisions as a further income stream.
- The Governing Body overseeing the operation of the school finance provisions including approval of the budget, review of accounts and the annual audited financial statements
- Robust internal controls, verified via external review
- Review of supply and service contracts and other provisions to generate further efficiencies
- Orders above the limits identified within our Financial Procedures Manual reviewed prior to authorisation
- Tendering procedures for high value contracts
- Staffing complement reviewed annually to respond to changes in curriculum delivery or needs of the organisation
- Staffing appointments made on the basis of best person for the post not necessarily the cheapest
- Income generation – the Governors in collaboration with other partners have developed a strategy to secure the financial future of the academy
- Independent external services are engaged to review internal practices to ensure probity and compliance on behalf of the school and the Trust

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy's 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 Liverpool College for the period from 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 governing body has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The governing body is of the view that there is a formal on-going process for identifying, evaluating and managing the academy 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 financial statements. This process is regularly reviewed by the governing body.

LIVERPOOL COLLEGE INDEPENDENT SCHOOL TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the governing body;
- regular reviews by the Operations Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.
- Regular meetings between the Accounting Officer and Chief Financial Officer

The governing body considered the need for a specific internal audit function and decided not to appoint an internal auditor. However, the Governors re-appointed MS Finance Ltd, as Responsible Officer ('RO') in the year ending 31 August 2022. The RO's role includes giving advice on financial matters and performing a range of termly checks on the academy trust's financial systems. The RO reported to the governing body on a termly basis on the operation of the systems of control and on the discharge of the governing body's financial responsibilities as well as reviewing the impact of particular defined risks.

Review of effectiveness

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

- The work of the Responsible Officer
- The financial management and governance self-assessment process
- The work of executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework
- The work of the external auditor

LIVERPOOL COLLEGE INDEPENDENT SCHOOL 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 Operations Committee and the new Finance Procedures Manual is designed to regulate the continuous improvement of the system.

13/12/2022

Approved by order of the members of the Governing Body on

and signed on its behalf by:

Monica Mason

.....
M Mason
Chair

H van Mourik Broekman

.....
H van Mourik Broekman
Accounting Officer

LIVERPOOL COLLEGE INDEPENDENT SCHOOL TRUST

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2022

As accounting officer of Liverpool College Independent School Trust, I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy Trust, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academy Trust Handbook 2021.

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

During the year the Trust engaged an architect for work on a capital project. The architect concerned was a related party and the contract was over £20,000. As such pre-approval should have been sought from the ESFA but this was not requested. A subsequent request was not approved by the ESFA on the grounds that

- The evidence provided did not demonstrate that a competitive tendering process was followed and the supply of goods and services to the academy trust was properly procured through an open and fair process, as required by the Academy Trust Handbook.
- The evidence provided did not demonstrate that sufficient records were maintained to show this transaction was conducted with accountability and transparency, and that conflicts of interest were managed.

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

H van Mourik Broekman

.....
H van Mourik Broekman
Accounting Officer

14/12/2022

.....
Date:

LIVERPOOL COLLEGE INDEPENDENT SCHOOL TRUST

STATEMENT OF GOVERNORS' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2022

The governors (who act as trustees for charitable activities and are also directors of the charitable company for the purposes of company law) are responsible for preparing the Governors' Report and the financial statements in accordance with the Annual 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 governors to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the academy and of the incoming resources and application of resources, including the income and expenditure, for that period. In preparing these financial statements, the governors 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 estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the academy will continue in business.

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

The governors are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls which conform to the requirements both of propriety and good financial management. They are also responsible for ensuring that grants received from the ESFA/DfE have been applied for the purposes intended.

The governors are responsible for the maintenance and integrity of the corporate and financial information included on the academy's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by order of the members of the governing body on and signed on its behalf by:

13/12/2022

Monica Mason

.....
M Mason
Chair

LIVERPOOL COLLEGE INDEPENDENT SCHOOL TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS FOR THE YEAR ENDED 31 AUGUST 2022

We have audited the financial statements of Liverpool College Independent School Trust (the 'parent academy trust') and its subsidiary (the 'group') for the year ended 31 August 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022 issued by the Education and Skills Funding Agency.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent academy trust's affairs as at 31 August 2022, and of its incoming resources and application of resources, including its income and expenditure, for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022 issued by the Education and Skills Funding Agency.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the accounts' section of our report. We are independent of the Academy Trust in accordance with the ethical requirements that are relevant to our audit of the 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 Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

LIVERPOOL COLLEGE INDEPENDENT SCHOOL TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

Other information

The other information comprises the information included in the reference and administrative details, Trustees' Report incorporating the Strategic Report and Directors' Report, the Governance Statement, the Statement on Regularity, Propriety and Compliance and the Trustees Responsibilities Statement. The Trustees are responsible for the other information which comprises the information included in the annual report other than the accounts and our auditor's report thereon. 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.

In connection with our audit of the accounts, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the accounts or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report including the incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts; and
- the Trustees' Report including the incorporated strategic report have been prepared in accordance with applicable legal requirements.
-

Matters on which we are required to report by exception

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

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

Responsibilities of Trustees

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

LIVERPOOL COLLEGE INDEPENDENT SCHOOL TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Auditor's responsibilities for the audit of the financial statements

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 governors, about any known or suspected instances of noncompliance 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.

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 Academies 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 for the audit of the accounts is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's 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. 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 auditors' 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'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 and Statutory Auditor

Richard House
Winckley Square
Preston
PR1 3HP

Date: 14/12/2022
.....

LIVERPOOL COLLEGE INDEPENDENT SCHOOL TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE ACADEMY 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 2 December 2021 and further to the requirements of the Education 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 the academy trust during the period from 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 the academy trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the academy trust and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the academy trust and the ESFA, for our work, for this report, or for the opinion we have formed.

