

Company Registration No. 09235635 (England and Wales)


# DIOCESE OF LIVERPOOL ACADEMIES TRUST (MERSEYSIDE)

(A COMPANY LIMITED BY GUARANTEE)

## GOVERNORS' REPORT AND AUDITED ACCOUNTS FOR THE PERIOD ENDED 31 AUGUST 2015



THURSDAY WEDNESDAY



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# **DIOCESE OF LIVERPOOL ACADEMIES TRUST (MERSEYSIDE)**

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# DIOCESE OF LIVERPOOL ACADEMIES TRUST (MERSEYSIDE)

## REFERENCE AND ADMINISTRATIVE DETAILS

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### Governors/Directors

Reverend Canon P Spiers (Chair of Governors to 31 August 2015)  
Mrs C Roberts (Vice Chair of Governors (Chair of Governors from 26 September 2015))  
Mrs A Seddon (Resigned 31 January 2015)  
Mr R Miller  
Mr R C Cotsworth  
Mrs H Hunter  
Mr P G Masterson  
Mrs V Gee  
Mr A D Smith  
Mrs S Mountford (Resigned 31 August 2015)  
Miss A Mulligan  
Mr M Leicester  
Ms J Cliff  
Mr M W Parry  
Dr S J Hulme (Headteacher)  
Rev S Lucas (Appointed 26 September 2015)

### Members

Dr J Richardson  
Chair of Governors  
Dr D Dennison  
Mr M Elliott

### Senior management team

- Deputy Headteacher	Mr J Morrin
- Deputy Headteacher	Mrs C McIntyre
- Assistant Headteacher	Ms A Quarless
- Strategic Business Manager	Ms I Melia
- Director of KS3	Mr B Stichbury
- Director of KS4	Ms J Lewis
- Lead Practitioner English	Mrs M Williams (resigned 31 August 2015)
- Lead Practitioner Mathematics	Mr A Cassell
- Lead Practitioner Science	Mrs H Moulton

### Company secretary

Mrs I Melia

### Company registration number

09235635 (England and Wales)

### Registered office

St Michael's Church of England High School  
St Michael's Road  
Crosby  
Liverpool  
L23 7UL

## **DIOCESE OF LIVERPOOL ACADEMIES TRUST (MERSEYSIDE)**

### **REFERENCE AND ADMINISTRATIVE DETAILS**

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<b>Independent auditor</b>	Moore and Smalley LLP Richard House 9 Winckley Square Preston PR1 3HP
<b>Bankers</b>	Lloyds Bank Liverpool Law Courts PO Box 1000 BX1 1LT
<b>Solicitors</b>	Lee Bolton Monier-Williams 1 The Sanctuary Westminster London SW1P 3JT

# **DIOCESE OF LIVERPOOL ACADEMIES TRUST (MERSEYSIDE)**

## **GOVERNORS' REPORT**

**FOR THE PERIOD ENDED 31 AUGUST 2015**

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The governors present their annual report together with the audited financial statements of the Trust for the period from 25 September 2014 to 31 August 2015. The annual report serves the purposes of both a governors' report and a directors' report under company law.

The Diocese of Liverpool Academies Trust (Merseyside) ("The Trust") operates an academy for pupils aged 11 - 18 serving a catchment area in Sefton. Although the Trust has been set up as a Multi Academy Trust, it is currently operating one Academy, St Michael's Church of England High School.

### **Structure, governance and management**

#### Constitution

The Trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Trust.

St Michael's Church of England High School converted to St Michael's Church of England High School ("The Academy") on 1st November 2014 and became the first Academy to be operated within the Trust.

The Trust was incorporated on 25th September 2014 and commenced its activities on the transfer of St Michael's Church of England High School from the Local Authority on the conversion date stated above.

The charitable company is known as The Diocese of Liverpool Academies Trust (Merseyside)

The governors of St Michael's Church of England High School and are also the directors of the Trust for the purposes of company law and the trustees. Details of the governors who served during the period 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.

