

Company Registration No. 07007398 (England and Wales)

**THE LIVERPOOL JOINT CATHOLIC AND CHURCH OF ENGLAND ACADEMIES
TRUST**

(A COMPANY LIMITED BY GUARANTEE)

OPERATING AS ALL SAINTS MULTI ACADEMY TRUST



ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2019

THE LIVERPOOL JOINT CATHOLIC AND CHURCH OF ENGLAND ACADEMIES TRUST

CONTENTS

	Page
Reference and administrative details	1 - 2
Trustees' report	3 - 9
Governance statement	10 - 12
Statement on regularity, propriety and compliance	13
Statement of trustees' responsibilities	14
Independent auditor's report on the financial statements	15 - 16
Statement of financial activities including income and expenditure account	17
Balance sheet	18
Statement of cash flows	19
Notes to the financial statements including accounting policies	20 - 41

THE LIVERPOOL JOINT CATHOLIC AND CHURCH OF ENGLAND ACADEMIES TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Members

The Liverpool Joint Catholic and Church of England Education Trust
(Corporate Member)
Mr B Marsh (Chair)
Mr A Scott

Trustees

Mr P Alcock (Chair of the Local Governing Body at The Academy of St Francis of Assisi) (Resigned 6 November 2019)
Mr C Cleugh (Chair of the Local Governing Body at The Academy of St Nicholas) (Resigned 6 November 2019)
Mr T Warren (Archdiocese of Liverpool's Director of Schools and Colleges)
Mr B Marsh (Chair of the Trust Board)
Mr M Elliot (Chair of the Audit Committee)
Lady E Hedley (Vice-Chair of the Local Governing Body at The Academy of St Francis of Assisi)
Father R Peers (Diocese of Liverpool's Director of Education)
Mr A Scott (Vice-Chair of the Trust Board)
Mr D Clayton (Chief Executive Officer) (Resigned 31 July 2019)

Senior management team

- Chief Executive Officer	Mr D Clayton (resigned 31 July 2019)
- Chief Executive Officer	Mr P Ferguson (appointed 1 August 2019)
- Head of School - The Academy of St Francis of Assisi	Mr K Maddocks (appointed 1 September 2019)
- Headteacher - The Academy of St Francis of Assisi	Mrs T Greenough
- Head of School - The Academy of St Nicholas	Mr D Lancaster
- Deputy Headteacher - The Academy of St Francis of Assisi	Mrs G Cousineau
- Deputy Headteacher - The Academy of St Nicholas	Mr M Tudor

Company registration number

07007398 (England and Wales)

Registered office

51 Horrocks Avenue
Garston
Liverpool
Merseyside
L19 5NY

Academies operated

The Academy of St Nicholas
The Academy of St Francis of Assisi
The Liverpool Joint Catholic and Church of England Academies Trust

Location

Liverpool
Liverpool
Liverpool

Principal

Mr D Lancaster
Mr K Maddocks

THE LIVERPOOL JOINT CATHOLIC AND CHURCH OF ENGLAND ACADEMIES TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Independent auditor

RSM UK Audit LLP
Bluebell House
Brian Johnson Way
Preston
Lancashire
PR2 5PE

Bankers

Lloyds Bank PLC
2-12 Lord Street
Liverpool
L2 1TS

THE LIVERPOOL JOINT CATHOLIC AND CHURCH OF ENGLAND ACADEMIES TRUST

TRUSTEES' REPORT

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year 1 September 2018 to 31 August 2019. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The academy trust operates two schools for pupils aged 11 - 18 serving a catchment area in Liverpool. Its academies have a pupil capacity of 2,160 and had a roll of 1,649 in the school census in October 2019.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Liverpool Joint Catholic and Church of England Academies Trust is a company limited by guarantee (No. 07007398) and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Academy Trust.

The charitable company is known as All Saints Multi Academy Trust.

The trustees of The Liverpool Joint Catholic and Church of England Academies Trust 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 financial statements are approved, are included in the Reference and Administrative Details on page 1.

Members' liability

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

Trustees' indemnities

In accordance with normal commercial practice the Academy Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust business. The insurance provides cover up to £10,000,000 on any one claim.

Method of recruitment and appointment or election of trustees

The members shall appoint a minimum of four directors, provided that the number of directors representing the Archdiocese of Liverpool shall be equal to the number of directors representing the Diocese of Liverpool. The Chief Executive Officer shall be an ex-officio director.

The directors may appoint a further two co-opted directors, with the consent of the sponsor, for a term not exceeding four years.

Policies and procedures adopted for the induction and training of trustees

All Trustees are provided with access to policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Trustees. As there are normally a minimal number of appointments as Trustees within a year, induction is done informally and is tailored specifically to the individual.

Organisational structure

The management structure consists of two levels: Governance (being the Trust Board and the Local Governing Bodies), and the Trust Leadership Group comprising the Chief Executive Officer (who is also the Accounting Officer), and the Headteacher for each of the Trust's Academies. The aim of the management structure is to devolve responsibility and accountability to support decision making at all levels.

The Trustees, supported by the Local Governing Bodies are responsible for setting general policy, adopting an annual plan and budget, monitoring the Academy Trust through the use of management reports and making decisions about the strategic direction of the Academy Trust, significant items of capital expenditure and the staffing structure.

THE LIVERPOOL JOINT CATHOLIC AND CHURCH OF ENGLAND ACADEMIES TRUST

TRUSTEES' REPORT (CONTINUED)

The Trust Leadership Group controls the Academy Trust at an executive level implementing the policies laid down by the Trustees and reporting back to them. As a team the Trust Leadership Group is responsible for the authorisation of spending within agreed budgets and the appointment of staff, though appointment boards for posts in the Leadership Team always contain a member of the Local Governing Body/Trust Board, as appropriate.

Each Academy then has a Senior Leadership team, led by the Headteacher, which includes a combination of Deputy Headteachers, Assistant Headteachers, Directors of Curriculum and Directors of Progress. These leaders, along with the Trust Leadership Group, are responsible for the day to day operation of the constituent Academies, in particular managing the staff, students and facilities.

Arrangements for setting pay and remuneration of key management personnel

The Trust Board has established a separate Remuneration Committee which is responsible for setting pay and remuneration for key management personnel. The Committee have established a pay scale attached to each post based on relevant benchmarking data and guidance included within the School Teacher Pay and Conditions document. Progression along this pay scale is linked to performance, and decisions regarding progression are made by the Remuneration Committee on an annual basis following the completion of the performance management cycle.

Trade union facility time

Relevant union officials

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

Percentage of time spent on facility time

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

Percentage of pay bill spent on facility time

Total cost of facility time	-
Total pay bill	8,430,000
Percentage of the total pay bill spent on facility time	-

Paid trade union activities

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

Related parties and co-operation with other organisations

The Academy Trust is sponsored by The Liverpool Joint Catholic and Church of England Education Trust, a charitable company which is jointly controlled by the Diocese of Liverpool, and the Archdiocese of Liverpool. The Sponsor is responsible for appointing certain members of the Board of Trustees (as noted above). The Sponsor supports the Academy Trust by working closely with the Trust Management Team and the Board of Trustees in setting the strategic objectives of the Academy Trust and reviewing plans for improvement. In addition, the Sponsor is also responsible for monitoring the financial position of the Academy Trust.

