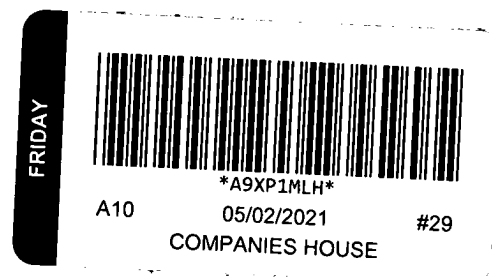


Company Registration No. 07007398 (England and Wales)

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

(A COMPANY LIMITED BY GUARANTEE)

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**



THE LIVERPOOL JOINT CATHOLIC AND CHURCH OF ENGLAND ACADEMIES TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Members

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

Trustees

Mr P Alcock (Chair of the Local Governing Body at The Academy of St Francis of Assisi) (Resigned 6 November 2019)
Mr C Cleugh (Chair of the Local Governing Body at The Academy of St Nicholas) (Resigned 6 November 2019)
Mr T Warren (Archdiocese of Liverpool's Director of Schools and Colleges) (Resigned 1 October 2020)
Mr B Marsh (Chair of the Trust Board)
Mr M Elliot (Chair of the Audit Committee)
Lady E Hedley (Vice-Chair of the Local Governing Body at The Academy of St Francis of Assisi)
Father R Peers (Diocese of Liverpool's Director of Education) (Resigned 5 June 2020)
Mr A Scott (Vice-Chair of the Trust Board)
Mrs S Duffey (Appointed 14 September 2020)
Mr S Harrison (Appointed 5 June 2020)
Rev S Haynes (Appointed 14 September 2020)

Senior management team

- Chief Executive Officer	Mrs H Duggan
- Chief Executive Officer	Mr P Ferguson (resigned 31 August 2020)
- Head of School - The Academy of St Francis of Assisi	Mr K Maddocks (appointed 1 September 2019)
- Deputy Headteacher - The Academy of St Francis of Assisi	Mrs G Cousineau
- Head of School - The Academy of St Nicholas	Mr D Lancaster (resigned 19 April 2020)
- Head of School - The Academy of St Nicholas	Mrs J Sing (appointed 19 April 2020)
- Deputy Headteacher - The Academy of St Nicholas	Mr M Tudor (resigned 19 April 2020)

Company registration number 07007398 (England and Wales)

Registered office 51 Horrocks Avenue
Garston
Liverpool
Merseyside
L19 5NY

Academies operated

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

Principal

Mrs J Sing
Mr K Maddocks

THE LIVERPOOL JOINT CATHOLIC AND CHURCH OF ENGLAND ACADEMIES TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Independent auditor

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

Bankers

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

THE LIVERPOOL JOINT CATHOLIC AND CHURCH OF ENGLAND ACADEMIES TRUST

TRUSTEES' REPORT

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year 1 September 2019 to 31 August 2020. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The academy trust operates two schools for pupils aged 11 - 18 serving a catchment area in Liverpool. Its academies have a pupil capacity of 2,160 and had a roll of 1,682 in the school census in October 2019. All applications will be considered in line with the coordinated admissions scheme for Liverpool Local Authority and in accordance with the admission arrangements agreed between the Church of England Diocese of Liverpool and the Catholic Archdiocese of Liverpool.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

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

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

The trustees of The Liverpool Joint Catholic and Church of England Academies Trust are also the directors of the charitable company for the purposes of company law. Details of the trustees who served during the year, and to the date these financial statements are approved, are included in the Reference and Administrative Details on page 1.

Members' liability

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

Trustees' indemnities

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

Method of recruitment and appointment or election of trustees

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

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

Policies and procedures adopted for the induction and training of trustees

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

THE LIVERPOOL JOINT CATHOLIC AND CHURCH OF ENGLAND ACADEMIES TRUST

TRUSTEES' REPORT (CONTINUED)

Organisational structure

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

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

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

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

Arrangements for setting pay and remuneration of key management personnel

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

Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the relevant period

-

Full-time equivalent employee number

-

Percentage of time spent on facility time

Percentage of time

Number of employees

0%

-

1%-50%

-

51%-99%

-

100%

-

Percentage of pay bill spent on facility time

Total cost of facility time

-

Total pay bill

8,556

Percentage of the total pay bill spent on facility time

-

Paid trade union activities

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

-

THE LIVERPOOL JOINT CATHOLIC AND CHURCH OF ENGLAND ACADEMIES TRUST

TRUSTEES' REPORT (CONTINUED)

Related parties and co-operation with other organisations

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

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 The Academy of St Nicholas (incorporating All Saints Sixth Form College):

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

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

The main objectives of the Academy Trust during the year ended 31 August 2020 are summarised below:

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

Objectives, strategies and activities

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

The main strategies for improvement consist of:

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

Public benefit

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

THE LIVERPOOL JOINT CATHOLIC AND CHURCH OF ENGLAND ACADEMIES TRUST

TRUSTEES' REPORT (CONTINUED)

STRATEGIC REPORT

Achievements and performance

Performance against objectives

Academic outcomes in the year 19/20 were based on Centre Assessed Grades (CAGs). These CAGs were introduced in response to wider school closures, linked to COVID-19 response. The published outcomes of both academies improved when compared to result achieved in 18/19. The systems in place to generate Centre Assessed Grades were rigorous and each Headteacher followed the national guidelines. Academic outcomes were expected to improve due to the quality of the school improvement activities in both academies. Whilst Academic outcomes still fall below the national average, the Trust has completed a full analysis of progress of students across all year groups and concluded the following:

- Internal data for The Academy of St Francis of Assisi (which more accurately reflects the transience of the community) suggests that the progress of students at the end of key stage 4 is in line with national average.
- At The Academy of St Francis of Assisi Outcomes for disadvantaged students closed the gap to national non disadvantaged students
- For the Academy of St. Nicholas overall Progress 8 arrived at -0.51 which is in line with the national floor target. This was an improvement of +0.46 from 2019 Outcomes.
- At the Academy of St. Nicholas, the Mathematics P8 has shown significant improvement (from -0.71 to -0.22)
- We have reduced the Gap in progress 8 for the disadvantaged and non-disadvantaged students (from -0.79 to -0.62)

Our ability to offer leisure and recreational facilities to the wider community was impacted this year due to Covid-19 lockdowns and local restrictions. In effect all activities stopped from March onwards to follow Covid-19 rules. Although money generated from these activities is minimal the impact on the wider community is unknown.

