

Company Registration Number: 07950827 (England & Wales)

**THE LIVERPOOL BLUE COAT SCHOOL**  
(A company limited by guarantee)  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

---

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

---

**CONTENTS**

---

	Page
<b>Reference and administrative details</b>	1
<b>Trustees' report</b>	2 - 7
<b>Governance statement</b>	8 - 12
<b>Statement on regularity, propriety and compliance</b>	13
<b>Statement of Trustees' responsibilities</b>	14
<b>Independent auditors' report on the financial statements</b>	15 - 18
<b>Independent reporting accountant's report on regularity</b>	19 - 20
<b>Statement of financial activities incorporating income and expenditure account</b>	21 - 22
<b>Balance sheet</b>	23 - 24
<b>Statement of cash flows</b>	25
<b>Notes to the financial statements</b>	26 - 51

---

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

---

**REFERENCE AND ADMINISTRATIVE DETAILS**

---

**Designated Members** M. Hill (Foundation Governor) (appointed Chair of Governors 10 July 2019)  
M. Pennington (Headteacher and Accounting Officer)  
P. Burnham (Foundation Governor)  
J. Shaw (former Chair of Governors) (resigned 10 July 2019)  
P. Wolstenholme (Foundation Governor)  
S. Chaudary (Foundation Governor)  
C. Sharples (Foundation Governor)  
W. Spencer (Foundation Governor) (resigned 3 July 2019)  
Z. Glacken (Foundation Governor) (resigned 10 July 2019)  
J. Farmer (Foundation Governor)  
S. Heath (Staff Governor)  
J. Grace (Foundation Governor) (appointed 10 June 2019)

All of the Governors above are both Directors and Members of the Academy Trust

**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

**Senior leadership team**

M. Pennington, Headteacher  
N. Roberts, Deputy Head  
S. Yates, Deputy Head  
A. Hughes, Director of Resources / PFO  
S. Shipgood, Assistant Head  
N. Barends, Assistant Head  
L. Holland, Assistant Head  
M. Watkins, Assistant Head (appointed 1 September 2019)  
S. O'Rourke, Assistant Head (appointed 1 September 2019)

**Independent auditors**

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

---

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

---

**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

---

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year 1 September 2018 to 31 August 2019. 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 in Merseyside. It has a planned admission number (PAN) of 180 in 2019 and had 1,106 students on roll on 17th May 2019 (Summer School Census).

**Structure, governance and management**

**a. Constitution**

The academy is a charitable company limited by guarantee and an exempt charity.

The charitable company's Trust deed is the primary governing document of the academy.

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 Governor 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 by 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 Governors is set out in the Company's Articles of Association. The Liverpool Blue Coat School Foundation is entitled to nominate or appoint up to eleven of the Academy Governors, the local authority may nominate one member, there are three staff governor positions nominated by the Staff and three Governors being appointed as parental representatives having undertaken a nomination and ballot exercise within the student parent body.

**e. Policies adopted for the induction and training of Trustees**

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

---

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

---

**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

---

**Structure, governance and management (continued)**

**f. Organisational structure**

Governors of The Blue Coat School (Academy) are also Trustees (charity) and are taken to be the same body of people as directors (company). The Governing Body together with the Headteacher / 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 Governing Body for approval and regular financial statements are reviewed by the Governing Body. Various levels of responsibility are set out in the Academy's Finance Procedural Handbook and as required, Governors 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 Governing Body's Performance and Salary Review Committee.

**h. Trade union facility time**

**Relevant union officials**

Number of employees who were relevant union officials during the year	1
Full-time equivalent employee number	1

**Percentage of time spent on facility time**

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

**Percentage of pay bill spent on facility time** £

Total cost of facility time	-
Total pay bill	-
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	- %
---	-----

---

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

---

**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

---

**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 of The Liverpool Blue Coat School Foundation who own the majority of the land and buildings occupied by the Academy and it is this Charitable Foundation which supplies the majority of the Governing Body (and in turn the Company Directors).

**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**

"Non sibi sed omnibus": "Not for oneself but for all"

The Academy's main strategy is outlined in its 2019 - 2025 vision statement.

The vision statement sets out the overall aims of The Blue Coat School. This statement is reviewed, evaluated, updated and shared throughout the school community annually.

The school will specialize in providing an education that is tailored to the academic, personal and social needs of very able children from all social, economic and cultural backgrounds. Our students will be the very best scholars of English and Mathematics with a passion to be highly literate in Sciences, Humanities, Languages, Technology and the Arts. They will be socially and globally aware through their interactions with each other and the opportunities provided by the school's curriculum. Students will get an educational experience that exceeds those provided to students of similar ability in any other establishment.

The school will be recognised as student centred, forward thinking and innovative. It will inspire the confidence of all members of its community and its strengths will be seen in all accountability measures. The school will be seen by policy makers as a place of great practice that can make a significant contribution to improving educational provision.

**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)'.

**Strategic report**

**Achievements and performance**

---

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

---

**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

---

**Strategic report (continued)**

**Achievements and performance (continued)**

**a. Academic performance**

This reporting period represents the Academy's sixth 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 Governing Body. The Academy is a selective grammar. 1,224 Year 6 students applied for 180 places in Year 7 for September 2020. Total main school students in the year ended 31 August 2019 numbered 1,106 and the Academy had full cohorts in all year groups. In August 2019 the sixth form held 313.