THE LIVERPOOL JOINT CATHOLIC AND CHURCH OF ENGLAND ACADEMIES TRUST

TRUSTEES' REPORT (CONTINUED)

OBJECTIVES AND ACTIVITIES

The principal object and activity of the charitable company is the operation of the Academy of St Francis of Assisi and The Academy of St Nicholas (incorporating All Saints Sixth Form College):

- to advance the education of the public in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a joint Church of England and Roman Catholic secondary school offering a broad curriculum with a strong emphasis on, but not limited to, the environment to be conducted in accordance with the principles and practices of both the Church of England and the Roman Catholic Church; and
- to provide facilities for recreational and other leisure time occupation for the community at large in the interests of social welfare and with the object of improving the conditions of life of the said community.

The Trustees confirm they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Academy Trust's aims and objectives.

The main objectives of the Academy Trust during the year ended 31 August 2019 are summarised below:

- to ensure that every child enjoys the same high quality education in terms of resourcing, tuition and care;
- to raise the standard of educational achievement and progress of all students;
- to improve the effectiveness of the Academy Trust by keeping the curriculum and organisational structure under continual review;
- to provide value for money for the funds expended;
- to comply with all appropriate statutory and curriculum requirements;
- to conduct the Academy Trust's business in accordance with the highest standards of integrity, probity and openness.

Objectives, strategies and activities

The Academy Trust's main objectives are set out above.

The main strategies for improvement consist of:

- Securing leadership capacity through increased accountability and high quality continued professional development for all staff;
- Improving teaching, learning and assessment in order to secure the best possible outcomes for students;
- Developing the whole child through our unique Christian ethos, values and environmental specialism to create respectful, caring and compassionate citizens in the community; and
- Developing the organization to provide a financially sustainable future, where funds are available to invest in improving resources and the learning environment for students.

Public benefit

The Trustees have complied with the duty in section 4 of the Charities Act 2006 to have due regard to public benefit guidance published by the Charities Commission in defining the strategic direction of the Academy Trust.

THE LIVERPOOL JOINT CATHOLIC AND CHURCH OF ENGLAND ACADEMIES TRUST

TRUSTEES' REPORT (CONTINUED)

STRATEGIC REPORT

Achievements and performance

Performance against objectives

Educational performance within the Trust in 2018/19 was consistent with that published in previous years. Whilst published data suggests a decline in progress in both Academies, the Trust has completed a full analysis of progress of students across all year groups and concluded the following:

- Internal data for The Academy of St Francis of Assisi (which more accurately reflects the transience of the community) suggests that the progress of students at the end of key stage 4 is in line with national average.
- Year 13 outcomes at All Saints Sixth Form College, The Trust's collaborative 16-19 provision achieved their best results ever and are the most improved in Liverpool. A level value added improved to +0.1 and Vocational to +0.59.

Ofstead Section 5 Inspection

The Academy of St Francis of Assisi was subject to a full inspection in December 2018. Inspectors judged that the Academy was good in all areas.

The Academy of St Nicholas was subject to a full inspection in May 2019. Inspectors judged that the Academy still requires improvement overall, Inspectors reported that 16-19 study programmes were Good.

Financial review

Financial objectives

The Academy Trust's financial objectives are:

- to achieve an annual operating surplus;
- to generate sufficient levels of income to support the asset base of the Academy Trust;
- to ensure the Academy Trust's continued liquidity;
- to generate sufficient reserves to fund continued capital investment.

The Academy Trust's achievements in line with these objectives are noted below.

Operational review

The majority of the Academy Trust's income is obtained from the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received during the period and the associated expenditure are shown under Restricted Funds in the Statement of Financial Activities.

Expenditure for the year exceeded income by £1,505,000 (2018: £1,475,000) after providing for depreciation and loss on disposal of fixed assets totalling £914,000 (2018: £1,088,000). The deficit generated before providing for depreciation and loss on disposal of fixed assets was £590,000 (2018: £387,000).

Whilst the fixed costs of the Academy Trust's staffing, building maintenance and IT maintenance represent the majority of the Academy Trust's expenditure, we have also continued to invest in providing the best resources for our students to ensure that they continue to receive the very best education.

At 31 August 2019 the net book value of fixed assets was £34,678,000 (2018: £35,563,000) and movements in tangible fixed assets are shown in note 12 to the financial statements.

THE LIVERPOOL JOINT CATHOLIC AND CHURCH OF ENGLAND ACADEMIES TRUST

TRUSTEES' REPORT (CONTINUED)

The Academy Trust held fund balances at 31 August 2019 of £26,617,000 (2018: £30,769,000) comprising £34,678,000 (2018: £35,563,000) of restricted fixed asset funds, and £770,000 (2018: £677,000) of unrestricted funds, offset by a pension scheme liability totalling £7,802,000 (2018: £4,657,000) and a deficit of £1,029,000 (2018: £814,000) on restricted general funds.

Financial and risk management objectives and policies

The Trustees have assessed the major risks to which the charitable company is exposed, in particular those relating to teaching, provision of facilities and other operational areas of the Academy Trust, and its finances. The Trustees have implemented a number of systems to assess risks that the Academy Trust faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and school trips) and in relation to the control of finance. They have introduced systems, including operational procedures (e.g. vetting of new staff and visitors, supervision of school grounds) and internal financial controls in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover. The Academy Trust has an effective system of internal financial controls and this is explained in more detail in the following statement.

The Academy Trust continues to develop and embed the system of internal control, including financial, operational and risk management which is designed to protect the Academy Trust's assets and reputation.

The Trust Leadership Group undertakes a comprehensive review of the risks to which the Academy Trust is exposed. They identify systems and procedures, including specific preventable actions which should mitigate any potential impact on the Academy Trust. The internal controls are then implemented and the subsequent year's appraisal will review their effectiveness and progress against risk mitigation actions. In addition to the annual review the Trust Management Team also consider any risks which may arise as a result of any new area of work being undertaken by the Academy Trust.

A risk register is maintained at the Trust level which is reviewed at least annually by the full Trust Board and more frequently by the Finance and Business Committee and Trust Leadership Group. The risk register identifies the key risks, the likelihood of those risks occurring, their potential impact on the Academy Trust and the actions being taken to reduce and mitigate the risks. Risks are prioritised using a consistent scoring system.

Reserves policy

The policy of the Academy Trust is to carry forward a prudent level of free reserves (total funds less the amount held in fixed assets and restricted funds) designed to meet the long term cyclical needs of renewal and any other unforeseen circumstances. Following their annual review, the Trustees consider that the current level of reserves are not sufficient, and a financial recovery plan is in place to improve this position. As a result of the increase in deficit from £137,000 to a deficit of £259,000 the Academy Trust has recently approved a revised recovery plan.

Investment policy

The Academy Trust is firmly committed to ensuring that all funds under its control are administered in such a way as to maximise return while minimising risk. Trustees do not consider the investment of surplus funds as a primary activity, but rather a requirement for the effective management of funds.

Trustees' management of cash flow should ensure that there are always sufficient funds in the main bank accounts to cover operational costs. The Academy Trust will seek to ensure that any cash not required for operating expenses is placed on deposit at the most favourable rate.

