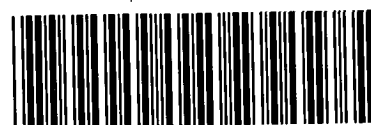


Registered number: 00004466
Charity number: 526682

THE LIVERPOOL COLLEGE FOUNDATION
(A company limited by guarantee)

UNAUDITED
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

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THE LIVERPOOL COLLEGE FOUNDATION

(A company limited by guarantee)

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THE LIVERPOOL COLLEGE FOUNDATION

(A company limited by guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2020**

Trustees

Mr J D Robertson
Mr C C Hubbard
Mr G H Pybus
Mr K Siviter
Mr N A Moss
Dr A M Miller
Mr W R E L Thompson
Mr H S Hackney
Mr R S W Peach

Company registered number

00004466

Charity registered number

526682

Registered office

Beechlands, Liverpool College, Mossley Hill, Liverpool, L18 8BG

Company secretary

Mr W R E L Thompson

President

The Rt Hon 19th Earl of Derby DL

Accountants

Grant Thornton UK LLP, Royal Liver Building, Liverpool, L3 1PS

Bankers

Barclays Bank plc, 48b and 50 Lord Street, Liverpool, L2 1TD

Solicitors

Brabners LLP, Horton House, Exchange Flags, Liverpool, L2 3YL

THE LIVERPOOL COLLEGE FOUNDATION

(A company limited by guarantee)

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2020

The Trustees present their annual report together with the financial statements of The Liverpool College Foundation for the year 1 September 2019 to 31 August 2020.

Introduction

The Trustees, who are also the Directors of the Charitable Company for the purposes of the Companies Act, present their Annual Report together with the Financial Statements of The Liverpool College Foundation, (the Company or Charity) for the year ended 31 August 2020.

The financial statements show the financial affairs of both The Liverpool College Foundation group and the Liverpool College Foundation charitable company. The group consists of the Liverpool College Foundation and the Wilton Trust Fund, for which the Foundation is the Corporate Trustee, and is therefore consolidated as a 100% subsidiary.

The Trustees confirm that the Annual Report and Financial Statements of the group comply with the Charities Act 2011, the Companies Act 2006, The Memorandum and Articles of Association, and Accounting and Reporting by Charities Statement of Recommended Practice (second edition, issued in October 2019) applicable to Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

History and objectives of The Liverpool College Foundation

The Liverpool College Foundation was founded in 1840 under its original name Liverpool College and registered in 1869 under the Companies Act 1862 as a company limited by guarantee, No. 00004466 and Registered Charity, No, 526682. Liverpool College was opened by William Ewart Gladstone, the future Prime Minister, whose family were prime movers in the formation of the College and its establishment as an independent school in Liverpool. Its objectives and motto were defined as:

"Non Solum Ingenii Verum Etiam Virtutis"

"Not only the Intellect but also the Character"

based on "Sound Religion and Useful Learning".

The name of Liverpool College was changed in January 2016 to The Liverpool College Foundation. In this Report, the Company will be referred to as "the Foundation".

The Memorandum and Articles of Association of the Foundation, established in 1869 and last revised in January 2018, is the Foundation's governing document and clearly defines delegation, responsibility and accountability in maintaining its Objects:

"To provide for the inhabitants of Liverpool and others, by the establishment and maintenance of Lectures, School, and other like means, an education suited to their wants upon the most moderate terms; and for this purpose instruction in the doctrines and duties of Christianity, as taught by the Church of England, shall be forever communicated, in combination with literary, scientific, and commercial information. Provided nevertheless that no pupil shall be required as a condition of being admitted or remaining as a pupil, to attend or abstain from attending any Sunday School, place of worship, religious observance, or instruction in religious subjects in any school of the College or elsewhere."

THE LIVERPOOL COLLEGE FOUNDATION

(A company limited by guarantee)

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2020

Structure, governance and management

The Board of Trustees is the governing body of the Foundation, elected by Foundation Members, and the current Trustees are listed on page 1. The recruitment and appointment of new Trustees is undertaken by the Board of Trustees. One third of the Trustees retire from office each year and may stand for re-election at the General Meeting. Nigel Moss and Graham Pybus are eligible for re-election as Trustees by Foundation Members at the forthcoming General Meeting. Dr Anne Miller has given notice of her intention to stand down at this General Meeting.

The specific remits of the Trustees in this year have been:

Chairman	– Charles Hubbard
Business Strategy and Planning	– Graham Pybus
Foundation Members	– John Robertson
Estates	– Charles Hubbard
Finance, Treasury and Investment	– Nigel Moss
Educational Development Fund (the 1840)	– Graham Pybus
Archives	– Ken Siviter
The Wilton Trust	– Howard Hackney
1840 Initiatives	– Roger Peach
Old LerpooLian Society	– Ric Thompson
Company Secretary	– Ric Thompson

Mrs Amanda Gemmell has continued to provide invaluable support to the Foundation as Clerk to the Trustees and Accountant.

Two long-standing and distinguished Trustees chose to retire during the period, Ian Lightbody on 22 January 2020, and John Swift on 7 May 2020.

Ian Lightbody was appointed as a Trustee in February 2014 and has played a significant part in the development of the 1840. However, this is only one example of the immense contribution that Ian has made to Liverpool College over his lifetime, and his initials INL are known with affection by generations of OLs and staff. As a student Ian was a member of School House and left the College in 1961 after a term as Head Prefect. He returned as a teacher in 1965, and during his long career he undertook many roles, including Housetutor of Butlers Housemaster of School House and Assistant Principal, subsequently taking up the office of Bursar and Clerk to the Governors. Ian's involvement with the OL Society and as a Foundation Member and Trustee, with his knowledge of the school and its history, has been invaluable.

John Swift was appointed as a Trustee in January 2015. During the preceding few years John had been one of the driving forces behind the transition of Liverpool College to an Academy which was completed in September 2013 (and is described more fully below). John's leadership qualities and his strong working relationship with the Principal and the Governors of Liverpool College were instrumental in embracing a complex transaction, and the benefits of this transition have been reflected in the exceptional progress that has been made at the College over the last seven years. John too was a former student, leaving in 1959, and his contribution to the school and the OL Society, and during his influential tenure as Trustee, has been exceptional.

Both Ian and John will be very much missed by the Trustees, and we wish them well. On 7 May 2020 Ric Thompson took over the role of Company Secretary in place of John Swift.

The Foundation provides equal opportunities for all staff.