Examination results for 2019 were significantly above National Average. At 'A' Level there was a 100% pass rate and over 81% were A\*-B. At GCSE 78% of all grades were 9-7. 105 out of 118 have returned to study in the sixth form. The school has also been recognised by the Sunday Times for its academic achievement where the school was ranked 28th nationally and 3rd in the North West.

To ensure that standards are continually raised the Academy operates a programme of observation of lessons, is visited by inspectors, undertakes a comparison of results from entry to Key Stage 3 to GCSE and from GCSE to 'A' Level to assess the added value. The Academy also has a comprehensive and robust staff performance management process. An OFSTED report in November 2012 judged the Academy to be Outstanding in all areas.

**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.

**Financial review**

**a. Reserves policy**

Governors 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 governors 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 2019, the Academy had balances on its Unrestricted General Funds and Restricted General Funds (excluding pension deficit) of £529,440 (2018: £486,114) and £339,475 (2018: £1,213,986) respectively, totaling £868,915 (2018: £1,700,100), 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 2019 the deficit amounted to £3,324,000, having increased from £2,050,000 as at 31 August 2018.

The valuation of the fund is outside the control of the Academy and is based mainly on the changes in actuarial

---

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

---

**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

---

**Strategic report (continued)**

**Financial review (continued)**

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.

**c. Principal risks and uncertainties**

As detailed the Governing Body have a comprehensive risk management and controls process to identify and monitor the risks faced by the Academy. The key areas are: Statutory compliance, educational objectives, duty of care, assets, reputation and environmental.

**d. Financial review**

The cash held by the Academy at 31 August 2019 was £744,299 (2018: £1,762,708), included in debtors was £220,536 (2018: £48,386) of VAT which will be received post year end.

During the year, the Academy had total incoming resources of £6,562,551 (2018: £6,288,766). 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 2019 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities.

The Academy's General Annual Grant receipts increased from £4,882,834 in the year ended 31 August 2018 to £4,994,883 this year.

The Academy incurred total expenditure for the year of £6,609,250 (2018 - £6,077,092). Also included within the expenditure for the year is an amount of £56,000 (2018 - £55,000) 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 £42,744 (2018: £17,537) were incurred in the year.

At 31 August 2019 the net book value of fixed assets was £2,150,778 (2018 - £1,128,290) and movements in tangible fixed assets are shown in note 13 to the financial statements, the largest change being the ongoing works on the refurbishment of the Foundation premises. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.



---

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

---

TRUSTEES' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2019

---

**Strategic report (continued)**

**Financial review (continued)**

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 an increase in the deficit on its pension scheme liability of £1,274,000 (2018: decrease of £345,000) resulting in an overall deficit of £3,324,000 (2018: £2,050,000).

**Fundraising**

The Academy does not use any external fundraisers. All fundraising undertaken during the year was monitored by the Trustees.

**Plans for future periods**

The Academy is currently engaged in a tender process for a renovation of the ICT infrastructure, a review of needs has been completed and the project is scheduled to commence during 2020.

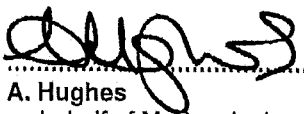
**Disclosure of information to auditors**

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 12 December 2019 and signed on its behalf by:

  
.....  
M. Hill  
Chair of Governors

  
.....  
A. Hughes  
on behalf of M. Pennington  
Accounting Officer and Headteacher

---

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

---

**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.

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.

---

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

---

**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 times during the year.

Attendance during the year at meetings of the board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
M. Hill (Foundation Governor) (appointed Chair of Governors 10 July 2019)	10	12
M. Pennington (Headteacher and Accounting Officer)	12	12
P. Burnham (Foundation Governor)	10	12
J. Shaw (former Chair of Governors)	10	11
P. Wolstenholme (Foundation Governor)	10	12
S. Chaudary (Foundation Governor)	11	12
C. Sharples (Foundation Governor)	9	12
W. Spencer (Foundation Governor)	6	10
Z. Glacken (Foundation Governor)	8	12
J. Farmer (Foundation Governor)	4	12
S. Heath (Staff Governor)	10	12
J. Grace (Foundation Governor)	1	1

Detailed consideration has been given to the best means of fulfilling the Governing Body's responsibility to ensure sound management of the Academy's finances and estates, including proper planning, monitoring and probity.

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

- Review of relevant policies for approval
- Capital building provisions (Academies Capital Maintenance Fund, DFC) - review bids, projects and spending plans
- Approval of the budget for 2019/20 prior to submission to full Governing Body (and ultimately ESFA)
- In year budget reviews and three year forecast
- Strategic overview of School Improvement Plan
- Academy Trust related issues e.g. auditing, responsible officer, insurances, budget submission
- Monthly management accounts review - allow Governors to review the financial performance against budget
- Workforce structures and assessment of future needs.

The Governing Body meet monthly. As a result of such frequency of meetings, finances are dealt with by the Governing Body as a whole, as opposed to the establishment of a sub-committee.

