

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 2020

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

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REFERENCE AND ADMINISTRATIVE DETAILS

Members	C. Abbasi (appointed 13 May 2020) S. Chou (appointed 13 May 2020) M. Hill (appointed 1 September 2020) L. Lees (appointed 1 September 2020) S. Myers (appointed 13 May 2020)
Trustees	J. Bonenfant (Chair of Board of Trustees from 1 September 2020) (appointed 13 May 2020) M. Hill (Chair of Board of Trustees to 31 August 2020) (resigned 31 August 2020) S. Yates (Headteacher and Accounting Officer) (appointed 1 February 2020) M. Pennington (Headteacher and Accounting Officer) (resigned 31 January 2020) P. Wolstenholme (Trustee) S. Chaudary (Trustee) C. Sharples (Trustee) K. Wilson (Staff Trustee) (appointed 13 May 2020) K. Graham (Trustee) J. Farmer (Trustee) (resigned 11 December 2019) S. Heath (Staff Trustee) J. Grace (Trustee) (Vice Chair of Trustees) P. Burnham (Trustee) (resigned 2 October 2019) P. Adamson (Parent Trustee) (appointed 13 May 2020) D. H. S. Stinson (Parent Trustee) (appointed 13 May 2020)
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	S. Yates, Headteacher N. Roberts, Deputy Head S. O'Rourke, Deputy Head A. Hughes, Director of Resources / PFO S. Shipgood, Assistant Head N. Barends, Assistant Head M. Watkins, Assistant Head L. Holland, Assistant Head

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REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

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 2020

The Trustees present their Annual report together with the financial statements and auditor's report of the School for the period 1 September 2019 to 31 August 2020.

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 2020 and had 1,157 students on roll on 21st January 2020 (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 the Local Authority on the conversion date stated above.

The Academy is an exempt charity, regulated by the Secretary of State for Education, and as such must comply with general charity law.

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 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.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Structure, governance and management (continued)

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.

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 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 / 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 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.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Structure, governance and management (continued)

h. Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the year	4
Full-time equivalent employee number	4

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	4
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	-	%
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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.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Objectives and activities (continued)

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 specialise 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

a. Academic performance

This reporting period represents the Academy's eighth 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. 1,100 Year 6 students applied for 180 places in Year 7 for September 2021. Total main school students in the year ended 31 August 2020 numbered 1,157 and the Academy had full cohorts in all year groups. In August 2020 the sixth form held 310.

Examination results for 2020 were significantly above National Average. At 'A' Level there was a 100% pass rate and over 86% were A*-B. At GCSE over 80% of all grades were 9-7. 133 out of 151 have returned to study in the sixth form.

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.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Strategic report (continued)

Achievements and performance (continued)

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

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 2020, the Academy had balances on its Unrestricted General Funds and Restricted General Funds (excluding pension deficit) of £465,167 (2019: £529,440) and -£48,886 (2019: £339,475) respectively, totaling £416,281 (2019: £868,915), 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 2020 the deficit amounted to £3,201,000, having decreased from £3,324,000 as at 31 August 2019.

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 2020

c. Principal risks and uncertainties

As detailed the Board of Trustees 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 2020 was £487,336 (2019: £744,299), included in debtors was £128,443 (2019: £220,536) of VAT which will be received post year end.

During the year, the Academy had total incoming resources of £24,163,316 (2019: £6,562,551). The significant increase in incoming resources relates to the recognition of a lease over the School's land and buildings which is shown as a donation to the Restricted Fixed Asset fund of £17,635,702 and is discussed below.

Aside from the lease, 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 2020 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities.

The Academy's General Annual Grant receipts increased from £4,994,883 in the year ended 31 August 2019 to £5,615,592 this year.

The Academy incurred total expenditure for the year of £6,950,470 (2019 - £6,609,250). Also included within the expenditure for the year is an amount of £59,000 (2019 - £56,000) 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 £29,456 (2019: £42,744) were incurred in the year.

At 31 August 2020 the net book value of fixed assets was £20,025,258 (2019 - £2,150,778) and movements in tangible fixed assets are shown in note 13 to the financial statements, the largest change being the recognition of the aforementioned 125 lease over the land and buildings. The lease is between the Academy and the incorporated trustees of the Liverpool Blue Coat School Foundation and a peppercorn rent is charged. The land and buildings were valued by a third party surveyor in January 2017 and it is not believed that the value has changed significantly since that date. As the lease runs from 24 June 2016, it has been brought into account at its revalued amount less depreciation.