THE LIVERPOOL COLLEGE FOUNDATION

(A company limited by guarantee)

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2020

The Foundation's legal commitments

The Foundation has ownership of the freehold of all the Land and Buildings defined under the three Title Deeds which comprise the complete Mossley Hill estate. On 1 September 2013, the Foundation's main school Liverpool College became an Academy formed under a separate Trust, the Liverpool College Independent School Trust (the Academy), a Company and exempt Charity. The Academy is subject to a Funding Agreement between the Trust and the Secretary of State for Education, with a rolling seven-year notice of termination by either party. Being separate Trusts and Corporate Entities, all relationships between the Foundation and the Academy are on an "arms length" basis.

Pursuant to these arrangements, the Foundation entered into a number of Legal Agreements, which are now substantial determinates of its governance and management going forward. These legal commitments are described below.

The Foundation is committed to the following Legal arrangements:

- An Agreement regarding the Discharge of the Debt arrangement between the Foundation and Barclays Bank, the institution of a re-placement grant from the Department for Education (DfE) to the Foundation, repayable within 12 months of the termination of the Funding Agreement between the Academy and the DfE, and the Security against this Loan obtained from the Foundation in favour of the DfE.
- The Legal Charge on the Freehold Property of the Foundation in favour of the DfE arising from the above Security commitment.
- Agreement regarding the Transfer Arrangements from the Foundation to The Academy covering Employees, Included Assets, the shares of Liverpool College Enterprises Ltd, Contracts, Employee and Pupil Records and the List of Excluded Assets,
- Agreement regarding the Lease of the Foundation's Land and Premises by the Academy at a peppercorn rent for a Term of 125 years, or on the earlier Termination of the Funding Agreement, and a Supplementary Agreement re the Use of the Land and Premises by the Academy. Under the terms of this Lease, the Academy as the "The Tenant" is responsible for the full insurance, upkeep, repair and maintenance of all the land and buildings comprising the Estate and for obtaining the consent of the Foundation as "The Landlord" for any proposed structural alterations or variations of the Property.

Other Legal Agreements placing obligations on the Foundation and shaping the continuing relationship between the Foundation and the Academy are:

- The Memorandum & Articles of Association of the Academy and the appointment of its Members and Governors.
- The Funding Agreement between the DfE and the Academy.
- A Memorandum of Understanding with the Diocese of Liverpool regarding the classification of the Academy as a Church of England School.

The Foundation has granted to the Academy the use and safekeeping of an inventory of Heirloom Assets, eg Trophies, Portraits, Pictures, Plaques, Honours Boards and Archives, which were excluded from the above Transfer Agreement. A formal Agreement to this effect will shortly be put in place.

The Foundation has also granted the Academy the right to use the Name and Insignia of Liverpool College within the terms of the Objects as defined in The Academy's Memorandum and Articles of Association.

Public benefit

The Trustees have given due consideration to the Charity Commission's published guidance on the operation of the public benefit requirement.

THE LIVERPOOL COLLEGE FOUNDATION

(A company limited by guarantee)

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2020

The Foundation has contributed significantly to the establishment of the Academy with long-term on-going public benefit:

- The grant of a 125 year Lease to the Academy on all its Land & Buildings, coterminous with its Funding Agreement with the DfE, at a peppercorn rent, valued in the Academy's Accounts on the date of grant at £32m
- The gifting of Assets under the Transfer Agreement at a depreciated book value of £1.5m, in business value terms worth significantly more
- Expenditures of £289,000 incurred in the setting-up of the Academy
- The grant of the use of the Name and Insignia of Liverpool College
- The use and safekeeping of an inventory of Heirlooms

The Foundation's 1840 Fund and the Wilton Trust Fund both give support to the Academy for Pupil Prizes and Educational Development initiatives.

Activities of the Foundation in 2019/2020

We have continued to build on the Foundation's work of the previous years with the following key activities:

The LCF Investment Fund

The LCF Investment Fund (or the Fund) was established in December 2015 with funds invested with St James's Place (SJP), with a total investment of the Foundation's cash resources of £720,000. The LCF Investment Fund holds both:

- The general cash reserves of LCF
- The invested cash of the 1840 Fund.

All the monies are held within a number of Sub funds comprising an LCF General Cash Reserves Sub fund and 1840 Sub funds each relating to the purpose for which the money was donated. The 1840 Sub funds are detailed under the next heading of this Report.

As previously reported, we continue to regard the most important issue in the management of the Fund to be our choice of investments and our spread of risk. The Trustees have adopted a strategy based on a wide spread of investment funds and underlying investments, both by way of asset classes and global geography, in order to manage risk and return appropriate to the Fund. SJP execute the strategy but do not manage the Fund on a discretionary basis. The Fund is ring fenced in the name of the Foundation and therefore forms no part of SJP's assets. The Trustees use SJP's significant investment expertise and resources with the aim of maximising the return on the Fund. It is our intention to retain and grow capital in the Fund in order to continue to generate gains and support activities for the future. We monitor the performance of the Fund regularly and meet with SJP during the year to review performance and adjust our investments according to our view on prospective market returns.

During the year, and after a comprehensive review process, the Trustees approved and made a grant of £250,000 to provide critical additional funding to the Academy to enable it to complete the building of a new four classroom block in its Prep School. This grant was funded by a sequence of withdrawals from the LCF Investment Fund.

The performance during the year is reported under the Financial Review heading below.

THE LIVERPOOL COLLEGE FOUNDATION

(A company limited by guarantee)

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2020

The LCF Educational Development Fund — the 1840

The management of the LCF Educational Development Fund (the 1840) has continued in accordance with the policy previously established. The Trustees are very mindful of fulfilling the intentions of those who have made donations to the 1840 and of ensuring that money is not advanced to pay for anything which should genuinely be funded from other sources.

The Sub funds of the 1840 currently are:

- The Original 1840 General Donations
- Academy School Named Prizes
- The LCF Vice Presidents' Prize
- The Collin Thompson Imagineering Prize
- Chapel Refurbishment
- Design & Technology Refurbishment
- The Brenikov Bursary for Music
- The Gladstone Leadership & Management Programme
- Music
- Science

Following initial plans during last year, we have made strong progress with the development and launch of The LerpooLian, a website which is aimed at supporting the Academy in a number of ways. These include the strengthening of our relationships with the Old LerpooLian Society, whose members are alumni of Liverpool College, and the installation of a more accurate and modern method of Membership Record keeping and Communication. Progress has also been made on properly organising and storing/presenting the Archives.

Estate

Work continues to ensure that the approval and licencing processes required under the Lease between the Foundation and the Academy to fulfil the Landlord's and the Tenant's obligations are fully established.

The process is ongoing for the development of the Estate to accommodate a new Boarding House by the conversion of Beechlands and to create facilities for higher pupil numbers in the Prep School.

