

THE LIVERPOOL BLUE COAT SCHOOL
(A company limited by guarantee)
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

THE LIVERPOOL BLUE COAT SCHOOL
(A company limited by guarantee)

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THE LIVERPOOL BLUE COAT SCHOOL
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REFERENCE AND ADMINISTRATIVE DETAILS

Members	C. Abbasi S. Chow M. Hill L. Lees
Trustees	J. Grace (Chair of Board of Trustees resigned 29 September 2023) (resigned 30 March 2023) S. Yates (Headteacher and Accounting Officer) S. Krüger Bridge (Chair of Board of Trustees appointed 29 September 2023) K. Graham (resigned 20 October 2022) P. Adamson (Trustee) S. Myers (Trustee) S. Smith (Vice Chair) (resigned 26 April 2023) J. Han (Trustee) R. Lee (Trustee) A. O'Brien (Trustee) R. Rasheed (Trustee)
Company registered number	07950827
Company name	The Liverpool Blue Coat School
Registered office	Church Road Wavertree Liverpool L15 9EE
Principal operating office	Church Road Wavertree Liverpool L15 9EE

THE LIVERPOOL BLUE COAT SCHOOL
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REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Senior leadership team

S. Yates, Headteacher and Accounting Officer
E. Bakstad, Deputy Head
A. Hughes, Director of Resources / PFO
S. O'Rourke, Deputy Head
J. Baker, Seconded Assistant Head
N. Barends, Assistant Head (to 24 March 2023)
S. Edwards, Assistant Head (appointed 1 September 2023)
L. Nock, Assistant Head
D. Penney, Assistant Head
J. Ward, Seconded Assistant Head (to 31 August 2023)
M. Watkins, Assistant Head
L. Hayburn, Assistant Director of Resources

Independent auditors

Langtons Professional Services Limited
The Plaza
100 Old Hall Street
Liverpool
L3 9QJ

THE LIVERPOOL BLUE COAT SCHOOL
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2023

The Trustees present their Annual report together with the financial statements and auditor's report of the School for the period 1 September 2022 to 31 August 2023.

The annual report serves the purposes of both a Trustees' report and a Directors' report under company law.

The trust operates as a selective Academy for students aged 11-18, serving a large catchment area. It has a planned admission number (PAN) of 180 in 2023 and had 1,246 students on roll in January 2023 (Spring School Census).

Structure, governance and management

a. Constitution

The Liverpool Blue Coat School converted to an Academy Trust on 1 March 2012. The Academy Trust is a company limited by guarantee with charitable status. The Company's Memorandum, Articles of Association and Funding Agreement are the primary governing documents of the Academy Trust.

The Academy Trust was incorporated on 15 February 2012 and commenced its activities on transfer from a foundation school on the conversion date stated above.

The Trustees of The Liverpool Blue Coat School are also the directors of the charitable company for the purposes of company law.

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

b. 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.

c. Trustees' indemnities

Subject to the provisions of the Companies Act 2006 every Trustee or officer or auditor shall be indemnified out of the assets against any liability incurred by him or her in that capacity in defending any proceedings, whether civil or criminal, in which judgement is given in favour or in which he or she is acquitted in any accusation in which relief is granted to him or her by the court from the liability of negligence, default, breach of duty or breach of trust in relation to the affairs of the company.

d. Method of recruitment and appointment or election of Trustees

The procedure for the recruitment, appointment and election of Members & Trustees is set out in the Company's Articles of Association. The Liverpool Blue Coat Members Board must be made up of at least 3 elected Members. The Liverpool Blue Coat School Members are entitled to nominate or appoint up to eleven of the Academy Trustees, two of these Trustees being appointed as parental representatives having undertaken a nomination and ballot exercise within the student parent body. The Academy Trustees may appoint co-opted Trustees.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Structure, governance and management (continued)

e. Policies adopted for the induction and training of Trustees

The Academy maintains an induction handbook for new Trustees. The Academy also funds, via an external provider, training opportunities for Trustees including specific induction training.

f. Organisational structure

Trustees of The Liverpool Blue Coat School (Academy) are also Trustees (charity) and are taken to be the same body of people as directors (company). The Board of Trustees together with the Headteacher and Director of Resources will ensure the effective allocation of resources for staffing, facilities and services, educational supplies & services, other supplies & services and other costs. An annual budget is presented to the Board of Trustees for approval and regular financial statements are reviewed by the Board of Trustees. Various levels of responsibility are set out in the Academy's Finance Procedural Handbook and Scheme of Delegation as required, Trustees make decisions when required and as appropriate as set out therein.

g. Arrangements for setting pay and remuneration of key management personnel

All members of the Academy's Senior Leadership Team are subject to an annual review by the Board of Trustees' Performance and Salary Review Committee.

h. Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the year	3
Full-time equivalent employee number	3

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	2
1%-50%	1
51%-99%	-
100%	-

Percentage of pay bill spent on facility time

	£	
Total cost of facility time	1,135	
Total pay bill	5,902,846	
Percentage of total pay bill spent on facility time	-	%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	-	%
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Structure, governance and management (continued)

i. Related parties and other connected charities and organisations

There are no known connected organisations or related party relationships that would have an influence on the school's accounts. However, as a former voluntary aided school the Academy has an interest in The Liverpool Blue Coat School Foundation.

Objectives and activities

a. Objects and aims

The Academy Trust's objects relate to the 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 the Academy offering a broad and balanced curriculum.

b. Objectives, strategies and activities

We believe that The Blue Coat School is a learning community committed to academic excellence and guided by principles of justice and compassion. We aim to foster intellectual, physical, moral, cultural and spiritual development. We expect everyone to demonstrate qualities of courtesy, honesty, diligence and enterprise. We believe education to be an undertaking of supreme importance, enabling all to become responsible citizens and active participants and leaders in the wider community.

Our School motto therefore holds true: **'Not for oneself, but for all.'**

Some time ago, we started a process to look at our aims and aspirations as a school.

Clearly academic success has always been central to all that we do, but what was heartening is that through the feedback that came from our students, alumni, parents and staff it was clear that our community is seen as being much more than just about outcomes. This is something that we all want to build on as we look at how we continue to prepare our students, our school and our community for the future that awaits us.

Based on staff, student and parental feedback the Trust Board spent time considering the renewed focus and direction of the school. This work has formed our vision for The Blue Coat School. This is not something that we have written and want to simply sit on a notice board somewhere in our school – it will help shape the education and opportunities that we offer and the way we recognise the talents and attributes of our students.