Respective responsibilities of the accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of the academy trust's funding agreement with the Secretary of State for Education dated 31 July 2013 and the Academies Trust 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, in our opinion, 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 Academies: Accounts Direction 2021 to 2022 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

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

LIVERPOOL COLLEGE INDEPENDENT SCHOOL TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2022

Conclusion

As noted in the Statement of Regularity, Propriety and Compliance, during the year the Trust engaged an architect for work on a capital project. The architect concerned was a related party and the contract was over £20,000. As such pre-approval should have been sought from the ESFA but this was not requested. A subsequent request was not approved by the ESFA on the grounds that

- The evidence provided did not demonstrate that a competitive tendering process was followed and the supply of goods and services to the academy trust was properly procured through an open and fair process, as required by the Academy Trust Handbook.
- The evidence provided did not demonstrate that sufficient records were maintained to show this transaction was conducted with accountability and transparency, and that conflicts of interest were managed.

The ESFA have stated that although the transaction is not approved, it does not prevent the academy trust continuing with the agreement in this instance.

Notwithstanding the above, 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
Chartered Accountants
Statutory Auditor

Richard House
Winckley Square
Preston
PR1 3HP

14/12/2022
Date:

LIVERPOOL COLLEGE INDEPENDENT SCHOOL TRUST

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATES THE INCOME AND EXPENDITURE ACCOUNT AND STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES)

FOR THE YEAR ENDED 31 AUGUST 2022

	Note	Unrestricted general funds £	Restricted general funds £	Restricted fixed asset funds £	Total 2022 £	Total 2021 £
Income and endowments:						
Donations and capital grants	2	-	192,402	2,795,174	2,987,576	688,545
Charitable activities:						
- Funding for the Academy's educational operations	3	686,268	8,783,226	-	9,469,494	8,777,707
- Provision of boarding activities	24	179,801	-	-	179,801	173,402
Other trading activities	4	429,464	-	-	429,464	240,790
Total income and endowments		1,295,533	8,975,628	2,795,174	13,166,335	9,880,444
Expenditure:						
Raising funds	5	165,614	-	-	165,614	118,372
Charitable activities:						
- Academy trusts educational operations	6	587,664	9,854,773	803,684	11,246,121	10,530,200
- Provision of boarding activities	6/24	153,211	-	-	153,211	158,057
Total expenditure		906,489	9,854,773	803,684	11,564,946	10,806,629
Net income/(expenditure)		389,044	(879,145)	1,991,490	1,501,389	(926,185)
Transfers between funds		(206,804)	543,692	(336,888)	-	-
Other recognised gains and losses						
Actuarial gain/(loss) on defined benefit pension schemes	20	-	779,000	-	779,000	84,000
Net movement in funds		182,240	443,547	1,654,602	2,280,389	(842,185)
Reconciliation of funds						
Total funds brought forward	16	191,182	(793,547)	34,159,712	33,557,347	34,399,532
Total funds carried forward		373,422	(350,000)	35,814,314	35,837,736	33,557,347

All of the academy's activities derive from continuing operations.

LIVERPOOL COLLEGE INDEPENDENT SCHOOL TRUST

BALANCE SHEET

AS AT 31 AUGUST 2022

	Note	Group 2022 £	2021 £	Company 2022 £	2021 £
Fixed assets					
Tangible assets	10	33,204,278	33,724,683	33,195,767	33,714,637
Investments	11	-	-	-	-
Current assets					
Stock	12	1,246	1,191	1,246	1,191
Debtors	13	3,248,819	945,443	3,242,492	946,714
Cash at bank and in hand		880,978	849,922	690,408	776,850
		4,131,043	1,796,556	3,934,146	1,724,755
Creditors: amounts falling due within one year	14	(1,147,586)	(1,077,892)	(1,103,315)	(1,108,241)
Net current assets		2,983,457	718,664	2,830,831	616,514
Net assets excluding pension liability		36,187,736	34,443,347	36,026,598	34,331,151
Pension scheme liability		(350,000)	(886,000)	(350,000)	(886,000)
Total net assets		35,837,736	33,557,347	35,676,598	33,445,151
Funds of the academy trust:					
Restricted funds	16				
- Fixed asset funds		35,814,314	34,159,712	35,805,802	34,149,666
- General funds		-	92,453	-	92,453
- Pension reserve		(350,000)	(886,000)	(350,000)	(886,000)
Total restricted funds		35,464,314	33,366,165	35,455,802	33,356,119
Unrestricted funds	16	373,422	191,182	220,796	89,032
Total funds		35,837,736	33,557,347	35,676,598	33,445,151

13/12/2022

These accounts were approved and authorised for issue by the trustees on and are signed on their behalf by:

Monica Mason

.....
M Mason – Chair

Company Limited by Guarantee
Registration Number 08565932

LIVERPOOL COLLEGE INDEPENDENT SCHOOL TRUST

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2022

	Note	2022 £	£	2021 £	£
Cash flows from operating activities					
Net cash provided by / (used in) operating activities	18		206,737		(355,645)
Cash flows from investing activities					
Purchase of tangible assets		(283,279)		-	
Capital grants from DfE Group		107,598		621,092	
			(175,681)		621,092
Movement in cash and cash equivalents in the reporting period			31,056		265,447
Cash and cash equivalents brought forward			849,922		584,475
Cash and cash equivalents carried forward	19		880,978		849,922

LIVERPOOL COLLEGE INDEPENDENT SCHOOL 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.

Basis of preparation

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2020 to 2022 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Liverpool College Independent School Trust meets the definition of a public benefit entity under FRS 102.