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 £123,000 (2019: an increase of £1,274,000) resulting in an overall deficit of £3,201,000 (2019: £3,324,000).

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

e. COVID-19 virus

The Academy has continued to operate under all national and local guidelines with concerns to academic provision during the COVID-19 pandemic. The Academy opened to all vulnerable and key worker students daily, including school holidays, and staff were identified to support all free school meals students by ensuring claims were submitted routinely through the Government's Edenred scheme. When school provision was extended to Year 10 + 12 students the Trustees and Senior Leaders worked alongside specialist staff and the local unions to ensure a safe return for staff and students alike. During this period Senior Leaders met with staff daily to discuss any issues that arose that day so as to monitor any concerns and then reported back to all trustees that evening with updates for consideration. These systems allowed the school to operate at the permitted capacity without incident during this period.

COVID-19 has meant a significant reduction in fundraising income, school catering, lettings and Development opportunities were lost for the last half of 2019/20 and continue to be reduced in the 2020/21 academic year. These items were addressed with Trustees and budgets updated routinely throughout the year 2019/20 to recognise the most accurate picture of the Academy's finances. During these reviews the Academy agreed to furlough our Catering and Music Tutor teams during the academic year 2019/20.

In the current academic year, the Academy has already undertaken a spending freeze and reviewed the necessity of staffing appointments in light of an updated budget, as a more reflective picture relating to lost income and increasing costs in cleaning and staff supply are better understood. The Board of Trustees is pleased that despite these conditions they have still been able to maintain a surplus budget for the academic Year 2020/21. The budget will remain under constant review and an updated version is scheduled for early 2021.

Following a series of comprehensive risk assessments, the Academy has undertaken a range of measures to minimise the impact of Covid-19 on the daily life of its staff and pupils, staggered start, finish and lunch times, year groups timetabled to minimise movement, reduction in practical provisions to where essential, enhance cleaning provisions, enhanced duty provision at the start and end of day to ensure segregation. Where positive cases have arisen, the Academy has clear and stringent protocols in place to identify close contacts, this system has ensured swift action can be taken and led to a situation where no year groups have had to self-isolate. The Academy has also taken the decision to provide direct payments to parents of free school meal children during any periods of self-isolation.

With regards to the curriculum provision in 2020/21 substantial investment has been undertaken to improve the ICT systems and ensure full access to Microsoft Teams for all staff and students, all lessons and resources are uploaded and available for all students self-isolating. From a safeguarding perspective, it was recognised that working offsite posed risks to maintaining accurate and accessible student details so the Academy invested in the CPOMS system which allows full access to all essential information. Equally the Academy invested with the safeguarding team, increasing from 2 members to 4 and also supporting student wellbeing and mental health support by increasing the student support team numbers and reallocating duties to best fit student needs.

To support the students whose education may have been impacted during the first lockdown a clear plan is being devised with the finance required being provided by the allocated Catch Up Premium.

Fundraising

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

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Plans for future periods

The Academy, supported by its Foundation, is currently engaged in a bidding process for replacement works towards a new school roof, the Foundation has agreed to support the Academy with the initial funds required for a project of this size which has allowed the tender process to now begin. If successful this work is expected to take place late in 2021.

Funds held as custodian on behalf of others

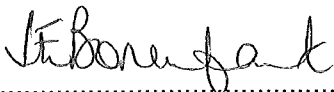
No funds are held on behalf of any other charities.

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 16 December 2020 and signed on its behalf by:



.....
J. Bonenfant
Chair of Board of Trustees

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 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
J. Bonenfant (Chair of Board of Trustees from 1 September 2020)	3	3
M. Hill (Chair of Board of Trustees to 31 August 2020)	9	9
S. Yates (Headteacher and Accounting Officer)	5	5
M. Pennington (Headteacher and Accounting Officer)	3	5
P. Wolstenholme (Trustee)	9	9
S. Chaudary (Trustee)	6	9
C. Sharples (Trustee)	7	9
K. Wilson (Staff Trustee)	3	3
K. Graham (Trustee)	6	6
J. Farmer (Trustee)	2	3
S. Heath (Staff Trustee)	9	9
J. Grace (Trustee) (Vice Chair of Trustees)	9	9
P. Burnham (Trustee)	0	1
P. Adamson (Parent Trustee)	3	3
D. H. S. Stinson (Parent Trustee)	3	3

Detailed consideration has been given to the best means of fulfilling the Board of Trustees' 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 2020/21 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, responsible officer, insurances, budget submission
- Monthly management accounts review - allow Trustees to review the financial performance against budget
- Workforce structures and assessment of future needs.