Our refreshed vision and the values that support this are simple, all that we do is focused on developing exceptionally well-rounded individuals with the skills to thrive and positively contribute in a rapidly changing society, our vision aims to inspire excellence, shape character and forge futures.

c. Public benefit

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Strategic report

Achievements and performance

a. Academic performance

This reporting period represents the Academy's eleventh year of operation and it has set strategic objectives related to achievement, progress, engagement, destinations and its provision. These objectives are monitored closely by the Board of Trustees. The Academy is a selective grammar school. 1,082 Year 6 students applied for 180 places in Year 7 for September 2024. Total main school students in the year ended 31 August 2023 numbered 1,246 and the Academy had full cohorts in year groups 7 - 11. In August 2023 the sixth form held 345.

Examination results for 2023 were significantly above the National Average. At A Level there was a 99.6% pass rate and over 87% of all A level grades awarded were A*-B. At GCSE 79% of all grades were 9-7. The Progress 8 score for 2023 was 0.97. 151 out of 180 students have returned to study in the sixth form.

To ensure the high level of standards set by the Academy are continued and improved the school has a comprehensive quality assurance calendar in place. This includes regular learning visits, work scrutiny, and student voice. The Academy uses both current and prior assessment data to compare results from Key Stage 2 to GCSE and from GCSE to 'A' Level to assess progress to National standards. The Academy also has a comprehensive and robust staff performance management process. An OFSTED report in November 2022 judged the Academy to be Good in four of the 5 areas and Outstanding in the fifth area.

b. Going concern

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Academy has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue 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 accounting policies.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Strategic report (continued)

Financial Review

a. Reserves policy

Trustees maintain that reserves are held to cover working revenue or capital requirements, as a contingency to meet unforeseeable expenditure and to fund planned and specific future expenditure as part of its medium to long-term financial planning. The level of reserves is kept under review by Trustees and they assess it on a regular basis as part of the budget monitoring process.

Reserves are being held to support future improvement projects.

As at 31 August 2023, the Academy had balances on its Unrestricted General Funds and Restricted General Funds (excluding pension deficit) of £280,795 (2022: £316,582) and £725,584 (2022: £573,829) respectively, totaling £1,006,379 (2022: £890,411), which is available for general and educational purposes.

Under Financial Reporting Standard FRS17, it is necessary to provide for projected deficits on the Local Government Pension Scheme, which is provided for support staff, in the Balance Sheet and to account for movements in the projected deficit to the Restricted General Funds in the Statement of Financial Activities. That element of the Local Government Pension Scheme, i.e. the Merseyside Pension Fund, attributable to the Liverpool Blue Coat School, is, as with the majority of schools, in deficit. As at 31 August 2023 the deficit amounted to £625,000, having decreased from £1,192,000 as at 31 August 2022.

The valuation of the fund is outside the control of the Academy and is based mainly on the changes in actuarial assumptions regarding future returns on investments and the present value of future liabilities. Whilst the Academy continues to contribute to the Fund along with incurring finance and interest costs in relation to the deficit, and which are accounted for through the Statement of Financial Activities, as previously discussed, it should be noted that this does not present a material liquidity problem for the Academy.

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.

b. Investment policy

The Academy regularly monitors cashflow and account balances to ensure immediate and forthcoming financial commitments can be met. The Academy is exploring opportunities to place surplus funds on deposit to gain interest on these investments.

All investments will be recorded in sufficient detail to identify the investment and to enable the current market value to be calculated. The information required will normally be the date of purchase, the cost and a description of the investment.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

c. Principal risks and uncertainties

Trustees and senior leaders recognise that school faces a variety of challenges and risk issues that, if poorly managed, might have a detrimental impact on its ability to achieve its objectives and meet high educational standards, demonstrate value for money and protect assets.

In view of this, careful consideration has been given to the development of a strategic risk management and controls document that sets out a process to support proactive, thorough, and effective approaches to managing risk to avoid unnecessary, reactive measures.

The services of a property consultant to support estate development-related matters are procured and this recently proved to be critical in providing reassurance that RAAC was not present in the fabric of the school. The property consultant has also supported successful applications for significant levels of external funding, and this has enabled the school to realise its development strategies to improve facilities and services for students and protect it against the impact of poor maintenance.

External health, safety, and estates-related audits are undertaken with the oversight of a Trustee committee and appointed lead Trustee to provide a further level of support and challenge. An effective health and safety committee has been established and led by an appointed co-ordinator. The work of the committee provides evidence and reassurance that relevant legislation is followed and health and safety measures considered. A culture of safety has been developed across the school and, as a result, health and safety concerns are rare.

d. Financial review

The cash held by the Academy at 31 August 2023 was £1,311,175 (2022: £1,191,390), included in debtors was £99,652 (2022: £62,179) of VAT which will be received post year end.

During the year, the Academy had total incoming resources of £9,231,658 (2022: £7,721,958). In 2023, most of the Academy's income is obtained from the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the year ended 31 August 2023 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities. The Academy's General Annual Grant receipts increased from £6,552,184 in the year ended 31 August 2022 to £7,085,627 this year.

The Academy incurred total expenditure for the year of £8,496,594 (2022 - £7,668,036). Also included within the expenditure for the year is an amount of £44,000 (2022 - £59,000) relating to finance and interest costs incurred on the deficit on the Local Government Pension Scheme, which are outside the control of the Academy and which are also referred to in the Reserves Policy. Governance costs of £10,340 (2022: £9,589) were incurred in the year.

At 31 August 2023 the net book value of fixed assets was £20,489,040 (2022 - £19,853,944) and movements in tangible fixed assets are shown in note 12 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

The Academy has obtained a full actuarial valuation of the pension liability under FRS17 in respect of its administrative staff pension scheme. During the period the Academy incurred a decrease in the deficit on its pension scheme liability of £567,000 (2022: an increase of £2,474,000) resulting in an overall deficit of £625,000 (2022: £1,192,000).

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Fundraising

The Academy does not use any external fundraisers but has recruited a Stakeholder Engagement Officer who has responsibility for increasing donors and fundraising for the Academy Development Fund.

Plans for future periods

The Academy has a long term strategic plan to further develop:

- A shared vision & goals embedded into the inclusive culture and practice of the school
- Strong & effective leadership at all levels
- Established local and national partnerships that grow expertise
- Confident & resilient students who know they are valued and supported
- High quality learning and strong progress is the norm for all students
- A vibrant and engaged staff eager to learn & equipped with cutting edge expertise

Funds held as custodian on behalf of others

No funds are held on behalf of any other charities.