#### Governors' indemnities

The academy has purchased indemnity insurance to protect governors and officers from claims arising in connection with academy business. The insurance provides cover of up to £10,000,000 on any one claim.

#### Method of recruitment and appointment or election of governors

The Academy Trust shall have the following Governors:

- No fewer than 5 directors but no maximum.
- At least 2 and up to 4 staff directors appointed by the staff.
- At least 2 Parent Governors appointed by parents of registered pupils at the Academy,
- The Principal,

The Academy Trust may also appoint up to 2 Co-opted Governors.

During the year 1st November 2014 to 31st August 2015 the governors held three meetings augmented by the Finance & Personnel, Achievement, Teaching & Learning, Ethos, Behaviour & Safety, Audit and Annual Pay sub committees.

## **DIOCESE OF LIVERPOOL ACADEMIES TRUST (MERSEYSIDE)**

### **GOVERNORS' REPORT (CONTINUED)**

**FOR THE PERIOD ENDED 31 AUGUST 2015**

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#### Policies and procedures adopted for the induction and training of governors

The training and induction provided for new governors will depend on their existing experience. All new governors have an initial meeting with the Headteacher, an opportunity to meet staff and students and are given a tour of the school. All governors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake in their role as governors. On-going training is provided through various training providers. Induction training is also provided by our Governor Training Partner - Sefton LA.

A skills audit is being formulated to identify future training needs. Governors are directly linked to faculties, attend faculty meetings and represent the team at governors meetings.

#### Organisational structure

The management structure of the Academy consists of 3 levels: the Governors, the Headteacher and the Senior Leadership Team.

The Governing Body are responsible for setting general policy, adopting an annual plan and budget, monitoring the Academy by use of the budgets and making major strategic decisions about the direction of the Academy, capital expenditure, senior staff appointments and all posts carrying a Teaching and Learning responsibility point. Certain elements of these responsibilities are delegated to sub committees who make recommendations to the Full Governing body:

- Achievement, Teaching & Learning
- Finance & Personnel
- Ethos Behaviour & Safety
- Audit
- Pay Committee

The Governors have devolved responsibility for day to day management of the Academy to the Senior Leadership Team.

The Headteacher is also the Accounting Officer and as such has executive responsibility for implementing the policies laid down by Governors and for reporting back to them. The Headteacher is also responsible for the authorisation of spending within budgets and parameters agreed by the Governing Body and for the appointment of staff.

Up to 31st August 2015, the Senior Leadership Team (SLT) consisted of the Headteacher, two Deputy Headteachers, one Assistant Headteacher, a Strategic Business Manager, three lead practitioners for English (up to 31st August), Mathematics and Science and two Directors of Progress KS3 and KS4.

The Headteacher has devolved to members of this team strategic management functions and as such, they must report back directly to the Headteacher and the Governing Body.

#### Related parties and other connected charities and organisations

St Michaels Church of England High School works in partnership with South Sefton Sixth Form College to extend opportunities to its students by offering a wider range of courses at post 16.

## DIOCESE OF LIVERPOOL ACADEMIES TRUST (MERSEYSIDE)

### GOVERNORS' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2015

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#### Objectives and activities

##### Objects and aims

The objects of the Trust, as set out in its governing document, are to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing Academies which shall offer a broad and balanced curriculum and which shall include

- Church of England Schools designated as such which shall be conducted in accordance with the principles, practices and tenets of the Church of England both generally and in particular in relation to arranging for religious education and daily acts of the worship, and having regard to an advice issued by the Diocesan Board of Education; and
- other Academies whether with or without a designated religious character; but in relation to each of the Academies to recognise and support their individual ethos, whether or not designated Church of England.

At the School, we believe in developing *people*. Teaching our young people values such as respect, tolerance, forgiveness is as key to our ethos as the delivery of outstanding examination performance. Our Church of England status is extremely important to us and our Christian values underpin every decision that we make for our young people.