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

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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) Requesting the facilities team leader undertake a review of our astro turf provision, the astro turf was becoming increasingly unusable in wet weather, rather than replace the facilities team identified a rejuvenation company and the full pitch has been restored at a fraction of the projected costs. This and ongoing treatments will extend the life of the school pitches beyond the expected limits.
- 3) Developing a needs led review of the ICT provision within the Academy, this led to a fully costed long term ICT development plan being implemented in summer 2020, bringing the ICT hardware and infrastructure upto a significantly higher standard.

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 2019 to 31 August 2020 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 2019 to 31 August 2020 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 Resource & Finance 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

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GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework (continued)

The Board of Trustees has decided to employ 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.

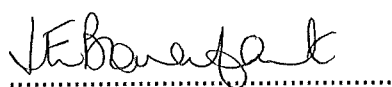
Review of effectiveness

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:

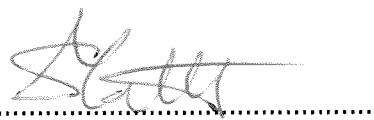
- on discharge of the Board of Trustees financial decisions to help the committee consider actions and assess year on year progress
- the work of the internal auditor;
- the work of the external auditors;
- the work of the executive managers within the academy who have responsibility for the development 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.

Approved by order of the members of the Board of Trustees on 16 December 2020 and signed on their behalf by:



J. Bonenfant
Chair of Board of Trustees



S. Yates
Accounting Officer

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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, 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 2019.

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 2019.

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: 16 December 2020

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STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2020

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:

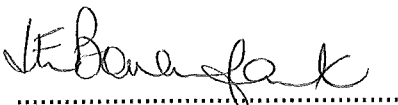
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP and the Academies Accounts Direction 2019 to 2020;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards 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 16 December 2020 and signed on its behalf by:



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J. Bonenfant
Chair of Board of Trustees

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 2020 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 2019 to 2020 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 2020 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 2019 to 2020 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

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
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**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.

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 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. 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

Date: 15 December 2020

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 2019 to 2020, 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 2019 to 31 August 2020 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 Academies Financial Handbook, extant from 1 September 2019, 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 2019 to 2020. 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 2019 to 31 August 2020 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 2019 to 2020 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 2019 to 31 August 2020 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
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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: 15 December 2020

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 2020**

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £	
Income from:						
Donations and capital grants	3	-	308,623	17,635,702	17,944,325	741,730
Charitable activities		-	5,870,867	95,030	5,965,897	5,414,277
Other trading activities		252,681	-	-	252,681	405,787
Investments	6	413	-	-	413	757
Total income	<u>253,094</u>	<u>6,179,490</u>	<u>17,730,732</u>	<u>24,163,316</u>	<u>6,562,551</u>	
Expenditure on:						
Charitable activities		317,367	6,322,300	310,803	6,950,470	6,609,250
Total expenditure		<u>317,367</u>	<u>6,322,300</u>	<u>310,803</u>	<u>6,950,470</u>	<u>6,609,250</u>
Net (expenditure)/income		<u>(64,273)</u>	<u>(142,810)</u>	<u>17,419,929</u>	<u>17,212,846</u>	<u>(46,699)</u>
Transfers between funds	16	-	(454,551)	454,551	-	-
Net movement in funds before other recognised gains/(losses)		<u>(64,273)</u>	<u>(597,361)</u>	<u>17,874,480</u>	<u>17,212,846</u>	<u>(46,699)</u>
Other recognised gains/(losses):						
Actuarial gains/(losses) on defined benefit pension schemes	22	-	332,000	-	332,000	(1,036,000)
Net movement in funds		<u>(64,273)</u>	<u>(265,361)</u>	<u>17,874,480</u>	<u>17,544,846</u>	<u>(1,082,699)</u>
Reconciliation of funds:						
Total funds brought forward		529,440	(2,984,525)	2,150,778	(304,307)	778,392
Net movement in funds		(64,273)	(265,361)	17,874,480	17,544,846	(1,082,699)
Total funds carried forward		<u>465,167</u>	<u>(3,249,886)</u>	<u>20,025,258</u>	<u>17,240,539</u>	<u>(304,307)</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 2020