Disclosure of information to auditors


Insofar as the Trustees are aware:

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

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 13 December 2023 and signed on its behalf by:



S. Krüger Bridge
Chair of Board of Trustees



S. Yates
Headteacher and Accounting Officer

THE LIVERPOOL BLUE COAT SCHOOL
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GOVERNANCE STATEMENT

Scope of responsibility

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

As Trustees, we have reviewed and taken account of the guidance in DfE's Governance Handbook and competency framework for governance.

The Board of Trustees has delegated the day-to-day responsibility to the Headteacher, 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 The Liverpool Blue Coat School and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

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GOVERNANCE STATEMENT (CONTINUED)

Governance

The information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees' responsibilities. The Board of Trustees has formally met 12 times during the year.

Among the particular issues dealt with within the period were:-

- Review of relevant policies for approval
- Capital building provisions (Academies Capital Improvement Fund, DFC) - review bids, projects and spending plans
- Approval of the budget for 2022/23 prior to submission to full Board of Trustees (and ultimately ESFA)
- In year budget reviews and three year forecast
- Strategic overview of School Improvement Plan
- Academy Trust related issues e.g. auditing, termly internal audit reports, insurances, budget submission
- Monthly management accounts review - allow Trustees to review the financial performance against budget
- Workforce structures and assessment of future needs.

The Finance and Audit Committees, which meet at least three times per year, are sub-committees of the main Trust Board. Its purpose is to assist the trust Board in fulfilling its oversight responsibilities with regard to the financial management of the Trust. It does this through the review of financial projections, management accounts and balance sheet reconciliations and to make recommendations to the Trust Board. In addition, it reviews the financial statements and accounting policies, receives and reviews the internal and external auditors report and ensures that recommendations are actioned and risk managed.

Attendance during the year at meetings of the Trust Board was as follows:

Trustee	Meetings attended	Out of a possible
S. Yates (Headteacher and Accounting Officer)	10	10
S. Krüger Bridge (Chair of Board of Trustees)	10	10
P. Adamson (Trustee)	7	10
J. Han (Trustee)	8	10
R. Lee (Trustee)	9	10
S. Myers (Trustee)	8	10
S. Smith (resigned 26 April 2023)	3	8
J. Grace (resigned 30 March 2023)	6	7
K. Graham (resigned 20 October 2022)	0	5
A. O'Brien (Trustee)	10	10
R. Rasheed (Trustee)	7	10

All Trustees' declarations of interest are clearly identified on our school website, at the commencement of every Trustee meeting the first agenda item is a Declaration of Interest check, all Trustees are aware of their obligations to declare any matters that may cause a conflict of interest. The Trustees have a Trustee policy that clearly identifies how they are expected to uphold the principles of public life, follow a code of conduct and adhere to the framework for ethical leadership in education.

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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

The Finance and Resource Committee is a sub-committee of the main board of Trustees.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
S. Yates (Headteacher and Accounting Officer)	5	6
S. Krüger Bridge (Chair of Board of Trustees)	1	1
R. Lee (Trustee)	6	6
S. Myers (Trustee)	6	6
A. O'Brien (Trustee)	3	6
J. Grace (resigned 30 March 2023)	4	6
K. Graham (resigned 20 October 2022)	0	2

The Audit & Risk Committee is also a sub-committee of the main board of Trustees.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
S. Yates (Headteacher and Accounting Officer)	5	6
S. Krüger Bridge (Chair of Board of Trustees)	1	1
R. Lee (Trustee)	6	6
S. Myers (Trustee)	6	6
A. O'Brien (Trustee)	3	6
J. Grace (resigned 30 March 2023)	4	6
K. Graham (resigned 20 October 2022)	0	2

Review of value for money

The Headteacher is the school Accounting Officer and has overall responsibility for ensuring that The Blue Coat School delivers good value in the use of public resources.

Educational outcomes for students are excellent and the school has been judged as the highest performing state school in the northwest of England according to The Sunday Times. This has been achieved within the context of financial stability.

The Accounting Officer, together with the Principle Finance Officer, understand that value for money refers to the educational provision within the wider context of the whole-school and wider community. Their actions are demonstrated in areas that include:

- Sustainable medium to long-term budgets that proactively respond to the needs of the school, including capital investments.
- The use of reserves to support successful applications for significant funding to develop areas of the school estate and aligned to estate strategies. This has included heating systems, fire alarms and roofing.
- Staffing structures are aligned to school improvement and these are reviewed regularly to ensure they are supported by sustainable financial plans. Decisions to provide more effective and efficient structures have recently included the outsourcing of support services to ensure continued high-quality estates-related provision.

THE LIVERPOOL BLUE COAT SCHOOL
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GOVERNANCE STATEMENT (CONTINUED)

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 policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Liverpool Blue Coat School for the year 1 September 2022 to 31 August 2023 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy's significant risks that has been in place for the year 1 September 2022 to 31 August 2023 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

The risk and control framework

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

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

The Board of Trustees has decided to employ Haines Watts Limited as internal auditor.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems. In particular the checks carried out in the current period included:

- Testing of payroll systems
- Testing of purchase systems
- Testing of control account/ bank reconciliations
- Testing of income recognition

On a termly basis, the internal auditor reports to the Board of Trustees through the audit and risk committee on the operation of the systems of control and on the discharge of the Trustees' financial responsibilities.

No significant issues have been discovered during the internal audit process.

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GOVERNANCE STATEMENT (CONTINUED)

Review of effectiveness

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


- the work of the internal auditor;
- the work of the executive managers within the Academy who have responsibility for the development and maintenance of the internal control framework.
- the work of the external auditors;

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the audit and risk committee and a plan to address areas for development and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 13 December 2023 and signed on their behalf by:



S. Krüger Bridge
Chair of Board of Trustees



S. Yates
Headteacher and Accounting Officer

THE LIVERPOOL BLUE COAT SCHOOL
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of The Liverpool Blue Coat School I have considered my responsibility to notify the Academy Board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy, including for estates safety and management, under the funding agreement in place between the Academy and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2022, including responsibilities for estates safety and management.

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

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



S. Yates

Accounting Officer

Date: 13 December 2023

THE LIVERPOOL BLUE COAT SCHOOL
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STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2023

The Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with the Academies Accounts Direction published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Board of Trustees on 13 December 2023 and signed on its behalf by:



S. Krüger Bridge
Chair of Board of Trustees



S. Yates
Headteacher and Accounting Officer

THE LIVERPOOL BLUE COAT SCHOOL
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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
LIVERPOOL BLUE COAT SCHOOL**

Opinion

We have audited the financial statements of The Liverpool Blue Coat School (the 'Academy') for the year ended 31 August 2023 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2023 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023 issued by the Education and Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Academy'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.