The Wilton Trust Fund

As described in previous years' reports, the Foundation is the sole Corporate Trustee of the Wilton Trust Fund, a separate charitable fund whose assets are held in the Thomas Ryder Wilton Bequest, registered charity number 529915. The Wilton Trust Fund is managed under the operational umbrella of the Foundation and is therefore treated as a subsidiary undertaking of the Foundation, but has been included as a separate endowment fund which remains subject to the objectives and principles of the Thomas Ryder Wilton Bequest.

The Wilton Trust Fund continues to support the Academy's Gifted and Talented programme through a package funded from income generated from the Wilton Trust Fund's investments. This programme comprises a comprehensive and outstanding range of activities and events on a daily basis which provide opportunities for a significant number of students to enrich their education outside the main curriculum.

THE LIVERPOOL COLLEGE FOUNDATION

(A company limited by guarantee)

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2020

The Wilton Trust Fund is invested in two M&G funds, the Charifund which is a UK equities investment fund for charities which comprises approximately 65% of the overall portfolio, and the remainder in the Charibond charities fixed interest fund, which is entirely invested in government/investment grade corporate bonds. The combined funds seek primarily to generate income returns, whilst maintaining its capital, to provide the funding to support the Gifted and Talented programme.

The performance during the year is reported under the Financial review below.

Financial review

The group made a deficit for the year ending 31 August 2020 of £391,442 (2019: surplus £1,062,866). This is due to a number of factors.

As described above, a grant of £250,000 was made to the Academy to enable it to complete the building of a new classroom block in its Prep School. This grant was funded by withdrawals from the LCF Investment Fund.

The financial markets suffered from significant falls in value during the first six months of 2020 due to the impact of the Covid-19 pandemic. Accordingly, the LCF Investment Fund valuation decreased during the year by £30,275 (representing 3.3% of the fund valuation at 31 August 2019) (2019: increase £8,929). As a result, including the withdrawal described above, the fund valuation reduced overall during the year from £906,394 to £626,119 at 31 August 2020.

The Wilton Trust Fund valuation also decreased during the year by £97,889 (representing 12.3% of the fund valuation at 31 August 2019) (2019: decrease £13,064), reducing the valuation from £794,041 to £696,152 at 31 August 2020. Despite the valuation decrease, the Wilton Trust Fund continued to generate dividend income totalling £33,006 (2019: £33,336) and granted £34,891 (2019: £29,000) to the Academy to support its Gifted and Talented programme.

In addition to the grants for the classroom building and Gifted and Talented programme, grants of £14,500 were allocated during the year (2019: £1,315). This included £8,000 in relation to the development and launch of The Lerpooian website, as outlined above. Total administration and governance costs for the year (excluding the recovery of bad and doubtful debts and release of impairment charge) was £18,708 (2019: £22,742). Donations received during the year were £2,311 (2019: £3,450).

Comparisons with the results of the previous year to 31 August 2019 are distorted due to certain exceptional items of income in 2019. These comprised the introduction of The Wilton Trust Fund at a valuation of £808,684, and the release of certain historic accrued balances to income and expenditure totalling £253,549.

As at 31 August 2020 the group's total funds were £1,665,763 (2019: £2,057,205), which the Trustees consider to be satisfactory.

Land and Buildings Valuation and Contingent Liability

On 31 July 2013 the Foundation granted to the Academy a lease, for a term of 125 years, of the whole c. 26 acre school campus and the buildings thereon comprising the school accommodation on what is effectively a full repairing and insuring lease at a peppercorn rent. Unless the Funding Agreement was to be terminated early the Foundation would not have possession of the campus until the expiry of the lease term. Accordingly, the Foundation's interest in the property comprising the campus in these accounts, following the grant of the lease, is valued at the discounted value of that reversionary right on the date of expiry. The initial valuation was therefore £232,000 and is subject to an annual release of the impairment charge. As at 31 August 2020 the valuation was £293,000 (2019: £282,000).

THE LIVERPOOL COLLEGE FOUNDATION

(A company limited by guarantee)

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2020

Reserves policy

The Foundation aims to maintain in available cash coverage of 2 months of running costs. At the financial year end the Foundation held sufficient cash and accessible funds to meet this requirement.

Risk Management

The Trustees have reviewed the risks and uncertainties underlying the Foundation's operations. In their opinion adequate policies and processes have been put in place to ensure that exposure to financial or operational risk is minimised. With regard to the two investment funds it should be noted that the value of the funds' investments can go down as well as up.

Restricted Fund

The Fund of the 1840 Foundation is held under the direct management of the Trustees for use for Educational Development. The 1840 Fund now stands at £433,738 (2019: £453,303).

Plans for forward periods

The Foundation's work is focused on:

- The overall direction, organisation and management of the Foundation as a registered Charity and Limited Company under the terms of its Memorandum and Articles of Association
- The Foundation's role as Landlord under the Lease of its Freehold Land and Buildings to the Academy
- The management of its Financial Assets and Funds
- The management of the Educational Development Fund – the 1840 – and the Wilton Trust Fund
- The Foundation's obligations under all Legal Agreements
- Its relationships with the Academy.

In terms of specific objectives in the next year, the Board of Trustees will be particularly focused on:

- Continuing the effective management of the LCF Investment Fund and The Wilton Trust Fund
- Implementing the way forward on the 1840 Fund
- Strengthening the relationships of the Foundation with the Academy and working with it to implement academic initiatives brought forward for support which are within the Foundation's means
- Continuing to seek to recruit new Trustees to provide succession to the existing Board.

Trustees' responsibilities statement

The trustees (who are also directors of The Liverpool College Foundation for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under that law the trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland. 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 the group and of the incoming resources and application of resources, including the income and expenditure, of the group for that period.

THE LIVERPOOL COLLEGE FOUNDATION

(A company limited by guarantee)

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2020**

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 (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

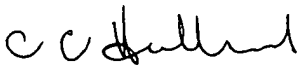
The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with 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 confirm that:

- so far as each trustee is aware, there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees 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 the charitable company's auditor is aware of that information.

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.

This report was approved by the Trustees on 23 December 2020 and signed on their behalf by:



Mr C C Hubbard
Chairman

Date: 22/1/2021

**INDEPENDENT EXAMINER'S REPORT TO THE CORPORATE TRUSTEE OF
THE LIVERPOOL COLLEGE FOUNDATION**

I report on the accounts of The Liverpool College Foundation (the "charity") for the year ended 31 August 2020, which are set out on pages 12 to 36.

