



The Liverpool Joint Catholic and
Church of England Academies Trust



Diocese of
Liverpool

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

(A Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2016

WEDNESDAY



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COMPANIES HOUSE

**Company Registration Number: 07007398
(England and Wales)**

THE LIVERPOOL JOINT CATHOLIC AND CHURCH OF ENGLAND ACADEMIES TRUST

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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
Mr A Scott
Rt. Rev. Richard Blackburn
Father M O'Dowd

Trustees

Mr P Alcock	Chair of the Local Governing Body at The Academy of St Francis of Assisi (appointed 19 th October 2015)
Mr K Sexton	Chair of the Local Governing Body at Enterprise South Liverpool Academy
Mr T Warren	Archdiocese of Liverpool's Director of Schools and Colleges (appointed 19 th October 2015)
Mr B Marsh	Chair of the Trust Board
Mr M Elliot	Chair of the Audit Committee (appointed 19 th October 2015)
Lady E Hedley	Vice-Chair of the Local Governing Body at The Academy of St Francis of Assisi (appointed 24 th November 2015)
Dr J Richardson	Diocese of Liverpool's Director of Education (appointed 19 th October 2015)
Mr A Scott	Vice-Chair of the Trust Board (appointed 19 th October 2015)
Mrs A Pontifex	Ex-Officio (Executive Headteacher) (appointed 1 st September 2015)

Senior Management Team	Position
Mrs A Pontifex	Executive Headteacher
Mr D Clayton	Trust Director of Finance and Resources
Mrs T Greenough	Head of School – The Academy of St Francis of Assisi
Ms L Foley	Head of School – Enterprise South Liverpool Academy

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Reference and Administrative Details

Company Name	The Liverpool Joint Catholic and Church of England Academies Trust
Principal and Registered Office	51 Horrocks Avenue Garston Liverpool L19 5NY
Company Registration Number	07007398 (England and Wales)
Independent Auditor	RSM UK Audit LLP Chartered Accountants Bluebell House Brian Johnson Way Preston PR2 5PE
Bankers	The Cooperative Bank PO Box 250 Skelmersdale WN8 6WT

THE LIVERPOOL JOINT CATHOLIC AND CHURCH OF ENGLAND ACADEMIES TRUST

Trustees' Report

The Trustees present their report together with the financial statements and auditor's report of the charitable company for the year 1 September 2015 to 31 August 2016. The report serves the purposes of both a trustees' report, and a directors' report under company law.

The trust operates two Academies for pupils aged 11 – 18 in Liverpool. It's Academies have a combined pupil capacity of 2,160, and a roll of 1,640 in the school census in October 2016.

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 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. The charitable company is known as The Liverpool Joint Catholic and Church of England Academies Trust.

Details of the Trustees who served during the period are included in the Reference and Administrative Details on page 2.

Members' liability

Each member of the 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 Executive Headteacher 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 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.

THE LIVERPOOL JOINT CATHOLIC AND CHURCH OF ENGLAND ACADEMIES TRUST

Trustees' Report

Organisational Structure

The management structure consists of two levels: Governance (being the Trust Board and the Local Governing Bodies), and the Trust Management team comprising the Executive Headteacher (who is also the Accounting Officer), the Trust Director of Finance and Resources and the Head of School 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 Trust Management Team controls the Academy Trust at an executive level implementing the policies laid down by the Trustees and reporting back to them. As a group the Trust Management team 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 Head of School, which includes a combination of Deputy Heads of School, Assistant Heads of School, Directors of Curriculum and Directors of Progress. These leaders, along with the Trust Management Team, 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.

Related Parties and other Connected Charities and 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.

Objectives and Activities

Objects and Aims

The principal object and activity of the charitable company is the operation of the Academy of St Francis of Assisi and Enterprise South Liverpool Academy:

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Trustees' Report

- 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 2016 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.

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Trustees' Report

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.

Strategic Report

Achievements and Performance

Performance against Objectives

Educational performance within the Trust demonstrated an improving trend in 2015/16. Both Academies secured improvements in the number of students achieving 5 or more A*-C grades including English and Maths. Whilst improving, both Academies achieved a progress 8 score which is below the government's floor target. Enterprise South Liverpool Academy achieved a progress 8 score of -0.91 with 31% of its students achieving a grade C or above in Maths and English, whilst The Academy of St Francis of Assisi achieved a progress 8 score of -0.72 with 19% of students achieving a grade C or above in Maths and English.

Since the establishment of the new Trust arrangements in January 2016, significant changes have been implemented within both Academies in order to achieve improvements in Academic outcomes. The Trust therefore remains optimistic regarding academic performance in 2016/17.

Ofsted Section 5 Inspection

The Academy of St Francis of Assisi achieved a 'Good' Section 5 inspection following its latest inspection in November 2012.

Enterprise South Liverpool Academy was subject to a Section 5 inspection in November 2016. Inspectors judged that the Academy no longer required special measures, and the judgement on overall effectiveness improved from inadequate to requires improvement. Inspectors commented positively on the additional capacity provided by the Trust, and the Academy's ability to achieve further improvements. Subsequently, the Academy has implemented a plan for "getting to good".