Ofsted Section 5 Inspection

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

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

Financial review

Financial objectives

The main strategies for improvement consist of:

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

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

THE LIVERPOOL JOINT CATHOLIC AND CHURCH OF ENGLAND ACADEMIES TRUST

TRUSTEES' REPORT (CONTINUED)

Operational review

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

Expenditure for the year exceeded income by £127,000 (2019: £1,505,000) after providing for depreciation and loss on disposal of fixed assets totalling £836,000 (2019: £914,000). The surplus generated before providing for depreciation and loss on disposal of fixed assets was £709,000 (2019: £591,000 deficit).

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

At 31 August 2020 the net book value of fixed assets was £33,858,000 (2019: £34,678,000) and movement in tangible assets are shown in note 14 to the financial statements.

The Academy Trust held fund balance at 31 August 2020 of £26,409,000 (2019: £26,617,000) comprising £34,463,000 (2019: £34,678,000) of restricted fixed asset funds and £861,000 (2019: £770,000) of unrestricted funds, offset by a pension scheme liability totalling £8,335,000 (2019: £7,802,000) and a deficit of £580,000 (2019: £1,029,000) on restricted general funds. A deficit occurred on the restricted fund as we strived to offer the best education and curriculum possible to our students whilst establishing the trust and trying to raise student numbers. A recovery plan was put in place to reduce the deficit in a manner as to not distract from the core purposes of the trust. This year due to rising numbers across both schools and better allocation of staff resources we have been able to significantly reduce the deficit on restricted funds whilst also increasing the surplus on unrestricted funds. The fund balances are adequate to fulfil the obligations of the Academy Trust and provide a balance against most unforeseen future events.

Due to the ongoing Covid-19 pandemic we have taken steps to address the uncertainty of the costs the trust may face going forward. We have set aside funds for any costs that may arise and have taken advantage of any government grants that are available. We have strict controls in place to restrict spending to ensure that we are getting value for money across the trust and taking advantage of any government purchasing tenders and frameworks.

Financial risk management objectives and policies

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

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

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

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

THE LIVERPOOL JOINT CATHOLIC AND CHURCH OF ENGLAND ACADEMIES TRUST

TRUSTEES' REPORT (CONTINUED)

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 as a sufficient base to build on.

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.

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. The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable company to continue as a going concern. The trustees have made this assessment by preparing cashflow forecasts until 31 August 2022 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.

Plans for future periods

The main objectives for the coming year are to:

- Improve progress made by all students ensuring the very best quality provision across all schools, all subjects and all key stages through continuous improvements in the quality of teaching and learning, further refinement of the curriculum and the development of capacity in school leadership, including within all subjects.
- Increase the pace of improvement with regards attendance and punctuality to more rapidly diminish the difference between the Trust and national averages by reviewing current arrangements with regards to education welfare and providing greater support and challenge to attendance leaders across the trust.
- Ensure each academy responds robustly to the demands of COVID-19 to ensure no children fall behind as a result of the pandemic.
- Embed further a culture of support, and challenge without fear, to ensure that all people within the Trust are developed, and that appropriate opportunities for progression exist and are encouraged, resulting in improved retention of staff, and the Trust being recognised as an employer of choice.
- Further develop the corporate structures of the Trust, embedding a more streamlined and effective method of managing, risk and monitoring compliance with statutory regulations, ensuring the financial position of the Trust continues to improve and increasing the effectiveness of governance at all levels.
- Further develop the Christian Ethos of the Trust so that the Academies' vision and mission statements are embraced and owned by all students and staff, and so that the effectiveness of the Christian Ethos improves in both Academies' in accordance with the section 48 criteria.

THE LIVERPOOL JOINT CATHOLIC AND CHURCH OF ENGLAND ACADEMIES TRUST

TRUSTEES' REPORT (CONTINUED)

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 Trusts control. Other factors besides those listed below may also adversely affect the Academy Trust.

- Uncertainty with regard to the impact of future Government funding reforms
- Potential difficulties in reaching capacity in the constituent Academies.
- Potential difficulties in obtaining capital funding to ensure the Academy Trust's premises continue to meet the needs of its students.
- The continued development of the Covid-19 pandemic.

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.
- Continued development of IT infrastructure to enable better resources for remote learning.

Fundraising

The core fundraising initiative in place across the multi academy trust are based on the hire of facilities owned by the Multi Academy Trust. These funds are generated in collaboration with a commercial partner who manage the marketing and staffing of facilities outside of teaching time. Periodic reviews are undertaken with the commercial body to ensure maximum value for money is being obtained. During the 12 months to August 2020 there were no complaints made regarding the Trust's fundraising activities.