THE LIVERPOOL BLUE COAT SCHOOL
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
LIVERPOOL BLUE COAT SCHOOL (CONTINUED)**

Other information

The other information comprises the information included in the Annual report other than the financial statements and our Auditors' report thereon. The Trustees are responsible for the other information contained within the Annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the Academy and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

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

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

THE LIVERPOOL BLUE COAT SCHOOL
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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
LIVERPOOL BLUE COAT SCHOOL (CONTINUED)**

Responsibilities of Trustees

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

In preparing the financial statements, the Trustees are responsible for assessing the Academy's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Academy or to cease operations, or have no realistic alternative but to do so.

THE LIVERPOOL BLUE COAT SCHOOL
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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
LIVERPOOL BLUE COAT SCHOOL (CONTINUED)**

Auditors' responsibilities for the audit of the financial statements

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

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

The objectives of our audit, in respect to fraud, are:

- to identify and assess the risks of material misstatement of the financial statements due to fraud;
- to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses; and
- to respond appropriately to fraud or suspected fraud identified during the audit.

However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the Academy and its management.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Academy and determined that the most significant are those that relate to the reporting framework (FRS 102 and the Companies Act 2006), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the FRS102 (Charities SORP (FRS 102)), the Academies Accounts Direction 2020 to 2021 issued by the ESFA, the Charities Act 2011, relevant tax compliance regulations in the UK and the EU General Data Protection Regulation (GDPR).
- We understood how the Academy is complying with those frameworks by making enquiries of management and Trustees.

Through consideration of the results of our audit procedures we were able to either corroborate or provide contrary evidence which was then followed up.

Based on our understanding we designed our audit procedures to identify non-compliance with laws and regulations. Our procedures involved:

- enquiries of the Academy's management; and
- journal entry testing, with a focus on manual consolidation journals and journals indicating large or unusual transactions based on our understanding of the Academy.
- We assessed the susceptibility of the Academy's financial statements to material misstatement, including how fraud might occur by meeting with management to understand where it considered there was susceptibility to fraud. Where the risk was considered to be higher, we performed audit procedures to address each identified fraud risk or other risk of material misstatement. These procedures included the assessment of items identified by management as non-recurring, any significant transactions that were unusual or outside the normal course of business, and the testing of manual journals. All such procedures were designed to provide reasonable

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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
LIVERPOOL BLUE COAT SCHOOL (CONTINUED)**

assurance that the financial statements were free from material fraud or error.

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

Use of our report

This report is made solely to the Academy's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Academy'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 Academy and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



A. J. McCall (Senior statutory auditor)

for and on behalf of
Langtons Professional Services Limited

The Plaza
100 Old Hall Street
Liverpool
L3 9QJ

13 December 2023

THE LIVERPOOL BLUE COAT SCHOOL
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE
LIVERPOOL BLUE COAT SCHOOL AND THE EDUCATION AND SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 6 November 2018 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2022 to 2023, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Liverpool Blue Coat School during the year 1 September 2022 to 31 August 2023 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of The Liverpool Blue Coat School's Accounting Officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of The Liverpool Blue Coat School's funding agreement with the Secretary of State for Education dated 20 January 2012 and the Academy Trust Handbook, extant from 1 September 2022, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2022 to 2023. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2022 to 31 August 2023 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

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

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

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

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

The work undertaken to draw our conclusion includes:

- Reviewing the Academy's activities to ensure adherence to the funding agreement, the Academy Trust Handbook, and other charitable objectives;
- Assessment of the control environment and operating procedures which should reduce the risk of irregularity;
- Oversight of meeting minutes, financial policies and procedures, and management accounts to verify compliance with the regularity framework; and,
- Review of the Accounting Officer's statements regarding regularity and assessment of supporting evidence.

THE LIVERPOOL BLUE COAT SCHOOL
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE
LIVERPOOL BLUE COAT SCHOOL AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)**

Conclusion

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



A J McCall (Senior statutory auditor)
Langtons Professional Services Limited

Date: 13 December 2023

THE LIVERPOOL BLUE COAT SCHOOL
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2023**

	Note	Unrestricted funds 2023 £	Restricted funds 2023 £	Restricted fixed asset funds 2023 £	Total funds 2023 £	Total funds 2022 £
Income from:						
Donations and capital grants	3	-	504,099	683,275	1,187,374	646,311
Other trading activities		400,726	-	-	400,726	311,005
Investments	6	160	-	-	160	141
Charitable activities		-	7,643,398	-	7,643,398	6,764,501
Total income		400,886	8,147,497	683,275	9,231,658	7,721,958
Expenditure on:						
Charitable activities		437,273	7,665,843	393,478	8,496,594	7,668,036
Total expenditure		437,273	7,665,843	393,478	8,496,594	7,668,036
Net (expenditure)/income		(36,387)	481,654	289,797	735,064	53,922
Transfers between funds	16	-	(345,299)	345,299	-	-
Net movement in funds before other recognised gains		(36,387)	136,355	635,096	735,064	53,922
Other recognised gains:						
Actuarial gains on defined benefit pension schemes	22	-	583,000	-	583,000	2,706,000
Net movement in funds		(36,387)	719,355	635,096	1,318,064	2,759,922
Reconciliation of funds:						
Total funds brought forward		316,582	(618,171)	19,853,944	19,552,355	16,792,433
Net movement in funds		(36,387)	719,355	635,096	1,318,064	2,759,922
Total funds carried forward		280,195	101,184	20,489,040	20,870,419	19,552,355

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 28 to 61 form part of these financial statements.

THE LIVERPOOL BLUE COAT SCHOOL
(A company limited by guarantee)
REGISTERED NUMBER: 07950827

BALANCE SHEET
AS AT 31 AUGUST 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	12	20,489,042	19,853,944
		<u>20,489,042</u>	<u>19,853,944</u>
Current assets			
Stocks	13	2,772	2,606
Debtors	14	154,298	144,206
Cash at bank and in hand		1,311,175	1,191,390
		<u>1,468,245</u>	<u>1,338,202</u>
Creditors: amounts falling due within one year	15	(461,868)	(447,791)
Net current assets		1,006,377	890,411
Total assets less current liabilities		21,495,419	20,744,355
Net assets excluding pension liability		21,495,419	20,744,355
Defined benefit pension scheme liability	22	(625,000)	(1,192,000)
Total net assets		20,870,419	19,552,355

THE LIVERPOOL BLUE COAT SCHOOL
(A company limited by guarantee)
REGISTERED NUMBER: 07950827

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2023

	Note	2023 £	2022 £
Funds of the Academy			
Restricted funds:			
Fixed asset funds	16	20,489,040	19,853,944
Restricted income funds	16	726,184	573,829
Restricted funds excluding pension asset	16	<u>21,215,224</u>	<u>20,427,773</u>
Pension reserve	16	<u>(625,000)</u>	<u>(1,192,000)</u>
Total restricted funds	16	20,590,224	19,235,773
Unrestricted income funds	16	280,195	316,582
Total funds		<u>20,870,419</u>	<u>19,552,355</u>

The financial statements on pages 24 to 61 were approved by the Trustees, and authorised for issue on 13 December 2023 and are signed on their behalf, by:


S. Krüger Bridge
 Chair of Board of Trustees


S. Yates
 Headteacher and Accounting Officer

The notes on pages 28 to 61 form part of these financial statements.