Going Concern

After making appropriate enquiries, 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.

Financial Review

Financial Objectives

The Academy Trust's financial objectives are:

- to achieve an annual operating surplus;

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Trustees' Report

- 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 Funding Agency (EFA) 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.

Excluding the transfer of assets from The Academy of St Francis of Assisi on 1st January 2016, expenditure for the year exceeded income by £1,014,000 (2015: £1,508,000) after providing for depreciation and loss on disposal of fixed assets totalling £1,301,000 (2015: £1,205,000). The surplus generated before providing for depreciation and loss on disposal of fixed assets was £287,000 (2015: deficit of £303,000).

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 very best resources for our students to ensure that they continue to receive the very best education.

At 31 August 2016 the net book value of fixed assets was £37,781,000 (2015: £21,001,000) and movements in tangible fixed assets are shown in note 11 to the financial statements.

The Academy Trust held fund balances at 31 August 2016 of £30,707,000 (2015: £16,797,000) comprising £37,781,000 (2015: £21,000,000) of restricted fixed asset funds, and £493,000 (2015: £134,000) of unrestricted funds, offset by a pension scheme liability totalling £7,064,000 (2015: £3,668,000) and a deficit of £539,000 (Aug 2015: £650,000) on restricted general funds. The fund balances are adequate to fulfil the obligations of the Academy Trust and provide a balance against most unforeseen future events.

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. The Academy Trust's financial position has improved ahead of this plan, demonstrated by the improvement in the free reserves position. At the end of the prior year, free reserves were in a deficit position totalling £516,000, and this has reduced to a deficit of £11,000 at 31st August 2016. The Trust expects to achieve a cumulative surplus position by 31st August 2017.

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Trustees' Report

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.

Risk Management

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 Management Team 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 Audit Committee and Trust Management Team. 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.

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

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Trustees' Report

- 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

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.

Plans for Future Periods

The main objectives for the coming year are to:

- Develop leadership capacity amongst the Academy Trust's staff through increased accountability and high quality CPD
- Improve teaching, learning and assessment in order to secure the best possible progress for students
- Develop the whole child through our unique Christian ethos, values and environmental specialism to create respectful, caring and compassionate citizens in the community
- Continue to develop the Trust's business model to secure financial sustainability by maximising student recruitment, continuing to ensure all spending offers value for money and ensuring appropriate strategies are in place to develop the Academy Trust's premises and IT resources.

The Academy Trust will continue striving to improve the levels of performance of its students at all levels and will continue its efforts to ensure its students progress into further education at the Academy Trust and other institutions.

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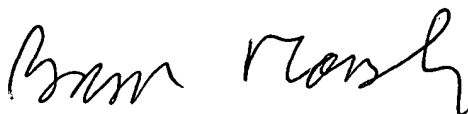
Trustees' Report

Statement as to disclosure of information to auditors

In so far as the Trustees are aware

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

Trustees' report, incorporating a strategic report, approved by order of the board of Trustees, as the Company Directors, on 8th December 2016 and signed on its behalf by:



Bryn Marsh
Chair

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 Executive Headteacher, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between The Liverpool 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 five times during the year and attendance was as follows:

	Meetings Attended	Out of a Possible
Mr B Marsh (Chair)	5	5
Mr A Scott (Vice-Chair)	5	5
Mr K Sexton	5	5
Mr P Alcock	4	5
Mr M Elliott	4	5
Mr J Richardson	4	5
Mr T Warren	4	5
Lady E Hedley	4	4
Mrs A Pontifex	4	5

Governance Review

The board of Trustees has reviewed a number of key policies and procedures in the year to evaluate their effectiveness. 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

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Governance Statement

- 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

	Meetings Attended	Out of a Possible
Mr M Elliott (Chair)	1	1
Mr K Sexton	1	1
Mr P Alcock	1	1

Review of Value for Money

As accounting officer the Executive Headteacher 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 new Trust arrangement to reduce costs.

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 2016 and up to the date of approval of the annual report and financial statements.

THE LIVERPOOL JOINT CATHOLIC AND CHURCH OF ENGLAND ACADEMIES TRUST

Governance Statement

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 2016 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

The Risk and Control Framework

The Academy 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. On a termly basis, 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 Executive Headteacher has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the 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.

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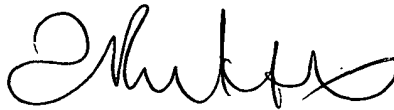
Governance Statement

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Audit Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 8th December 2016 and signed on its behalf by:



Bryn Marsh
Chair



Anne Pontifex
Executive Headteacher and Accounting Officer

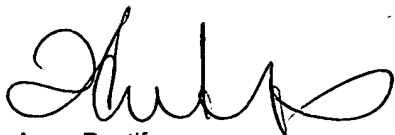
THE LIVERPOOL JOINT CATHOLIC AND CHURCH OF ENGLAND ACADEMIES TRUST

Statement on 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 Board of Trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with Education Funding Agency terms and conditions of funding, under the funding agreement in place between the Academy Trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

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.