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

Funds held as custodian trustee on behalf of others

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

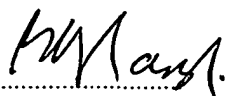
Auditor

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

Statement as to disclosure of information to auditor

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

The trustees' report is approved by order of the board of trustees and the strategic report (included therein) is approved by the board of trustees in their capacity as the directors at a meeting on 29 January 2021 and signed on its behalf by:



Mr B Marsh
Chair of the Trust Board

THE LIVERPOOL JOINT CATHOLIC AND CHURCH OF ENGLAND ACADEMIES TRUST

GOVERNANCE STATEMENT

Scope of responsibility

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

As trustees, we have reviewed and taken account of the guidance in DfE's Governance Handbook and competency framework for governance.

The Board of Trustees has delegated the day-to-day responsibility to the Chief Executive Officer, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between The Liverpool Joint Catholic and Church of England Academies Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met four times during the year and attendance was as follows:

Trustees	Meetings attended	Out of possible
Mr P Alcock (Chair of the Local Governing Body at The Academy of St Francis of Assisi) (Resigned 6 November 2019)	1	4
Mr C Cleugh (Chair of the Local Governing Body at The Academy of St Nicholas) (Resigned 6 November 2019)	1	4
Mr T Warren (Archdiocese of Liverpool's Director of Schools and Colleges) (Resigned 1 October 2020)	2	4
Mr B Marsh (Chair of the Trust Board)	3	4
Mr M Elliot (Chair of the Audit Committee)	3	4
Lady E Hedley (Vice-Chair of the Local Governing Body at The Academy of St Francis of Assisi)	3	4
Father R Peers (Diocese of Liverpool's Director of Education) (Resigned 5 June 2020)	1	4
Mr A Scott (Vice-Chair of the Trust Board)	4	4
Mrs S Duffey (Appointed 14 September 2020)	0	4
Mr S Harrison (Appointed 5 June 2020)	2	4
Rev S Haynes (Appointed 14 September 2020)	0	4

Due to the impact of Covid-19 there have been practical challenges in terms of board governance and our ability to meet on a regular basis. Where possible the board have met virtually but given the nature of Covid-19 this has not always been possible due to member's health and isolation.

The board has met less than 6 times per year but assurance is also sought through the Finance and business committee which meets up to 3 times per year. All key documentation, reports and minutes are shared to all trustees electronically via governor hub ensuring efficient oversight and contact with all trustees.

Governance reviews

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

THE LIVERPOOL JOINT CATHOLIC AND CHURCH OF ENGLAND ACADEMIES TRUST

GOVERNANCE STATEMENT (CONTINUED)

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

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

Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
Mr P Alcock (Chair of the Local Governing Body at The Academy of St Francis of Assisi) (Resigned 6 November 2019)	0	3
Mr C Cleugh (Chair of the Local Governing Body at The Academy of St Nicholas) (Resigned 6 November 2019)	0	3
Mr B Marsh (Chair of the Trust Board)	2	3
Mr M Elliot (Chair of the Audit Committee)	2	3
Lady E Hedley (Vice-Chair of the Local Governing Body at The Academy of St Francis of Assisi)	2	3
Mr A Scott (Vice-Chair of the Trust Board)	1	3

Review of value for money

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

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

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

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Liverpool Joint Catholic and Church of England Academies Trust for the year ended 31 August 2019 and up to the date of approval of the annual report and financial statements.

THE LIVERPOOL JOINT CATHOLIC AND CHURCH OF ENGLAND ACADEMIES TRUST

GOVERNANCE STATEMENT (CONTINUED)

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 2020 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

The risk and control framework

The Academy 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 to appoint HBD Accountancy Services LLP as an internal auditor.

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

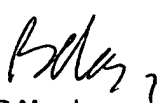
Review of effectiveness

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

- the work of the external auditor;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the board of trustees on 24-01-2021 and signed on its behalf by:


Mr B Marsh
Chair of the Trust Board

THE LIVERPOOL JOINT CATHOLIC AND CHURCH OF ENGLAND ACADEMIES TRUST

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of The Liverpool Joint Catholic and Church of England Academies Trust, I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2019.

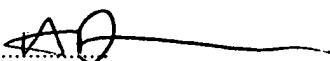
During the Audit, except for the matters listed below nothing has come to my attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Payments were made to the Accounting Officer for the period 1 September 2019 to 31 August 2020 of £100,000 for not less than 3.3 days per week [FTE £150,000] in respect of their undertaking that role on a part-time basis, the individual was also appointed as accounting officer on a full-time basis at another academy trust. The FNTI received by the Trust 3 December 2020 identifies that the Trust failed to apply a robust-evidence based process in its decisions about levels of executive pay and reflect the individual's roles and responsibilities.

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 2019.

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

Mrs H Duggan
Chief Executive Officer and Accounting Officer



THE LIVERPOOL JOINT CATHOLIC AND CHURCH OF ENGLAND ACADEMIES TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of The Liverpool Joint Catholic and Church of England Academies Trust for the purposes of company law) are responsible for preparing the trustees' report (including the strategic report) and the financial statements in accordance with the Academies Accounts Direction published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2019 to 2020;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring that grants received from ESFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the board of trustees on 24-01-2021 and signed on its behalf by:



Mr B Marsh
Chair of the Trust Board

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

Opinion

We have audited the financial statements of The Liverpool Joint Catholic and Church of England Academies Trust (the "charitable company") for the year ended 31 August 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice), and the Academies: Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2020 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on page 14, the trustees (who act as trustees for the charitable activities of the charitable company are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

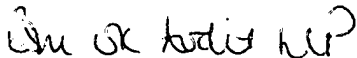
Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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



Karen Musgrave (Senior Statutory Auditor)