---

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

---

**GOVERNANCE STATEMENT (CONTINUED)**

---

**Review of value for money**

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

The accounting officer considers how the academy's use of its resources has provided good value for money during each academic year, and reports to the board of Trustees where value for money can be improved, including the use of benchmarking data where appropriate. The accounting officer for the academy has delivered improved value for money during the year by:

- 1) Undertaking a thorough curriculum review, staffing review and resource planning exercise the school was able to present a surplus budget for the forthcoming academic year which did not draw down upon the school's reserves.
- 2) Increasing non grant income from £164k to £329k through successful bidding processes and charitable donations.
- 3) Introducing personalized printing and photocopying accounts the academy was able to secure an in year reduction of over 20% in usage costs. Furthermore the Academy has undertaken a review of the long term ICT infrastructure needs and is in the process of updating and streamlining the range and quantity of photocopying/printing facilities.

**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 2018 to 31 August 2019 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 2018 to 31 August 2019 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 LIVERPOOL BLUE COAT SCHOOL**  
**(A company limited by guarantee)**

---

**GOVERNANCE STATEMENT (CONTINUED)**

---

**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 and General Purposes Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes
- setting targets to measure financial and other performance
- clearly defined purchasing (asset purchase or capital investment) guidelines
- delegation of authority and segregation of duties
- identification and management of risks

The board of Trustees has considered the need for a specific internal audit function and has decided to appoint Langtons Professional Services 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 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.

**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 external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the academy who have responsibility for the development and maintenance of the internal control framework.

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

---

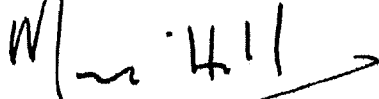
THE LIVERPOOL BLUE COAT SCHOOL  
(A company limited by guarantee)

---

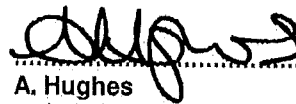
GOVERNANCE STATEMENT (CONTINUED)

---

Approved by order of the members of the board of Trustees on 12 December 2019 and signed on their behalf by:



.....  
M. Hill  
Chair of Governors



.....  
A. Hughes  
on behalf of M. Pennington  
Accounting Officer

---

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

---

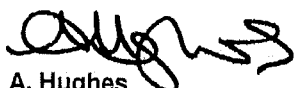
**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

---

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, 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 2018.

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 2018.

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.



**A. Hughes**  
on behalf of M. Pennington  
Accounting Officer  
Date: 12 December 2019

---

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

---

**STATEMENT OF TRUSTEES' RESPONSIBILITIES**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

---

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- 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 12 December 2019 and signed on its behalf by:

  
.....  
**M. Hill**  
Chair of Governors



---

**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**

---

**Opinion**

We have audited the financial statements of The Liverpool Blue Coat School (the 'academy') for the year ended 31 August 2019 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 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & 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 2019 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 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & 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**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the academy's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

---

**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 Trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditors' report thereon. Other information includes the Reference and administrative details, the Trustees' report including the Strategic report, and the Governance statement. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

**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 including the Strategic Report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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**  
**(A company limited by guarantee)**

---

**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 Trustees' responsibilities statement, 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.

**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.

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](http://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.

---

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)

---



**A. J. McCall (Senior statutory auditor)**

for and on behalf of  
**Langtons Professional Services Limited**

The Plaza  
100 Old Hall Street

Liverpool

L3 9QJ

12 December 2019

---

**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**

---

In accordance with the terms of our engagement letter dated 6 November 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, 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 2018 to 31 August 2019 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 the 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 Academies Financial Handbook, extant from 1 September 2018, 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 2018 to 2019. 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 2018 to 31 August 2019 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

**Approach**

We conducted our engagement in accordance with the Academies Accounts Direction 2018 to 2019 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.

**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 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

---

**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)**

---



A J McCall (Senior statutory auditor)

Langtons Professional Services Limited

Date: 12 December 2019

**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 2019**

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
<b>Note</b>					
<b>Income from:</b>					
Donations and capital grants	-	741,730	-	741,730	590,433
Charitable activities	-	5,221,489	192,787	5,414,277	5,369,493
Other trading activities	405,788	-	-	405,787	352,798
Investments	757	-	-	757	1,087
	<u>406,545</u>	<u>5,963,219</u>	<u>192,787</u>	<u>6,562,551</u>	<u>6,313,811</u>
<b>Total income</b>					
<b>Expenditure on:</b>					
Charitable activities	363,219	6,152,212	93,819	6,609,250	6,077,092
	<u>363,219</u>	<u>6,152,212</u>	<u>93,819</u>	<u>6,609,250</u>	<u>6,077,092</u>
<b>Total expenditure</b>					
<b>Net income/(expenditure)</b>	<u>43,326</u>	<u>(188,993)</u>	<u>98,968</u>	<u>(46,699)</u>	<u>236,719</u>
Transfers between funds	-	(923,521)	923,521	-	-
<b>Net movement in funds before other recognised gains/(losses)</b>	<u>43,326</u>	<u>(1,112,514)</u>	<u>1,022,489</u>	<u>(46,699)</u>	<u>236,719</u>
<b>Other recognised gains/(losses):</b>					
Actuarial losses on defined benefit pension schemes	-	(1,036,000)	-	(1,036,000)	471,000
<b>Net movement in funds</b>	<u>43,326</u>	<u>(2,148,514)</u>	<u>1,022,489</u>	<u>(1,082,699)</u>	<u>707,719</u>