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 the Education Funding Agency.



Anne Pontifex

Executive Headteacher and Accounting Officer

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Statement of Trustees' Responsibilities

The Trustees (who act as Governors of The Liverpool Joint Catholic and Church of England Academies Trust and are also the Directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Annual Accounts Direction published by the Education 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:

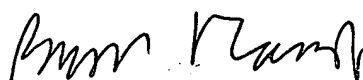
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2005;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 grants received from the Education Funding Agency/Department for Education 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 8th December 2016 and signed on its behalf by:



Bryn Marsh
Chair

THE LIVERPOOL JOINT CATHOLIC AND CHURCH OF ENGLAND ACADEMIES TRUST

Independent Auditors' Report to the Board of Trustees of The Liverpool Joint Catholic and Church of England Academies Trust for the period ending on 31 August 2016

We have audited the financial statements of The Liverpool Joint Catholic and Church of England Multi Academy Trust for the year ended 31 August 2016 on pages 20 to 45 the financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), and the Academies: Accounts Direction 2015/16 issued by the Education Funding Agency.

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.

Respective responsibilities of governors and auditor

As explained more fully in the Statement of Trustees' Responsibilities set out on page 17, the Trustees (who act as trustees for the charitable activities of the company, and are the directors of the 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.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditscopeukprivate>.

Opinion on financial statements

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 2016 and of company's 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 Companies Act 2006; and
- have been prepared in accordance with the Academies: Accounts Direction 2015/16 issued by the Education Funding Agency.

Opinion on other requirement of the Companies Act 2006

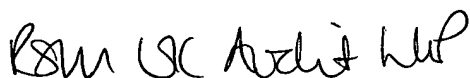
In our opinion the information given in the Trustees' Report and the incorporated Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

THE LIVERPOOL JOINT CATHOLIC AND CHURCH OF ENGLAND ACADEMIES TRUST

Matters on which we are required to report by exception

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

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



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

Date 20/12/16.

THE LIVERPOOL JOINT CATHOLIC AND CHURCH OF ENGLAND ACADEMIES TRUST

Statement of Financial Activities for the Year Ended 31 August 2016 (including Income and Expenditure Account)

	Note	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total 2016 £000	Total 2015 <i>Restated</i> £000
Income and endowments from:						
• Donations and capital grants	2	223	(556)	17,999	17,666	50
Incoming resources from charitable activities:						
• Funding for the Academy Trust's education operations	5	-	11,248	-	11,248	6,938
• Other trading activities	3	58	81	-	139	32
• Investment income	4	78	-	-	78	-
Total		359	10,773	17,999	29,131	7,020
Expenditure on:						
Raising funds	6	-	-	-	-	1
Charitable activities						
• Academy Trust's educational operations	7	-	(11,179)	(1,301)	(12,480)	8,527
Total	6	-	(11,179)	(1,301)	(12,480)	8,528
Net income / (expenditure)		359	(406)	16,698	16,651	(1,508)
Transfers between funds	16	-	(83)	83	-	-
Net income / (expenditure) for the year		359	(489)	16,781	16,651	(1,508)
Other recognised gains / (losses)						
Remeasurement of defined benefit pension scheme	24	-	(2,741)	-	(2,741)	(146)
Net movement in funds		359	(3,230)	16,781	13,910	(1,654)
Funds brought forward at 1 September 2015	15	134	(4,338)	21,000	16,796	18,451
Funds / (deficit) carried forward at 31 August 2016		493	(7,568)	37,781	30,706	16,797

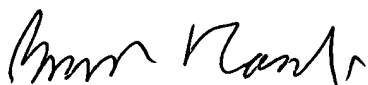
THE LIVERPOOL JOINT CATHOLIC AND CHURCH OF ENGLAND ACADEMIES TRUST

Balance Sheet as at 31 August 2015

(Company Limited by Guarantee - number 07007398)

	Notes	2016 £000	2015 £000
Fixed assets			
Tangible assets	11	37,781	21,001
Current assets			
Debtors	12	653	317
Cash at bank and in hand		889	302
		<u>1,542</u>	<u>619</u>
Liabilities			
Creditors: Amounts falling due within one year	13	(1,435)	(1,004)
Net current assets		107	(385)
Total assets less current liabilities		37,888	20,616
Creditors: Amounts falling due after more than one year	14	(118)	-
Pension scheme liability	24	(7,064)	(3,688)
Net assets including pension liability		30,706	16,797
Funds of the Academy Trust:			
Restricted income funds			
Fixed asset funds	15	37,781	21,001
General funds	15	(504)	(650)
Pension reserve	15	(7,064)	(3,688)
		<u>30,213</u>	<u>16,663</u>
Unrestricted General fund	15	493	134
Total Funds	15	30,706	16,797

These financial statements on pages 20 to 41 were approved by the Board of Trustees and authorised for issue on 8th December 2016 and signed by:



Bryn Marsh
Chair

THE LIVERPOOL JOINT CATHOLIC AND CHURCH OF ENGLAND ACADEMIES TRUST

Cash Flow Statement for the Year Ended 31 August 2016

	Notes	2016 £000	2015 £000
Cash flows from operating activities			
Net cash provided by operating activities	20	139	114
Cash flows from investing activities	20	(5)	(26)
Cash flows from financing activities		-	-
Cash transferred from The Academy of St Francis of Assisi		453	-
Change in cash and cash equivalents in the period		587	88
Cash and cash equivalents at 31 August 2016		302	214
Cash and cash equivalents at 31 August 2016	21	889	302

THE LIVERPOOL JOINT CATHOLIC AND CHURCH OF ENGLAND ACADEMIES TRUST

Notes to the Financial Statements for the Year Ended 31 August 2016

1. Statement of Accounting Policies

1.1. Basis of Preparation

The financial statements of The Liverpool Joint Catholic and Church of England Academies Trust, which is a public benefit entity under FRS 102, 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 accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2015 to 2016 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

The Liverpool Joint Catholic and Church of England Academies Trust meets the definition of a public benefit entity under FRS 102.

The financial statements of The Liverpool Joint Catholic and Church of England Academies Trust for the year ended 31 August 2015 were prepared in accordance with previous Generally Accepted Accounting Practice ('UK GAAP') and SORP 2005.

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the trustees have amended certain accounting policies to comply with FRS 102 and SORP 2015. The trustees have also taken advantage of certain exemptions from the requirements of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'.

1.2. Going Concern

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the 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.

1.3. Fund accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objectives of the Academy Trust at the discretion of the Trustees.

Restricted fixed asset funds are resources which are applied to specific capital purposes imposed by funders where the asset acquired 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.

THE LIVERPOOL JOINT CATHOLIC AND CHURCH OF ENGLAND ACADEMIES TRUST

Notes to the Financial Statements for the Year Ended 31 August 2016

1.4. Incoming Resources

All incoming resources are recognised when the Academy Trust has entitlement to the funds, there is certainty of receipt and the amount can be measured with sufficient reliability.

- **Grants receivable**

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 entitlement its recognition is deferred and it is included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund.

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

- **Donations**

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

- **Other income**

Other income is recognised in the period it is receivable and to the extent the goods have been provided or on completion of the service.

1.5. Resources expended

All expenditure is recognised in the period in which a liability is incurred and is classified under headings that aggregate all costs relating to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the relevant proportions of the asset's use. Other support costs are allocated based on the spread of staff costs.

- **Costs of generating funds**

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

- **Charitable activities**

These are costs incurred on the Academy Trust's educational operations.

- **Governance costs**

These include the costs attributable to the Academy Trust's compliance with constitutional and statutory requirements, including audit, strategic management and Trustees' meetings and reimbursed expenses.

All resources expended are inclusive of irrecoverable VAT.

THE LIVERPOOL JOINT CATHOLIC AND CHURCH OF ENGLAND ACADEMIES TRUST

Notes to the Financial Statements for the Year Ended 31 August 2016

1.6. Tangible Fixed Assets

Assets costing £500 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. 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 such costs is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy Trust's depreciation policy.

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

Freehold buildings	2%
Furniture and equipment	Either 10% or 20%
Computer equipment	25% or 33.33%

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

1.7. 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.

1.8. Pension Benefits

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme ("TPS") and the Local Government Pension Scheme ("LGPS"). These are defined benefit schemes, and the assets are held separately from those of the Academy Trust.

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 quinquennial valuations using a prospective benefit method. As stated in note 24, the TPS is a multi employer scheme and the Academy Trust is unable to identify its share of the underlying

THE LIVERPOOL JOINT CATHOLIC AND CHURCH OF ENGLAND ACADEMIES TRUST

Notes to the Financial Statements for the Year Ended 31 August 2016

assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

The LGPS is a funded 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 method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest costs are shown as a net finance amount in Resources Expended. Actuarial gains and losses are recognised immediately in Other Gains and Losses.

1.9. Leased assets

Rentals under operating leases are charged to the Statement of Financial Activities on the straight-line basis over the lease term.

1.10. Liabilities

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the academy 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.

1.11. 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 EFA. Payments received from EFA 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 25.

Enterprise South Liverpool Academy, 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.

THE LIVERPOOL JOINT CATHOLIC AND CHURCH OF ENGLAND ACADEMIES TRUST

Notes to the Financial Statements for the Year Ended 31 August 2016

1.12. Restatement of Comparatives

The prior period figures have been restated due to the reclassification of certain items of income and expenditure between categories. In addition, certain items within creditors, as presented in note 13, have also been reclassified. The Board of Trustees believe that the reclassifications result in a fairer presentation of the financial statements.

1.13. Critical accounting estimates and areas of judgement

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 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 (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 25, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation has been used by the actuary in valuing the pensions liability at 31 August 2016. 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.