For and on behalf of RSM UK Audit LLP, Statutory Auditor

Chartered Accountants

Bluebell House

Brian Johnson Way

Preston

Lancashire, PR2 5PE

.....
29 January 2021

THE LIVERPOOL JOINT CATHOLIC AND CHURCH OF ENGLAND ACADEMIES TRUST

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

	Notes	Unrestricted Funds £'000	Restricted General Funds £'000	Restricted Fixed Asset Funds £'000	Total 2020 £'000	Total 2019 £'000
Income and endowments from:						
Donations and capital grants	4	-	73	621	694	230
Charitable activities:						
- Funding for educational operations	5	57	11,101	-	11,158	10,605
Other trading activities	6	33	126	-	159	283
Investments	7	1	-	-	1	-
Total		<u>91</u>	<u>11,300</u>	<u>621</u>	<u>12,012</u>	<u>11,118</u>
Expenditure on:						
Charitable activities:						
- Educational operations	9	-	11,303	836	12,139	12,623
Total	8	<u>-</u>	<u>11,303</u>	<u>836</u>	<u>12,139</u>	<u>12,623</u>
Net income/(expenditure)		91	(3)	(215)	(127)	(1,505)
Other recognised gains/(losses)						
Actuarial losses on defined benefit pension schemes	27	-	(81)	-	(81)	(2,647)
Net movement in funds		91	(84)	(215)	(208)	(4,152)
Reconciliation of funds						
Total funds brought forward		770	(8,831)	34,678	26,617	30,769
Total funds carried forward		<u>861</u>	<u>(8,915)</u>	<u>34,463</u>	<u>26,409</u>	<u>26,617</u>

THE LIVERPOOL JOINT CATHOLIC AND CHURCH OF ENGLAND ACADEMIES TRUST

BALANCE SHEET

AS AT 31 AUGUST 2020

		2020	2019
	Notes	£'000	£'000
Fixed assets			
Tangible assets	14	33,858	34,678
Current assets			
Debtors	15	1,105	482
Cash at bank and in hand		1,010	569
		2,115	1,051
Current liabilities			
Creditors: amounts falling due within one year	16	(1,164)	(1,230)
Net current assets/(liabilities)		951	(179)
Total assets less current liabilities		34,809	34,499
Creditors: amounts falling due after more than one year	17	(65)	(80)
Net assets before defined benefit pension scheme liability		34,744	34,419
Defined benefit pension scheme liability	27	(8,335)	(7,802)
Total net assets		26,409	26,617
Funds of the academy trust:			
Restricted funds	19		
- Restricted fixed asset funds		34,463	34,678
- Restricted income funds		(580)	(1,029)
- Pension reserve		(8,335)	(7,802)
Total restricted funds		25,548	25,847
Unrestricted income funds	19	861	770
Total funds		26,409	26,617

The financial statements on pages 17 to 41 were approved by the board of trustees and authorised for issue on 29-01-2021 and are signed on their behalf by:



Mr B Marsh
Chair of the Trust Board

THE LIVERPOOL JOINT CATHOLIC AND CHURCH OF ENGLAND ACADEMIES TRUST

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 AUGUST 2020

		2020	2019
	Notes	£'000	£'000
Cash flows from operating activities			
Net cash used in operating activities	24	(165)	(37)
Cash flows from investing activities			
Dividends, interest and rents from investments		1	-
Capital grants from DfE Group		621	125
Purchase of tangible fixed assets		(16)	(30)
Proceeds from sale of tangible fixed assets		-	1
Net cash provided by investing activities		606	96
Net increase in cash and cash equivalents in the reporting period		441	59
Cash and cash equivalents at beginning of the year		569	510
Cash and cash equivalents at end of the year		1,010	569

THE LIVERPOOL JOINT CATHOLIC AND CHURCH OF ENGLAND ACADEMIES TRUST

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

1 Accounting policies

General information

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

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

Basis of preparation

The financial statements of the academy trust have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006. The academy trust is a public benefit entity under FRS 102 and has therefore applied the relevant public benefit requirements of FRS 102.

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

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

Going concern

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable company to continue as a going concern. The trustees have made this assessment by preparing cashflow forecasts until 31 August 2022 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.

Income

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

Grants

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

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

THE LIVERPOOL JOINT CATHOLIC AND CHURCH OF ENGLAND ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies (Continued)

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

Donations

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

Other income

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

Expenditure

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

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

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

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

Charitable activities

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

Tangible fixed assets and depreciation

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

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding that require the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the statement of financial activities and carried forward in the balance sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the statement of financial activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

THE LIVERPOOL JOINT CATHOLIC AND CHURCH OF ENGLAND ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies (Continued)

Depreciation is provided on all tangible fixed assets other than freehold land, so as to write off the cost of assets less their residual values over their useful lives on the following bases:

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

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

Liabilities

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

Leased assets

Rentals under operating leases are charged on a straight line basis over the lease term.

Financial instruments

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

Financial assets and liabilities

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

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

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

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

Taxation

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

THE LIVERPOOL JOINT CATHOLIC AND CHURCH OF ENGLAND ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies (Continued)

Pensions benefits

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'), which are multi-employer defined benefit schemes.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a projected unit method. The TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently there is insufficient information to use defined benefit accounting, it is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

The LGPS is a funded multi-employer scheme and the assets are held separately. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each reporting date. The amounts charged to net income are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the statement of financial activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised as other comprehensive income. Actuarial gains and losses are recognised immediately as other comprehensive income.

Fund accounting

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

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

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

THE LIVERPOOL JOINT CATHOLIC AND CHURCH OF ENGLAND ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies (Continued)

Agency arrangements

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

The Academy Trust also acts as an agent distributing 16-19 bursary funds from the ESFA. Payments received from the ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the Trust does not have control over the charitable application of the funds. The trust can use 5% of the allocation towards its own administration costs and this is recognised in the statement of financial activities. The funds received and any balances held are disclosed in note 29.