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

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)**  
(CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2019

Note	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	<i>Total funds 2018 £</i>
<b>Reconciliation of funds:</b>					
Total funds brought forward	486,114	(836,011)	1,128,289	778,392	70,672
Net movement in funds	43,326	(2,148,514)	1,022,489	(1,082,699)	707,719
<b>Total funds carried forward</b>	<u>529,440</u>	<u>(2,984,525)</u>	<u>2,150,778</u>	<u>(304,307)</u>	<u>778,391</u>

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

The notes on pages 26 to 51 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 2019**

	Note	2019 £	2018 £
<b>Fixed assets</b>			
Tangible assets	13	2,150,778	1,128,290
		<u>2,150,778</u>	<u>1,128,290</u>
<b>Current assets</b>			
Stocks	14	1,874	1,867
Debtors	15	347,716	145,058
Cash at bank and in hand		744,299	1,762,708
		<u>1,093,889</u>	<u>1,909,633</u>
Creditors: amounts falling due within one year	16	(224,974)	(209,531)
<b>Net current assets</b>		<u>868,915</u>	<u>1,700,102</u>
<b>Total assets less current liabilities</b>		<u>3,019,693</u>	<u>2,828,392</u>
<b>Net assets excluding pension liability</b>		<u>3,019,693</u>	<u>2,828,392</u>
Defined benefit pension scheme liability	22	(3,324,000)	(2,050,000)
<b>Total net assets</b>		<u><u>(304,307)</u></u>	<u><u>778,392</u></u>

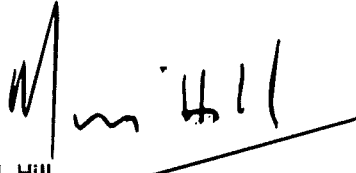
**THE LIVERPOOL BLUE COAT SCHOOL**  
(A company limited by guarantee)


**BALANCE SHEET (CONTINUED)**  
AS AT 31 AUGUST 2019

	Note	2019 £	2018 £
<b>Funds of the academy</b>			
<b>Restricted funds:</b>			
Fixed asset funds	17	2,150,778	1,128,289
Restricted income funds	17	339,475	1,213,989
Restricted funds excluding pension asset	17	<u>2,490,253</u>	<u>2,342,278</u>
Pension reserve	17	<u>(3,324,000)</u>	<u>(2,050,000)</u>
<b>Total restricted funds</b>	17	<b>(833,747)</b>	<b>292,278</b>
<b>Unrestricted income funds</b>	17	<b>529,440</b>	<b>486,114</b>
<b>Total funds</b>		<b><u><u>(304,307)</u></u></b>	<b><u><u>778,392</u></u></b>

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements on pages 21 to 51 were approved by the Trustees, and authorised for issue on 12 December 2019 and are signed on their behalf, by:

  
M. Hill  
Chair of Governors

  
A. Hughes  
on behalf of M. Pennington  
Accounting Officer and Headteacher

The notes on pages 26 to 51 form part of these financial statements.

---

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

---

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

---

	Note	2019 £	2018 £
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	19	97,139	310,583
<b>Cash flows from investing activities</b>	20	(1,115,548)	(752,439)
<b>Change in cash and cash equivalents in the year</b>		(1,018,409)	(441,856)
Cash and cash equivalents at the beginning of the year		1,762,708	2,204,564
<b>Cash and cash equivalents at the end of the year</b>	21	<u>744,299</u>	<u>1,762,708</u>

The notes on pages 26 to 51 form part of these financial statements

---

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

---

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

---

**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 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The Liverpool Blue Coat School meets the definition of a public benefit entity under FRS 102.

**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.

**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.

• **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.

**1.4 Expenditure**

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

---

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

---

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

---

**1. Accounting policies (continued)**

**1.4 Expenditure (continued)**

All resources expended are inclusive of irrecoverable VAT.

**1.5 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.

**1.6 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:

Depreciation is provided on the following bases:

Long-term leasehold property	- 2% Straight line
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.

**1.7 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.

---

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

---

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

---

**1. Accounting policies (continued)**

**1.8 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.

**1.9 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.

**1.10 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.

**1.11 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 15. 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.

*Financial liabilities* - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 16. 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.

---

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

---

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

---

**1. Accounting policies (continued)**

**1.12 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.

**1.13 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.

---

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

---

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

---

**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 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. 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.

**3. Income from donations and capital grants**

	<b>Restricted funds 2019 £</b>	<b>Total funds 2019 £</b>	<i>Total funds 2018 £</i>
Donations	329,433	<b>329,433</b>	164,091
School trip income	412,297	<b>412,297</b>	426,342
	<u>741,730</u>	<u><b>741,730</b></u>	<u>590,433</u>



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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**4. Funding for the academy's direct costs**

	<b>Restricted funds 2019 £</b>	<b>Total funds 2019 £</b>	<i>Total funds 2018 £</i>
<b>DfE/ESFA grants</b>			
General Annual Grant	4,994,883	<b>4,994,883</b>	4,880,058
Capital grants	135,281	<b>135,281</b>	268,067
Other grants	153,678	<b>153,678</b>	131,366
Devolved Formula Grant	57,506	<b>57,506</b>	23,103
Other non DfE/ESFA grant	16,560	<b>16,560</b>	7,658
Music fees	56,369	<b>56,369</b>	59,241
	<u>5,414,277</u>	<u><b>5,414,277</b></u>	<u>5,369,493</u>