THE LIVERPOOL JOINT CATHOLIC AND CHURCH OF ENGLAND ACADEMIES TRUST

Notes to the Financial Statements for the Year Ended 31 August 2016

2. Donations and capital grants

	Unrestricted Funds £000	Restricted Funds £000	Total 2016 £000	Total 2015 <i>Restated</i> £000
Capital grants	-	33	33	18
Amounts transferred from The Academy of St Francis of Assisi	223	17,385	17,608	-
Other donations	-	25	25	32
	223	17,443	17,666	50

3. Other trading activities

	Unrestricted Funds £000	Restricted Funds £000	Total 2016 £000	Total 2015 <i>Restated</i> £000
Hire of facilities	42	-	42	29
Catering income	-	54	54	-
Other income	16	27	43	3
	58	81	139	32

4. Investment Income

	Unrestricted Funds £000	Restricted Funds £000	Total 2016 £000	Total 2015 £000
Bank deposit interest	78	-	78	-
	78	-	78	-

THE LIVERPOOL JOINT CATHOLIC AND CHURCH OF ENGLAND ACADEMIES TRUST

Notes to the Financial Statements for the Year Ended 31 August 2016

5. Funding for Academy Trust's educational operations

	Unrestricted Funds £000	Restricted Funds £000	Total 2016 £000	Total 2015 <i>Restated</i> £000
DfE/EFA Grants				
• General Annual Grant	-	10,167	10,167	6,373
• Other DfE/EFA Grants	-	1,053	1,053	545
	-	11,220	11,220	6,918
Other Government Grants				
• Local Authority Grants	-	28	28	20
	-	28	28	20
	-	11,248	11,248	6,938

6. Resources Expended

	Non Pay Expenditure				Total 2015 <i>Restated</i> £000
	Staff Costs £000	Premises costs £000	Other costs £000	Total 2016 £000	
Expenditure on raising funds	-	-	-	-	1
Academy Trust's educational operations:					
• Direct costs	6,832	1,004	1,579	9,415	5,007
• Allocated support costs	1,131	959	975	3,065	3,520
	7,963	1,963	2,554	12,480	8,528

Net income/(expenditure) for the period includes:

	2016 £000	2015 £000
Operating lease rentals	27	31
Depreciation	1,299	1,205
Loss on disposal	2	-
Fees payable to auditor for:		
• Audit	23	7
• Other services	2	3

THE LIVERPOOL JOINT CATHOLIC AND CHURCH OF ENGLAND ACADEMIES TRUST

Notes to the Financial Statements for the Year Ended 31 August 2016

Included within resources expended are £nil (2015: £nil) of fixed asset losses on disposal. None of these transactions were more than £5,000 individually.

7. Charitable Activities – Academy Trust's educational operations

	2016 £000	2015 <i>Restated</i> £000
Direct costs – educational operations		
Teaching and educational support staff costs	6,832	4,113
Depreciation	1,299	1,205
Loss on disposal	2	-
Educational supplies	187	53
Examination fees	213	79
Staff development	37	17
Educational consultancy	703	550
Other direct costs	142	105
	9,415	6,122
Allocated support costs – educational operations		
Support staff costs	1,131	1,179
Maintenance of premises and equipment	508	215
Cleaning	151	17
Energy	192	117
Rent and business rates	67	98
Insurance	42	27
Security and transport	132	97
Catering	267	173
Bank interest and charges	5	120
Technology costs	152	90
Other support costs	309	226
Governance costs	111	47
	3,065	2,406
Total direct and support costs	12,480	8,528

THE LIVERPOOL JOINT CATHOLIC AND CHURCH OF ENGLAND ACADEMIES TRUST

Notes to the Financial Statements for the Year Ended 31 August 2016

Central Services

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

- human resources
- financial services
- educational support services
- others as arising

The trust charges for these services on an equal basis.

The actual amounts charged during the year were as follows:

	2016 £000	2015 £000
Enterprise South Liverpool Academy	91	-
The Academy of St Francis of Assisi	91	-
	182	-

8. Staff

a. Staff costs

	2016 £000	2015 <i>Restated</i> £000
Staff costs during the period were:		
Wages and salaries	5,797	4,133
Social security costs	523	305
Operating costs of defined benefit pension schemes	1,004	543
	7,324	4,981
Supply staff costs	370	156
Staff restructuring costs	269	155
	7,962	5,292

b. Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual payments totalling £96,653 (2015: £11,500). Individually, the payments were £28,264, £30,000, £20,000, £10,000, £4,400, £3,789, £100 and £100.

THE LIVERPOOL JOINT CATHOLIC AND CHURCH OF ENGLAND ACADEMIES TRUST

Notes to the Financial Statements for the Year Ended 31 August 2016

c. Staff numbers

The average number of persons employed by the Academy Trust during the year expressed as full time equivalents was as follows:

	2016 No.	2015 No.
Charitable activities:		
Teachers	88	67
Administration and Support	81	60
Management	12	4

d. Higher paid staff

The number of employees whose emoluments exceeded £60,000 was:

	2016 No.	2015 No.
£60,001 - £70,000	2	3
£70,001 - £80,000	-	1
£80,001 - £90,000	2	-
£100,001- £110,000	-	1
£140,001 - £150,000	1	-

e. Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £455,568 (2015: £177,996)