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

- which gives me reasonable cause to believe that in any material respect, the requirements:
 - to keep accounting records in accordance with section 130 of the Charities Act 2011; and
 - to prepare accounts which accord with the accounting records; and
 - to comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008

have not been met, or

- to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Basis of independent examiner's statement

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a comparison of the accounts with the accounting records kept by the charity. It also includes consideration of any unusual items or disclosures in the accounts and seeking explanations from you as corporate trustee concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts present a 'true and fair' view and the report is limited to those matters set out in the statement above.

Respective responsibilities of corporate trustee and examiner

The charity's corporate trustee is responsible for the preparation of the accounts. The charity's trustee considers that an audit is not required for this year under section 144(2) of the Charities Act 2011 and that an independent examination is needed.

It is my responsibility to:

- examine the accounts under section 145 of the Charities Act 2011;
- to follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the Charities Act 2011; and
- to state whether particular matters have come to my attention.

Your attention is drawn to the fact that the charity's trustees have prepared the charity's accounts in accordance with the Statement of Recommended Practice 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) issued in October 2019 in preference to the Statement of Recommended Practice 'Accounting and Reporting by Charities: Statement of Recommended Practice (revised 2005)' issued in April 2005 which is referred to in the Charities (Accounts and Reports) Regulations 2008 but has been withdrawn. I understand that the charity's trustees have done this in order for the charity's accounts to give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2019.



**INDEPENDENT EXAMINER'S REPORT TO THE CORPORATE TRUSTEE OF
THE LIVERPOOL COLLEGE FOUNDATION**

Use of this report

This report is in respect of an examination carried out under section 145 of the Charities Act 2011. This report is made solely to the charity's corporate trustee, as a body, in accordance with the regulations made under section 154 of the Charities Act 2011. My work has been undertaken so that I might state to the charity's trustees those matters I am required to state to them in an independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charity and the charity's trustee, as a body, for my work, for this report or for the opinions I have formed.

A handwritten signature in black ink, appearing to read 'm j delf'.

Michael J Delf FCA
Grant Thornton UK LLP
Chartered Accountants
Liverpool

Date: 3/2/2021

THE LIVERPOOL COLLEGE FOUNDATION

(A company limited by guarantee)

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2020**

	Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Endowment funds 2020 £	Total funds 2020 £	Total funds 2019 £
Income and endowments from:						
Donations and legacies	2	2,311	-	-	2,311	3,450
Other	3	-	-	-	-	81,685
Investments	4	-	-	33,006	33,006	33,586
Transfer of Wilton Trust Fund	6	-	-	-	-	808,684
Total income and endowments		2,311	-	33,006	35,317	927,405
Expenditure on:						
Other	5	-	-	-	-	(171,864)
Charitable activities	7	261,554	2,150	34,891	298,595	32,268
Total expenditure		261,554	2,150	34,891	298,595	(139,596)
Net income / (expenditure) before investment gains/(losses)						
		(259,243)	(2,150)	(1,885)	(263,278)	1,067,001
Net gains/(losses) on investments	18	(12,110)	(18,165)	(97,889)	(128,164)	(4,135)
Net income before other recognised gains and losses		(271,353)	(20,315)	(99,774)	(391,442)	1,062,866
Net movement in funds		(271,353)	(20,315)	(99,774)	(391,442)	1,062,866
Transfers between funds		(8,728)	-	8,728	-	-
Reconciliation of funds:						
Total funds brought forward		<u>779,696</u>	<u>477,553</u>	<u>799,956</u>	<u>2,057,205</u>	<u>994,339</u>
Total funds carried forward		<u>499,615</u>	<u>457,238</u>	<u>708,910</u>	<u>1,665,763</u>	<u>2,057,205</u>

The financial activities above include £2,311 (2019: £85,385) income and £263,704 (2019: £-168,596) expenditure relating to the charitable company.

The notes on pages 15 to 36 form part of these financial statements.

THE LIVERPOOL COLLEGE FOUNDATION

(A company limited by guarantee)

REGISTERED NUMBER: 00004466

**CONSOLIDATED BALANCE SHEET
AS AT 31 AUGUST 2020**

	Note	£	2020 £	£	2019 £
Fixed assets					
Tangible assets	17		333,000		322,000
Investments	18		<u>1,322,271</u>		<u>1,700,435</u>
			1,655,271		2,022,435
Current assets					
Stocks	19	8,090		8,090	
Debtors	20	4,488		-	
Cash at bank and in hand		<u>47,210</u>		<u>55,996</u>	
		59,788		64,086	
Creditors: amounts falling due within one year	21	<u>(49,296)</u>		<u>(29,316)</u>	
Net current assets/(liabilities)			<u>10,492</u>		<u>34,770</u>
Net assets			<u>1,665,763</u>		<u>2,075,205</u>
Charity Funds					
Endowment funds	22		708,910		799,956
Restricted funds	22		457,238		477,553
Unrestricted funds	22		<u>499,615</u>		<u>779,696</u>
Total funds			<u>1,665,763</u>		<u>2,057,205</u>

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

The Trustees consider that the group is entitled to exemption from the requirement to have an audit under the provisions of section 477 of the Companies Act 2006 ("the Act") and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of the Act.

The Trustees acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees on 23 December 2020 and signed on their behalf, by:



22/1/2021

Mr C C Hubbard, Chairman



31/1/2021

Mr N A Moss, Treasurer

The notes on pages 15 to 36 form part of these financial statements.

THE LIVERPOOL COLLEGE FOUNDATION

**(A company limited by guarantee)
REGISTERED NUMBER: 00004466**

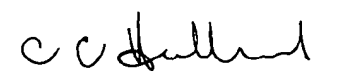
**CHARITABLE COMPANY BALANCE SHEET
AS AT 31 AUGUST 2020**

	Note	£	2020 £	£	2019 £
Fixed assets					
Tangible assets	17		333,000		322,000
Investments	18		626,119		<u>906,394</u>
			959,119		1,228,394
Current assets					
Stocks	19	8,090		8,090	
Debtors	20	4,488		-	
Cash at bank and in hand		17,561		<u>41,353</u>	
		30,139		49,443	
Creditors: amounts falling due within one year	21	(32,405)		<u>(20,588)</u>	
Net current (liabilities)/ assets			(2,266)		<u>28,855</u>
Net assets			956,853		<u>1,257,249</u>
Charity Funds					
Restricted funds	22		457,238		477,553
Unrestricted funds	22		499,615		<u>779,696</u>
Total funds			956,853		<u>1,257,249</u>

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

The parent company has taken advantage of section 408 of the Company Act 2006 and has not included its own Statement of Financial Activities in these financial statements. The parent company's reduction in funds for the year was £300,396 (2019: £262,910).

The financial statements were approved and authorised for issue by the Trustees on 23 December 2020 and signed on their behalf, by:


Mr C C Hubbard, Chairman

22/1/2021


Mr N A Moss, Treasurer

31/1/2021

The notes on pages 15 to 36 form part of these financial statements.