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

The notes on pages 28 to 56 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 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	12	20,025,257	2,150,778
		<u>20,025,257</u>	<u>2,150,778</u>
Current assets			
Stocks	13	1,874	1,873
Debtors	14	249,227	347,715
Cash at bank and in hand		487,336	744,299
		<u>738,437</u>	<u>1,093,887</u>
Creditors: amounts falling due within one year	15	(322,155)	(224,972)
Net current assets		<u>416,282</u>	<u>868,915</u>
Total assets less current liabilities		<u>20,441,539</u>	<u>3,019,693</u>
Net assets excluding pension liability		<u>20,441,539</u>	<u>3,019,693</u>
Defined benefit pension scheme liability	22	(3,201,000)	(3,324,000)
Total net assets		<u><u>17,240,539</u></u>	<u><u>(304,307)</u></u>

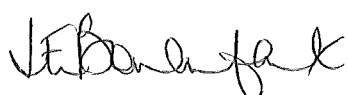
THE LIVERPOOL BLUE COAT SCHOOL
(A company limited by guarantee)
REGISTERED NUMBER: 07950827

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2020

	Note	2020 £	2019 £
Funds of the academy			
Restricted funds:			
Fixed asset funds	16	20,025,258	2,150,778
Restricted income funds	16	(48,886)	339,475
Restricted funds excluding pension asset	16	<u>19,976,372</u>	<u>2,490,253</u>
Pension reserve	16	<u>(3,201,000)</u>	<u>(3,324,000)</u>
Total restricted funds	16	16,775,372	(833,747)
Unrestricted income funds	16	465,167	529,440
Total funds		<u><u>17,240,539</u></u>	<u><u>(304,307)</u></u>

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 23 to 56 were approved by the Trustees, and authorised for issue on 16 December 2020 and are signed on their behalf, by:



J. Bonenfant
Chair of the Board of Trustees

The notes on pages 28 to 56 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 2020

	Note	2020 £	2019 £
Cash flows from operating activities			
Net cash provided by operating activities	18	267,718	39,633
Cash flows from investing activities	19	(524,681)	<i>(1,058,042)</i>
Change in cash and cash equivalents in the year		(256,963)	<i>(1,018,409)</i>
Cash and cash equivalents at the beginning of the year		744,299	1,762,708
Cash and cash equivalents at the end of the year	20, 21	487,336	744,299

The notes on pages 28 to 56 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 2020

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 2019 to 2020 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.

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.

All resources expended are inclusive of irrecoverable VAT.

THE LIVERPOOL BLUE COAT SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

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
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

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 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.

THE LIVERPOOL BLUE COAT SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

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
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

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 2020. 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

	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Donations	100,270	17,635,702	17,735,972
School trip income	208,353	-	208,353
	<u>308,623</u>	<u>17,635,702</u>	<u>17,944,325</u>

The donation within the Restricted fixed asset funds relates to the recognition of a lease as disclosed in note 12.

	<i>Restricted funds 2019 £</i>	<i>Restricted fixed asset funds 2019 £</i>	<i>Total funds 2019 £</i>
Donations	329,433	-	329,433
Similar incoming resources	412,297	-	412,297
	<u>741,730</u>	<u>-</u>	<u>741,730</u>

THE LIVERPOOL BLUE COAT SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

3. Income from donations and capital grants (continued)

4. Funding for the academy's direct costs

	Restricted funds 2020 £	Total funds 2020 £
DfE/ESFA grants		
General Annual Grant	5,615,592	5,615,592
Capital grants	70,544	70,544
Other grants	145,487	145,487
Devolved Formula Grant	24,486	24,486
CJRS grant	58,264	58,264
Other educational income	51,524	51,524
	<u>5,965,897</u>	<u>5,965,897</u>

The Academy has claimed additional funding in year from government support schemes in response to the coronavirus outbreak. The funding received is shown above under "CJRS grant".

The academy furloughed 19 catering and music staff members under the government's CJRS. The funding received of £58,264 relates to staff costs which are included in note 9 below as appropriate.

	<i>Restricted funds 2019 £</i>	<i>Total funds 2019 £</i>
DfE/ESFA grants		
General Annual Grant	4,994,883	4,994,883
Capital grants	135,281	135,281
Other grants	153,678	153,678
Devolved Formula Grant	57,506	57,506
Other non DfE/ESFA grant	16,560	16,560
Other educational income	56,369	56,369
	<u>5,414,277</u>	<u>5,414,277</u>

THE LIVERPOOL BLUE COAT SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

5. Income from other trading activities

	Unrestricted funds 2020 £	Total funds 2020 £
Income from ancillary trading activities	252,681	252,681

	<i>Unrestricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Income from ancillary activities	405,788	405,788