Going concern

The governors 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 Academy Trust to continue as a going concern. The governors make this assessment in respect of a period of at least one year from the date of authorisation for issue of the accounts and have concluded that the Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Trust's ability to continue as a going concern. Thus they continue to adopt the going concern basis of accounting in preparing the accounts.

Basis of Consolidation

The consolidated accounts incorporate the accounts of the Academy and all group undertakings. Acquisitions are accounted for under the acquisition method and goodwill on acquisition has been written of in the year of acquisition.

As permitted by s408 Companies Act 2006, the company has not presented its own income and expenditure account and related notes. The company's surplus for the year was £2,122,447 (2021 Deficit of £820,330)

Incoming resources

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

Grants receivable

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

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

Capital grants are recognised in full when there is an unconditional entitlement to the grant. Unspent amounts of capital grant are reflected in the balance 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 COLLEGE INDEPENDENT SCHOOL 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 Academy 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 the amount can be reliably measured.

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 year it is receivable and to the extent the academy trust has provided the goods or services.

Donated goods, facilities and services

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

Resources expended

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 cost attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support cost which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

- **Expenditure on Raising Funds**

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

- **Charitable Activities**

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

All resources expended are inclusive of irrecoverable VAT.

LIVERPOOL COLLEGE INDEPENDENT SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies (continued)

Tangible fixed assets

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

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund and a funds transfer is made.

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 over its expected useful lives, as follows:

Freehold buildings	2%
Long leasehold buildings	2%
Long leasehold land	Over the term of the lease
Refurbishments to land & buildings	2%
Fixtures, fittings and equipment	15%
ICT equipment	33%
Motor Vehicles	20%

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

On conversion the Academy acquired the land and buildings from which it operates under a 125 year lease. No value was paid for the land and buildings, which were incorporated into the accounts as a donated asset, based on a depreciated replacement cost valuation carried out as at 31 March 2015 on behalf of the Department for Education by Mouchel.

Liabilities

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

Provisions

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

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

LIVERPOOL COLLEGE INDEPENDENT SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies (continued)

Leased assets

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

Investments

The Academy's shareholding in the wholly owned subsidiary, Liverpool College Enterprises Limited, is included in the balance sheet at nil value as an estimate of its fair value on acquisition. There is no readily available market value, which is not considered to be material, and the cost of valuation exceeds the benefit derived. The net assets of the subsidiary at the year end were £134,056.

Financial Instruments

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

Financial assets – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments. Amounts due to the charity's wholly owned subsidiary are held at face value less any impairment.

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

Stock

Stock consists of purchased goods for resale. Stocks are valued at the lower of cost and net realisable value. Items donated for resale or distribution are not included in the financial statements until they are sold or distributed.

Taxation

The Academy is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Accordingly, the Academy 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.

Pension benefits

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

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

LIVERPOOL COLLEGE INDEPENDENT SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies (continued)

Pension benefits (continued)

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

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

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

Liverpool College Independent School Trust also participates in the Pensions Trust's Growth Plan (the Plan). The Plan is funded and is not contracted-out of the State scheme. The Plan is a multi-employer pension plan.

Fund accounting

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

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

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

Agency arrangements

The academy trust acts as an agent in distributing Student Financial Support Funding 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.

LIVERPOOL COLLEGE INDEPENDENT SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies (continued)

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

The academy trust makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 24, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

2 Donations and capital grants

	Unrestricted funds	Restricted general funds	Restricted fixed asset funds	Total 2022	Total 2021
	£	£		£	£
Capital grants	-	-	2,795,174	2,795,174	511,092
Other donations	-	192,402	-	192,402	177,453
	-	192,402	2,795,174	2,987,576	688,545

The income from donations and capital grants was £2,987,576 (2021: £688,545) of which £nil was unrestricted (2021: £nil), £192,402 was restricted (2021: £67,453) and £2,795,174 was restricted fixed assets (2021: £621,092).

LIVERPOOL COLLEGE INDEPENDENT SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

3 Funding for the academy trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
DfE/ESFA revenue grants				
General Annual Grant (GAG)	-	7,632,534	7,632,534	7,017,033
Other DfE/ESFA grants:	-	-	-	-
UIFSM	-	95,656	95,656	100,149
Pupil Premium	-	355,426	355,426	324,003
Others	-	238,680	238,680	468,259
	-	8,322,296	8,322,296	7,909,444
Other government grants				
Other local government grants	-	129,061	129,061	92,389
Exceptional government grants				
Coronavirus job retention scheme grant	-	-	-	12,314
Coronavirus exceptional support	-	-	-	102,160
Other Coronavirus funding	-	-	-	91,280
	-	129,061	129,061	205,754
Other educational income				
Catering income	484,940	-	484,940	306,628
Other income	201,328	331,869	533,197	263,492
	686,268	331,869	1,018,137	570,120
Total	686,268	8,783,226	9,469,494	8,777,707

The income from funding for educational operations was £9,469,494 (2021: £8,777,707) of which £686,268 was unrestricted (2021: £480,842) and £8,783,226 was restricted (2021: £8,296,865).

The academy trust was eligible to claim additional funding in the prior year from government support schemes in response to the coronavirus outbreak. The funding received in the prior year is shown above under 'exceptional government grants'.

The funding received for coronavirus exceptional support covered additional cleaning, supply and IT costs for acting as a hub school for keyworker children. In addition to this the academy furloughed some of its boarding and other staff whose employment was not supported by direct government funding, these was covered by the exceptional funding. All exceptional funding was expensed in the prior year.

LIVERPOOL COLLEGE INDEPENDENT SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

4 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
Hire of facilities	26,243	-	26,243	7,500
Income from trading subsidiary	196,472	-	196,472	103,622
Transport	-	-	-	-
After school club	186,319	-	186,319	109,371
School fund	20,430	-	20,430	20,297
	429,464	-	429,464	240,790

The income from other trading activities was £429,464 (2021: £240,790) of which £429,464 was unrestricted (2021: £240,790).