THE LIVERPOOL COLLEGE FOUNDATION

(A company limited by guarantee)

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

1. Accounting Policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the second edition of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)(issued in October 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Liverpool College Foundation (formerly Liverpool College) 'the Company' or 'the Charity' meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The presentational currency of the financial statements is the pound sterling 'GBP'. The amounts included in the financial statements are rounded to the nearest £1.

1.2 Company status

The Company is a company limited by guarantee. The members of the Company are the Trustees named on page 1. In the event of the Company being wound up, the liability in respect of the guarantee is limited to £5 per member of the Company.

The registered office is Beechlands, Liverpool College, Mossley Hill, Liverpool, L18 8BG.

The principal activity is the overall direction, organisation and management of the Foundation as a registered charity and Limited Company under the terms of its Memorandum and Articles of Association as set out in the Trustees' report.

1.3 Going concern

The Trustees consider that it is appropriate to prepare the financial statements on a going concern basis, having reviewed net income and cashflow forecasts for the foreseeable future which is not less than 12 months from the date of approval of these financial statements.

1.4 Basis of consolidation

The group financial statements consolidate those of the charitable company and its subsidiary undertaking drawn up to 31 August 2020 using the purchase method of accounting.

A separate Statement of Financial Activities for the charitable company has not been presented because the Foundation has taken advantage of the exemption afforded by section 408 of the Companies Act 2006.

THE LIVERPOOL COLLEGE FOUNDATION

(A company limited by guarantee)

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

1. Accounting Policies (continued)

1.5 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Group and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Group for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Endowment funds comprise the Wilton Trust Fund. In accordance with its trust deed, income can be used for unrestricted purposes and its capital is restricted as a permanent endowment in charity law.

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

1.6 Income

All income is recognised once the Group has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Donations and legacies

Donations and legacies are included in the Statement of Financial Activities when the Group becomes entitled to them and all pre-conditions have been met.

Grants

Grants of a revenue nature are included in the Statement of Financial Activities once all conditions are met.

THE LIVERPOOL COLLEGE FOUNDATION

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

1. Accounting Policies (continued)

1.7 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.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities. Support costs are those costs incurred directly in support of expenditure on the objects of the Group. Governance costs are those incurred in connection with administration of the Group and compliance with constitutional and statutory requirements.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities and Governance costs are costs incurred on the Group's operations, including support costs and costs relating to the governance of the Group apportioned to charitable activities.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

1.8 Statement of cash flows

No statement of cash flows is presented, as under FRS 102 the Group is exempt from producing such a statement by virtue of its size.

THE LIVERPOOL COLLEGE FOUNDATION

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

1. Accounting Policies (continued)

1.9 Tangible fixed assets and depreciation

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 incorporating income and expenditure account.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. The impairment charge written back relates to the granting of a 125 year peppercorn lease to Liverpool College Independent School Trust on 31 July 2013. The value of the Group's interest in the property at 31 August 2020 represents the discounted value (using a discount rate of 4% and assuming no growth) of the reversionary right in 118 years (2019: 119 years).

Heirlooms are not depreciated and are included at valuation (see 1.18).

1.10 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading 'Net gains on investments' in the Statement of financial activities incorporating income and expenditure account.

1.11 Stocks

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

1.12 Cash at Bank and in hand

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

1.13 Liabilities and provisions

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 Group anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

THE LIVERPOOL COLLEGE FOUNDATION

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

1. Accounting Policies (continued)

1.14 Operating leases

Rentals under operating leases are charged to the Statement of financial activities incorporating income and expenditure account on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

1.15 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Statement of financial activities incorporating income and expenditure account.

1.16 Investment income

Dividends are included when receivable.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Group; this is normally upon notification of the interest paid or payable by the Bank.

1.17 Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into.

A financial liability exists where there is a contractual obligation to deliver cash or another financial asset to another entity, or to exchange financial assets or financial liabilities under potentially unfavourable conditions. In addition, contracts which result in the entity delivering a variable number of its own equity instruments are financial liabilities.

Finance costs and gains or losses relating to financial liabilities are included in the statement of financial activities. The carrying amount of the liability is increased by the finance cost and reduced by payments made in respect of that liability. Finance costs are calculated so as to produce a constant rate of charge on the outstanding liability. Debt issue costs are offset against the debt and amortised over the term of the loan.

1.18 Heritage assets

Heirlooms represent a collection of historic trophies, portraits, pictures, plaques, honours boards and archives. These assets are not subject to depreciation and are revalued periodically.

THE LIVERPOOL COLLEGE FOUNDATION

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

1. Accounting Policies (continued)

1.19 Significant adjustments and key areas of estimation uncertainty

The trustees consider there to be no items in the financial statements where they have had to make significant judgements in the process of applying the Charity's accounting policies or key sources of estimation uncertainty.

2. Income from donations and legacies - Group

	Unrestricted funds 2020 £	Restricted funds 2020 £	Endowment funds 2020 £	Total funds 2020 £	Total funds 2019 £
Donations	<u>2,311</u>	<u>-</u>	<u>-</u>	<u>2,311</u>	<u>3,450</u>
<i>Total 2019</i>	<u>3,450</u>	<u>-</u>	<u>-</u>	<u>3,450</u>	

3. Other income - Group

	Unrestricted funds 2020 £	Restricted funds 2020 £	Endowment funds 2020 £	Total funds 2020 £	Total funds 2019 £
Write back of historical balances no longer due	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>81,685</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Total 2019</i>	<u>81,685</u>	<u>-</u>	<u>-</u>	<u>81,685</u>	

4. Investment income - Group

	Unrestricted funds 2020 £	Restricted funds 2020 £	Endowment funds 2020 £	Total funds 2020 £	Total funds 2019 £
Investment income	<u>-</u>	<u>-</u>	<u>33,006</u>	<u>33,006</u>	<u>33,336</u>
Bank and other interest	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>250</u>
	<u>-</u>	<u>-</u>	<u>33,006</u>	<u>33,006</u>	<u>33,586</u>
<i>Total 2019</i>	<u>250</u>	<u>-</u>	<u>33,336</u>	<u>33,586</u>	

THE LIVERPOOL COLLEGE FOUNDATION

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

5. Other expenditure - Group

	Unrestricted funds 2020 £	Restricted funds 2020 £	Endowment funds 2020 £	Total funds 2020 £	Total funds 2019 £
Fundraising trading expenses					
Write back of historical balances no longer due	-	-	-	-	(171,864)
	-	-	-	-	(171,864)
Net income from other expenditure	-	-	-	-	(171,864)
Total 2019	(171,864)	-	-	(171,864)	