9. Related Party Transactions – Trustees' Remuneration and Expenses

The Executive Headteacher and other Staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Executive Headteacher and staff under their contracts of employment, and not in respect of their services as Trustees. Other Trustees did not receive any payments from the Academy Trust in respect of their role as Trustees. The value of Trustees' remuneration and other benefits was as follows:

Jack Pendlebury (Principal and Trustee to 31 December 2014):

- Remuneration £nil (2015: £35,000 - £40,000)
- Employer's pension contributions £nil (2015: £5,000 - £10,000)

Kevin Unsworth (Head of School and Trustee from 1 March 2015 to 1 September 2015):

- Remuneration £nil (2015: £75,000 - £80,000)
- Employer's pension contributions £nil (2015: £10,000 - £15,000)

THE LIVERPOOL JOINT CATHOLIC AND CHURCH OF ENGLAND ACADEMIES TRUST

Notes to the Financial Statements for the Year Ended 31 August 2016

Anne Pontifex (Executive Headteacher and Trustee from 1 March 2015 to 29 February 2016):

- Remuneration £145,000 - £150,000 (2015: £75,000 - £80,000)
- Employer's pension contributions £20,000 - £25,000 (2015: £10,000 - £15,000)

William Meredith (Trustee to 1 September 2015)

- Remuneration £nil (2015: £15,000 - £20,000)
- Employer's pension contributions £nil (2015: £0- £5,000)

Other related party transactions involving the trustees are set out in note 24.

10. 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 million on any one claim and the cost for the year was £1,000 (2015: £1,000). The cost of this insurance is included in the total insurance cost.

11. Tangible Fixed Assets

	Freehold Property £000	Computer Equipment £000	Furniture & Equipment £000	Total £000
Cost				
At 1 September 2015	21,113	1,538	1,331	23,982
Assets transferred from the Academy of St Francis of Assisi	17,597	88	275	17,960
Additions	53	60	9	122
Disposals	-	(67)	-	(67)
At 31 August 2016	38,763	1,619	1,615	41,997
Depreciation				
At 1 September 2015	1,056	1,273	653	2,983
Charged in year	702	295	302	1,299
Disposals	-	(65)	-	(65)
At 31 August 2016	1,758	1,503	955	4,216
Net book values				
At 31 August 2016	37,005	116	660	37,781
At 31 August 2015	20,056	265	678	20,999

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.

THE LIVERPOOL JOINT CATHOLIC AND CHURCH OF ENGLAND ACADEMIES TRUST

Notes to the Financial Statements for the Year Ended 31 August 2016

12. Debtors

	2016 £000	2015 £000
Trade debtors	120	80
VAT recoverable	197	43
Other debtors	1	-
Prepayments and accrued income	335	194
	653	317

13. Creditors: Amounts Falling Due Within One Year

	2016 £000	2015 <i>Restated</i> £000
Trade creditors	1	146
Taxation and social security	287	81
Amounts due to the Education Funding Agency	13	-
Other creditors	496	425
Accruals and deferred income	638	352
	1,435	1,004

Deferred income

Deferred income at 1 September 2015	98
Resources deferred in the year	58
Amounts released from previous years	(98)
Deferred income at 31 August 2016	58

The deferred income creditor at 31 August 2016 comprised a number of restricted grants received for specific purposes.

14. Creditors: Amounts Falling Due After More Than One Year

	2016 £000	2015 <i>Restated</i> £000
Amounts due to the Education Funding Agency	118	131
	118	131

THE LIVERPOOL JOINT CATHOLIC AND CHURCH OF ENGLAND ACADEMIES TRUST

Notes to the Financial Statements for the Year Ended 31 August 2016

15. Funds

	Balance at 1 September 2015 £000	Income £000	Expenditure £000	Gains, losses and transfers £000	Balance at 31 August 2016 £000
Restricted general funds					
General Annual Grant	(650)	10,161	(9,966)	(83)	(538)
Pupil Premium	-	913	(913)	-	-
Other grants and income	-	273	(239)	-	34
Pension reserve	(3,688)	(574)	(61)	(2,741)	(7,064)
	(4,338)	10,773	(11,179)	(2,824)	(7,568)
Restricted fixed asset funds					
DfE/EFA capital grants	245	15,760	(419)	-	15,586
Funded from GAG	197	549	(196)	83	633
Sponsorship funded	20,558	1,690	(686)	-	21,562
	21,000	17,999	(1,301)	83	37,781
Total restricted funds	16,662	28,772	(12,480)	(2,741)	30,213
Unrestricted funds					
Unrestricted funds	134	359	-	-	493
Total unrestricted funds	134	359	-	-	493
Total funds	16,796	29,131	(12,480)	(2,741)	30,706

Total funds analysis by academy

	Total £000
Fund balances at 31 August 2016 were allocated as follows:	
Enterprise South Liverpool Academy	(348)
The Academy of St Francis Of Assisi	302
The Liverpool Joint Catholic and Church of England Academies Trust	35
Total before fixed assets fund and pension reserve	(11)
Restricted fixed asset fund	37,781
Pension reserve	(7,064)
Total Funds	30,706