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

2 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

The academy trust makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 27, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

3 General Annual Grant (GAG)

Under the funding agreement with the Secretary of State, the academy trust was subject to limits at 31 August 2020 on the amount of GAG that could be carried forward from one year to the next. An amount equal to 12% of GAG could be carried forward, of which up to 2% could be used for general recurrent purposes, with any balance being available for premises/capital purposes.

The academy trust has not exceeded these limits during the year ended 31 August 2020.

THE LIVERPOOL JOINT CATHOLIC AND CHURCH OF ENGLAND ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

4 Donations and capital grants

	Unrestricted funds £'000	Restricted funds £'000	Total 2020 £'000	Total 2019 £'000
Capital grants	-	621	621	125
Other donations	-	73	73	105
	<u>-</u>	<u>694</u>	<u>694</u>	<u>230</u>

The income from donations and capital grants was £694,000 (2019: £230,000) of which £73,000 was restricted (2019: £105,000) and £621,000 was restricted fixed assets (2019: £125,000).

5 Funding for the academy trust's educational operations

	Unrestricted funds £'000	Restricted funds £'000	Total 2020 £'000	Total 2019 £'000
DfE / ESFA grants				
General annual grant (GAG)	-	9,702	9,702	9,712
Other DfE group grants	-	1,399	1,399	893
	<u>-</u>	<u>11,101</u>	<u>11,101</u>	<u>10,605</u>
Exceptional government funding				
Coronavirus exceptional support	57	-	57	-

The income from funding for educational operations was £11,158,000 (2019: £10,605,000) of which £57,000 was unrestricted (2019: £-) and £11,101,000 was restricted (2019: £10,605,000).

The academy trust has been eligible to claim additional funding in year from government support schemes in response to the coronavirus outbreak. The funding received is shown above under exceptional government funding.

The funding received for coronavirus exceptional support covers £57,000 of additional costs incurred. These costs are included in notes 8 below as appropriate.

THE LIVERPOOL JOINT CATHOLIC AND CHURCH OF ENGLAND ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

6 Other trading activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2020 £'000	Total 2019 £'000
Hire of facilities	4	-	4	25
Catering income	-	126	126	190
Music tuition	29	-	29	68
	<u>33</u>	<u>126</u>	<u>159</u>	<u>283</u>

The income from other trading activities was £159,000 (2019: £283,000) of which £33,000 was unrestricted (2019: £93,000) and £126,000 was restricted (2019: £190,000).

7 Investment income

	Unrestricted funds £'000	Restricted funds £'000	Total 2020 £'000	Total 2019 £'000
Other investment income	1	-	1	-

The income from funding for investment income was £1,000 (2019: £-) of which £1,000 was unrestricted (2019: £-).

8 Expenditure

	Staff costs £'000	Non Pay Expenditure Premises £'000	Other £'000	Total 2020 £'000	Total 2019 £'000
Academy's educational operations					
- Direct costs	6,952	836	749	8,537	8,787
- Allocated support costs	1,793	955	854	3,602	3,836
	<u>8,745</u>	<u>1,791</u>	<u>1,603</u>	<u>12,139</u>	<u>12,623</u>

Net income/(expenditure) for the year includes:

	2020 £'000	2019 £'000
Operating lease rentals	58	8
Depreciation of tangible fixed assets	836	914
Net interest on defined benefit pension liability	134	124
Fees payable to RSM UK Audit LLP and its associates in respect of both audit and non-audit services are as follows:		
- Audit	17	16
- Other services	3	3

THE LIVERPOOL JOINT CATHOLIC AND CHURCH OF ENGLAND ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

9 Charitable activities

	2020	2019
	£'000	£'000
All from restricted funds:		
Direct costs		
Educational operations	8,537	8,787
Support costs		
Educational operations	3,602	3,836
	<u>12,139</u>	<u>12,623</u>

The expenditure on charitable activities was £12,139,000 (2019: £12,623,000) of which £11,303,000 was restricted (2019: £11,709,000) and £836,000 was restricted fixed assets (2019: £914,000).

	2020	2019
	£'000	£'000
Analysis of support costs		
Support staff costs	1,793	1,869
Technology costs	129	138
Premises costs	955	1,003
Legal costs	265	244
Other support costs	434	495
Governance costs	26	87
	<u>3,602</u>	<u>3,836</u>

THE LIVERPOOL JOINT CATHOLIC AND CHURCH OF ENGLAND ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

10 Staff

Staff costs

Staff costs during the year were:

	2020 £'000	2019 £'000
Wages and salaries	6,346	6,443
Social security costs	625	632
Pension costs	1,585	1,355
Staff costs - employees	8,556	8,430
Agency staff costs	152	261
Staff restructuring costs	43	-
Staff development and other staff costs	8,751	8,691
	53	71
Total staff expenditure	8,804	8,762

Staff restructuring costs comprise:

Redundancy payments	15	-
Severance payments	28	-
	43	-

Staff restructuring costs includes a redundancy payment of £15,000 paid to an individual on 8 January 2020. Total severance payments of £28,162 were paid in the year to two individuals for the amounts of £3,162 and £25,000 on 20 September 2020.

Staff numbers

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

	2020 Number	2019 Number
Teachers	136	91
Administration and support	95	107
Management	43	9
	274	207

THE LIVERPOOL JOINT CATHOLIC AND CHURCH OF ENGLAND ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

10 Staff (Continued)

The number of persons employed, expressed as a full time equivalent, was as follows:

	2020 Number	2019 Number
Teachers	90	85
Administration and support	81	89
Management	9	9
	<u>180</u>	<u>183</u>

Higher paid staff

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

	2020 Number	2019 Number
£60,001 - £70,000	4	4
£70,001 - £80,000	1	-
£80,001 - £90,000	2	-
£90,001 - £100,000	1	2
£100,001 - £110,000	-	1
	<u></u>	<u></u>

Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £509,936 (2019: £333,514).