	2020 £	2019 £
Hire of facilities	-	9,817
Other income	19,736	55,090
Catering sales	232,945	340,881
	252,681	405,788

6. Investment income

	Unrestricted funds 2020 £	Total funds 2020 £
Short term deposits	413	413

	<i>Unrestricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Short term deposits	757	757

THE LIVERPOOL BLUE COAT SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

7. Analysis of expenditure by activities

	Direct costs 2020 £	Support costs 2020 £	Total funds 2020 £
Expenditure	5,472,218	1,478,252	6,950,470

	<i>Activities</i> <i>undertaken</i> <i>directly</i> 2019 £	<i>Support</i> <i>costs</i> 2019 £	<i>Total</i> <i>funds</i> 2019 £
Direct costs	5,099,084	1,510,166	6,609,250

Analysis of direct costs

	Direct costs 2020 £	Total funds 2020 £
Pension finance costs	59,000	59,000
Staff costs	4,465,556	4,465,556
Depreciation	310,803	310,803
Educational supplies	134,690	134,690
Examination fees	134,952	134,952
Staff Development	3,883	3,883
Educational consultancy	19,995	19,995
School trip expenses	208,992	208,992
Agency support staff and supply staff	123,864	123,864
Educational visits	10,483	10,483
	<u>5,472,218</u>	<u>5,472,218</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

7. Analysis of expenditure by activities (continued)

Analysis of direct costs (continued)

	<i>Direct costs</i> 2019 £	<i>Total</i> <i>funds</i> 2019 £
Pension finance costs	56,000	56,000
Staff costs	3,958,950	3,958,950
Depreciation	93,819	93,819
Educational supplies	158,492	158,492
Examination fees	131,412	131,412
Staff Development	8,586	8,586
Educational consultancy	25,272	25,272
School trip expenses	424,565	424,565
Agency support staff and supply staff	223,176	223,176
Educational visits	18,812	18,812
	<u>5,099,084</u>	<u>5,099,084</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

7. Analysis of expenditure by activities (continued)

Analysis of support costs

	Support costs 2020 £	Total funds 2020 £
Staff costs	889,739	889,739
Educational supplies	31,672	31,672
Advertising staff	5,269	5,269
Light and heat	109,341	109,341
Water rates	19,814	19,814
Repairs and maintenance	68,329	68,329
Rates	43,641	43,641
Insurance	19,872	19,872
Transport	22,007	22,007
Catering	134,543	134,543
Agency support staff and supply staff	33,904	33,904
Sundry expenses	8,317	8,317
Telephone and fax	15,290	15,290
Printing, postage and stationery	47,057	47,057
Governance costs	29,456	29,456
	<u>1,478,251</u>	<u>1,478,251</u>

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NOTES TO THE FINANCIAL STATEMENTS
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7. Analysis of expenditure by activities (continued)

Analysis of support costs (continued)

	<i>Direct costs</i> 2019 £	<i>Total funds</i> 2019 £
Staff costs	806,441	806,441
Educational supplies	73,605	73,605
Advertising staff	12,559	12,559
Light and heat	97,573	97,573
Water rates	22,865	22,865
Repairs and maintenance	70,834	70,834
Rates	42,829	42,829
Insurance	21,377	21,377
Transport	25,653	25,653
Catering	181,243	181,243
Educational consultancy	2,316	2,316
Agency support staff and supply staff	28,296	28,296
Sundry expenses	10,048	10,048
Telephone and fax	21,188	21,188
Printing, postage and stationery	50,594	50,594
Governance costs	42,744	42,744
	<u>1,510,165</u>	<u>1,510,165</u>

8. Net (expenditure)/income

Net (expenditure)/income for the year includes:

	2020 £	2019 £
Operating lease rentals	32,258	12,020
Depreciation of tangible fixed assets	318,803	93,819
Fees paid to auditors for:		
- audit	7,000	7,000
	<u>7,000</u>	<u>7,000</u>

9. Staff

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

9. Staff (continued)

a. Staff costs

Staff costs during the year were as follows:

	2020 £	2019 £
Wages and salaries	3,970,976	3,644,331
Social security costs	372,689	344,588
Pension costs	953,984	717,767
	5,297,649	4,706,686
Apprenticeship levy	4,160	2,905
Staff restructuring costs	53,486	55,800
Supply teacher costs	5,539	46,786
	5,360,834	4,812,177

Staff restructuring costs comprise:

	2020 £	2019 £
Severance payments	53,486	55,800
	53,486	55,800

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

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £53,486 (2019: £55,800). There was one payment made during the year.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