6. Transfer of Wilton Trust Fund - Group

	Unrestricted funds 2020 £	Restricted funds 2020 £	Endowment funds 2020 £	Total funds 2020 £	Total funds 2019 £
Transfer of Wilton Trust Fund	-	-	-	-	808,684
Total 2019	-	-	808,684	808,684	

7. Analysis of resources expended by expenditure type - Group

	Unrestricted fund £	Restricted fund £	Endowment fund £	Total 2020 £	Total 2019 £
Charitable activities	252,254	2,150	34,891	289,295	18,768
Governance costs	9,300	-	-	9,300	13,500
Total	261,554	2,150	34,891	298,595	32,268
2019:					
Charitable activities	(11,547)	1,315	29,000	18,768	
Governance costs	13,500	-	-	13,500	
Total	1,953	1,315	29,000	32,268	

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

8. Analysis of charitable activities expenditure - Group

	Unrestricted fund £	Restricted fund £	Endowment fund £	Total 2020 £	Total 2019 £
Grants payable	262,350	2,150	34,891	299,391	30,315
Support costs	<u>(10,096)</u>	<u>-</u>	<u>-</u>	<u>(10,096)</u>	<u>(11,547)</u>
Total	<u>252,254</u>	<u>2,150</u>	<u>34,891</u>	<u>289,295</u>	<u>18,768</u>
2019:					
Grants payable	-	1,315	29,000	30,315	
Support costs	<u>(11,547)</u>	<u>-</u>	<u>-</u>	<u>(11,547)</u>	
Total	<u>(11,547)</u>	<u>1,315</u>	<u>29,000</u>	<u>18,768</u>	

9. Governance costs - Group

	Unrestricted funds 2020 £	Restricted funds 2020 £	Endowment funds 2020 £	Total funds 2020 £	Total funds 2019 £
Accountancy costs	<u>9,300</u>	<u>-</u>	<u>-</u>	<u>9,300</u>	<u>13,500</u>
2019	<u>13,500</u>	<u>-</u>	<u>-</u>	<u>13,500</u>	

10. Analysis of grants payable - Group

	Unrestricted fund £	Restricted fund £	Endowment fund £	Total 2020 £	Total 2019 £
Grants to institutions	262,350	2,150	-	264,500	1,315
Endowment grants	<u>-</u>	<u>-</u>	<u>34,891</u>	<u>34,891</u>	<u>29,000</u>
Total	<u>262,350</u>	<u>2,150</u>	<u>34,891</u>	<u>299,391</u>	<u>30,315</u>
2019:					
Grants to institutions	-	1,315	-	1,315	
Endowment grants	<u>-</u>	<u>-</u>	<u>29,000</u>	<u>29,000</u>	
Total	<u>-</u>	<u>1,315</u>	<u>29,000</u>	<u>30,315</u>	

THE LIVERPOOL COLLEGE FOUNDATION

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

10. Analysis of grants payable – Group (continued)

Grants were made to Liverpool College Independent School Trust (LCIST) to fund the following programmes:

	2020 £	2019 £
Classroom buildings	250,000	-
Website development	8,000	-
Gladstone Leadership and Management Programme	4,350	-
Brenikov Music scholarship	750	-
School prizes	1,400	1,315
Gifted and Talented programme	34,891	29,000
	<u>299,391</u>	<u>30,315</u>

The Gifted and Talented programme is funded from the Wilton Trust Fund.

11. Support costs – Group

	Charitable activities £	Total 2020 £	Total 2019 £
Administration costs	9,408	9,408	9,242
Bad and doubtful debts recovered	(8,504)	(8,504)	(9,789)
Impairment charge written back	(11,000)	(11,000)	(11,000)
	<u>(10,096)</u>	<u>(10,096)</u>	<u>(11,547)</u>

Support costs for 2019 comprise charitable activities.

12. Trustee remuneration and expenses - Group

During the year, no Trustees received any remuneration (2019: £Nil) or benefits in kind (2019: £nil).
During the year, Trustees received reimbursement of expenses amounting to £2,877 (2019: £2,614).

13. Staff costs - Group

No persons were employed by the Group during the current or prior year.

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

14. Independent Examiners remuneration - Group

Governance costs comprise the Independent Examiners remuneration of £6,300 (2019: £8,800), and accounts preparation of £3,000 (2019: £4,700), as set out below:

	2020 £	2019 £
Independent Examination fee - Foundation	5,100	7,000
Accounts preparation – Foundation	3,000	2,900
Independent Examination fee – The Wilton Trust	1,200	1,800
Onboarding – The Wilton Trust	-	1,800
	<u>9,300</u>	<u>13,500</u>

15. Taxation - Group

Factors affecting tax charge for the year

The Company and its subsidiary undertaking have been granted charitable status and are thus exempt from corporation tax in respect of their charitable activities.

16. Operations of subsidiary undertaking

A summary of the results of the Wilton Trust Fund is set out below:

	2020 £	2019 £
Investment income	33,006	33,336
Charitable activities	(34,891)	(29,000)
Net (expense) / income	(1,885)	4,336
Net losses on investments	(97,889)	(13,064)
Net movement in funds	<u>(99,774)</u>	<u>(8,728)</u>

The net assets and liabilities of the Wilton Trust Fund were:

	2020 £	2019 £
Investments	696,152	794,041
Cash at bank and in hand	29,649	14,643
Creditors: amounts falling due within one year	(16,891)	(8,728)
Net assets	<u>708,910</u>	<u>799,956</u>
Endowment funds	<u>708,910</u>	<u>799,956</u>

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

17. Tangible fixed assets - Group and company

	Freehold property £	Heirlooms £	Total £
Cost			
At 1 September 2019 and 31 August 2020	<u>4,889,073</u>	<u>40,000</u>	<u>4,929,073</u>
Depreciation and impairment			
At 1 September 2019	4,607,073	-	4,607,073
Impairment charge written back	<u>(11,000)</u>	<u>-</u>	<u>(11,000)</u>
At 31 August 2020	<u>4,596,073</u>	<u>-</u>	<u>4,596,073</u>
Net book value			
At 31 August 2020	<u>293,000</u>	<u>40,000</u>	<u>333,000</u>
At 31 August 2019	<u>282,000</u>	<u>40,000</u>	<u>322,000</u>

The impairment charge written back relates to the granting of a 125 year peppercorn lease to Liverpool College Independent School Trust on 31 July 2013. The value of the Company's interest in the property at 31 August 2020 represents the discounted value (using a discount rate of 4% and assuming no growth) of the reversionary right in 118 years (2019: 119 years).