11 Central services

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

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

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

THE LIVERPOOL JOINT CATHOLIC AND CHURCH OF ENGLAND ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

11 Central services (Continued)

The amounts charged during the year were as follows:	2020	2019
	£'000	£'000
The Academy of St Nicholas	392	494
The Academy of St Francis of Assisi	392	542
The Liverpool Joint Catholic and Church of England Academies Trust	-	-
	<u>784</u>	<u>1,036</u>

12 Trustees' remuneration and expenses

One or more of the trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment, and not in respect of their services as trustees.

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

Patrick Ferguson (Chief Executive Officer - resigned 31 August 2020);

- Remuneration £91,667 (2019: £nil)
- Pension £Nil (2019: £Nil)

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

- Remuneration £Nil (2019: £110,000)
- Pension £Nil (2019: £Nil)

On 31 August 2018 David Clayton became Chief Executive Officer and held this position until 31 July 2019.

During the period ended 31 August 2020, £Nil (2019: £9) of travel and subsistence expenses were reimbursed to trustees. Other related party transactions including the trustees are set out in note 28.

13 Trustees and officers' insurance

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

THE LIVERPOOL JOINT CATHOLIC AND CHURCH OF ENGLAND ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

14 Tangible fixed assets

	Freehold and leasehold buildings £'000	Computer equipment £'000	Fixtures, fittings and equipment £'000	Total £'000
Cost				
At 1 September 2019	38,807	1,455	1,641	41,903
Additions	-	8	8	16
At 31 August 2020	38,807	1,463	1,649	41,919
Depreciation				
At 1 September 2019	4,278	1,437	1,510	7,225
Charge for the year	779	13	44	836
At 31 August 2020	5,057	1,450	1,554	8,061
Net book value				
At 31 August 2020	33,750	13	95	33,858
At 31 August 2019	34,529	18	131	34,678

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.

15 Debtors

	2020 £'000	2019 £'000
Trade debtors	113	28
VAT recoverable	27	65
Other debtors	9	1
Prepayments and accrued income	956	388
	<u>1,105</u>	<u>482</u>

THE LIVERPOOL JOINT CATHOLIC AND CHURCH OF ENGLAND ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

16 Creditors: amounts falling due within one year

	2020 £'000	2019 £'000
Trade creditors	246	240
Other taxation and social security	156	276
EFA creditors	13	13
Other creditors	586	541
Accruals and deferred income (see note 18)	163	160
	<u>1,164</u>	<u>1,230</u>

17 Creditors: amounts falling due after more than one year

	2020 £'000	2019 £'000
Other creditors	65	80
Due in more than one year but not more than two years	13	13
Due in more than two years but not more than five years	52	52
Due in more than five years	-	15
	<u>65</u>	<u>80</u>

No interest is charged on the balance due over five years.

18 Deferred income

	2020 £'000	2019 £'000
Deferred income is included within:		
Creditors due within one year	<u>38</u>	<u>39</u>
Deferred income at 1 September 2019	39	36
Released from previous years	(39)	(36)
Resources deferred in the year	<u>38</u>	<u>39</u>
Deferred income at 31 August 2020	<u>38</u>	<u>39</u>

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

THE LIVERPOOL JOINT CATHOLIC AND CHURCH OF ENGLAND ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

19 Funds

	Balance at 1 September 2019 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2020 £'000
Restricted general funds					
General Annual Grant (GAG)	(1,029)	9,702	(9,253)	-	(580)
Other DfE / ESFA grants	-	1,399	(1,399)	-	-
Other restricted funds	-	199	(199)	-	-
Pension reserve	(7,802)	-	(452)	(81)	(8,335)
	<u>(8,831)</u>	<u>11,300</u>	<u>(11,303)</u>	<u>(81)</u>	<u>(8,915)</u>
Restricted fixed asset funds					
DfE group capital grants	14,123	621	(265)	-	14,479
Capital expenditure from GAG	314	-	(8)	-	306
Sponsorship funded	20,241	-	(563)	-	19,678
	<u>34,678</u>	<u>621</u>	<u>(836)</u>	<u>-</u>	<u>34,463</u>
Total restricted funds	<u>25,847</u>	<u>11,921</u>	<u>(12,139)</u>	<u>(81)</u>	<u>25,548</u>
Unrestricted funds					
General funds	770	91	-	-	861
	<u>770</u>	<u>91</u>	<u>-</u>	<u>-</u>	<u>861</u>
Total funds	<u>26,617</u>	<u>12,012</u>	<u>(12,139)</u>	<u>(81)</u>	<u>26,409</u>

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

Restricted Fund

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

Fixed Asset Fund

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

Unrestricted Fund

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

The academy trust is carrying a net deficit of £580,000 on the restricted general funds (excluding the pension reserve). A deficit occurred on the restricted fund as we strived to offer the best education and curriculum possible to our students whilst establishing the trust and trying to raise student numbers. A recovery plan was put in place to reduce the deficit in a manner as to not distract from the core purposes of the trust. This year due to rising numbers across both schools and better allocation of staff resources we have been able to significantly reduce the deficit on restricted funds whilst also increasing the surplus on unrestricted funds.