9. Staff (continued)

c. Staff numbers

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

	2020	<i>2019</i>
	No.	<i>No.</i>
Teachers	62	<i>56</i>
Administration and support	47	<i>44</i>
Management	8	<i>9</i>
	<hr/> 117 <hr/>	<hr/> <i>109</i> <hr/>

d. Higher paid staff

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

	2020	<i>2019</i>
	No.	<i>No.</i>
In the band £60,001 - £70,000	3	<i>2</i>
In the band £70,001 - £80,000	3	<i>2</i>
In the band £90,001 - £100,000	1	<i>-</i>
In the band £100,001 - £110,000	-	<i>1</i>
	<hr/> - <hr/>	<hr/> <i>1</i> <hr/>

e. Key management personnel

The key management personnel of the academy 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 was £856,612 (2019 £796,088).

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

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:

	2020	2019
	£	£
S. Yates (current Headteacher and Accounting Officer)	85,000 - 90,000	
Pension contributions paid	10,000 - 15,000	
M. Pennington (Headteacher and Accounting Officer)	70,000 - 75,000	90,000 - 95,000
Pension contributions paid	5,000 - 10,000	15,000 - 20,000
S. Heath (Staff Governor)	30,000 - 35,000	30,000 - 35,000
Pension contributions paid	0 - 5,000	0 - 5,000
K. Wilson (Foundation Governor)	50,000 - 55,000	
Pension contributions paid	5,000 - 10,000	

During the year ended 31 August 2020, no Trustee expenses have been incurred (2019 - £NIL).

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

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

12. Tangible fixed assets

	Leasehold property £	L-hold prop improv £	Furniture & equipment £	Computer equipment £	Motor vehicles £
Cost or valuation					
At 1 September 2019	400,000	1,050,497	506,591	162,928	31,976
Additions	17,635,703	345,721	40,487	163,371	-
Transfers between classes	-	488,100	(109,609)	-	-
At 31 August 2020	<u>18,035,703</u>	<u>1,884,318</u>	<u>437,469</u>	<u>326,299</u>	<u>31,976</u>
Depreciation					
At 1 September 2019	56,000	21,010	135,805	134,914	31,976
Charge for the year	147,600	37,686	74,250	51,267	-
At 31 August 2020	<u>203,600</u>	<u>58,696</u>	<u>210,055</u>	<u>186,181</u>	<u>31,976</u>
Net book value					
At 31 August 2020	<u><u>17,832,103</u></u>	<u><u>1,825,622</u></u>	<u><u>227,414</u></u>	<u><u>140,118</u></u>	<u><u>-</u></u>
At 31 August 2019	<u><u>344,000</u></u>	<u><u>1,029,487</u></u>	<u><u>370,786</u></u>	<u><u>28,015</u></u>	<u><u>-</u></u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

Assets under cons £	Total £
378,491	2,530,483
-	18,185,282
(378,491)	-
<hr/>	<hr/>
-	20,715,765
<hr/>	<hr/>
-	379,705
-	310,803
<hr/>	<hr/>
-	690,508
<hr/>	<hr/>
-	20,025,257
<hr/> <hr/>	<hr/> <hr/>
378,491	2,150,779
<hr/> <hr/>	<hr/> <hr/>

THE LIVERPOOL BLUE COAT SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

12. Tangible fixed assets (continued)

The academy's transactions relating to land and buildings include 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 has been 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:

	2020 £	2019 £
Long-term leasehold property	<u>400,000</u>	<u>400,000</u>

13. Stocks

	2020 £	2019 £
Finished goods and goods for resale	<u>1,874</u>	<u>1,873</u>

14. Debtors

	2020 £	2019 £
Due within one year		
Trade debtors	90,954	98,826
Prepayments and accrued income	29,830	28,353
Tax recoverable	128,443	220,536
	<u>249,227</u>	<u>347,715</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

15. Creditors: Amounts falling due within one year

	2020	<i>2019</i>
	£	£
Trade creditors	22,199	<i>50,755</i>
Other taxation and social security	97,239	<i>85,172</i>
Other creditors	101,152	<i>73,620</i>
Accruals and deferred income	101,565	<i>15,425</i>
	322,155	<i>224,972</i>
	2020	<i>2019</i>
	£	£
Deferred income at 1 September 2019	9,414	<i>-</i>
Resources deferred during the year	92,823	<i>9,804</i>
Amounts released from previous periods	(9,414)	<i>(390)</i>
	92,823	<i>9,414</i>