THE LIVERPOOL BLUE COAT SCHOOL
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2023

	Note	2023 £	<i>2022</i> £
Cash flows from operating activities			
Net cash provided by operating activities	18	1,071,812	822,586
Cash flows from investing activities	19	(952,027)	(425,224)
Change in cash and cash equivalents in the year		119,785	397,362
Cash and cash equivalents at the beginning of the year		1,191,390	794,028
Cash and cash equivalents at the end of the year	20, 21	<u>1,311,175</u>	<u>1,191,390</u>

The notes on pages 28 to 61 form part of these financial statements

THE LIVERPOOL BLUE COAT SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

1. Accounting policies

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

1.1 Basis of preparation of financial statements

The financial statements of the Academy, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2022 to 2023 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

1.2 Going concern

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Academy has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

THE LIVERPOOL BLUE COAT SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

1. Accounting policies (continued)

1.3 Income

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**

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 year is deducted from income and recognised as a liability.

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

• **Sponsorship income**

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

• **Donations**

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

• **Other income**

Other income, including the hire of facilities, is recognised in the year it is receivable and to the extent the Academy 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 'Stocks' 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'.

1.4 Expenditure

THE LIVERPOOL BLUE COAT SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

1. Accounting policies (continued)

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

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

1.5 Government grants

Government grants relating to tangible fixed assets are treated as deferred income and released to the Statement of financial activities over the expected useful lives of the assets concerned. Other grants are credited to the Statement of financial activities as the related expenditure is incurred.

1.6 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Academy; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

1.7 Tangible fixed assets

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

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of financial activities and carried forward in the Balance sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of financial activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

1. Accounting policies (continued)

1.7 Tangible fixed assets (continued)

Depreciation is provided on the following bases:

Long-term leasehold property	- Straight line over life of lease
Leasehold property improvements	- 2% Straight line
Furniture and equipment	- 20% Straight line
Computer equipment	- 25% Straight line
Motor vehicles	- 15% Straight line
Assets under construction	- not depreciated in year

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use and reclassified to freehold or leasehold land and buildings.

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

1.8 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.9 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.10 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.11 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 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.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

1. Accounting policies (continued)

1.12 Financial instruments

The Academy only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Academy and their measurement bases 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 14. Prepayments are not financial instruments. Amounts due to the Academy'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.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 15. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to the Academy's wholly owned subsidiary are held at face value less any impairment.

1.13 Pensions

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

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

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

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

1. Accounting policies (continued)

1.14 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 Trustees.

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

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

Investment income, gains and losses are allocated to the appropriate fund.

2. Critical accounting estimates and areas of judgment

Estimates and judgments 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 or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 22, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2022 has been used by the actuary in valuing the pensions liability at 31 August 2023. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

3. Income from donations and capital grants

	Restricted funds 2023 £	Restricted fixed asset funds 2023 £	Total funds 2023 £
Donations	83,142	-	83,142
Government grants	-	683,275	683,275
School trip income	420,957	-	420,957
	<u>504,099</u>	<u>683,275</u>	<u>1,187,374</u>
	<u><u>504,099</u></u>	<u><u>683,275</u></u>	<u><u>1,187,374</u></u>
		<i>Restricted</i>	
	<i>Restricted</i>	<i>fixed asset</i>	<i>Total</i>
	<i>funds</i>	<i>funds</i>	<i>funds</i>
	<i>2022</i>	<i>2022</i>	<i>2022</i>
	<i>£</i>	<i>£</i>	<i>£</i>
Donations	110,538	-	110,538
Government grants	-	419,862	419,862
Similar incoming resources	115,911	-	115,911
	<u>226,449</u>	<u>419,862</u>	<u>646,311</u>
	<u><u>226,449</u></u>	<u><u>419,862</u></u>	<u><u>646,311</u></u>

THE LIVERPOOL BLUE COAT SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

4. Funding for the Academy's charitable activities

	Restricted funds 2023 £	Total funds 2023 £
Direct costs		
DfE/ESFA grants		
General Annual Grant	7,086,227	7,086,227
Other DfE/ESFA grants		
Other grants	164,863	164,863
CV student related grants	385,290	385,290
Other educational income	7,018	7,018
	7,643,398	7,643,398
	7,643,398	7,643,398
	7,643,398	7,643,398
	<i>Restricted funds 2022 £</i>	<i>Total funds 2022 £</i>
Direct costs		
DfE/ESFA grants		
General Annual Grant	6,522,184	6,522,184
Other DfE/ESFA grants		
Other grants	145,359	145,359
Other non DfE/ESFA grant	91,385	91,385
Other educational income	5,573	5,573
	6,764,501	6,764,501
	6,764,501	6,764,501
	6,764,501	6,764,501

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

5. Income from other trading activities

	Unrestricted funds 2023 £	Total funds 2023 £
Income from ancillary trading activities	400,726	400,726
	<hr style="border-top: 1px solid black;"/>	<hr style="border-top: 1px solid black;"/>
	<i>Unrestricted funds 2022 £</i>	<i>Total funds 2022 £</i>
Income from ancillary activities	311,005	311,005
	<hr style="border-top: 1px solid black;"/>	<hr style="border-top: 1px solid black;"/>
	2023 £	2022 £
Hire of facilities	7,000	320
Other income	76,302	19,071
Catering sales	317,424	291,614
	<hr style="border-top: 1px solid black;"/>	<hr style="border-top: 1px solid black;"/>
	400,726	311,005
	<hr style="border-top: 1px solid black;"/>	<hr style="border-top: 1px solid black;"/>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

6. Investment income

	Unrestricted funds 2023 £	Total funds 2023 £
Short term deposits	160	160
	<u>160</u>	<u>160</u>
	<i>Unrestricted funds 2022 £</i>	<i>Total funds 2022 £</i>
Short term deposits	141	141
	<u>141</u>	<u>141</u>