Where significant funds have been accumulated that are not required in the short term for operational expenses, or as part of a planned surplus for a specific project, Trustees may consider the investment of these funds in order to generate a longer term income or capital fund. The approval of the Finance and General Purposes Committee is required before any investment is made.

THE LIVERPOOL JOINT CATHOLIC AND CHURCH OF ENGLAND ACADEMIES TRUST

TRUSTEES' REPORT (CONTINUED)

Going concern

After making appropriate enquiries, and subject to implementing the actions identified in the revised recovery plan, the Board of Trustees has a reasonable expectation that The Liverpool Joint Catholic and Church of England Academies Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

Plans for future periods

The main objectives for the coming year are to:

- improve the progress made by all students by ensuring the very best quality of provision across all schools, all subjects and all key stages through continuous improvements in the quality of teaching and learning, further refinement of the curriculum and the development of capacity in leadership within core subjects.
- increase the pace of improvement with regards to attendance and punctuality to more rapidly diminish the difference between the Trust and national averages by reviewing current arrangements with regards to education welfare and providing greater support and challenge to attendance leaders across the Trust.
- embed further a culture of support, and challenge without fear, to ensure that all people within the Trust are developed, and that appropriate opportunities for progression exist and are encouraged, resulting in improved retention of staff, and the Trust being recognised as an employer of choice.
- further develop the corporate structures of the Trust, embedding a more streamlined and effective method of managing risk and monitoring compliance with statutory regulations, ensuring the financial position of the Trust continues to improve in accordance with the financial recovery plan and increasing the effectiveness of governance at all levels.
- further develop the Christian Ethos of the Trust so that the Academies' vision and mission statements are embraced and owned by all students and staff, and so that the effectiveness of the Christian Ethos improves in both Academies in accordance with the Section 48 criteria.

Principal risks and uncertainties

Outlined below is a description of the principal risk factors that may affect the Academy Trust. Not all the factors are within the Academy Trust's control. Other factors besides those listed below may also adversely affect the Academy Trust.

- Uncertainty with regard to the impact of future Government funding reforms
- Potential difficulties in reaching capacity in the constituent Academies.
- Potential difficulties in obtaining capital funding to ensure the Academy Trust's premises continue to meet the needs of its students.

THE LIVERPOOL JOINT CATHOLIC AND CHURCH OF ENGLAND ACADEMIES TRUST

TRUSTEES' REPORT (CONTINUED)

These risks are mitigated in a number of ways including:

- Ensuring the Academy Trust is rigorous in delivering high quality education and training
- A comprehensive marketing/PR programme including activities for primary pupils and parents
- Rigorous monitoring of financial activities ensuring value for money
- Maintenance of a detailed property strategy to ensure maximum value is obtained from the Academy Trust's premises.

Fundraising

The core fundraising initiative in place across the multi academy trust are based on the hire of facilities owned by the Multi Academy Trust. These funds are generated in collaboration with a commercial partner who manage the marketing and staffing of facilities outside of teaching time. Periodic reviews are undertaken with the commercial body to ensure maximum value for money is being obtained. During the 12 months to August 2019 there were no complaints made regarding the Trust's fundraising activities.

The Academy Trust tries to protect the public and vulnerable people from unreasonably intrusive or persistent fundraising approaches by completing full appraisals of any potential fundraising activities carried out by The Academy Trust, prior to their commencement.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

The Trust holds cash assets on behalf of LSSP, a Charitable Incorporated Organisation. LSSP delivers sports services to schools across Liverpool. The Trust performs administrative duties for LSSP as a nominated lead school. All records are processed independently to those of the Trust in order to ensure adequate segregation of funds.

AUDITOR

RSM UK Audit LLP has indicated its willingness to continue in office.

Statement as to disclosure of information to auditor

The trustees have confirmed that, as far as they are aware, there is no relevant audit information of which the auditor is unaware. Each of the trustees have confirmed that they have taken all the steps that they ought to have taken as trustees in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

The trustees' report is approved by order of the board of trustees and the strategic report (included therein) is approved by the board of trustees in their capacity as the directors at a meeting on 1.2.20 and signed on its behalf by:



Mr B Marsh
Chair of the Trust Board

THE LIVERPOOL JOINT CATHOLIC AND CHURCH OF ENGLAND ACADEMIES TRUST

GOVERNANCE STATEMENT

Scope of responsibility

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

The Board of Trustees has delegated the day-to-day responsibility to the Chief Executive Officer, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between The Liverpool Joint Catholic and Church of England Academies Trust 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.

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 three times during the year and attendance was as follows:

Trustees	Meetings attended	Out of possible
Mr P Alcock (Chair of the Local Governing Body at The Academy of St Francis of Assisi) (Resigned 6 November 2019)	7	7
Mr C Cleugh (Chair of the Local Governing Body at The Academy of St Nicholas) (Resigned 6 November 2019)	4	7
Mr T Warren (Archdiocese of Liverpool's Director of Schools and Colleges)	6	7
Mr B Marsh (Chair of the Trust Board)	6	7
Mr M Elliot (Chair of the Audit Committee)	5	7
Lady E Hedley (Vice-Chair of the Local Governing Body at The Academy of St Francis of Assisi)	7	7
Father R Peers (Diocese of Liverpool's Director of Education)	0	7
Mr A Scott (Vice-Chair of the Trust Board)	4	7
Mr D Clayton (Chief Executive Officer) (Resigned 31 July 2019)	4	7

Governance reviews

The board of Trustees has reviewed a number of key policies and procedures in the year to evaluate their effectiveness and has conducted an external review of governance. A full action plan is in place to respond to the recommendations raised. Each of these policies has been updated where appropriate to ensure the standards of governance within the Trust continue to meet expectations. The board will continue to evaluate its effectiveness in the next financial year.

The Audit Committee is a sub-committee of the Trust Board. Its purpose is:

- monitoring the integrity of the financial statements
- reviewing internal financial controls and reviewing the company's internal control and risk management systems
- monitoring and reviewing the effectiveness of the internal controls reviews
- making recommendations to the board in relation to the appointment, re-appointment and removal of the external auditor and approve the remuneration and terms of engagement of the auditor
- reviewing the auditor's independence and objectivity

THE LIVERPOOL JOINT CATHOLIC AND CHURCH OF ENGLAND ACADEMIES TRUST

GOVERNANCE STATEMENT (CONTINUED)

Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
Mr P Alcock (Chair of the Local Governing Body at The Academy of St Francis of Assisi) (Resigned 6 November 2019)	3	3
Mr C Cleugh (Chair of the Local Governing Body at The Academy of St Nicholas) (Resigned 6 November 2019)	2	3
Mr M Elliot (Chair of the Audit Committee)	2	3

Review of value for money

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

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

- Completing a full review of the curriculum and staffing based on costing information to ensure that the level of investment in each subject area is in proportion to the number of students studying the subject.
- Reviewing the value for money obtained from all non-core expenditure including, for example, professional subscriptions, marketing activities and administration costs and changing purchasing practices accordingly.
- Utilising the opportunities for economies of scale offered by the Trust arrangement to reduce costs.
- Conducting an external review of the use of Pupil Premium funding.

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 Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Liverpool Joint Catholic and Church of England Academies Trust for the year ended 31 August 2019 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The board of Trustees has reviewed the key risks to which the Academy Trust 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 on-going process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the period ending 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

THE LIVERPOOL JOINT CATHOLIC AND CHURCH OF ENGLAND ACADEMIES TRUST

GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework

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

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

The Board of Trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Trustees have appointed RSM UK Audit LLP, the external auditor, to perform additional checks.