THE LIVERPOOL JOINT CATHOLIC AND CHURCH OF ENGLAND ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

19 Funds (Continued)

Funds prior year

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

Total funds analysis by academy

	2020 £'000	2019 £'000
Fund balances at 31 August 2020 were allocated as follows:		
The Academy of St Nicholas	(831)	(395)
The Academy of St Francis of Assisi	1,112	136
The Liverpool Joint Catholic and Church of England Academies Trust	-	-
	<u>281</u>	<u>(259)</u>
Total before fixed assets fund and pension reserve	281	(259)
Restricted fixed asset fund	34,463	34,678
Pension reserve	(8,335)	(7,802)
	<u>26,409</u>	<u>26,617</u>
Total funds	<u>26,409</u>	<u>26,617</u>

THE LIVERPOOL JOINT CATHOLIC AND CHURCH OF ENGLAND ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

19 Funds (Continued)

Total cost analysis by academy

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

	Teaching and educational support staff £'000	Other support staff costs £'000	Educational supplies £'000	Other costs excluding depreciation £'000	Total 2020 £'000	Total 2019 £'000
The Academy of St Nicholas	3,515	775	460	863	5,613	5,751
The Academy of St Francis of Assisi	3,437	700	297	804	5,238	5,946
The Liverpool Joint Catholic and Church of England Academies Trust	-	-	-	-	-	-
	<u>6,952</u>	<u>1,475</u>	<u>757</u>	<u>1,667</u>	<u>10,851</u>	<u>11,697</u>

20 Analysis of net assets between funds

	Unrestricted Funds £'000	Restricted General Funds £'000	Restricted Fixed Asset Funds £'000	Total Funds £'000
Fund balances at 31 August 2020 are represented by:				
Tangible fixed assets	-	-	33,858	33,858
Current assets	861	649	605	2,115
Creditors falling due within one year	-	(1,164)	-	(1,164)
Creditors falling due after one year	-	(65)	-	(65)
Defined benefit pension liability	-	(8,335)	-	(8,335)
Total net assets	<u>861</u>	<u>(8,915)</u>	<u>34,463</u>	<u>26,409</u>

THE LIVERPOOL JOINT CATHOLIC AND CHURCH OF ENGLAND ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

20 Analysis of net assets between funds (Continued)

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

21 Contingent liabilities

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

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

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

22 Capital commitments

	2020 £'000	2019 £'000
Expenditure contracted for but not provided in the financial statements	12	-

THE LIVERPOOL JOINT CATHOLIC AND CHURCH OF ENGLAND ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

23 Commitments under operating leases

At 31 August 2020 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2020 £'000	2019 £'000
Amounts due within one year	57	44
Amounts due between one and five years	62	98
	<u>119</u>	<u>142</u>

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

	2020 £'000	2019 £'000
Net expenditure for the reporting period (as per the statement of financial activities)	(127)	(1,505)
Adjusted for:		
Capital grants from DfE and other capital income	(621)	(125)
Interest receivable	(1)	-
Defined benefit pension scheme costs less contributions payable	318	374
Defined benefit pension scheme finance cost	134	124
Depreciation of tangible fixed assets	836	914
Movements in working capital:		
(Increase)/decrease in debtors	(623)	124
(Decrease)/increase in creditors	(81)	57
Net cash used in operating activities	<u>(165)</u>	<u>(37)</u>

25 Analysis of changes in net funds

	1 September 2019 £'000	Cash flows £'000	31 August 2020 £'000
Cash	569	441	1,010

26 Members' liability

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

THE LIVERPOOL JOINT CATHOLIC AND CHURCH OF ENGLAND ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

27 Pension and similar obligations

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2016, and of the LGPS 31 March 2019.

Contributions amounting to £133,000 were payable to the schemes at 31 August 2020 (2019: £107,000) and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 except it has been prepared following the Government's decision to pause the operation of the cost control mechanisms at the time when legal challenges were still pending.

The valuation report was published in 5 March 2019. The key results of the valuation and subsequent consultation are:

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

As a result of the valuation, new employer contribution rates were set at 23.68% (including a 0.08% administration levy) of pensionable pay from September 2019 onwards (compared to 16.48% during 2019/20).

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

The employer's pension costs paid to the TPS in the period amounted to £828,000 (2019: £556,000).

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

THE LIVERPOOL JOINT CATHOLIC AND CHURCH OF ENGLAND ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

27 Pension and similar obligations (Continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2020 was £530,000 (2019 - £519,000), of which employer's contributions totalled £421,000 (2019 - £416,000) and employees' contributions totalled £129,000 (2019 - £103,000). The agreed contribution rates for future years are 16.9% per cent for employers and 5.5-12.5% for employees.

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

Total contributions made	2020 £'000	2019 £'000
Employer's contributions	421	416
Employees' contributions	109	103
Total contributions	<u>530</u>	<u>519</u>

Principal actuarial assumptions

The following information is based upon a full actuarial valuation of the fund at 31 March 2016 updated to 31 August 2020 by a qualified independent actuary.

	2020 %	2019 %
Rate of increase in salaries	3.9	3.6
Rate of increase for pensions in payment/inflation	2.5	2.2
Discount rate for scheme liabilities	1.8	1.8
Inflation assumption (CPI)	<u>2.4</u>	<u>2.1</u>

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

	2020 Years	2019 Years
Retiring today		
- Males	20.9	22.2
- Females	24.0	25.0
Retiring in 20 years		
- Males	22.5	25.2
- Females	<u>25.9</u>	<u>27.9</u>

THE LIVERPOOL JOINT CATHOLIC AND CHURCH OF ENGLAND ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

27 Pension and similar obligations (Continued)

The academy trust's share of the assets in the scheme	2020 Fair value £'000	2019 Fair value £'000
Equities	3,943	3,945
Government Bonds	202	787
Other Bonds	1,118	424
Cash/equity	437	247
Property	729	694
Other assets	1,668	1,620
Total fair value of assets	8,097	7,717

The actual return on scheme assets was £109,000 (2019: £344,000).