**5. Income from other trading activities**

	<b>Unrestricted funds 2019 £</b>	<b>Total funds 2019 £</b>	<i>Total funds 2018 £</i>
Income from ancillary trading activities	405,788	<b>405,788</b>	352,798
	<u>405,788</u>	<u><b>405,788</b></u>	<u>352,798</u>

	<b>2019 £</b>	<i>As restated 2018 £</i>
Hire of facilities	9,817	11,851
Other income	55,090	39,068
Catering sales	340,881	301,879
	<u>405,788</u>	<u>352,798</u>

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**6. Investment income**

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Short term deposits	757	757	1,087
	757	757	1,087

**7. Expenditure**

	Staff Costs 2019 £	Premises 2019 £	Other 2019 £	Total 2019 £
Direct costs	3,958,950	93,819	1,046,315	5,099,084
Support costs	806,441	281,131	422,593	1,510,165
	4,765,391	374,950	1,468,908	6,609,249

		Other 2018 £	Total 2018 £
Direct costs:			
Direct costs		4,730,049	4,730,049
Allocated support costs		1,347,043	1,347,043
		6,077,092	6,077,092

**8. Analysis of expenditure by activities**

	Direct costs 2019 £	Support costs 2019 £	Total funds 2019 £
Expenditure	5,099,084	1,510,166	6,609,250
	5,099,084	1,510,166	6,609,250

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**8. Analysis of expenditure by activities (continued)**

	<i>Activities undertaken directly 2018 £</i>	<i>Support costs 2018 £</i>	<i>Total funds 2018 £</i>
Direct costs	4,730,049	1,347,043	6,077,092

**Analysis of direct costs**

	<b>Direct costs 2019 £</b>	<b>Total funds 2019 £</b>	<i>Total funds As restated 2018 £</i>
Pension income	56,000	56,000	55,000
Staff costs	3,958,950	3,958,950	3,847,204
Depreciation	93,819	93,819	31,234
Educational supplies	158,492	158,492	132,095
Examination fees	131,412	131,412	123,147
Staff Development	8,586	8,586	9,645
Educational consultancy	25,272	25,272	12,138
School trip expenses	424,565	424,565	443,157
Agency support staff and supply staff	223,174	223,174	63,479
Educational visits	18,814	18,814	12,950
	<u>5,099,084</u>	<u>5,099,084</u>	<u>4,730,049</u>

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**8. Analysis of expenditure by activities (continued)**

**Analysis of support costs**

	<b>Support costs 2019 £</b>	<b>Total funds 2019 £</b>	<i>Total funds As restated 2018 £</i>
Staff costs	806,441	806,441	739,755
Educational supplies	73,605	73,605	27,853
Advertising staff	12,559	12,559	14,428
Light and heat	97,573	97,573	88,250
Water rates	22,865	22,865	33,104
Repairs and maintenance	70,834	70,834	43,723
Rates	42,829	42,829	41,754
Insurance	21,377	21,377	21,794
Transport	25,653	25,653	21,894
Catering	181,243	181,243	155,345
Marketing	2,316	2,316	-
Agency support staff and supply staff	28,296	28,296	67,988
Sundry expenses	10,047	10,047	11,518
Telephone and fax	21,187	21,187	16,343
Printing, postage and stationery	50,596	50,596	45,757
Governance costs	42,744	42,744	17,537
	<b>1,510,165</b>	<b>1,510,165</b>	<b>1,347,043</b>
	<b>1,510,165</b>	<b>1,510,165</b>	<b>1,347,043</b>

**9. Net income/(expenditure)**

Net income/(expenditure) for the year includes:

	<b>2019 £</b>	<i>2018 £</i>
Operating lease rentals	12,020	12,020
Depreciation of tangible fixed assets	93,819	31,234
Fees paid to auditors for:		
- audit	7,000	7,000
	<b>7,000</b>	<b>7,000</b>
	<b>7,000</b>	<b>7,000</b>

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**10. Staff costs**

**a. Staff costs**

Staff costs during the year were as follows:

	2019 £	2018 £
Wages and salaries	3,644,331	3,615,721
Social security costs	344,588	340,477
Pension costs	717,767	600,138
	<u>4,706,686</u>	<u>4,556,336</u>
Apprenticeship levy	2,905	2,454
Staff restructuring costs	55,800	28,169
Supply teacher costs	46,786	7,987
	<u>4,812,177</u>	<u>4,594,946</u>

Staff restructuring costs comprise:

	2019 £	2018 £
Redundancy payments	-	8,401
Severance payments	55,800	19,768
	<u>55,800</u>	<u>28,169</u>

**b. Non-statutory/non-contractual staff severance payments**

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £55,800 (2018: £19,768). Individually, the payments were: £23,000, £12,304 and £20,496.