The auditor's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. The auditor reports to the board of Trustees on the operation of the systems of control and on the discharge of the board of Trustees' financial responsibilities. There have been no material control issues arising as a result of the auditor's work during the year. The schedule of audit work has been completed as planned for the year.

Review of effectiveness

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

- the work of the external auditor;
- the work of the executive managers within the Academy Trust 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 board of trustees on ^{for} 2012-2013 and signed on its behalf by:


Mr B Marsh
Chair of the Trust Board

Mr P Ferguson 
Chief Executive Officer and Accounting Officer

THE LIVERPOOL JOINT CATHOLIC AND CHURCH OF ENGLAND ACADEMIES TRUST

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of The Liverpool Joint Catholic and Church of England Academies Trust I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2018.

I confirm that I and the academy trust's board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2018.

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

Mr P Ferguson

Chief Executive Officer and Accounting Officer



12.12.2019

THE LIVERPOOL JOINT CATHOLIC AND CHURCH OF ENGLAND ACADEMIES TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of The Liverpool Joint Catholic and Church of England Academies Trust for the purposes of company law) are responsible for preparing the trustees' report (including the strategic report) and the financial statements in accordance with the Academies Accounts Direction issued 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 in the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 that grants received from ESFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the board of trustees on 12.12.2019 and signed on its behalf by:


Mr B Marsh
Chair of the Trust Board

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE LIVERPOOL JOINT CATHOLIC AND CHURCH OF ENGLAND ACADEMIES TRUST

Opinion

We have audited the financial statements of The Liverpool Joint Catholic and Church of England Academies Trust (the "charitable company") for the year ended 31 August 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the notes to the financial statements, 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, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice), and the Academies: Accounts Direction 2018 to 2019 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 charitable company's affairs as at 31 August 2019 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Academies Accounts Direction 2018 to 2019 issued by the Education and Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

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 charitable company'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.

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 auditor's report thereon. 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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report and the incorporated Strategic Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report and the incorporated Strategic Report have been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE LIVERPOOL JOINT CATHOLIC AND CHURCH OF ENGLAND ACADEMIES TRUST (CONTINUED)

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on page 14, the trustees (who act as trustees for the charitable activities of the charitable company are also the directors of the charitable company 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 charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these 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: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Karen Musgrave (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
Bluebell House
Brian Johnson Way
Preston
Lancashire, PR2 5PE
...19/12/2019

THE LIVERPOOL JOINT CATHOLIC AND CHURCH OF ENGLAND ACADEMIES TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2019

	Notes	Unrestricted Funds £'000	Restricted General Funds £'000	Restricted Fixed Asset Funds £'000	Total 2019 £'000	Total 2018 £'000
Income and endowments from:						
Donations and capital grants	3	-	105	125	230	110
Charitable activities:						
- Funding for educational operations	4	-	10,605	-	10,605	10,677
Other trading activities	5	93	190	-	283	337
Total		<u>93</u>	<u>10,900</u>	<u>125</u>	<u>11,118</u>	<u>11,124</u>
Expenditure on:						
Charitable activities:						
- Educational operations	7	-	11,709	914	12,623	12,599
Total	6	<u>-</u>	<u>11,709</u>	<u>914</u>	<u>12,623</u>	<u>12,599</u>
Net income/(expenditure)		93	(809)	(789)	(1,505)	(1,475)
Transfers between funds	18	-	96	(96)	-	-
Other recognised gains/(losses)						
Actuarial (losses)/gains on defined benefit pension schemes	24	-	(2,647)	-	(2,647)	1,267
Net movement in funds		93	(3,360)	(885)	(4,152)	(208)
Reconciliation of funds						
Total funds brought forward		677	(5,471)	35,563	30,769	30,977
Total funds carried forward		<u>770</u>	<u>(8,831)</u>	<u>34,678</u>	<u>26,617</u>	<u>30,769</u>

THE LIVERPOOL JOINT CATHOLIC AND CHURCH OF ENGLAND ACADEMIES TRUST

BALANCE SHEET

AS AT 31 AUGUST 2019

	Notes	2019		2018	
		£'000	£'000	£'000	£'000
Fixed assets					
Tangible assets	12		34,678		35,563
Current assets					
Debtors	13	482		606	
Cash at bank and in hand		569		510	
			1,051		1,116
Current liabilities					
Creditors: amounts falling due within one year	14	(1,230)		(1,161)	
Net current liabilities			(179)		(45)
Total assets less current liabilities			34,499		35,518
Creditors: amounts falling due after more than one year	15		(80)		(92)
Net assets before defined benefit pension scheme liability			34,419		35,426
Defined benefit pension scheme liability	24		(7,802)		(4,657)
Total net assets			26,617		30,769
Funds of the academy trust:					
Restricted funds	18				
- Restricted fixed asset funds			34,678		35,563
- Restricted income funds			(1,029)		(814)
- Pension reserve			(7,802)		(4,657)
Total restricted funds			25,847		30,092
Unrestricted income funds	18		770		677
Total funds			26,617		30,769

The financial statements on pages 17 to 41 were approved by the board of trustees and authorised for issue on 12.12.2019 and are signed on their behalf by:



Mr B Marsh
Chair of the Trust Board

**THE LIVERPOOL JOINT CATHOLIC AND CHURCH OF ENGLAND
ACADEMIES TRUST**

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

	Notes	2019 £'000	£'000	2018 £'000	£'000
Cash flows from operating activities					
Net cash used in operating activities	22		(37)		(286)
Cash flows from investing activities					
Capital grants from DfE Group		125		17	
Purchase of tangible fixed assets		(30)		(17)	
Proceeds from sale of tangible fixed assets		1		-	
Net cash provided by/(used in) investing activities			96		-
Net increase/(decrease) in cash and cash equivalents in the reporting period			59		(286)
Cash and cash equivalents at beginning of the year			510		796
Cash and cash equivalents at end of the year			569		510

THE LIVERPOOL JOINT CATHOLIC AND CHURCH OF ENGLAND ACADEMIES TRUST

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

1 Accounting policies

General information

The Liverpool Joint Catholic and Church of England Academies Trust is a charitable company. The address of its principal place of business is given on page 1 and the nature of its operations are set out in the trustees' report.

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

Basis of preparation

The financial statements of the academy trust have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006. The academy trust is a public benefit entity under FRS 102 and has therefore applied the relevant public benefit requirements of FRS 102.

The financial statements are presented in sterling which is also the functional currency of the academy trust.

Monetary amounts in these financial statements are rounded to the nearest whole £1,000, except where otherwise indicated.

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 charitable company 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 trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

The academy trust is carrying a net deficit of £259,000 (2018: £137,000) on restricted general funds (excluding pension reserve) plus unrestricted funds due to the ongoing financial constraints which have not been met by central funding. The current position is in line with the financial recovery plan agreed with the ESFA and the trust anticipates returning to a cumulative surplus during the 2019/20 financial year.

Income

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

Grants

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

THE LIVERPOOL JOINT CATHOLIC AND CHURCH OF ENGLAND ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies (Continued)

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

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

Donations

Donations are recognised on a receivable basis where the receipt is probable and the amount can be reliably measured.