THE LIVERPOOL JOINT CATHOLIC AND CHURCH OF ENGLAND ACADEMIES TRUST

Notes to the Financial Statements for the Year Ended 31 August 2016

Total cost analysis by academy

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

	Teaching and educational support staff costs	Other support staff costs	Educational supplies	Other costs excluding depreciation	Total
	£000	£000	£000	£000	£000
Enterprise South Liverpool Academy	4,066	603	64	1,968	6,701
The Academy of St Francis Of Assisi	2,723	502	123	1,027	4,375
The Liverpool Joint Catholic and Church of England Academies Trust	43	26	-	36	105
	<u>6,832</u>	<u>1,131</u>	<u>187</u>	<u>3,031</u>	<u>11,181</u>

Three specific purposes for which 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, EFA 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 or the General Annual Grant from the EFA 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.

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Notes to the Financial Statements for the Year Ended 31 August 2016

16. Analysis of net assets between funds

	Unrestricted funds £000	Restricted general funds £000	Restricted fixed asset funds £000	Total £000
Tangible fixed assets	-	-	37,781	37,781
Current assets	493	1,049	-	1,542
Current liabilities	-	(1,434)	-	(1,434)
Long term liabilities	-	(118)	-	(118)
Pension scheme liability	-	(7,064)	-	(7,064)
	493	(7,567)	37,781	30,707

17. Capital Commitments

There were no capital commitments at the period end (2015: £Nil).

18. Operating Lease Commitments

At 31 August 2016 the Academy Trust had minimum lease payments under non-cancellable operating leases as follows:-

	2016 £000	2015 £000
Equipment expiring:		
• Within one year	36	1
• Within two to five years	41	26

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Notes to the Financial Statements for the Year Ended 31 August 2016

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

	2016 £000	2015 £000
Net income/(expenditure) for the reporting period	16,652	(1,508)
Adjusted for:		
Cash transferred from The Academy of St Francis of Assisi	(452)	
Depreciation	1,299	1,205
Loss on disposal	2	-
Capital grants from DfE and other capital income	(33)	-
Interest receivable	(79)	-
Fixed assets transferred from The Academy of St Francis of Assisi	(17,966)	-
Pension scheme liability transferred from The Academy of St Francis of Assisi	574	-
Defined benefit pension scheme cost less contributions payable	(92)	(88)
Defined benefit pension scheme finance cost	153	120
(Increase)/decrease in debtors	(336)	48
Increase in creditors	417	337
Net cash inflow from operating activities	139	114

20. Cash flows from investing activities

	2016 £000	2015 £000
Purchase of tangible fixed assets	(117)	(26)
Dividends, interest and rents from investments	78	-
Capital grants from DfE/EFA	33	-
	(5)	(26)

21. Analysis of cash and cash equivalents

	2016 £000	2015 £000
Cash in hand and at bank	889	302
	889	302

THE LIVERPOOL JOINT CATHOLIC AND CHURCH OF ENGLAND ACADEMIES TRUST

Notes to the Financial Statements for the Year Ended 31 August 2016

22. 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 serving 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.

23. Members' Liability

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

24. 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 pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2013.

There were no outstanding or prepaid contributions at either the beginning or 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 Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

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Notes to the Financial Statements for the Year Ended 31 August 2016

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

Valuation of the Teachers' Pension Scheme

Not less than every four years 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 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%))
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%

During the previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4% from September 2015, which will be payable during the implementation period until the next valuation as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The pension costs paid to TPS in the period amounted to £591,000 (2015: £346,000).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2016 was £466,000 (2015: £352,000), of which employer's contributions totalled £387,000 (2015:

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Notes to the Financial Statements for the Year Ended 31 August 2016

£292,000) and employees' contributions totalled £79,000 (2015: £60,000). The agreed contribution rates for future years are 15.1 per cent for employers and between 5.5 per cent 12.5 per cent 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

Principal Actuarial Assumptions

	2016 %	2015 %
Rate of increase in salaries	3.8%	3.8%
Rate of increase for pensions in payment/deferment	2.3%	2.3%
Discount rate for scheme liabilities	4.0%	4.0%
Inflation assumption (CPI)	2.3%	2.3%

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

	2016	2015
<i>Retiring today</i>		
Males	22.5	22.5
Females	25.4	25.4
<i>Retiring in 20 years</i>		
Males	24.9	24.9
Females	28.2	28.2

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Notes to the Financial Statements for the Year Ended 31 August 2016

The Academy Trust's share of the assets and liabilities in the scheme and the expected rates of return were:

	Fair Value at 31 August 2016 £000	Fair Value at 31 August 2015 £000
Equities	2,698	941
Government Bonds	236	216
Other Bonds	606	81
Property	421	135
Cash/equity	191	45
Other	987	147
Total market value of assets	5,139	1,565

The expected rate of return on plan assets is based on market expectations at the beginning of the period for investment returns over the entire life of the related obligation. The assumption used is the average of the assumptions appropriate to the individual asset classes weighted by the proportion of the assets in the particular asset class.