---

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

---

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

---

**10. Staff costs (continued)**

**c. Staff numbers**

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

	<b>2019</b>	<i>2018</i>
	<b>No.</b>	<i>No.</i>
Teachers	56	61
Administration and support	44	45
Management	9	7
	<u>109</u>	<u>113</u>

**d. Higher paid staff**

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

	<b>2019</b>	<i>2018</i>
	<b>No.</b>	<i>No.</i>
In the band £60,001 - £70,000	2	3
In the band £70,001 - £80,000	2	-
In the band £90,001 - £100,000	-	1
In the band £100,001 - £110,000	1	-
	<u>1</u>	<u>-</u>

**e. Key management personnel**

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £796,088 (2018: £702,953).

---

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

---

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

---

**11. 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:

		<b>2019</b>	<i>2018</i>
		<b>£</b>	<b>£</b>
M. Pennington (Headteacher and Accounting Officer)	Remuneration	<b>100,000 - 105,000</b>	<i>90,000 - 95,000</i>
	Pension contributions paid	<b>15,000 - 20,000</b>	<i>15,000 - 20,000</i>
S. Heath (Staff Governor)	Remuneration	<b>30,000 - 35,000</b>	<i>30,000 - 35,000</i>
	Pension contributions paid	<b>0 - 5,000</b>	<i>0 - 5,000</i>

During the year ended 31 August 2019, no Trustee expenses have been incurred (*2018 - £NIL*).

**12. 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 of this insurance is included in the total insurance cost for the year but is not separately identifiable (as in the prior year).

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

13. Tangible fixed assets	Leasehold property £	L-hold prop improv £	Furniture & equipment £	Computer equipment £	Motor vehicles £
<b>Cost or valuation</b>					
At 1 September 2018	400,000	-	116,589	134,964	31,976
Additions	-	319,849	390,002	27,965	-
Transfers between classes	-	730,647	-	-	-
At 31 August 2019	<u>400,000</u>	<u>1,050,496</u>	<u>506,591</u>	<u>162,929</u>	<u>31,976</u>
<b>Depreciation</b>					
At 1 September 2018	48,000	-	81,472	124,437	31,976
Charge for the year	8,000	21,010	54,332	10,477	-
At 31 August 2019	<u>56,000</u>	<u>21,010</u>	<u>135,804</u>	<u>134,914</u>	<u>31,976</u>
<b>Net book value</b>					
At 31 August 2019	<u>344,000</u>	<u>1,029,486</u>	<u>370,787</u>	<u>28,015</u>	<u>-</u>
At 31 August 2018	<u>352,000</u>	<u>-</u>	<u>35,116</u>	<u>10,527</u>	<u>-</u>



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

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019

Assets under cons £		Total £	
730,647	1,414,176		
378,489	1,116,305		
(730,647)	-		
378,489	2,530,481		
-	285,885		
-	93,819		
-	379,704		
378,489	2,150,777		
730,647	1,128,290		

---

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

---

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

---

**13. Tangible fixed assets (continued)**

At the year end, there were £378,489 of assets under construction (2018 - £730,647) which were completed post year end. The £730,647 of assets under construction held within fixed assets at 31 August 2018 have been transferred into leasehold property improvements.

Assets under construction are not depreciated as they are incomplete at the year end.

**14. Stocks**

	2019	2018
	£	£
Finished goods and goods for resale	1,874	1,867

**15. Debtors**

	2019	2018
	£	£
<b>Due within one year</b>		
Trade debtors	98,827	58,374
Prepayments and accrued income	28,353	38,298
Tax recoverable	220,536	48,386
	<u>347,716</u>	<u>145,058</u>

---

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

---

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

---

**16. Creditors: Amounts falling due within one year**

	2019 £	2018 £
Trade creditors	50,755	32,144
Other taxation and social security	85,172	86,072
Other creditors	73,620	74,024
Accruals and deferred income	15,427	17,291
	<u>224,974</u>	<u>209,531</u>
	<u><u>224,974</u></u>	<u><u>209,531</u></u>
	2019 £	2018 £
Deferred income at 1 September 2018	9,804	10,870
Resources deferred during the year	9,414	9,804
Amounts released from previous periods	(9,804)	(10,870)
	<u>9,414</u>	<u>9,804</u>
	<u><u>9,414</u></u>	<u><u>9,804</u></u>

At the balance sheet date, the academy trust was holding funds received in advance for student activities of £9,414 for the year ended 31st August 2019.

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**17. Statement of funds**

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
<b>Unrestricted funds</b>						
General Funds - all funds	486,114	406,545	(363,219)	-	-	529,440
<b>Restricted general funds</b>						
General Annual Grant (GAG)	(271,277)	4,994,883	(4,267,586)	(814,314)	-	(358,294)
Other DfE/ESFA grants	-	153,678	(153,678)	-	-	-
Other government grants	-	16,560	(16,560)	-	-	-
Other restricted general funds	-	80,577	(80,577)	-	-	-
Special Purposes reserve	127,266	412,297	(423,162)	-	-	116,401
Foundation donation	1,192,529	-	(885,485)	-	-	307,044
Library replacement	165,471	106,967	-	-	-	272,438
Other donations	-	198,257	(87,164)	(109,207)	-	1,886
Pension reserve	(2,050,000)	-	(238,000)	-	(1,036,000)	(3,324,000)
	<u>(836,011)</u>	<u>5,963,219</u>	<u>(6,152,212)</u>	<u>(923,521)</u>	<u>(1,036,000)</u>	<u>(2,984,525)</u>
<b>Restricted fixed asset funds</b>						
DfE/ESFA capital grants	610,583	192,787	-	923,521	-	1,726,891
Capital expenditure from GAG	(65,519)	-	(93,819)	-	-	(159,338)
Transfer on conversion	3,120	-	-	-	-	3,120
Other donations	11,550	-	-	-	-	11,550