Other income

Other income, including the hire of facilities, is recognised at fair value of the consideration received or receivable in the period it is receivable and to the extent the academy trust has provided the goods or services.

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

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

Charitable activities

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

THE LIVERPOOL JOINT CATHOLIC AND CHURCH OF ENGLAND ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies (Continued)

Tangible fixed assets and depreciation

Assets costing £500 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment. Subsequent costs are capitalised only when it is probable that such costs will generate future economic benefits. All other costs of repairs and maintenance are charged to the statement of financial activities as incurred.

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 that require 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, so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Freehold and leasehold buildings	2%
Computer equipment	25% or 33.33%
Fixtures, fittings and equipment	10% or 20%

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.

Liabilities

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

Leased assets

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

Financial instruments

The academy trust has chosen to adopt Sections 11 of FRS 102 in full in respect of financial instruments.

THE LIVERPOOL JOINT CATHOLIC AND CHURCH OF ENGLAND ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies (Continued)

Financial assets and liabilities

Financial assets and financial liabilities are recognised when the academy trust becomes a party to the contractual provisions of the instrument.

Financial liabilities are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form.

All financial assets and liabilities are initially measured at transaction price (including transaction costs), unless the arrangement constitutes a financing transaction. A financial asset or financial liability that is payable or receivable in one year is measured at the undiscounted amount expected to be received or paid net of impairment, unless it is a financing transaction. If an agreement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and financial liabilities are offset only when there is a current legally enforceable right to set off the recognised amounts and the intention to either settle on a net basis, or to realise the asset and settle the liability simultaneously.

Taxation

The academy trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by chapter 3 part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Pensions benefits

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'), which are multi-employer 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 trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit method. The TPS is a multi-employer scheme but there is insufficient information available to use defined benefit accounting, it is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

THE LIVERPOOL JOINT CATHOLIC AND CHURCH OF ENGLAND ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies (Continued)

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each reporting date. The amounts charged to net income 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.

Fund accounting

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

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

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

Agency arrangements

The Academy Trust acts as an agent distributing Looked After Children funds from the Local Authority. Payments received from the Local Authority and subsequent disbursements to students are excluded from the statement of financial activities as the Trust does not have control over the charitable application of the funds.

The Academy Trust also acts as an agent distributing 16-19 bursary funds from the ESFA. Payments received from the ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the Trust does not have control over the charitable application of the funds. The trust can use 5% of the allocation towards its own administration costs and this is recognised in the statement of financial activities. The funds received and any balances held are disclosed in note 18.

The Academy of St Nicholas, one of the academies within the Trust, acts as an agent in the management of funds collected on behalf of the Liverpool School Sports Partnership. Amounts received on behalf of the Partnership and subsequent expenditure made on behalf of the Partnership are excluded from the statement of financial activities as the Trust does not have control over the application of the funds.

2 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

The 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 LIVERPOOL JOINT CATHOLIC AND CHURCH OF ENGLAND ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

2 Critical accounting estimates and areas of judgement (Continued)

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 24, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

3 Donations and capital grants

	Unrestricted funds £'000	Restricted funds £'000	Total 2019 £'000	Total 2018 £'000
Capital grants	-	125	125	15
Other donations	-	105	105	95
	-	230	230	110

The income from donations and capital grants was £230,000 (2018: £110,000) of which £105,000 was restricted (2018: £95,000) and £125,000 was restricted fixed assets (2018: £15,000).

4 Funding for the academy trust's educational operations

	Unrestricted funds £'000	Restricted funds £'000	Total 2019 £'000	Total 2018 £'000
DfE / ESFA grants				
General annual grant (GAG)	-	9,712	9,712	9,758
Other DfE group grants	-	893	893	883
	-	10,605	10,605	10,641
Other incoming resources	-	-	-	36
	-	10,605	10,605	10,677

The income from funding for educational operations was £10,605,000 (2018: £10,677,000) of which £10,605,000 was restricted (2018: £10,677,000).

**THE LIVERPOOL JOINT CATHOLIC AND CHURCH OF ENGLAND
ACADEMIES TRUST**

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

5 Other trading activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2019 £'000	Total 2018 £'000
Hire of facilities	25	-	25	45
Catering income	-	190	190	208
Other income	68	-	68	84
	<u>93</u>	<u>190</u>	<u>283</u>	<u>337</u>

The income from other trading activities was £283,000 (2018: £337,000) of which £93,000 was unrestricted (2018: £129,000) and £190,000 was restricted (2018: £208,000).

6 Expenditure

	Staff costs £'000	Non Pay Expenditure		Total 2019 £'000	Total 2018 £'000
		Premises £'000	Other £'000		
Academy's educational operations					
- Direct costs	6,769	914	1,104	8,787	8,780
- Allocated support costs	1,922	1,003	911	3,836	3,819
Total support costs	<u>8,691</u>	<u>1,917</u>	<u>2,015</u>	<u>12,623</u>	<u>12,599</u>

Net income/(expenditure) for the year includes:

	2019 £'000	2018 £'000
Operating lease rentals	8	22
Depreciation of tangible fixed assets	914	1,071
Loss on disposal of fixed assets	-	17
Net interest on defined benefit pension liability	124	253
Fees payable to RSM UK Audit LLP and its associates in respect of both audit and non-audit services are as follows:		
- Audit	16	16
- Other services	3	1

THE LIVERPOOL JOINT CATHOLIC AND CHURCH OF ENGLAND ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

7 Charitable activities	2019	2018
	£'000	£'000
All from restricted funds:		
Direct costs		
Educational operations	8,787	8,780
Support costs		
Educational operations	3,836	3,819
	<u>12,623</u>	<u>12,599</u>

The expenditure on charitable activities was £12,623,000 (2018: £12,599,000) of which £11,709,000 was restricted (2018: £11,511,000) and £914,000 was restricted fixed assets (2018: £1,088,000).

	2019	2018
	£'000	£'000
Analysis of support costs		
Support staff costs	1,869	1,864
Technology costs	138	131
Premises costs	1,003	931
Other support costs	495	745
Governance costs	331	148
	<u>3,836</u>	<u>3,819</u>

8 Staff		
	2019	2018
	£'000	£'000
Staff costs		
Staff costs during the year were:		
Wages and salaries	6,443	6,355
Social security costs	632	629
Pension costs	1,355	1,017
	<u>8,430</u>	<u>8,001</u>
Staff costs - employed	8,430	8,001
Agency staff costs	261	409
	<u>8,691</u>	<u>8,410</u>
Staff development and other staff-related costs	71	195
	<u>8,762</u>	<u>8,605</u>
Total staff expenditure	<u>8,762</u>	<u>8,605</u>

THE LIVERPOOL JOINT CATHOLIC AND CHURCH OF ENGLAND ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

8 Staff (Continued)

Staff numbers

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

	2019 Number	2018 Number
Teachers	85	79
Administration and support	89	83
Management	9	9
	<hr/>	<hr/>
	183	171
	<hr/> <hr/>	<hr/> <hr/>

Higher paid staff

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

	2019 Number	2018 Number
£60,001 - £70,000	4	4
£80,001 - £90,000	-	1
£90,001 - £100,000	2	3
£100,001 - £110,000	1	-
£140,001 - £150,000	-	1
	<hr/>	<hr/>

Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £333,514 (2018: £525,917).