The curriculum should enable all young people to become:

- **Successful learners** who enjoy learning, make progress and achieve
- **Confident individuals** who are able to live safe, healthy and fulfilling lives
- **Responsible citizens** who make a positive contribution to society

##### Objectives, strategies and activities

In addition to the rigorous and regular school self-review, the School produces an annual school improvement plan (SIP) which sets out the priorities for the forthcoming year as well as reviewing those of the previous year. The document is detailed and comprehensive.

The main objectives of the School in the year were as summarised below;

- a. Continue to improve attendance of all groups to exceed national averages
- b. Raise the achievement of the more able
- c. Improve the achievement of all groups of learners including students in the Sixth Form
- d. Encourage high standards in attitudes to and behaviour for learning across the school
- e. Continue to narrow the gaps in the performance of Pupil Premium groups
- f. Enhance the existing high quality SEN(D) provision by embedding new ASC unit provision
- g. Ensure that leaders at all levels monitor and evaluate the work of their teams and take into account the views of learners and other stakeholders to sustain a cycle of continuous improvement.

## **DIOCESE OF LIVERPOOL ACADEMIES TRUST (MERSEYSIDE)**

### **GOVERNORS' REPORT (CONTINUED)**

**FOR THE PERIOD ENDED 31 AUGUST 2015**

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#### Public benefit

The School aims to advance, for the public benefit, education in the United Kingdom. In setting the objectives of the School and planning associated activities, the Governors have given careful consideration to the Charity Commission's general guidance on Public Benefit.

#### **Strategic report**

##### Achievements and performance

The School is in its first year of operation as an Academy.

#### **Examination Results**

Outcomes for students have been rising for three years and are predicted to keep on rising.

Attainment in both Maths and English has increased for the third consecutive year. Attainment in Maths is above the national average at 70% A\*-C, an increase of 10% from 2014. English is well above the national average at 77% A\*-C, showing an increase of 4% since 2014. The combined English and Maths A\*-C has increased from 57% to 63% in 2015. The headline figure 5A\*-C including English and Maths has risen for the 3rd year, from 45% in 2013 to 53% in 2014 to 59% in 2015. This shows a steady upward 3 year trend.

There is an even distribution when it comes to prior attainment. In 2014, 5.5% of lower prior attainers nationally make 5A\*-C including English and Maths, at St Michael's 45% of the cohort made this measure in 2015. This meant that St Michael's was ranked No.1 school in Sefton for the progress of low prior attainers.

64% of middle attainers at St Michael's make 5A\*-C including English and Maths compared to the national average of 51%. High attainers are slightly behind the national average of 93% at 83%. This is a high priority on the school development plan for 2015-16.

SEN students perform exceptionally well at St Michael's with 62% achieving 5A\*-C including English and Maths compared to the national average of 26%. SEN students at St Michael's perform in line with all pupils in the cohort. 75% of statemented students achieved 5A\*-C including English and Maths, this is an increase of 8% from 2014. School Action Plus students also outperformed the national figure by achieving 54% in the same measure.

100% Statemented students achieved expected progress in both English and Maths.

100% of School Action Plus students achieved expected progress in English and 75% achieved the same measure in Maths.

The performance of Pupil Premium students has improved for the 3rd year with 46% of students achieving the headline measure. The attainment gap between PPG students and NPPG students continues to narrow at -20%. This has improved by 13% percentage points and is lower than the national figure of -26%. The gap continues to narrow with expected progress in English to -5%. The gap in expected progress in Maths is -14%. The performance of Pupil Premium students has improved in all measures in 2015.

Pupils acquire knowledge and develop understanding quickly and securely in a wide range of subjects including English and Mathematics. Progress across year groups is consistently strong and evidence in pupils' work indicates that they achieve well. The overwhelming majority of subject areas exceed or are in line with subject national averages. The school has also seen a rise in the percentage of GCSE A\*-C in all EBAC subjects, that now exceed national averages with History 88% A\*-C, Geography 81% and Spanish 80% A\*-C.