7. Analysis of expenditure by activities

	Direct costs 2023 £	Support costs 2023 £	Total funds 2023 £
Expenditure	6,672,434	1,824,160	8,496,594
	<u>6,672,434</u>	<u>1,824,160</u>	<u>8,496,594</u>
	<i>Activities undertaken directly 2022 £</i>	<i>Support costs 2022 £</i>	<i>Total funds 2022 £</i>
Direct costs	5,526,711	2,141,324	7,668,035
	<u>5,526,711</u>	<u>2,141,324</u>	<u>7,668,035</u>

THE LIVERPOOL BLUE COAT SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

7. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Direct costs 2023 £	Total funds 2023 £
Pension finance costs	44,000	44,000
Staff costs	5,040,395	5,040,395
Depreciation	393,478	393,478
Educational supplies	302,679	302,679
Examination fees	169,656	169,656
Staff Development	15,782	15,782
Educational consultancy	47,901	47,901
School trip expenses	430,185	430,185
Educational support	220,010	220,010
Educational visits	8,348	8,348
	<u>6,672,434</u>	<u>6,672,434</u>

	<i>Direct costs 2022 £</i>	<i>Total funds 2022 £</i>
Pension finance costs	59,000	59,000
Staff costs	4,322,313	4,322,313
Depreciation	339,232	339,232
Educational supplies	280,083	280,083
Examination fees	155,975	155,975
Staff Development	17,991	17,991
Educational consultancy	44,702	44,702
School trip expenses	114,614	114,614
Educational support	183,603	183,603
Educational visits	9,198	9,198
	<u>5,526,711</u>	<u>5,526,711</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

7. Analysis of expenditure by activities (continued)

Analysis of support costs

	Support costs 2023 £	Total funds 2023 £
Staff costs	891,589	891,589
Educational supplies	35,549	35,549
Advertising staff	10,497	10,497
Light and heat	256,861	256,861
Water rates	29,805	29,805
Repairs and maintenance	166,664	166,664
Rates	227	227
Insurance	26,355	26,355
Transport	14,725	14,725
Catering	219,959	219,959
Other professional services	51,186	51,186
Sundry expenses	17,630	17,630
Telephone and fax	18,780	18,780
Printing, postage and stationery	73,993	73,993
Governance costs	10,340	10,340
	<hr/> 1,824,160 <hr/>	<hr/> 1,824,160 <hr/>

THE LIVERPOOL BLUE COAT SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

7. Analysis of expenditure by activities (continued)

Analysis of support costs (continued)

	<i>Direct costs</i> 2022 £	<i>Total funds</i> 2022 £
Staff costs	1,433,381	1,433,381
Educational supplies	17,005	17,005
Advertising staff	50	50
Light and heat	205,933	205,933
Water rates	22,597	22,597
Repairs and maintenance	95,312	95,312
Rates	21,890	21,890
Insurance	22,876	22,876
Transport	10,129	10,129
Catering	172,835	172,835
Educational consultancy	200	200
Other professional services	50,116	50,116
Sundry expenses	8,964	8,964
Telephone and fax	22,755	22,755
Printing, postage and stationery	47,693	47,693
Governance costs	9,589	9,589
	<u>2,141,325</u>	<u>2,141,325</u>

THE LIVERPOOL BLUE COAT SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

8. Net (expenditure)/income

Net (expenditure)/income for the year includes:

	2023	<i>2022</i>
	£	£
Operating lease rentals	95,960	<i>109,924</i>
Depreciation of tangible fixed assets	393,224	<i>322,487</i>
Fees paid to auditors for:		
- audit	7,000	<i>7,000</i>
- other services	900	<i>-</i>
	900	<i>-</i>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

9. Staff

a. Staff costs

Staff costs during the year were as follows:

	2023	2022
	£	£
Wages and salaries	4,548,914	4,287,931
Social security costs	439,679	391,584
Pension costs	935,994	1,070,231
	5,924,587	5,749,746
	7,398	5,949
Apprenticeship levy	21,740	14,669
Supply teacher costs	5,953,725	5,770,364

Staff restructuring costs comprise:

	2023	2022
	£	£
Redundancy payments	-	6,064
	-	6,064

b. Staff numbers

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

	2023	2022
	No.	No.
Teachers	68	68
Administration and support	49	45
Management	10	8
	127	121

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

9. Staff (continued)

c. Higher paid staff

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

	2023	2022
	No.	No.
In the band £60,001 - £70,000	4	4
In the band £70,001 - £80,000	2	1
In the band £80,001 - £90,000	1	2
In the band £90,001 - £100,000	-	1
In the band £100,001 - £110,000	1	-
	<u><u>1</u></u>	<u><u>-</u></u>

d. Key management personnel

The key management personnel of the Academy comprise the Trustees and the senior leadership team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy was £943,156 (2022 restated £805,787).

THE LIVERPOOL BLUE COAT SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

10. Trustees' remuneration and expenses

One or more Trustees has been paid remuneration or has received other benefits from an employment with the Academy. The principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment. The value of Trustees' remuneration and other benefits was as follows:

		2023	2022
		£	£
S. Yates (Headteacher and Accounting Officer)	Remuneration	110,000 -	<i>95,000 -</i>
		115,000	<i>100,000</i>
	Pension contributions paid	25,000 -	<i>20,000 -</i>
		30,000	<i>25,000</i>

During the year ended 31 August 2023, expenses totalling £301.80 were reimbursed or paid directly to Trustee (2022 - £NIL to Trustee).

11. Trustees' and Officers' insurance

In accordance with normal commercial practice, the Academy has purchased insurance to protect Trustees 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. The cost for the year ended 31 August 2023 is included within the Education Funding Agency Risk Protection Arrangement Fee of £21 per student and is not separately identifiable (2022 - not separately identifiable).

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

12. Tangible fixed assets

	Leasehold property £	L-hold prop improv £	Furniture & equipment £	Computer equipment £	Motor vehicles £
Cost or valuation					
At 1 September 2022	18,035,703	2,213,719	579,138	335,080	31,976
Additions	-	650,453	372,017	6,105	-
At 31 August 2023	<u>18,035,703</u>	<u>2,864,172</u>	<u>951,155</u>	<u>341,185</u>	<u>31,976</u>
Depreciation					
At 1 September 2022	498,800	140,656	380,752	289,488	31,976
Charge for the year	147,600	52,182	149,343	44,353	-
At 31 August 2023	<u>646,400</u>	<u>192,838</u>	<u>530,095</u>	<u>333,841</u>	<u>31,976</u>
Net book value					
At 31 August 2023	<u>17,389,303</u>	<u>2,671,334</u>	<u>421,060</u>	<u>7,344</u>	<u>-</u>
At 31 August 2022	<u>17,536,903</u>	<u>2,073,063</u>	<u>198,386</u>	<u>45,592</u>	<u>-</u>

In the year ended 31 August 2020, the Academy's transactions relating to land and buildings included the addition of a 125 year lease from the incorporated Trustees of the Liverpool Blue Coat School Foundation for which a peppercorn rent is paid. The lease was signed on 7 October 2019.