9 Central services

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

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

The academy trust charges for these services on an equal basis across each school.

THE LIVERPOOL JOINT CATHOLIC AND CHURCH OF ENGLAND ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

9 Central services (Continued)

The amounts charged during the year were as follows:	2019 £'000	2018 £'000
The Academy of St Nicholas	494	327
The Academy of St Francis of Assisi	542	327
The Liverpool Joint Catholic and Church of England Academies Trust	-	-
	<u>1,036</u>	<u>654</u>

10 Trustees' remuneration and expenses

One or more of the trustees has been paid remuneration or has received other benefits from an employment with the academy trust. 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, and not in respect of their services as trustees.

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

Anne Pontifex (Executive Headteacher):

- Remuneration £Nil (2018: £150,000)
- Pension £Nil (2018: £24,720)

David Clayton (Chief Executive Officer - resigned 31 July 2019):

- Remuneration £110,000 (2018: £Nil)
- Pension £Nil (2018: £Nil)

Anne Pontifex was Chief Executive Officer until 31 August 2018, on which date David Clayton became Chief Executive Officer and held this position until 31 July 2019.

During the period ended 31 August 2019, £9 (2018: £18) of travel and subsistence expenses were reimbursed to trustees. Other related party transactions including the trustees are set out in note 24.

11 Trustees and officers insurance

In accordance with normal commercial practice, the academy trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business. The insurance provides cover up to £10,000,000. It is not possible to quantify the trustees and officers indemnity element from the overall cost of the RPA scheme membership.

**THE LIVERPOOL JOINT CATHOLIC AND CHURCH OF ENGLAND
ACADEMIES TRUST**

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

12 Tangible fixed assets

	Freehold and leasehold buildings £'000	Computer equipment £'000	Fixtures, fittings and equipment £'000	Total £'000
Cost				
At 1 September 2018	38,793	1,538	1,636	41,967
Additions	14	11	5	30
Disposals	-	(94)	-	(94)
At 31 August 2019	38,807	1,455	1,641	41,903
Depreciation				
At 1 September 2018	3,438	1,498	1,468	6,404
On disposals	-	(93)	-	(93)
Charge for the year	840	32	42	914
At 31 August 2019	4,278	1,437	1,510	7,225
Net book value				
At 31 August 2019	34,529	18	131	34,678
At 31 August 2018	35,355	40	168	35,563

The Academy Trust has title to the land on which The Academy of St Francis of Assisi stands. The land was transferred from Liverpool City Council and is subject to a covenant relating to use.

13 Debtors

	2019 £'000	2018 £'000
Trade debtors	28	156
VAT recoverable	65	96
Other debtors	1	2
Prepayments and accrued income	388	352
	482	606

THE LIVERPOOL JOINT CATHOLIC AND CHURCH OF ENGLAND ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

14 Creditors: amounts falling due within one year	2019	2018
	£'000	£'000
Trade creditors	240	121
Other taxation and social security	276	254
ESFA creditors	13	13
Other creditors	541	514
Accruals and deferred income (see note 16)	160	259
	<u>1,230</u>	<u>1,161</u>
	<u><u>1,230</u></u>	<u><u>1,161</u></u>
15 Creditors: amounts falling due after more than one year	2019	2018
	£'000	£'000
Other creditors	80	92
	<u>80</u>	<u>92</u>
	<u><u>80</u></u>	<u><u>92</u></u>
Due in more than one year but not more than two years	13	13
Due in more than two years but not more than five years	52	52
Due in more than five years	15	27
	<u>80</u>	<u>92</u>
	<u><u>80</u></u>	<u><u>92</u></u>
No interest is charged on the balance due over five years.		
16 Deferred income	2019	2018
	£'000	£'000
Deferred income is included within:		
Creditors due within one year	39	36
	<u>39</u>	<u>36</u>
Deferred income at 1 September 2018	36	24
Released from previous years	(36)	(24)
Resources deferred in the year	39	36
	<u>39</u>	<u>36</u>
Deferred income at 31 August 2019	<u><u>39</u></u>	<u><u>36</u></u>

At the balance sheet date, the academy trust was holding funds received in advance for rates relief and pupil led factors.

**THE LIVERPOOL JOINT CATHOLIC AND CHURCH OF ENGLAND
ACADEMIES TRUST**

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

17 Financial instruments

	2019	2018
	£'000	£'000
Carrying amount of financial assets		
Debt instruments measured at amortised cost	223	335
	<u> </u>	<u> </u>
Carrying amount of financial liabilities		
Measured at amortised cost	915	871
	<u> </u>	<u> </u>

18 Funds

	Balance at 1 September 2018 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2019 £'000
Restricted general funds					
General Annual Grant (GAG)	(814)	9,712	(10,023)	96	(1,029)
Other DfE / ESFA grants	-	893	(893)	-	-
Other restricted funds	-	295	(295)	-	-
Pension reserve	(4,657)	-	(498)	(2,647)	(7,802)
	<u>(5,471)</u>	<u>10,900</u>	<u>(11,709)</u>	<u>(2,551)</u>	<u>(8,831)</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Restricted fixed asset funds					
DfE group capital grants	14,466	125	(372)	(96)	14,123
Capital expenditure from GAG	322	-	(8)	-	314
Sponsorship funded	20,775	-	(534)	-	20,241
	<u>35,563</u>	<u>125</u>	<u>(914)</u>	<u>(96)</u>	<u>34,678</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total restricted funds	<u>30,092</u>	<u>11,025</u>	<u>(12,623)</u>	<u>(2,647)</u>	<u>25,847</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Unrestricted funds					
General funds	677	93	-	-	770
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total funds	<u>30,769</u>	<u>11,118</u>	<u>(12,623)</u>	<u>(2,647)</u>	<u>26,617</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

THE LIVERPOOL JOINT CATHOLIC AND CHURCH OF ENGLAND ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

18 Funds (Continued)

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

Restricted Fund

This fund represents grants received for the Academy Trust's operational activities and development.

Fixed Asset Fund

These grants relate to funding received from the DfE, ESFA and private sponsors to carry out works of a capital nature. In addition, ICT equipment and furniture and equipment which have been funded through capital grants of the General Annual Grant from the ESFA are also included within this fund.

Unrestricted Fund

This fund represents income received without restriction, for example bank interest and lettings income, which has not yet been spent.

Net deficit

The academy trust is carrying a net deficit of £259,000 (2018: £137,000) on restricted general funds (excluding pension reserve) plus unrestricted funds due to the ongoing financial constraints which have not been met by central funding. The current position is in line with the financial recovery plan agreed with the ESFA and the trust anticipates returning to a cumulative surplus during the 2019/20 financial year.