5 Expenditure

	Staff costs £	Premises £	Other £	Total 2022 £	Total 2021 £
Expenditure on raising funds	93,208	-	72,406	165,614	118,372
Academy's educational operations:					
- Direct costs	6,042,834	16,441	1,175,729	7,235,004	6,413,036
- Allocated support costs	1,197,372	2,056,666	757,079	4,011,117	4,117,164
Boarding activities					
-Direct costs	57,732	34,426	-	92,158	112,148
-Allocated support costs	-	5,477	55,576	61,053	45,909
	7,391,146	2,113,010	2,060,790	11,564,946	10,806,629

Net income/(expenditure) for the year includes:

	2022 £	2021 £
Fees payable to auditor for:		
- Audit of the group financial statements	13,950	11,650
- Audit of the subsidiary financial statements	3,175	2,650
- Accountancy, taxation and other services	5,750	6,175
Operating leases	105,978	105,977
Depreciation	803,864	818,361

The expenditure on raising funds was £165,614 (2021: £118,372) of which £165,614 was unrestricted (2021: £106,058) and £nil was restricted (2021: £12,314).

LIVERPOOL COLLEGE INDEPENDENT SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

6 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
Direct costs				
Educational operations	689	7,234,315	7,235,004	6,413,036
Boarding	92,158	-	92,158	112,148
Support costs				
Educational operations	586,975	3,424,142	4,011,117	4,117,164
Boarding	61,053	-	61,053	45,909
	<u>740,875</u>	<u>10,658,457</u>	<u>11,399,332</u>	<u>10,688,257</u>

The expenditure on charitable activities was £11,399,332 (2021: £10,688,257) of which £740,875 was unrestricted (2021: £694,676), £9,854,773 was restricted (2021: £9,175,220) and £803,684 was restricted fixed assets (2021: £818,361).

	2022 £	2021 £
Analysis of support costs		
Support staff costs	1,197,372	1,156,688
Depreciation	787,243	814,651
Premises costs	1,169,961	1,356,564
Other support costs	901,019	817,346
Governance costs	16,575	17,824
	<u>4,072,170</u>	<u>4,163,073</u>

LIVERPOOL COLLEGE INDEPENDENT SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

7 Staff costs

	2022 £	2021 £
Wages and salaries	5,463,250	5,215,709
Employer's national insurance contributions	526,992	472,406
Pension costs	1,244,424	1,095,978
	<u>7,234,666</u>	<u>6,784,093</u>
Compensation payments	-	5,297
Supply staff costs	156,481	86,592
	<u>7,391,147</u>	<u>6,875,982</u>

Staff numbers

The average number of persons (including management team) employed by the Academy during the period as the full time equivalents, was as follows:

	2022 Actual Number	2022 Full-time equivalent Number	2021 Actual Number	2021 Full-time equivalent Number
Teachers	86	81	87	79
Administrative and support	132	78	108	70
Management	4	4	4	4
	<u>222</u>	<u>163</u>	<u>199</u>	<u>153</u>

Higher paid staff

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

	2022 Number	2021 Number
£60,001 - £70,000	3	2
£70,001 - £80,000	1	1
£130,001 - £140,000	1	1
	<u>5</u>	<u>4</u>

Five of the above employees participated in the Teacher's Pension Scheme, during the year, pension contributions on behalf of these employees were £94,511 (2021: £65,845).

Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £nil (2021: £5,297).

Key management personnel

The key management personnel of the academy trust comprise the trustees and the Executive Leadership Team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £464,900 (2021: £465,668).

LIVERPOOL COLLEGE INDEPENDENT SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

8 Governors' remuneration and expenses

The Principal and staff governors only received remuneration in respect of services they provide undertaking the roles of Principal and staff members under their contracts of employment and not in respect of their services as governors. Other governors did not receive any payments, other than expenses, from the Academy in respect of their role as governors. The value of the governors' remuneration including pension contributions was as follows:

H van Mourik Broekman – Principal and Governor:

Remuneration – £135,001 - £140,000 (2021: £135,001 - £140,000)

Employer's pension contributions – £30,001 - £35,000 (2021: £30,001 - £35,000)

C Turbitt – Staff Governor:

Remuneration – £45,000 - £50,000 (2021: £45,000 - £50,000)

Employer's pension contributions – £10,000 - £15,000 (2021: £10,000 - £15,000)

A Case – Staff Governor

Remuneration – £15,000 - £20,000 (2021: £5,000 - £10,000)

Employer's pension contributions – £nil (2021: £nil)

During the year ended 31 August 2022, travel and subsistence expenses of £nil were reimbursed to governors (2021: £nil).

9 Governor' and officers' insurance

In accordance with normal commercial practice, the Academy has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £10,000,000 on any one claim and the cost for the period is not separately identifiable from the total insurance cost.