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**17. Statement of funds (continued)**

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
Capital donation from foundation	568,555	-	-	-	-	568,555
	<u>1,128,289</u>	<u>192,787</u>	<u>(93,819)</u>	<u>923,521</u>	<u>-</u>	<u>2,150,778</u>
<b>Total Restricted funds</b>	<u>292,278</u>	<u>6,156,006</u>	<u>(6,246,031)</u>	<u>-</u>	<u>(1,036,000)</u>	<u>(833,747)</u>
<b>Total funds</b>	<u><u>778,392</u></u>	<u><u>6,562,551</u></u>	<u><u>(6,609,250)</u></u>	<u><u>-</u></u>	<u><u>(1,036,000)</u></u>	<u><u>(304,307)</u></u>

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 £2,050,000 and has increased to £3,324,000 at 31 August 2019.
- The Foundation donation relates to a project to convert the Foundation buildings and to expand the School. The fund is expected to be exhausted in the year to 31 August 2020.
- The Library replacement fund relates to a specific project to which the public and alumni can donate to improve the library.
- The Special Purposes Fund is a non-public fund which receives income from students to fund participation in school trips as well as other such related activities.
- The Restricted Fixed Asset Funds include assets inherited on conversion and expenditure out of GAG and other capital grants during the period. Depreciation is charged against the fund.

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 2019.

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**17. Statement of funds (continued)**

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

	<i>Balance at 1 September 2017 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2018 £</i>
<b>Unrestricted funds</b>						
General Funds - all funds	434,524	328,840	(277,250)	-	-	486,114
<b>Restricted general funds</b>						
General Annual Grant (GAG)	(184,580)	5,015,409	(4,232,729)	(869,377)	-	(271,277)
Other DfE/ESFA grants	-	131,366	(131,366)	-	-	-
Other government grants	-	7,658	(7,658)	-	-	-
Other restricted general funds	-	71,600	(71,600)	-	-	-
Special Purposes reserve	121,606	426,342	(420,682)	-	-	127,266
Foundation donation	1,500,000	-	-	(307,471)	-	1,192,529
Library replacement	149,090	16,381	-	-	-	165,471
Other donations	(2,395,000)	-	(126,000)	-	471,000	(2,050,000)
	(808,884)	5,668,756	(4,990,035)	(1,176,848)	471,000	(836,011)
<b>Restricted fixed asset funds</b>						
DfE/ESFA capital grants	164,159	23,103	(753,527)	1,176,848	-	610,583
Capital expenditure from GAG	(34,284)	-	(31,235)	-	-	(65,519)
Transfer on conversion	3,120	-	-	-	-	3,120

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**17. Statement of funds (continued)**

	<i>Balance at 1 September 2017 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2018 £</i>
Other donations	11,550	-	-	-	-	11,550
Capital donation from foundation	300,488	268,067	-	-	-	568,555
	<u>445,033</u>	<u>291,170</u>	<u>(784,762)</u>	<u>1,176,848</u>	<u>-</u>	<u>1,128,289</u>
<b>Total Restricted funds</b>	<u>(363,851)</u>	<u>5,959,926</u>	<u>(5,774,797)</u>	<u>-</u>	<u>471,000</u>	<u>292,278</u>
<b>Total funds</b>	<u><u>70,673</u></u>	<u><u>6,288,766</u></u>	<u><u>(6,052,047)</u></u>	<u><u>-</u></u>	<u><u>471,000</u></u>	<u><u>778,392</u></u>

**18. Analysis of net assets between funds**

**Analysis of net assets between funds - current year**

	<b>Unrestricted funds 2019 £</b>	<b>Restricted funds 2019 £</b>	<b>Restricted fixed asset funds 2019 £</b>	<b>Total funds 2019 £</b>
Tangible fixed assets	-	-	2,150,778	<b>2,150,778</b>
Current assets	531,439	562,448	-	<b>1,093,887</b>
Creditors due within one year	(2,000)	(222,973)	-	<b>(224,973)</b>
Provisions for liabilities and charges	-	(3,324,000)	-	<b>(3,324,000)</b>
<b>Total</b>	<u><u>529,440</u></u>	<u><u>(2,984,525)</u></u>	<u><u>2,150,778</u></u>	<u><u>(304,307)</u></u>

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**18. Analysis of net assets between funds (continued)**

**Analysis of net assets between funds - prior year**

	<i>Unrestricted funds 2018 £</i>	<i>Restricted funds 2018 £</i>	<i>Restricted fixed asset funds 2018 £</i>	<i>Total funds 2018 £</i>
Tangible fixed assets	-	-	1,128,290	1,128,290
Current assets	695,648	1,213,986	-	1,909,634
Creditors due within one year	(209,532)	-	-	(209,532)
Provisions for liabilities and charges	-	(2,050,000)	-	(2,050,000)
<b>Total</b>	<u>486,116</u>	<u>(836,014)</u>	<u>1,128,290</u>	<u>778,392</u>