Heirlooms represent a collection of historic trophies, portraits, pictures, plaques, honours boards and archives. These assets are not subject to depreciation and are revalued periodically.

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

18. Fixed asset investments - The Group

	The LCF Investment Fund £	The Wilton Trust Fund £	Total £
Market value			
At 1 September 2019	906,394	794,041	1,700,435
Withdrawals	(250,000)	-	(250,000)
Revaluations	<u>(30,275)</u>	<u>(97,889)</u>	<u>(128,164)</u>
At 31 August 2020	<u><u>626,119</u></u>	<u><u>696,152</u></u>	<u><u>1,322,271</u></u>

Investments at market value comprise:

	2020 £	2019 £
The LCF Investment Fund	626,119	906,394
The Wilton Trust Fund	<u>696,152</u>	<u>794,041</u>
Total market value	<u><u>1,322,271</u></u>	<u><u>1,700,435</u></u>

All the fixed asset investments are held in the UK.

The Company

The charitable company's investments are represented by the LCF Investment Fund above.

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

18. Fixed asset investments - The Group (continued)

The Charity invests in a wide spread of investment funds, focused on a mixture of capital, growth and income, whose underlying investments comprise a broad mixture of investments listed both in the UK and overseas.

All investments are carried at their fair value. Investment in equities are all traded in quoted public markets. Holdings in common investments funds are at the bid price. The basis of fair value for quoted investments is equivalent to the market value, using the bid price. Asset sales and purchases are recognised at the date of trade at cost (that is their transaction value).

The significance of financial instruments to the ongoing financial sustainability of the Charity is considered in the Trustees' Report.

The main risk to the Charity from financial instruments lies in the combination of uncertain investment markets and volatility in yield. The Charity has a significant exposure to international companies, the values of which, together with their yields are exposed to exchange rate risk when converting the holdings into sterling.

Liquidity risk is anticipated to be low as all assets are traded and the commitment to intervention by central banks and market regulators has continued to provide for orderly trading in the markets and so the ability to buy and sell quoted equities and stock is anticipated to continue. The Charity's investments are mainly traded in markets with good liquidity and high trading volumes. The Charity has no material investment holdings in markets subject to exchange controls or trading restrictions.

The Charity manages these investment risks by retaining expert advisors and operating an investment policy that provides for a high degree of diversification of holdings within investment asset classes that are quoted on recognised stock exchanges. The Charity does not make use of derivatives and similar complex financial instruments as it takes the view that investments held for the longer term yield a total return and historic studies of quoted financial instruments have shown that volatility in any particular five year period will normally be corrected.

The LCF Investment Fund

The LCF Investment Fund is invested with St James's Place in a wide range of managed funds with the objective of generating growth. These funds cover equity markets in the UK, Europe, North America and Asia, whilst being balanced by property funds and a significant holding in fixed interest and cash. As at 31 August 2020 approximately 40% of the overall fund was invested in fixed interest, cash and property, with the remainder invested in equities.

The Wilton Trust Fund

The Wilton Trust Fund comprises two underlying funds invested with M&G, designated for charities. Approximately 65% is invested in the Equities Investment Fund for Charities (Charifund), which is primarily invested in UK equities. Approximately 35% is invested in the Charibond Charities Fixed Interest Fund, a portfolio of gilt-edged and other fixed interest stocks and deposits designed to produce a high income whilst preserving capital value.

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

19. Stocks - Group and company

	2020 £	2019 £
Liverpool College 175 years of history books	<u>8,090</u>	<u>8,090</u>

20. Debtor – Group & company

	2020 £	2019 £
Amounts recoverable	<u>4,488</u>	<u>-</u>

21. Creditors: Amounts falling due within one year

	Group 2020 £	Company 2020 £	Group 2019 £	Company 2019 £
Accruals	16,327	16,327	19,738	11,010
Grants payable	32,969	16,078	9,578	9,578
	<u>49,296</u>	<u>32,405</u>	<u>29,316</u>	<u>20,588</u>

THE LIVERPOOL COLLEGE FOUNDATION

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

22. Statement of funds

Statement of funds - Group current year

	Balance at 1 September 2019 £	Income £	Expenditure £	Gains/ (Losses) £	Transfers £	Balance at 31 August 2020 £
Designated funds						
Education Development Fund	<u>354,488</u>	<u>2,300</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>356,788</u>
General funds						
General Fund	<u>425,208</u>	<u>11</u>	<u>(261,554)</u>	<u>(12,110)</u>	<u>(8,728)</u>	<u>142,827</u>
Total Unrestricted funds	<u>779,696</u>	<u>2,311</u>	<u>(261,554)</u>	<u>(12,110)</u>	<u>(8,728)</u>	<u>499,615</u>
Endowment funds						
Wilton Trust Fund	<u>799,956</u>	<u>33,006</u>	<u>(34,891)</u>	<u>(97,889)</u>	<u>8,728</u>	<u>708,910</u>
Restricted funds						
Liverpool College 1840 Foundation	<u>453,303</u>	<u>-</u>	<u>(1,400)</u>	<u>(18,165)</u>	<u>-</u>	<u>433,738</u>
Brenikov Music Scholarship	<u>24,250</u>	<u>-</u>	<u>(750)</u>	<u>-</u>	<u>-</u>	<u>23,500</u>
	<u>477,553</u>	<u>-</u>	<u>(2,150)</u>	<u>(18,165)</u>	<u>-</u>	<u>457,238</u>
Total of funds	<u>2,057,205</u>	<u>35,317</u>	<u>(298,595)</u>	<u>(128,164)</u>	<u>-</u>	<u>1,665,763</u>

THE LIVERPOOL COLLEGE FOUNDATION

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

Statement of funds - Group prior year

	Balance at 1 September 2018 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 August 2019 £
<i>Designated funds</i>					
<i>Education Development Fund</i>	<u>351,038</u>	<u>3,450</u>	<u>-</u>	<u>-</u>	<u>354,488</u>
<i>General funds</i>					
<i>General Fund</i>	<u>169,786</u>	<u>81,935</u>	<u>169,911</u>	<u>3,576</u>	<u>425,208</u>
<i>Total Unrestricted funds</i>	<u>520,824</u>	<u>85,385</u>	<u>169,911</u>	<u>3,576</u>	<u>779,696</u>
<i>Endowment funds</i>					
<i>Wilton Trust Fund</i>	<u>-</u>	<u>842,020</u>	<u>(29,000)</u>	<u>(13,064)</u>	<u>799,956</u>
<i>Restricted funds</i>					
<i>Liverpool College 1840 Foundation</i>	<u>449,265</u>	<u>-</u>	<u>(1,315)</u>	<u>5,353</u>	<u>453,303</u>
<i>Brenikov Music Scholarship</i>	<u>24,250</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>24,250</u>
	<u>473,515</u>	<u>-</u>	<u>(1,315)</u>	<u>5,353</u>	<u>477,553</u>
<i>Total of funds</i>	<u>994,339</u>	<u>927,405</u>	<u>139,596</u>	<u>(4,135)</u>	<u>2,057,205</u>