10 Tangible fixed assets – Group

	Freehold Land and Building £	Leasehold Land and Building £	Furniture and equipment £	Computer equipment £	Motor vehicles £	Assets Under Construction £	Total £
Cost							
At 1 September 2021	6,952,174	31,778,000	646,552	221,595	44,891	-	39,643,212
Additions	-	-	122,353	72,436	10,950	77,540	283,279
Disposals	-	-	-	-	(3,500)	-	(3,500)
At 31 August 2022	6,952,174	31,778,000	768,905	294,031	52,341	77,540	39,922,991
Depreciation							
At 1 September 2021	615,676	4,507,927	537,288	216,340	41,298	-	5,918,529
Charged in period	139,045	574,296	68,296	16,441	5,606	-	803,684
Disposals	-	-	-	-	(3,500)	-	(3,500)
At 31 August 2022	754,721	5,082,223	605,584	232,781	43,404	-	6,718,713
Net book value							
At 31 August 2022	6,197,453	26,695,777	163,321	61,250	8,937	77,540	33,204,278
At 31 August 2021	6,336,498	27,270,073	109,264	5,255	3,593	-	33,724,683

LIVERPOOL COLLEGE INDEPENDENT SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

10 Tangible fixed assets – Trust

	Freehold Land and Building £	Leasehold Land and Building £	Furniture and equipment £	Computer equipment £	Motor vehicles £	Assets Under Construction £	Total £
Cost							
At 1 September 2021	6,952,174	31,778,000	617,298	221,595	44,891	-	39,613,958
Additions	-	-	122,353	72,436	10,950	77,540	283,279
Disposals	-	-	-	-	(3,500)	-	(3,500)
At 31 August 2022	6,952,174	31,778,000	739,651	294,031	52,341	77,540	39,893,737
Depreciation							
At 1 September 2021	615,676	4,507,927	518,080	216,340	41,298	-	5,899,321
Charged in period	139,045	574,296	66,761	16,441	5,606	-	802,149
Disposals	-	-	-	-	(3,500)	-	(3,500)
At 31 August 2022	754,721	5,082,223	584,841	232,781	43,404	-	6,697,970
Net book value							
At 31 August 2022	6,197,453	26,695,777	154,810	61,250	8,937	77,540	33,195,767
At 31 August 2021	6,336,498	27,270,073	99,218	5,255	3,593	-	33,714,637

11 Investments – shares in subsidiary undertakings

2022
£

2021
£

-

-

Liverpool College Independent School Trust acquired 100% of the ordinary share capital of Liverpool College Enterprises Limited for £nil consideration. The net liabilities at the date of acquisition were £19,139. No fair value was attributed to the investment at the date of acquisition. Liverpool College Enterprises Limited is a company registered in England and Wales and raises funds for parent company by operating gym and sports facilities out of school hours. A summary of the trading results is shown below:

	2022 £	2021 £
Turnover	196,743	103,622
CJRS Grant	-	12,314
Administrative expenses	(108,373)	(76,507)
Distribution to Liverpool College	(39,429)	(61,289)
Profit on ordinary activities before taxation	48,941	(21,860)
Taxation	-	-
Profit/(loss) for the year	48,941	(21,860)
Share capital	50,002	50,002
Profit and loss reserves	111,135	62,194
Net assets	161,137	112,196

LIVERPOOL COLLEGE INDEPENDENT SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

12 Stock

	Group		Trust	
	2022 £	2021 £	2022 £	2021 £
Catering stock	1,246	1,191	1,246	1,191
	1,246	1,191	1,246	1,191

13 Debtors

	Group		Trust	
	2022 £	2021 £	2022 £	2021 £
Trade debtors	13,613	13,729	667	-
VAT recoverable	115,341	69,919	115,341	69,919
Other debtors	62,601	4,180	54,220	4,180
Prepayments and accrued income	3,057,264	857,615	3,072,264	872,615
	3,248,819	945,443	3,242,492	946,714

14 Creditors: amounts falling due within one year

	Group		Trust	
	2022 £	2021 £	2022 £	2021 £
Trade creditors	-	27,907	-	27,907
Other taxation and social security	135,111	125,667	135,111	125,667
Other creditors	297,279	354,424	279,765	391,178
Accruals and deferred income	715,196	569,894	688,439	563,489
	1,147,586	1,077,892	1,103,315	1,108,241

15 Deferred income

	Group		Trust	
	2022 £	2021 £	2022 £	2021 £
Deferred income is included within:				
Creditors due within one year	416,220	180,822	416,220	180,822
Deferred income at 1 September 2021	180,822	191,838	180,822	191,838
Released from previous years	(180,822)	(191,838)	(180,822)	(191,838)
Amounts deferred in the year	416,220	180,822	416,220	180,822
Deferred income at 31 August 2022	416,220	180,822	416,220	180,822

At the balance sheet date the academy trust was holding grant income received from the ESFA along with other restricted donations and income in advance of the related expenditure, which have been deferred.

LIVERPOOL COLLEGE INDEPENDENT SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

16 Funds

Group	Balance at 1 September 2021 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2022 £
Restricted general funds					
General Annual Grant (GAG)	-	7,632,534	(8,176,226)	543,692	-
Pupil premium	77,145	355,426	(432,571)	-	-
UIFSM	-	95,656	(95,656)	-	-
Other DfE/ESFA grants	-	238,680	(238,680)	-	-
Other government grants	-	129,061	(129,061)	-	-
Other restricted funds	15,308	524,271	(539,579)	-	-
Pension reserve	(886,000)		(243,000)	779,000	(350,000)
	(793,547)	8,975,628	(9,854,773)	1,322,692	(350,000)
Restricted fixed asset funds					
Inherited on conversion	27,421,700	-	(574,296)	-	26,847,404
DfE group capital grants	2,762,273	2,795,174	(110,357)	(542,628)	4,904,461
Capital expenditure from GAG and other funds	3,965,693	-	(117,496)	205,739	4,053,936
Trading subsidiary fixed assets	10,046	-	(1,535)	-	8,511
	34,159,712	2,795,174	(803,684)	(336,889)	35,814,314
Total restricted funds	33,366,165	11,770,802	(10,658,457)	985,803	35,464,313
Unrestricted funds					
General funds	191,182	1,295,533	(906,489)	(206,804)	373,422
Total funds	33,557,347	13,066,335	(11,564,946)	779,000	35,837,736

LIVERPOOL COLLEGE INDEPENDENT SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