At the balance sheet date, the academy trust was holding funds received in advance for student activities of £92,823 (2019: £9,414) for the year ended 31st August 2020.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

16. Statement of funds

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
Unrestricted funds						
General Funds - all funds	529,440	253,094	(317,367)	-	-	465,167
Restricted general funds						
Restricted Funds - all funds	349,674	87,969	-	(437,643)	-	-
General Annual Grant (GAG)	(10,199)	5,333,704	(5,355,483)	(16,908)	-	(48,886)
Other DfE/ESFA grants	-	145,487	(145,487)	-	-	-
Other government grants	-	58,264	(58,264)	-	-	-
Other restricted general funds	-	53,953	(53,953)	-	-	-
Special Purposes reserve	-	208,354	(208,354)	-	-	-
Foundation donation	-	281,039	(281,039)	-	-	-
Library replacement	-	10,720	(10,720)	-	-	-
Pension reserve	(3,324,000)	-	(209,000)	-	332,000	(3,201,000)
	<u>(2,984,525)</u>	<u>6,179,490</u>	<u>(6,322,300)</u>	<u>(454,551)</u>	<u>332,000</u>	<u>(3,249,886)</u>
Restricted fixed asset funds						
Class II Restricted Funds - all funds	2,150,778	95,030	(163,203)	454,551	-	2,537,156
Recognition of lease	-	17,635,702	(147,600)	-	-	17,488,102
	<u>2,150,778</u>	<u>17,730,732</u>	<u>(310,803)</u>	<u>454,551</u>	<u>-</u>	<u>20,025,258</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

16. Statement of funds (continued)

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
Total Restricted funds	(833,747)	23,910,222	(6,633,103)	-	332,000	16,775,372
Total funds	(304,307)	24,163,316	(6,950,470)	-	332,000	17,240,539

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 £3,324,000 and has decreased to £3,201,000 at 31 August 2020.
- The Foundation donation relates to a project to convert the Foundation buildings and to expand the School. The fund was 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. 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 2020.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

16. Statement of funds (continued)

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

	<i>Balance at 1 September 2018 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2019 £</i>
Unrestricted funds						
General Funds - all funds	486,114	406,545	(363,219)	-	-	529,440
Restricted general funds						
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>
Restricted fixed asset funds						
Recognition of lease	610,583	192,787	-	923,521	-	1,726,891
Capital expenditure from GAG	(65,519)	-	(93,819)	-	-	(159,338)

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

16. Statement of funds (continued)

	<i>Balance at 1 September 2018</i>	<i>Income</i>	<i>Expenditure</i>	<i>Transfers in/out</i>	<i>Gains/ (Losses)</i>	<i>Balance at 31 August 2019</i>
	£	£	£	£	£	£
Transfer on conversion	3,120	-	-	-	-	3,120
Other donations	11,550	-	-	-	-	11,550
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>
Total Restricted funds	<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>
Total funds	<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>

17. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2020	Restricted funds 2020	Restricted fixed asset funds 2020	Total funds 2020
	£	£	£	£
Tangible fixed assets		-	20,025,258	20,025,257
Current assets	465,169	273,268	-	738,437
Creditors due within one year	-	(322,154)	-	(322,154)
Provisions for liabilities and charges	-	(3,201,000)	-	(3,201,000)
Total	<u><u>465,167</u></u>	<u><u>(3,249,886)</u></u>	<u><u>20,025,258</u></u>	<u><u>17,240,539</u></u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

17. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior period

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

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

	2020 £	2019 £
Net income/(expenditure) for the period (as per Statement of financial activities)	<u>17,212,846</u>	<u>(46,699)</u>
Adjustments for:		
Depreciation	310,803	93,819
Non-cash donation of lease	(17,635,702)	-
Capital grants from DfE and other capital income	(24,486)	(57,506)
Defined benefit pension scheme cost less contributions payable	150,000	178,000
Defined benefit pension scheme finance cost	59,000	60,000
Decrease/(increase) in stocks	-	(7)
Decrease/(increase) in debtors	98,487	(202,658)
Increase in creditors	97,183	15,441
Dividends, interest and rents from investments	(413)	(757)
Net cash provided by operating activities	<u>267,718</u>	<u>39,633</u>

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NOTES TO THE FINANCIAL STATEMENTS
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19. Cash flows from investing activities

	2020	2019
	£	£
Dividends, interest and rents from investments	413	757
Purchase of tangible fixed assets	(549,580)	(1,116,305)
Capital grants from DfE Group	24,486	57,506
Net cash used in investing activities	(524,681)	(1,058,042)

20. Analysis of cash and cash equivalents

	2020	2019
	£	£
Cash in hand	487,336	744,299
Total cash and cash equivalents	487,336	744,299

21. Analysis of changes in net debt

	At 1 September 2019	Cash flows	At 31 August 2020
	£	£	£
Cash at bank and in hand	744,299	(256,963)	487,336
	744,299	(256,963)	487,336

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 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 2016 and of the LGPS 31 March 2016.