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

Statement of funds – Charitable company current year

	Balance at 1 September 2019	Income	Expenditure	Gains/ (Losses)	Transfers	Balance at 31 August 2020
Designated funds						
Education Development Fund	<u>354,488</u>	<u>2,300</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>356,788</u>
General funds						
General Fund	<u>425,208</u>	<u>11</u>	<u>(261,554)</u>	<u>(12,110)</u>	<u>(8,728)</u>	<u>142,827</u>
Total Unrestricted funds	<u>779,696</u>	<u>2,311</u>	<u>(261,554)</u>	<u>(12,110)</u>	<u>(8,728)</u>	<u>499,615</u>
Restricted funds						
Liverpool College 1840 Foundation	<u>453,303</u>	<u>-</u>	<u>(1,400)</u>	<u>(18,165)</u>	<u>-</u>	<u>433,738</u>
Brenikov Music Scholarship	<u>24,250</u>	<u>-</u>	<u>(750)</u>	<u>-</u>	<u>-</u>	<u>23,500</u>
	<u>477,553</u>	<u>-</u>	<u>(2,150)</u>	<u>(18,165)</u>	<u>-</u>	<u>457,238</u>
Total of funds	<u>1,257,249</u>	<u>2,311</u>	<u>(263,704)</u>	<u>(30,275)</u>	<u>(8,728)</u>	<u>956,853</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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22. Statement of funds (continued)

Statement of funds – Charitable company prior year

	<i>Balance at 1 September 2018 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2019 £</i>
<i>Designated funds</i>					
<i>Education Development Fund</i>	<u>351,038</u>	<u>3,450</u>	<u>-</u>	<u>-</u>	<u>354,488</u>
<i>General funds</i>					
<i>General Fund</i>	<u>169,786</u>	<u>81,935</u>	<u>169,911</u>	<u>3,576</u>	<u>425,208</u>
<i>Total Unrestricted funds</i>	<u>520,824</u>	<u>85,385</u>	<u>169,911</u>	<u>3,576</u>	<u>779,696</u>
<i>Restricted funds</i>					
<i>Liverpool College 1840 Foundation</i>	449,265	-	(1,315)	5,353	453,303
<i>Brenikov Music Scholarship</i>	24,250	-	-	-	24,250
	<u>473,515</u>	<u>-</u>	<u>(1,315)</u>	<u>5,353</u>	<u>477,553</u>
<i>Total of funds</i>	<u>994,339</u>	<u>85,385</u>	<u>168,596</u>	<u>8,929</u>	<u>1,257,249</u>

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

Notes

i) Unrestricted funds

The general fund and the Education Development Fund are unrestricted.

The Education Development Fund has been invested for income and growth.

ii) Restricted funds

a) The Liverpool College 1840 Foundation

- The Liverpool College 1840 Foundation is for educational development.
- These funds comprise a number of historic donations. The detailed restrictions attached to these funds vary in nature.
- The Liverpool College 1840 Foundation Fund has been invested for income and growth.

b) The Brenikov Music Scholarship

- The Brenikov Music Scholarship is to be invested for income and growth, with a commitment to use 3% of the capital annually to fund music lessons for pupils who show talent in music but who cannot afford music lessons.

iii) Endowment funds

c) The Wilton Trust Fund

- The Wilton Trust Fund is invested to generate income and maintain capital.
- It is an endowment fund which was established to promote or further the education of students of Liverpool College Independent School Trust (the Academy).
- The Trustees agreed that this fund should support the Academy's Gifted and Talented Programme, a wide-ranging programme of activities which is structured to provide opportunities for all students throughout the Academy.

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

22. Analysis of net assets between funds

Analysis of net assets between funds - the Group – current year

	Unrestricted funds 2020 £	Restricted funds 2020 £	Endowment funds 2020 £	Total funds 2020 £
Tangible fixed assets	333,000	-	-	333,000
Fixed asset investments	100,857	525,262	696,152	1,322,271
Current assets	30,139	-	29,649	59,788
Creditors due within one year	35,619	(68,024)	(16,891)	(49,296)
	<u>499,615</u>	<u>457,238</u>	<u>708,910</u>	<u>1,665,763</u>

Analysis of net assets between funds - the Group – prior year

	Unrestricted funds 2019 £	Restricted funds 2019 £	Endowment funds 2019 £	Total funds 2019 £
Tangible fixed assets	322,000	-	-	322,000
Fixed asset investments	362,967	543,427	794,041	1,700,435
Current assets	32,204	17,239	14,643	64,086
Creditors due within one year	62,525	(83,113)	(8,728)	(29,316)
	<u>779,696</u>	<u>477,553</u>	<u>799,956</u>	<u>2,057,205</u>

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

22. Analysis of net assets between funds (continued)

Analysis of net assets between funds - current year - the charitable company

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Tangible fixed assets	333,000	-	333,000
Fixed asset investments	100,857	525,262	626,119
Current assets	30,139	-	30,139
Creditors due within one year	35,619	(68,024)	(32,405)
	499,615	457,238	956,853

Analysis of net assets between funds - the charitable company – prior year

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £
Tangible fixed assets	322,000	-	322,000
Fixed asset investments	362,967	543,427	906,443
Current assets	32,204	17,239	49,443
Creditors due within one year	62,525	(83,113)	(20,588)
	779,696	477,553	1,257,249

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

23. Contingent liabilities

In July 2013 the Company received £2,500,000 from the Department for Education (DfE). The money is repayable in the event that the Funding Agreement between Liverpool College Independent School Trust and the DfE is terminated.

24. Capital commitments

The group had no capital commitments at 31 August 2020 or 31 August 2019.

25. Liverpool College Independent School Trust (LCIST)

The activities of the main school were transferred from the Company to LCIST to operate an Academy from 1 September 2013.

On 31 July 2013, the Company granted a 125 lease of the whole school campus and the buildings thereon at a peppercorn rent. During that year, a grant of £2,500,000 was received from the Department for Education. The loan is repayable in the event that the funding agreement between LCIST and the Department for Education is terminated.

26. Post balance sheet events

The World Health Organisation declared the spread of Coronavirus as a global pandemic on 11 March 2020. The Trustees have disclosed the effect on the financial statements for this reporting period in the Trustees' Report, notably the downward valuation of the invested funds. The impact since the year-end has not been significant.