16 Funds (continued)

Company	Balance at 1 September 2021 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2022 £
Restricted general funds					
General Annual Grant (GAG)	-	7,632,534	(8,176,226)	543,692	-
Pupil premium	77,145	355,426	(432,571)	-	-
UFSM	-	95,656	(95,656)	-	-
Other DfE/ESFA grants	-	238,680	(238,680)	-	-
Other government grants	-	129,061	(129,061)	-	-
Other restricted funds	15,308	524,271	(539,579)	-	-
Pension reserve	(886,000)		(243,000)	779,000	(350,000)
	(793,547)	8,975,628	(9,854,773)	1,322,692	(350,000)
Restricted fixed asset funds					
Inherited on conversion	27,421,700	-	(574,296)	-	26,847,404
DfE group capital grants	2,762,273	2,795,174	(110,358)	(542,628)	4,904,461
Capital expenditure from GAG and other funds	3,965,693	-	(117,496)	205,739	4,053,936
	34,149,666	2,795,174	(802,150)	(336,889)	35,805,802
Total restricted funds	33,356,119	11,770,802	(10,656,923)	985,803	35,455,802
Unrestricted funds					
General funds	89,032	1,078,631	(740,064)	(206,803)	220,796
Total funds	33,445,151	12,849,433	(11,396,986)	779,000	35,567,598

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.

Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2022.

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 includes Local authority and Central government funding for educational purpose which includes Special Educational Needs, Nursery grants and other smaller grants for specific projects.

Other restricted funds include contributions received for school trips and non-public donations and the related expenditure.

The pension reserve represents the value of the School'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 capital grants during the period. Depreciation is charged against the fund.

LIVERPOOL COLLEGE INDEPENDENT SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

16 Funds (continued)

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

Group	Balance at 1 September 2020 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2021 £
Restricted general funds					
General Annual Grant (GAG)	-	7,017,033	(7,625,667)	608,634	-
Pupil premium	108,078	324,003	(354,936)	-	77,145
UIFSM	-	100,149	(100,149)	-	-
Other DfE/ESFA grants	-	468,259	(468,259)	-	-
Other government grants	-	298,143	(298,143)	-	-
Other restricted funds	18,957	156,731	(160,380)	-	15,308
Pension reserve	(790,000)	-	(180,000)	84,000	(886,000)
	(662,695)	8,364,318	(9,187,534)	692,634	(793,547)
Restricted fixed asset funds					
Inherited on conversion	27,995,996	-	(574,296)	-	27,421,700
DfE group capital grants	2,781,200	511,092	(142,214)	(387,805)	2,762,273
Capital expenditure from GAG and other funds	4,065,999	110,000	(100,306)	(110,000)	3,965,693
Trading subsidiary fixed assets	11,591	-	(1,545)	-	10,046
	34,854,786	621,092	(818,361)	(497,805)	34,159,712
Total restricted funds	34,191,821	8,985,410	(10,005,895)	194,829	33,366,165
Unrestricted funds					
General funds	207,711	895,034	(800,734)	(110,829)	191,182
Total funds	34,399,532	9,880,444	(10,806,629)	84,000	33,557,347

LIVERPOOL COLLEGE INDEPENDENT SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

16 Funds (continued)

Comparative information in respect of the preceding period (continued):

Company	Balance at 1 September 2020 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2021 £
Restricted general funds					
General Annual Grant (GAG)	-	7,017,033	(7,625,667)	608,634	-
Pupil premium	108,078	324,003	(354,936)	-	77,145
UIFSM	-	100,149	(100,149)	-	-
Other DfE/ESFA grants	-	468,259	(468,259)	-	-
Other government grants	-	285,829	(285,829)	-	-
Other restricted funds	18,957	156,731	(160,380)	-	15,308
Pension reserve	(790,000)	-	(180,000)	84,000	(886,000)
	(662,965)	8,352,004	(9,175,220)	692,634	(793,547)
Restricted fixed asset funds					
Inherited on conversion	27,995,996	-	(574,296)	-	27,421,700
DfE group capital grants	2,781,200	511,092	(142,214)	(387,805)	2,762,273
Capital expenditure from GAG and other funds	4,065,999	110,000	(100,306)	(110,000)	3,965,693
	34,843,195	621,092	(816,816)	(497,805)	34,149,666
Total restricted funds	34,180,230	8,973,096	(9,992,036)	194,829	33,356,119
Unrestricted funds					
General funds	85,251	791,412	(676,802)	(110,829)	89,032
Total funds	34,265,481	9,764,508	(10,668,838)	84,000	33,445,151

LIVERPOOL COLLEGE INDEPENDENT SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

17 Analysis of net assets between funds

Fund balances at 31 August 2022 are represented by:	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	-	33,204,278	33,204,278
Current assets	373,422	1,147,586	2,610,036	4,131,043
Creditors falling due within one year	-	(1,147,586)	-	(1,147,586)
Defined benefit pension liability	-	(350,000)	-	(350,000)
	373,422	(350,000)	35,814,314	35,796,489

Fund balances at 31 August 2021 are represented by:	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total Funds £
Tangible fixed assets	-	-	33,724,683	33,724,683
Current assets	191,182	1,170,345	435,029	1,796,556
Creditors falling due within one year	-	(1,077,892)	-	(1,077,892)
Defined benefit pension liability	-	(886,000)	-	(886,000)
	191,182	(793,547)	34,159,712	33,557,347

18 Reconciliation of net income/(expenditure) to net cash flows from operating activities

	2022 £	2021 £
Net income/(expenditure) for the reporting period	1,501,389	(926,185)
Adjusted for:		
Depreciation (see note 10)	803,684	818,361
Capital grants from DfE/ESFA and other sources	(2,795,174)	(621,092)
Defined benefit pension scheme costs	243,000	180,000
(Increase)/decrease in stocks	(55)	328
(Increase)/decrease in debtors	384,867	19,469
Increase/(decrease) in creditors	69,694	173,474
Net cash (used in) / provided by operating activities	206,737	(355,645)

19 Analysis of changes in net funds

	At 1 September 2021 £	Cashflows £	Other non- cash changes £	At 31 August 2022 £
Cash at bank and in hand	849,922	31,056	-	880,978
	849,922	31,056	-	880,978

LIVERPOOL COLLEGE INDEPENDENT SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

20 Pension and similar obligations

The academy trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Merseyside Pension Fund. Both are multi-employer defined benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. 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 £120,000 (2021: £111,228) were payable to the schemes at the year end and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% employer administration charge)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million giving a notional past service deficit of £22,000 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI. The assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return 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 £872,803 (2021: £781,529).