THE LIVERPOOL JOINT CATHOLIC AND CHURCH OF ENGLAND ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

18 Funds (Continued)

Funds prior year

	Balance at 1 September 2017 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2018 £'000
Restricted general funds					
General Annual Grant (GAG)	(536)	9,758	(10,036)	-	(814)
Other DfE / ESFA grants	-	883	(883)	-	-
Other restricted funds	-	339	(339)	-	-
Pension reserve	(5,671)	-	(253)	1,267	(4,657)
	<u>(6,207)</u>	<u>10,980</u>	<u>(11,511)</u>	<u>1,267</u>	<u>(5,471)</u>
Restricted fixed asset funds					
DfE group capital grants	15,245	15	(794)	-	14,466
Capital expenditure from GAG	576	-	(254)	-	322
Sponsorship funded	20,815	-	(40)	-	20,775
	<u>36,636</u>	<u>15</u>	<u>(1,088)</u>	<u>-</u>	<u>35,563</u>
Total restricted funds	<u>30,429</u>	<u>10,995</u>	<u>(12,599)</u>	<u>1,267</u>	<u>30,092</u>
Unrestricted funds					
General funds	548	129	-	-	677
	<u>548</u>	<u>129</u>	<u>-</u>	<u>-</u>	<u>677</u>
Total funds	<u>30,977</u>	<u>11,124</u>	<u>(12,599)</u>	<u>1,267</u>	<u>30,769</u>

Total funds analysis by academy

	2019 £'000	2018 £'000
Fund balances at 31 August 2019 were allocated as follows:		
The Academy of St Nicholas	(395)	(304)
The Academy of St Francis of Assisi	136	167
The Liverpool Joint Catholic and Church of England Academies Trust	-	-
Total before fixed assets fund and pension reserve	<u>(259)</u>	<u>(137)</u>
Restricted fixed asset fund	34,678	35,563
Pension reserve	(7,802)	(4,657)
Total funds	<u>26,617</u>	<u>30,769</u>

THE LIVERPOOL JOINT CATHOLIC AND CHURCH OF ENGLAND ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

18 Funds (Continued)

Total cost analysis by academy

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

	Teaching and educational support staff	Other support staff costs	Educational supplies	Other costs excluding depreciation	Total 2019	Total 2018
	£'000	£'000	£'000	£'000	£'000	£'000
The Academy of St Nicholas	3,318	720	179	1,534	5,751	5,659
The Academy of St Francis of Assisi	3,451	865	172	1,458	5,946	5,215
The Liverpool Joint Catholic and Church of England Academies Trust	-	-	-	-	-	654
	<u>6,769</u>	<u>1,585</u>	<u>351</u>	<u>2,992</u>	<u>11,697</u>	<u>11,528</u>

19 Analysis of net assets between funds

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total Funds
	£'000	£'000	£'000	£'000
Fund balances at 31 August 2019 are represented by:				
Tangible fixed assets	-	-	34,678	34,678
Current assets	770	281	-	1,051
Creditors falling due within one year	-	(1,230)	-	(1,230)
Creditors falling due after one year	-	(80)	-	(80)
Defined benefit pension liability	-	(7,802)	-	(7,802)
Total net assets	<u>770</u>	<u>(8,831)</u>	<u>34,678</u>	<u>26,617</u>

THE LIVERPOOL JOINT CATHOLIC AND CHURCH OF ENGLAND ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

19 Analysis of net assets between funds (Continued)

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total Funds
	£'000	£'000	£'000	£'000
Fund balances at 31 August 2018 are represented by:				
Tangible fixed assets	-	-	35,563	35,563
Current assets	615	501	-	1,116
Creditors falling due within one year	-	(1,161)	-	(1,161)
Creditors falling due after one year	-	(92)	-	(92)
Defined benefit pension liability	-	(4,657)	-	(4,657)
Total net assets	<u>615</u>	<u>(5,409)</u>	<u>35,563</u>	<u>30,769</u>

20 Contingent liabilities

In the event that during the period of the funding agreement, the Academy Trust sells or disposes of by other means any asset for which a capital grant was received, the company shall repay to the Secretary of State for Education the same proportion of the proceeds of the sale or disposal as equates with the proportion of the original cost met by the Secretary of State, unless the Secretary of State agrees to some or all of the proceeds being retained by the Academy Trust for its charitable purposes.

Upon termination of the Funding Agreement, whether as a result of the Secretary of State or the company service notice, the Academy Trust shall repay to the Secretary of State sums determined by reference to:

- the value at that time of the Academy Trust's premises and other assets held for the purpose of the company; and
- the extent to which expenditure incurred in providing those assets was met by payments by the Secretary of State under the Funding Agreement.

21 Commitments under operating leases

At 31 August 2019 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2019 £'000	2018 £'000
Amounts due within one year	44	44
Amounts due between one and five years	98	153
	<u>142</u>	<u>197</u>

THE LIVERPOOL JOINT CATHOLIC AND CHURCH OF ENGLAND ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

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

	2019 £'000	2018 £'000
Net expenditure for the reporting period (as per the statement of financial activities)	(1,505)	(1,475)
Adjusted for:		
Capital grants from DfE and other capital income	(125)	(15)
Defined benefit pension scheme costs less contributions payable	374	121
Defined benefit pension scheme finance cost	124	132
Depreciation of tangible fixed assets	914	1,071
Loss on disposal of fixed assets	-	17
Movements in working capital:		
Decrease/(increase) in debtors	124	(151)
Increase in creditors	57	14
Net cash used in operating activities	<u>(37)</u>	<u>(286)</u>

23 Members' liability

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

24 Pension and similar obligations

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

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

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions 2014.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis - these contributions along with those made by employers are credited to the Exchequer.

THE LIVERPOOL JOINT CATHOLIC AND CHURCH OF ENGLAND ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

24 Pension and similar obligations (Continued)

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 except it has been prepared following the Government's decision to pause the operation of the cost control mechanisms at the time when legal challenges were still pending.

The valuation report was published in April 2019. The key results of the valuation and subsequent consultation are:

- Total scheme liabilities for service (pensions currently payable and the estimated cost of future benefits) of £218 billion
- Value of notional assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) of £196 billion
- Notional past service deficit of £22 billion
- Discount rate is 2.4% in excess of CPI

As a result of the valuation, new employer contribution rates were set at 23.68% of pensionable pay from from September 2019 onwards (compared to 16.48% during 2018/19.) DfE has agreed to pay a teachers' pension employer contribution grant to cover the additional costs during the 2019-20 academic year.

The employer's pension costs paid to the TPS in the period amounted to £556,000 (2018: £555,000).

The TPS is a multi-employer pension plan and there is insufficient information to account for the scheme as a defined benefit plan so it is accounted for as a defined contribution plan.

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are % for employers and % for employees.

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

Total contributions made	2019	2018
	£'000	£'000
Employer's contributions	416	383
Employees' contributions	103	92
Total contributions	<u>519</u>	<u>475</u>

THE LIVERPOOL JOINT CATHOLIC AND CHURCH OF ENGLAND ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

24 Pension and similar obligations (Continued)

Principal actuarial assumptions

The following information is based upon a full actuarial valuation of the fund at 31 March 2016 updated to 31 August 2019 by a qualified independent actuary.

	2019	2018
	%	%
Rate of increase in salaries	3.6	3.6
Rate of increase for pensions in payment/inflation	2.2	2.2
Discount rate for scheme liabilities	1.8	2.8
Inflation assumption (CPI)	2.1	2.1
	<u> </u>	<u> </u>

The assumed life expectations on retirement age 65 are:

	2019	2018
	Years	Years
Retiring today		
- Males	22.2	22.0
- Females	25.0	24.8
Retiring in 20 years		
- Males	25.2	25.0
- Females	27.9	27.8
	<u> </u>	<u> </u>

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

	2019	2018
	Fair value	Fair value
	£'000	£'000
Equities	3,945	3,648
Government Bonds	787	239
Other Bonds	424	828
Cash/equity	247	217
Property	694	638
Other assets	1,620	1,446
	<u> </u>	<u> </u>
Total fair value of assets	7,717	7,016
	<u> </u>	<u> </u>

The actual return on scheme assets was £344,000 (2018: £371,000).