Contributions amounting to £73,620 were payable to the schemes at 31 August 2020 (2019 - £74,024) and are included within creditors.

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NOTES TO THE FINANCIAL STATEMENTS
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22. Pension commitments (continued)

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.

Valuation of the Teachers' Pension Scheme

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

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

The next valuation result is due to be implemented from 1 April 2023.

The employer's pension costs paid to TPS in the year amounted to £684,674 (2019 - £429,813).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.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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NOTES TO THE FINANCIAL STATEMENTS
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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 2020 was £240,000 (2019 - £226,000), of which employer's contributions totalled £188,000 (2019 - £178,000) and employees' contributions totalled £ 52,000 (2019 - £48,000). The agreed contribution rates for future years are 13.6 per cent for employers and 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.

Principal actuarial assumptions

	2020	<i>2019</i>
	%	%
Rate of increase in salaries	3.8	<i>3.60</i>
Rate of increase for pensions in payment/inflation	2.4	<i>2.20</i>
Discount rate for scheme liabilities	1.80	<i>1.8</i>
Inflation assumption (CPI)	2.3	<i>2.10</i>

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

	2020	<i>2019</i>
	Years	Years
<i>Retiring today</i>		
Males	20.9	<i>22.2</i>
Females	24	<i>25</i>
<i>Retiring in 20 years</i>		
Males	22.5	<i>25.2</i>
Females	25.9	<i>27.9</i>

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NOTES TO THE FINANCIAL STATEMENTS
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22. Pension commitments (continued)

Sensitivity analysis

	2020	<i>2019</i>
	£000	<i>£000</i>
Discount rate +0.1%	3,081,000	<i>3,202,000</i>
Mortality assumption - 1 year increase	3,368,000	<i>3,426,000</i>
CPI rate +0.1%	3,224,000	<i>3,350,000</i>
Inflation +0.1%	3,323,000	<i>3,449,000</i>

Share of scheme assets

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

	2020	<i>2019</i>
	£	<i>£</i>
Equities	1,209,000	<i>1,206,000</i>
Gilts	404,000	<i>371,000</i>
Property	223,000	<i>212,000</i>
Cash and other liquid assets	134,000	<i>75,000</i>
Other	511,000	<i>495,000</i>
Total market value of assets	2,481,000	<i>2,359,000</i>

The actual return on scheme assets was £-14000 (2019 - £110,000).

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

	2020	<i>2019</i>
	£	<i>£</i>
Current service cost	(321,000)	<i>(216,000)</i>
Past service cost	(17,000)	<i>(140,000)</i>
Interest income	44,000	<i>61,000</i>
Interest cost	(103,000)	<i>(117,000)</i>
Administrative expenses	(4,000)	<i>(4,000)</i>
Total amount recognised in the Statement of Financial Activities	(401,000)	<i>(416,000)</i>

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22. Pension commitments (continued)

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

	2020 £	2019 £
At 1 September	5,683,000	4,165,000
Current service cost	321,000	216,000
Interest cost	103,000	117,000
Employee contributions	52,000	48,000
Actuarial (gains)/losses	(434,000)	1,081,000
Benefits paid	(60,000)	(84,000)
Past service costs	17,000	140,000
	<u>5,682,000</u>	<u>5,683,000</u>

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

	2020 £	2019 £
At 1 September	2,359,000	2,115,000
Expected return on assets	44,000	61,000
Actuarial (losses)/gains	(102,000)	45,000
Employer contributions	192,000	178,000
Employee contributions	52,000	48,000
Benefits paid	(60,000)	(84,000)
Admin expenses	(4,000)	(4,000)
	<u>2,481,000</u>	<u>2,359,000</u>

23. Operating lease commitments

At 31 August 2020 the academy had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2020 £	2019 £
Not later than 1 year	103,152	-
Later than 1 year and not later than 5 years	199,926	-
	<u>303,078</u>	<u>-</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

Owing to the nature of the academy 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 the trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academies Financial Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the academy's financial regulations and normal procurement procedures relating to connected and related party transactions.