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

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

LIVERPOOL COLLEGE INDEPENDENT SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

20 Pension and similar obligations (continued)

The Local Government Pension Scheme (LGPS)

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 17.2% for employers and 5.5 to 8.5% for employees.

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

Total Contributions made	2022 £'000	2021 £'000
Employer's contributions	158	139
Employee's contributions	57	51
Total contributions	215	190

Principal actuarial assumptions	2022 %	2021 %
Rate of increase in salaries	4.40	4.20
Rate of increase in pensions in payment	2.90	2.80
Discount rate	4.30	1.70
Inflation assumption (CPI)	3.00	2.80

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	20.9	21.0
- Females	24.0	24.1
Retiring in 20 years		
- Males	22.4	22.6
- Females	25.9	26.0

Scheme liabilities would have been affected by changes in assumptions as follows:	2022 £'000	2021 £'000
Discount rate + 0.1%	(34)	(44)
Discount rate - 0.1%	35	45
Mortality assumption + 1 year	40	80
Mortality assumption - 1 year	(39)	(78)
CPI rate + 0.1%	34	44
CPI rate - 0.1%	(33)	(43)

LIVERPOOL COLLEGE INDEPENDENT SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

20 Pension and similar obligations (continued)

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

	2022 Fair Value £'000	2021 Fair Value £'000
Equities	762	840
Government bonds	147	23
Other bonds	55	193
Property	171	155
Cash/liquidity	35	29
Other	411	394
Total market value of assets	1,581	1,634

Actual return on scheme assets – gain/(loss)

28 23

Amounts recognised in the statement of financial activities

	2022 £'000	2021 £'000
Current service cost (net of employer contributions)	224	163
Interest income	(28)	(23)
Interest cost	42	36
Benefit changes, curtailments and settlements gains or losses	-	-
Administrative expenses	5	4
Total operating charge	243	180

Changes in the present value of defined benefit obligations

	2022 £'000	2021 £'000
Obligations at 1 September 2021	2,520	1,999
Current service cost	382	302
Interest on pension liabilities	42	36
Past service cost	-	-
Employee contributions	57	51
Actuarial loss	(876)	135
Benefits/transfers paid	(194)	(3)
At 31 August 2022	1,931	2,520

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

	2022 £'000	2021 £'000
Assets at 1 September 2021	1,634	1,209
Return on plan assets	28	23
Actuarial gain/(loss)	(97)	219
Employer contributions	158	139
Employee contributions	57	51
Admin expenses	(5)	(4)
Benefits/transfers paid	(194)	(3)
At 31 August 2022	1,581	1,634

LIVERPOOL COLLEGE INDEPENDENT SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

20 Pension and similar obligations (continued)

The Pensions Trust Growth Plan

Liverpool College Independent School Trust participates in the Pensions Trust's Growth Plan (the Plan). The Plan is funded and is not contracted-out of the State scheme. The Plan is a multi-employer pension plan. Contributions paid into the Plan up to and including September 2001 were converted to defined amounts of pension payable from Normal Retirement Date. From October 2001 contributions were invested in personal funds which have a capital guarantee and which are converted to pension on retirement, either within the Plan or by the purchase of an annuity.

The rules of the Plan allow for the declaration of bonuses and/or investment credits if this is within the financial capacity of the Plan assessed on a prudent basis. Bonuses/investment credits are not guaranteed and are declared at the discretion of the Plan's Trustee.

The Trustee commissions an actuarial valuation of the Plan every three years. The purpose of the actuarial valuation is to determine the funding position of the Plan by comparing the assets with the past service liabilities as at the valuation date. Asset values are calculated by reference to market levels. Accrued past service liabilities are valued by discounting expected future benefit payments using a discount rate calculated by reference to the expected future investment returns.

The rules of the Plan give the Trustee the power to require employers to pay additional contributions in order to ensure that the statutory funding objective under the Pensions Act 2004 is met. The statutory funding objective is that a pension scheme should have sufficient assets to meet its past service liabilities known as Technical Provisions.

If the actuarial valuation reveals a deficit, the Trustee will agree a recovery plan to eliminate the deficit over a specified period of time either by way of additional contributions from employers, investment returns or a combination of these.

The rules of the Plan state that the proportion of obligatory contributions to be borne by the member and the member's employer shall be determined by agreement between them. Such agreement shall require the employer to pay part of such contributions and may provide that the employer shall pay the whole of them.

Liverpool College Independent School Trust paid contributions at the rate of 5% during the accounting period. Members paid contributions at the rate of 5% during the accounting period.

As at the balance sheet date there were 27 (2021 29) active members of the Plan employed by the Trust. The total contribution made for the year ended 31 August 2022 was £51,343 (2021 £54,475), of which employer's contributions totalled £26,125 (2021 £28,160) which includes life assurance premiums of £2,097 (2021: £2,167) and employee's contributions totalled £25,218 (2021 £26,315). The Trust continues to offer membership of the Plan to its employees.