The actual return on scheme assets was £768,000 (2015: £37,000)

Amounts recognised in the Statement of Financial Activities

	2016 £000	2015 £000
Current service cost (net of employee contributions)	(92)	204
Total operating charge	(92)	204

Analysis of pension finance income

	2016 £000	2015 £000
Expected return on pension scheme assets	136	74
Interest on pension liabilities	(289)	(194)
Pension finance income	(153)	(120)

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Notes to the Financial Statements for the Year Ended 31 August 2016

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

	2016 £000	2015 £000
At 1 September 2015	5,253	4,726
Amounts transferred from The Academy of St Francis of Assisi	3,044	-
Current service cost	288	204
Interest cost	289	194
Employee contributions	79	60
Actuarial losses	3,373	109
Benefits paid	(123)	(40)
At 31 August 2016	12,203	5,253

Movements in the fair value of the Academy Trust's share of scheme assets:

	2016 £000	2015 £000
At 1 September 2015	1,565	1,216
Amounts transferred from The Academy of St Francis of Assisi	2,470	-
Expected return on assets	136	74
Actuarial gains/(losses)	632	(37)
Employer contributions	387	292
Employee contributions	79	60
Benefits paid	(123)	(40)
Administration costs	(7)	-
At 31 August 2016	5,139	1,565

The estimated value of employer contributions for the year ended 31 August 2016 is £387,000

The five year history of experience adjustments is as follows:-

	2016 £000	2015 £000	2014 £000	2013 £000	2012 £000
Present value of defined benefit obligation	(12,203)	(5,253)	(4,726)	(3,830)	(3,570)
Fair value of scheme assets	5,139	1,565	1,216	1,503	1,201
Deficit on scheme	(7,064)	(3,688)	(3,510)	(2,327)	(2,369)
Experience adjustments on plan liabilities	(288)	(37)	(487)	96	15
Experience adjustments on plan assets	632	(109)	(618)	-	(316)

THE LIVERPOOL JOINT CATHOLIC AND CHURCH OF ENGLAND ACADEMIES TRUST

Notes to the Financial Statements for the Year Ended 31 August 2016

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 local public and private sector organisations, it is inevitable that 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 £5,000 (2015: £2,080) to the Archdiocese of Liverpool (and companies controlled by the Archdiocese of Liverpool) and £2,589 (2015: £nil) to the Diocese of Liverpool. 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 (August 2015: £nil).

26. Agency arrangements

The Academy Trust distributes 16-19 bursary funds to students as an agent for EFA. In the accounting period ending 31 August 2016 the Trust received £70,000 and disbursed £42,000 from the fund. An amount of £58,000 is included in other creditors relating to undistributed funds that is repayable to EFA.

The Academy Trust distributes Looked After Children funds to students as an agent for the Local Authority. In the accounting period ending 31 August 2016 the Trust received £39,000 and disbursed £19,000 from the fund. An amount of £57,000 is included in other creditors relating to undistributed funds that is repayable to the Local Authority.

The Academy Trust collects and distributes funds as an agent for the Liverpool School Sports Partnership. In the accounting period ending 31 August 2016 the Trust received £207,000 and disbursed £172,000 from the fund. An amount of £369,000 is included in other creditors relating to undistributed funds that is repayable to the Liverpool School Sports Partnership.

27. Transition

The financial statements of the academy trust, which is a public benefit entity under FRS 102, 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 accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2015 to 2016 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

The Liverpool Joint Catholic and Church of England Academies Trust meets the definition of a public benefit entity under FRS 102.

There are no material restatements required upon transition to preparing financial statements under FRS102 in respect of the previous periods financial statements.

THE LIVERPOOL JOINT CATHOLIC AND CHURCH OF ENGLAND ACADEMIES TRUST

Independent Reporting Accountant's Assurance Report on Regularity to The Liverpool Joint Catholic and Church of England Academies Trust and the Education Funding Agency

In accordance with the terms of our engagement letter dated 24 October 2016 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies: Accounts Direction 2015, we have carried out an engagement 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 2015 to 31 August 2016 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to The Liverpool Joint Catholic and Church of England Academies Trust and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to The Liverpool Joint Catholic and Church of England Academies Trust and the EFA 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 The Liverpool Joint Catholic and Church of England Academies Trust and the EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of The Liverpool Joint Catholic and Church of England Academies Trust's accounting officer and the reporting accountant

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 dated 8 September 2003 and the Academies Financial Handbook extant from 1 September 2015, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2014 to 2015. 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 2015 to 31 August 2016 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2014 to 2015 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity. A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion.

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

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 high level financial control areas and areas assessed of presenting a higher risk of impropriety. We undertook detailed testing, based on our assessment of risk of material irregularity, where such controls, policies and procedures apply to classes of

THE LIVERPOOL JOINT CATHOLIC AND CHURCH OF ENGLAND ACADEMIES TRUST

Independent Reporting Accountant's Assurance Report on Regularity to The Liverpool Joint Catholic and Church of England Academies Trust and the Education Funding Agency

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

Conclusion

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 2015 to 31 August 2016 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



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Date 28/12/16.