**19. Reconciliation of net (expenditure)/income to net cash flow from operating activities**

	<b>2019 £</b>	<b>2018 £</b>
Net (expenditure)/income for the year (as per Statement of financial activities)	<u>(46,699)</u>	<u>236,719</u>
<b>Adjustments for:</b>		
Depreciation	93,819	31,235
Defined benefit pension scheme cost less contributions payable	178,000	67,000
Defined benefit pension scheme finance cost	60,000	59,000
Increase in stocks	(7)	(452)
Increase in debtors	(202,658)	(78,662)
Increase/(decrease) in creditors	15,441	(3,170)
Dividends, interest and rents from investments	(757)	(1,087)
<b>Net cash provided by operating activities</b>	<u>97,139</u>	<u>310,583</u>



---

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

---

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

---

**20. Cash flows from investing activities**

	2019 £	2018 £
Dividends, interest and rents from investments	757	1,087
Purchase of tangible fixed assets	(1,116,305)	(753,526)
<b>Net cash used in investing activities</b>	<u>(1,115,548)</u>	<u>(752,439)</u>

**21. Analysis of cash and cash equivalents**

	2019 £	2018 £
Cash in hand	744,299	1,762,708
<b>Total cash and cash equivalents</b>	<u>744,299</u>	<u>1,762,708</u>

**22. Pension commitments**

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

Contributions amounting to £73,620 were payable to the schemes at 31 August 2019 (2018 - £74,024) 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 and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis - these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

---

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

---

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

---

**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) (Amendment and Savings) Directions 2019 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) (Amendment and Savings) Directions 2019. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% employer administration charge)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million giving a notional past service deficit of £22,000 million
- an employer contribution correction cost of 7.3% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 2.8% 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 is 4.45%.

The TPS valuation for 2016 determines an employer rate of 23.68%, which was payable from September 2019.

The employer's pension costs paid to TPS in the year amounted to £429,813 (2018 - £434,763).

A copy of the valuation report and supporting documentation is on the [Teachers' Pensions website](#).

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The academy 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.

**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 2019 was £226,000 (2018 - £224,000), of which employer's contributions totalled £178,000 (2018 - £175,000) and employees' contributions totalled £ 48,000 (2018 - £49,000). The agreed contribution rates for future years are 17.1 per cent for employers and 5.5 and 12.5 per cent for employees based upon their salary.

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.

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**22. Pension commitments (continued)**

**Principal actuarial assumptions**

	2019 %	2018 %
Rate of increase in salaries	3.60	3.60
Rate of increase for pensions in payment/inflation	2.20	2.20
Discount rate for scheme liabilities	1.80	2.80
Inflation assumption (CPI)	2.10	2.10

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

	2019 Years	2018 Years
<i>Retiring today</i>		
Males	22.2	22
Females	25	24.8
<i>Retiring in 20 years</i>		
Males	25.2	25
Females	27.9	27.8

**Sensitivity analysis**

	2019 £000	2018 £000
Discount rate +0.1%	3,202,000	1,960,000
Mortality assumption - 1 year increase	3,426,000	2,124,000
CPI rate +0.1%	3,350,000	2,070,000
Inflation +0.1%	3,449,000	2,141,000

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**22. Pension commitments (continued)**

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

	At 31 August 2019 £	At 31 August 2018 £
Equities	1,206,000	1,099,000
Gilts	371,000	322,000
Property	212,000	192,000
Cash and other liquid assets	75,000	66,000
Other	495,000	436,000
<b>Total market value of assets</b>	<b>2,359,000</b>	<b>2,115,000</b>

The actual return on scheme assets was £105,000 (2018 - £110,000).

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

	2019 £	2018 £
Current service cost	(216,000)	(242,000)
Past service cost	(140,000)	-
Interest income	61,000	46,000
Interest cost	(117,000)	(101,000)
Administrative expenses	(4,000)	(4,000)
<b>Total amount recognised in the Statement of Financial Activities</b>	<b>(416,000)</b>	<b>(301,000)</b>

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

	2019 £	2018 £
<b>At 1 September</b>	<b>4,165,000</b>	<b>4,202,000</b>
Current service cost	216,000	242,000
Interest cost	117,000	101,000
Employee contributions	48,000	49,000
Actuarial losses/(gains)	1,081,000	(408,000)
Benefits paid	(84,000)	(21,000)
Past service costs	140,000	-
<b>At 31 August</b>	<b>5,683,000</b>	<b>4,165,000</b>

---

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

---

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

---

**22. Pension commitments (continued)**

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

	2019 £	2018 £
<b>At 1 September</b>	<b>2,115,000</b>	<b>1,807,000</b>
Expected return on assets	61,000	46,000
Actuarial gains	45,000	63,000
Employer contributions	178,000	175,000
Employee contributions	48,000	49,000
Benefits paid	(84,000)	(21,000)
Admin expenses	(4,000)	(4,000)
<b>At 31 August</b>	<b>2,359,000</b>	<b>2,115,000</b>

**23. 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.

**24. Related party transactions**

Owing to the nature of the academy's operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which a trustee has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the academy's financial regulations and normal procurement procedures.