The lease term runs from 24 June 2016 and the asset was brought into account at its net book value at 1 September 2019 of £17,635,703 (being £18.45m less 3 years and 68 days of accumulated depreciation of £470,298)

The valuation of £18,450,000 was made by an independent surveyor on 19 January 2017: the valuation of the School estate has not materially changed since this date and the valuation was prepared on a Depreciated Replacement Cost method.

The Academy has adopted a policy of revaluation for tangible fixed assets. Had these assets been measured at historic cost, the carrying values would have been as follows:

	2023 £	2022 £
Long-term leasehold property	<u>400,000</u>	<u>400,000</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

Total
£

21,195,616

1,028,575

22,224,191

1,341,672

393,478

1,735,150

20,489,041

19,853,944

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

13. Stocks

	2023	<i>2022</i>
	£	£
Finished goods and goods for resale	2,772	<i>2,606</i>

14. Debtors

	2023	<i>2022</i>
	£	£
Due within one year		
Trade debtors	7,065	<i>8,137</i>
Prepayments and accrued income	47,581	<i>73,890</i>
VAT recoverable	99,652	<i>62,179</i>
	154,298	<i>144,206</i>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

15. Creditors: Amounts falling due within one year

	2023	2022
	£	£
Trade creditors	67,397	93,524
Other taxation and social security	115,774	105,106
Other creditors	161,933	139,564
Accruals and deferred income	116,764	109,597
	461,868	447,791
	2023	2022
	£	£
Deferred income at 1 September 2022	103,222	18,210
Resources deferred during the year	109,643	103,222
Amounts released from previous periods	(103,222)	(18,210)
	109,643	103,222

At the balance sheet date, the academy trust was holding funds received in advance for student activities of £109,643 (2022: £103,222) for the year ended 31st August 2023.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

16. Statement of funds

	Balance at 1 September 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2023 £
Unrestricted funds						
General Funds - all funds	316,582	400,886	(437,273)	-	-	280,195
Restricted general funds						
General Annual Grant (GAG)	396,568	7,010,435	(6,520,693)	(345,299)	-	541,011
Other DfE/ESFA grants	-	241,852	(241,852)	-	-	-
Other government grants	-	385,290	(385,290)	-	-	-
Other restricted general funds	-	52,616	(52,616)	-	-	-
School fund income	-	419,782	(419,667)	(115)	-	-
Library refurbishment	-	-	-	-	-	-
Other donations	177,261	37,522	(29,725)	115	-	185,173
Other income	-	-	-	-	-	-
Pension reserve	(1,192,000)	-	(16,000)	-	583,000	(625,000)
	(618,171)	8,147,497	(7,665,843)	(345,299)	583,000	101,184
Restricted fixed asset funds						
Fixed assets NBV	19,773,314	-	-	-	-	19,773,314
Capital grant	80,630	-	(80,630)	-	-	-
Other donations	-	683,275	(312,848)	345,299	-	715,726
Devolved Formula Capital grant	-	-	-	-	-	-
	19,853,944	683,275	(393,478)	345,299	-	20,489,040

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

16. Statement of funds (continued)

	Balance at 1 September 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2023 £
Total Restricted funds	19,235,773	8,830,772	(8,059,321)	-	583,000	20,590,224
Total funds	19,552,355	9,231,658	(8,496,594)	-	583,000	20,870,419

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

- General Annual Grant must be used for the normal running of the Academy and any amounts carried forward at the end of a financial period must be used in accordance with the terms of the Funding Agreement
- Other EFA 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, Devolved Formula Grant and other Non/DFE grants.
- The Pension Reserve represents the value of the Academy's share of the deficit in the Local Government Pension Scheme. The value of the deficit at start of the year was £1,192,000 and has decreased to £635,000 at 31 August 2023.
- The Restricted Fixed Asset Funds include assets inherited on conversion and expenditure out of GAG and other capital grants during the period. The leasehold addition of the land and buildings was revalued to this fund. Depreciation is also charged against the fund.

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

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

16. Statement of funds (continued)

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

	<i>Balance at 1 September 2021 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2022 £</i>
Unrestricted funds						
General Funds - all funds	367,629	311,146	(362,193)	-	-	316,582
Restricted general funds						
General Annual Grant (GAG)	-	6,522,185	(6,094,076)	(31,541)	-	396,568
Other DfE/ESFA grants	113,016	145,358	(258,374)	-	-	-
Other government grants	64,457	91,385	(155,842)	-	-	-
Other restricted general funds	-	-	-	-	-	-
School fund income	-	115,911	(115,911)	-	-	-
Library refurbishment	-	2,900	(2,900)	-	-	-
Other donations	171,558	107,638	(101,935)	-	-	177,261
Other income	-	5,573	(5,573)	-	-	-
Pension reserve	(3,666,000)	-	(232,000)	-	2,706,000	(1,192,000)
	<u>(3,316,969)</u>	<u>6,990,950</u>	<u>(6,966,611)</u>	<u>(31,541)</u>	<u>2,706,000</u>	<u>(618,171)</u>
Restricted fixed asset funds						
Fixed assets NBV	19,741,773	-	-	31,541	-	19,773,314
Capital grant	-	394,823	(314,193)	-	-	80,630
Other donations	-	-	-	-	-	-
Devolved Formula Capital grant	-	25,039	(25,039)	-	-	-

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

16. Statement of funds (continued)

	<i>Balance at 1 September 2021 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2022 £</i>
	19,741,773	419,862	(339,232)	31,541	-	19,853,944
Total Restricted funds	16,424,804	7,410,812	(7,305,843)	-	2,706,000	19,235,773
Total funds	16,792,433	7,721,958	(7,668,036)	-	2,706,000	19,552,355

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

17. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2023 £	Restricted funds 2023 £	Restricted fixed asset funds 2023 £	Total funds 2023 £
Tangible fixed assets	-	-	20,489,042	20,489,042
Current assets	280,313	1,187,933	-	1,468,245
Creditors due within one year	(120)	(461,748)	-	(461,868)
Provisions for liabilities and charges	-	(625,000)	-	(625,000)
Total	<u>280,195</u>	<u>101,185</u>	<u>20,489,040</u>	<u>20,870,420</u>