Amount recognised in the Statement of Financial Activities	2020 £'000	2019 £'000
Current service cost	692	495
Net interest cost	134	124
Past service cost	38	287
Administrative expenses	9	8
Total operating charge	873	914

The past service cost of £Nil (2019: £287,000) recognised in the year relates to the effect of the McCloud judgement regarding age discrimination in respect of public service pensions.

Changes in the present value of defined benefit obligations	2020 £'000
At 1 September 2019	15,519
Current service cost	692
Interest cost	276
Employee contributions	109
Actuarial loss	48
Benefits paid	(250)
Past service cost	38
At 31 August 2020	16,432

THE LIVERPOOL JOINT CATHOLIC AND CHURCH OF ENGLAND ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

27 Pension and similar obligations (Continued)

Changes in the fair value of the academy trust's share of scheme assets

	2020 £'000
At 1 September 2019	7,717
Interest income	142
Return on plan assets (excluding net interest on the net defined pension liability)	(33)
Employer contributions	421
Employee contributions	109
Benefits paid	(250)
Effect of non-routine settlements	(9)
	<hr/>
At 31 August 2020	8,097
	<hr/>

28 Related party transactions

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

During the period the Academy Trust made payments totalling £13,905 (2019: £14,727) to the Archdiocese of Liverpool (and companies controlled by the Archdiocese of Liverpool); £5,920 (2019: £1,520) to the Diocese of Liverpool, and £3,202 (2019: £3,582) to Tuneside. These organisations are related to the Liverpool Joint Catholic and Church of England Academies Trust by virtue of their role as sponsors. Payments made in the year relate to support services received by the Academy Trust from the sponsors.

During the year, the Academy Trust made purchases of £28,329 (2019: £nil) from Newton Academy Trust in which Patrick Ferguson was also CEO.

29 Agency arrangements

The Academy Trust distributes 16-19 bursary funds to students as an agent for the ESFA. In the accounting period ending 31 August 2020, the Trust received £48,500 (2019: £45,700) and disbursed £79,800 (2019: £48,600) from the fund. An amount of £3,000 (2019: £28,300 included in other creditors) is included in other debtors relating to undistributed funds that are repayable to the ESFA.

The Academy Trust distributes Looked After Children funds to students as an agent for the Local Authority. In the accounting period ending 31 August 2020, the Trust received £25,100 (2019: £25,700) and disbursed £17,000 (2019: £16,500) from the fund. An amount of £70,800 (2019: £62,700) is included in other creditors relating to undistributed funds that are repayable to the ESFA.

The Academy Trust collects and distributes funds as an agent for the Liverpool School Sports Partnership. In the accounting period ending 31 August 2020, the Trust received £180,200 (2019: £253,000) and disbursed £246,000 (2019: £231,000) from the fund. An amount of £343,600 (2019: £409,400) is included in other creditors relating to undistributed funds that are repayable to the Liverpool School Sports Partnership.

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

Conclusion

We have carried out an engagement in accordance with the terms of our engagement letter dated 30 September 2020 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, 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 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

During the Audit, except for the matters listed below nothing has come to my attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Payments were made to the Accounting Officer for the period 1 September 2019 to 31 August 2020 of £100,000 for not less than 3.3 days per week [FTE £150,000] in respect of their undertaking that role on a part-time basis, the individual was also appointed as accounting officer on a full-time basis at another academy trust. The FNTI received by the Trust 3 December 2020 identifies that the Trust failed to apply a robust-evidence based process in its decisions about levels of executive pay and reflect the individual's roles and responsibilities.

Basis for conclusion

The framework that has been applied is set out in the Academies Accounts Direction 2019 to 2020 Annex B: Regularity Reporting. We are independent of The Liverpool Joint Catholic and Church of England Academies Trust in accordance with the ethical requirements that are applicable to this engagement and we have fulfilled our ethical requirements in accordance with these requirements. We believe the assurance evidence we have obtained is sufficient to provide a basis for our conclusion.

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

The accounting officer is responsible, under the requirements of The Liverpool Joint Catholic and Church of England Academies Trust's funding agreement with the Secretary of State for Education and the Academies Financial Handbook, extant from 1 September 2019, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them. The accounting officer is also responsible for preparing the Statement of Regularity, Propriety and Compliance. The trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the proper conduct and financial operation of The Liverpool Joint Catholic and Church of England Academies Trust and appointment of the accounting officer.

Reporting Accountant's responsibilities for reporting on regularity

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2019 to 2020.

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

We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2019 to 31 August 2020 have not been applied to purposes identified by Parliament or that the financial transactions do not conform to the authorities which govern them.

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

Our work included identification and assessment of the design and operational effectiveness of the controls, policies and procedures that have been implemented to ensure compliance with the framework of authorities including the specific requirements of the funding agreement with the Secretary of State for Education, the Academies Financial Handbook 2019 published by the Education and Skills Funding Agency and high level financial control areas where we identified a material risk of irregularity is likely to arise. It also included areas assessed as presenting a higher risk of impropriety. We undertook detailed testing, on a sample basis, based on the identified areas where a material irregularity is likely to arise, or potential impropriety where such areas are in respect of controls, policies and procedures that apply to classes of transactions. Our work was undertaken with due regard to the 'Evidence to support conclusion on regularity' guidance in Academies Accounts Direction 2019 to 2020.

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

Use of our report

This report is made solely to The Liverpool Joint Catholic and Church of England Academies Trust and the ESFA in accordance with the terms of our engagement letter dated 30 September 2020. Our work has been undertaken so that we might state to the The Liverpool Joint Catholic and Church of England Academies Trust and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than The Liverpool Joint Catholic and Church of England Academies Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

See OK letter RCP

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Dated: 29 January 2021