It is not possible in the normal course of events to identify a reasonable and consistent basis the share of underlying assets and liabilities belonging to individual participating employers. The Plan is a multi-employer scheme, where the assets are co-mingled for investment purposes, and benefits are paid out of the Plan's total assets. Accordingly, due to the nature of the Plan, the accounting charge for the period under FRS 102 represents the employer contribution payable.

If an actuarial valuation reveals a shortfall of assets compared to liabilities, the Trustee must prepare a recovery plan setting out the steps to be taken to make up the shortfall.

LIVERPOOL COLLEGE INDEPENDENT SCHOOL TRUST

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

20 Pension and similar obligations (continued)

The Pensions Trust Growth Plan (continued)

The Pensions Regulator has the power under Part 3 of the Pensions Act 2004 to issue scheme funding directions where it believes that the actuarial valuation assumptions and/or recovery plan are inappropriate. For example, the Regulator could require that the Trustee strengthens the actuarial assumptions (which could increase the Plan liabilities and hence impact on the recovery plan) or impose a schedule of contributions to the Plan (which would effectively amend the terms of the recovery plan). A copy of the recovery plan in respect of the September 2011 valuation was forwarded to the Pensions Regulator on 2 October 2012, as required by legislation.

Following a change in legislation in September 2005, there is a potential debt on the employer that could be levied by the Trustee of the Plan and the Pensions Act 2011 has more recently the definition of series 3 of the Growth Plan so that a liability arises to employers from membership of any Series except Series 4. The debt is due in the event of the employer ceasing to participate in the Plan or the Plan winding up.

The debt for the Plan as a whole is calculated by comparing the liabilities for the Plan (calculated on a buy-out basis i.e. the cost of securing benefits by purchasing annuity policies from an insurer, plus an allowance for expenses) with the assets of the Plan. If the liabilities exceed the assets there is a buy-out debt.

The leaving employer's share of the buy-out debt is the proportion of the Plan's liability attributable to employment with the leaving employer compared to the total amount of the Plan's liabilities (relating to employment with all the currently participating employers). The leaving employer's debt therefore includes a share of any 'orphan' liabilities in respect of previously participating employers. The amount of the debt therefore depends on many factors including total Plan liabilities, Plan investment performance, the liabilities in respect of current and former employees of the employer, financial conditions at the time of the cessation event and the insurance buy-out market. Therefore, the amounts of debt can be volatile over time.

When an employer withdraws from a multi-employer defined benefit pension scheme which is in deficit, the employer is required by law to pay its share of the deficit, calculated on a statutory basis (known as the buy-out basis). Due to a change in the definition of money purchase contained in the Pensions Act 2011 the calculation basis that applies to the Growth Plan will be amended to include Series 3 liabilities in the calculation of an employer's debt on withdrawal.

The Growth Plan is a "last man standing" multi-employer scheme. This means that if a withdrawing employer is unable to pay its debt on withdrawal the liability is shared amongst the remaining employers. The participating employers are therefore, jointly and severally liable for the deficit in the Growth Plan. As at 30 September 2021 the total deficit calculated on an on-going funding basis was £33.3m.

Liverpool College Independent School Trust has been notified by the Pensions Trust of the estimated employer debt on withdrawal from the Plan based on the financial position of the Plan as at 30 September 2022. In accordance with FRS 102, the liability has not been provided for in the accounts of the Trust.

Private Pension Provisions

Liverpool College Independent School Trust has a number of staff who have chosen not to avail themselves of the different formal schemes available. Instead they have taken on private pension provisions with the College paying contributions at the rate of 5% during the accounting period on their behalf. Some members have also chosen to make paid contributions at the rate of 5% during the accounting period.

LIVERPOOL COLLEGE INDEPENDENT SCHOOL TRUST

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

21 Related party transactions

Liverpool College Enterprises Limited is considered to be a related party as it is a subsidiary of the Academy Trust.

During the year the Trust entered into the following transactions with Liverpool College Enterprises Limited, being donations received of £39,429 (2021: £61,289) and recharges totalling £15,000 (2021: £15,000).

At the year-end, £17,514 (2021: £Nil) was due from Liverpool College Enterprises Limited.

Ellis Williams Architects is considered to be a related party as a Trustee of Liverpool College Independent School Trust is also a director of the company. During the year, the Trust received invoices for services provided by Ellis Williams Architects Limited of £65,176 (2021: £Nil). As noted in the Statement of Regularity, Propriety and Compliance on page 18, this transaction was not pre-approved by the ESFA.

There have been no other related party transactions during the year.

22 Agency arrangements

The academy trust distributes Student Financial Support Funding to students as an agent for ESFA. In the accounting period ending 31 August 2022 the trust received £29,210 (2021: £23,516) and disbursed £25,926 (2021: £29,524) from the fund. Unspent bursary funding of £51,535 (2021: £48,256) is included in creditors.

23 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.

24 Academy boarding trading account

	2022 £	2022 £	2021 £	2021 £
Income				
Fee income		179,801		161,156
CJRS grant		-		12,246
Expenditure				
Direct costs				
Staff costs	57,732		87,995	
Catering	34,426		24,153	
Rent and rates	-		-	
		92,158		112,148
Support costs				
Marketing	-		325	
Commission	10,000		11,286	
Cleaning	5,477		5,537	
Other costs	45,576		28,761	
		61,053		45,909
Surplus in the year		26,590		15,345

LIVERPOOL COLLEGE INDEPENDENT SCHOOL TRUST

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

25 Financial Commitments

At 31 August 2022 the total of the Group's future minimum lease payments under non-cancellable operating leases was:

	2022 £	2021 £
Amounts due within one year	113,450	105,978
Amounts due in two-five year	111,081	155,641
	<u>224,531</u>	<u>261,619</u>