THE LIVERPOOL JOINT CATHOLIC AND CHURCH OF ENGLAND ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

24 Pension and similar obligations (Continued)

Amount recognised in the Statement of Financial Activities	2019 £'000	2018 £'000
Current service cost	495	496
Past service cost	287	-
Net interest cost	124	132
Plan introductions, changes, gain/(loss) on curtailment and gain/(loss) on settlement	8	8
	<u>914</u>	<u>636</u>
Total operating charge	<u>914</u>	<u>636</u>

The past service cost of £287,000 (2018: £Nil) recognised in the year relates to the effect of the McCloud judgement regarding age discrimination in respect of public service pensions.

Changes in the present value of defined benefit obligations	2019 £'000	2018 £'000
At 1 September 2018	11,673	11,976
Current service cost	495	496
Interest cost	325	287
Employee contributions	103	92
Actuarial loss/(gain)	2,790	(1,051)
Benefits paid	(154)	(127)
Past service cost	287	-
	<u>15,519</u>	<u>11,673</u>
At 31 August 2019	<u>15,519</u>	<u>11,673</u>

Changes in the fair value of the academy trust's share of scheme assets	2019 £'000	2018 £'000
At 1 September 2018	7,016	6,305
Interest income	201	155
Return on plan assets (excluding net interest on the net defined pension liability)	143	216
Employer contributions	416	383
Employee contributions	103	92
Benefits paid	(154)	(127)
Effect of non-routine settlements	(8)	(8)
	<u>7,717</u>	<u>7,016</u>
At 31 August 2019	<u>7,717</u>	<u>7,016</u>

THE LIVERPOOL JOINT CATHOLIC AND CHURCH OF ENGLAND ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

25 Related party transactions

Owing to the nature of the Academy Trust's operations and the composition of the Board of Trustees being drawn from the local public and private sector organisations, it is inevitable that all transactions will take place with organisations in which the Trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy Trust's financial regulations and normal procurement procedures.

During the period the Academy Trust made payments totalling £14,727 (2018: £20,503) to the Archdiocese of Liverpool (and companies controlled by the Archdiocese of Liverpool); £1,520 (2018: £Nil) to the Diocese of Liverpool, and £3,582 to Tuneside. These organisations are related to the Liverpool Joint Catholic and Church of England Academies Trust by virtue of their role as sponsors. Payments made in the year relate to support services received by the Academy Trust from the sponsors. No balances were outstanding at the year end (2018: £Nil).

26 Agency arrangements

The Academy Trust distributes 16-19 bursary funds to students as an agent for the ESFA. In the accounting period ending 31 August 2019, the Trust received £45,700 (2018: £60,000) and disbursed £48,600 (2018: £104,000) from the fund. An amount of £28,300 (2018: £32,000) is included in other creditors relating to undistributed funds that are repayable to the ESFA.

The Academy Trust distributes Looked After Children funds to students as an agent for the Local Authority. In the accounting period ending 31 August 2019, the Trust received £25,700 (2018: £31,200) and disbursed £16,500 (2018: £54,000) from the fund. An amount of £62,700 (2018: £54,000) is included in other creditors relating to undistributed funds that are repayable to the ESFA.

The Academy Trust collects and distributes funds as an agent for the Liverpool School Sports Partnership. In the accounting period ending 31 August 2019, the Trust received £253,000 (2018: £270,000) and disbursed £231,000 (2018: £238,000) from the fund. An amount of £409,400 (2018: £387,000) is included in other creditors relating to undistributed funds that are repayable to the Liverpool School Sports Partnership.

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE LIVERPOOL JOINT CATHOLIC AND CHURCH OF ENGLAND ACADEMIES TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY

Conclusion

We have carried out an engagement in accordance with the terms of our engagement letter dated 19 October 2017 and further to the requirements of the Education and Skills Funding Agency ("ESFA") as included in the Academies Accounts Direction 2018 to 2019, to obtain limited assurance about whether the expenditure disbursed and income received by The Liverpool Joint Catholic and Church of England Academies Trust during the period 1 September 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Basis for conclusion

The framework that has been applied is set out in the Academies Accounts Direction 2018 to 2019 Part 9: Regularity Reporting. We are independent of The Liverpool Joint Catholic and Church of England Academies Trust in accordance with the ethical requirements that are applicable to this engagement and we have fulfilled our ethical requirements in accordance with these requirements. We believe the assurance evidence we have obtained is sufficient to provide a basis for our conclusion.

Responsibilities of The Liverpool Joint Catholic and Church of England Academies Trust's accounting officer and trustees

The accounting officer is responsible, under the requirements of The Liverpool Joint Catholic and Church of England Academies Trust's funding agreement with the Secretary of State for Education and the Academies Financial Handbook, extant from 1 September 2018, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them. The accounting officer is also responsible for preparing the Statement of Regularity, Propriety and Compliance. The trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the proper conduct and financial operation of The Liverpool Joint Catholic and Church of England Academies Trust and appointment of the accounting officer.

Reporting Accountant's responsibilities for reporting on regularity

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2018 to 2019.

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 the procedures vary in nature and timing from, and are less in extent than for a reasonable assurance engagement; consequently a limited assurance engagement 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.

We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2018 to 31 August 2019 have not been applied to purposes identified by Parliament or that the financial transactions do not conform to the authorities which govern them.

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON
REGULARITY TO THE LIVERPOOL JOINT CATHOLIC AND CHURCH OF ENGLAND
ACADEMIES TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY
(CONTINUED)**

Our work included identification and assessment of the design and operational effectiveness of the controls, policies and procedures that have been implemented to ensure compliance with the framework of authorities including the specific requirements of the funding agreement with the Secretary of State for Education, the Academies Financial Handbook 2018 published by the Education and Skills Funding Agency and high level financial control areas where we identified a material risk of irregularity is likely to arise. It also included areas assessed as presenting a higher risk of impropriety. We undertook detailed testing, on a sample basis, based on the identified areas where a material irregularity is likely to arise, or potential impropriety where such areas are in respect of controls, policies and procedures that apply to classes of transactions. Our work was undertaken with due regard to the 'Evidence to support conclusion on regularity' guidance in Academies Accounts Direction 2018 to 2019.

This work was integrated with our audit on the financial statements and evidence was also derived from the conduct of that audit to the extent it supports the regularity conclusion.

Use of our report

This report is made solely to The Liverpool Joint Catholic and Church of England Academies Trust and the ESFA in accordance with the terms of our engagement letter dated 19 October 2017. Our work has been undertaken so that we might state to the The Liverpool Joint Catholic and Church of England Academies Trust and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than The Liverpool Joint Catholic and Church of England Academies Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.



RSM UK Audit LLP
Chartered accountants
Bluebell House
Brian Johnson Way
Preston
Lancashire
PR2 5PE

Dated: 19/12/2019