Analysis of net assets between funds - prior year

	<i>Unrestricted funds</i> <i>2022</i> £	<i>Restricted funds</i> <i>2022</i> £	<i>Restricted fixed asset funds</i> <i>2022</i> £	<i>Total funds</i> <i>2022</i> £
Tangible fixed assets	-	-	19,853,944	19,853,944
Current assets	316,582	1,021,620	-	1,338,202
Creditors due within one year	-	(447,791)	-	(447,791)
Provisions for liabilities and charges	-	(1,192,000)	-	(1,192,000)
Total	<u>316,582</u>	<u>(618,171)</u>	<u>19,853,944</u>	<u>19,552,355</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

18. Reconciliation of net income to net cash flow from operating activities

	2023 £	2022 £
Net income for the year (as per Statement of financial activities)	735,064	53,922
Adjustments for:		
Depreciation	393,478	339,232
Capital grants from DfE and other capital income	(76,388)	(25,039)
Defined benefit pension scheme cost less contributions payable	-	176,000
Defined benefit pension scheme finance cost	16,000	55,000
Increase in stocks	(165)	(889)
(Increase)/decrease in debtors	(10,093)	57,661
Increase in creditors	14,076	166,840
Dividends, interest and rents from investments	(160)	(141)
Net cash provided by operating activities	1,071,812	822,586

19. Cash flows from investing activities

	2023 £	2022 £
Dividends, interest and rents from investments	160	141
Purchase of tangible fixed assets	(1,028,575)	(451,404)
Capital grants from DfE Group	76,388	26,039
Net cash used in investing activities	(952,027)	(425,224)

20. Analysis of cash and cash equivalents

	2023 £	2022 £
Cash in hand and at bank	1,311,175	1,191,390
Total cash and cash equivalents	1,311,175	1,191,390

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

21. Analysis of changes in net debt

	At 1 September 2022 £	Cash flows £	At 31 August 2023 £
Cash at bank and in hand	1,191,390	119,785	1,311,175
	<u>1,191,390</u>	<u>119,785</u>	<u>1,311,175</u>

22. Pension commitments

The Academy'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 support staff, which is managed by Merseyside Pension Fund. Both are multi-employer defined benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2020 and of the LGPS 31 March 2022.

Contributions amounting to £118,316 were payable to the schemes at 31 August 2023 (2022 - £108,780) and are included within creditors.

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time 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.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

22. Pension commitments (continued)

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 2020. The valuation report was published by the Department for Education on 5 March 2022. The key elements of the valuation and subsequent consultation are:

- Employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy), increasing to 28.68% in April 2024
- Total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £262,000 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of 222,200 million, giving a notional past service deficit of £39,800 million
- The SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI, assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

The employer's pension costs paid to TPS in the year amounted to £642,926 (2022 - £746,703).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/public-news/2023/10/valuation-result.aspx>).

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

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22. Pension commitments (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate Trustee-administered funds. The total contribution made for the year ended 31 August 2023 was £303,000 (2022 - £268,000), of which employer's contributions totalled £239,000 (2022 - £212,000) and employees' contributions totalled £ 64,000 (2022 - £56,000). The agreed contribution rates for future years are 17.1 per cent for employers (18.3% from April 2023) and between 5.5 and 12.5 per cent for employees.

As described in note the LGPS obligation relates to the employees of the Academy, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Academy at the balance sheet date.

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

Principal actuarial assumptions

	2023	2022
	%	%
Rate of increase in salaries	4.3	4.3
Rate of increase for pensions in payment/inflation	2.9	2.9
Discount rate for scheme liabilities	5.3	4.3
Inflation assumption (CPI)	2.8	2.8

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

	2023	2022
	Years	Years
<i>Retiring today</i>		
Males	20.8	20.9
Females	23.3	24
<i>Retiring in 20 years</i>		
Males	22.1	22.4
Females	25.1	25.9

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22. Pension commitments (continued)

Sensitivity analysis

	2023	<i>2022</i>
	£000	<i>£000</i>
Discount rate 0.5% p.a. (2022: +0.1%)	269,000	<i>1,102,000</i>
Mortality assumption - 1 year increase	708,000	<i>1,283,000</i>
CPI rate +0.25% (2022: +0.1%)	674,000	<i>1,207,000</i>
Inflation +0.25% (2022: +0.1%)	816,000	<i>1,285,000</i>

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22. Pension commitments (continued)

Share of scheme assets

The Academy's share of the assets in the scheme was:

	At 31 August 2023	<i>At 31 August 2022</i>
	£	£
Equities	1,787,000	1,495,000
Gilts	258,000	397,000
Property	413,000	335,000
Cash and other liquid assets	38,000	68,000
Other	942,000	807,000
Total market value of assets	3,438,000	<i>3,102,000</i>

The actual return on scheme assets was £116,000 (2022 - £-134,000).

The amounts recognised in the Statement of Financial Activities are as follows:

	2023	<i>2022</i>
	£	£
Current service cost	(206,000)	<i>(383,000)</i>
Interest income	-	54,000
Interest cost	(44,000)	<i>(113,000)</i>
Administrative expenses	(5,000)	<i>(4,000)</i>
Total amount recognised in the Statement of Financial Activities	(255,000)	<i>(446,000)</i>

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22. Pension commitments (continued)

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

	2023 £	2022 £
At 1 September	4,294,000	6,748,000
Current service cost	206,000	383,000
Interest cost	183,000	113,000
Employee contributions	64,000	56,000
Actuarial gains	(632,000)	(2,893,000)
Benefits paid	(52,000)	(113,000)
	<u>4,063,000</u>	<u>4,294,000</u>

Changes in the fair value of the Academy's share of scheme assets were as follows:

	2023 £	2022 £
At 1 September	3,102,000	3,082,000
Expected return on assets	139,000	54,000
Actuarial losses	(49,000)	(187,000)
Employer contributions	239,000	214,000
Employee contributions	64,000	56,000
Benefits paid	(52,000)	(113,000)
Admin expenses	(5,000)	(4,000)
	<u>3,438,000</u>	<u>3,102,000</u>

23. Operating lease commitments

At 31 August 2023 the Academy had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2023 £	2022 £
Not later than 1 year	26,208	95,960
Later than 1 year and not later than 5 years	29,772	70,625
	<u>55,980</u>	<u>166,585</u>

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24. Members' liability

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

25. Related party transactions

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 10.