Progress in English and Maths at KS3 is at least good. Data at the end of the academic year 2014/15 shows that 84% of the year 8 cohort are expected to make at least 3 levels of progress by the end of KS4. In Maths the figure is similar at 79%. EBAC subjects have continued to improve in KS3 with 65% or above in all subjects, on track to make 3 levels of progress by the end of KS4. Year 9 data is above national figures, English are predicting 75% of pupils will achieve expected progress and Maths are predicting 80%. A\*-C predictions are above national average also with 84% on track to achieve this measure in English and 76% in Maths. The Go for School data system allows us to track progress for KS3, all year groups are showing a positive score varying from 0.1- 0.3.



## **DIOCESE OF LIVERPOOL ACADEMIES TRUST (MERSEYSIDE)**

### **GOVERNORS' REPORT (CONTINUED)**

**FOR THE PERIOD ENDED 31 AUGUST 2015**

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Pupils read widely and often. Lessons in English begin with a period of silent reading and all KS3 students are issued with a Kindle to inspire and promulgate regular reading. Students who are behind in reading age when entering the school make rapid progress through carefully planned interventions. English results reached an historic high of 77% A\*-C in 2015 with 81% making expected progress and 42% four levels of progress.

Students are well prepared for the next stage in their education, training or employment. The majority return to 6th form and take an academic route into University or College, whilst others benefit from the vocational pathways the school offers through partnerships with the community. National statistics indicate that we exceed national figures for staying in education, training or employment.

For the last three years there have been 0% NEETS

#### ***Attendance***

Pupils value their education and rarely miss a day at school. School attendance was 95% in 2014/15 this has increased by over 2% in the last 2 years. No groups of pupils are disadvantaged by low attendance. Compared to last year there has been a significant reduction in the number of students who are persistently absent (PA) All groups are making progress in relation to reducing PA. SEN students are close to or below national averages for all groups. This reflects the appropriateness of our curriculum and the care we provide for these cohorts.

Students are keen to attend school where they feel safe, are enjoying their learning and are making progress.

#### ***Key Performance Indicators***

The School is committed to observing the importance of performance indicators, to ensure that it continues to strive for both educational and financial excellence.

To ensure that standards are continually raised, the School operates a programme of observation of lessons. This was quality assured by the Local Authority through a quality assurance visit and independently through a consultancy partnership (LINDA AUSTIN),

The School undertakes a comparison of results from entry through Key Stage 3 to GCSE and from GCSE to A level to assess the added value.

#### **Going concern**

After making appropriate enquiries, the governing body has a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future. For this reason the board of governors continues to adopt the going concern basis in preparing the accounts. Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies.

# DIOCESE OF LIVERPOOL ACADEMIES TRUST (MERSEYSIDE)

## GOVERNORS' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2015

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### Financial review

These are the Trust's first set of accounts.

These first set of financial statements are for the accounting year 1st November 2014 to 31st August 2015. The majority of the school's income is received from the Education Funding Agency (EFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the EFA during the year and the associated expenditure are shown as restricted funds in the statement of financial activities. The School successfully bid for funding from the Academies Capital Improvement Fund totalling £284,476 for a window replacement scheme. Total income for the period was £4,817,218.

During the period to 31st August 2015, the total expenditure of £3,362,438 was covered by the grants received from the EFA and the use of the balances brought forward on cessation as a Local Authority School.

As with many schools there are challenging times ahead with tight budgets and increase in costs. After making appropriate enquiries, the Governing Body is confident that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

On conversion in 2014, the School inherited a deficit of £1,470,000 in respect of the Local Government Pension Scheme. The School is currently paying contributions of approximately £64,500 towards the deficit from the GAG. The level of these deficit payments will be reviewed following the next actuarial review in 2017 and any changes in the level of repayment will be included in the School's annual budget from that date forward.

Parliament has agreed, at the request of the Secretary of State for Education, to guarantee that, in the event of academy closure, outstanding local government pension liabilities would be met from the Department of Education.

### Financial and risk management objectives and policies

The School's financial objectives are;

- a. To achieve an agreed balanced budget
- b. To increase student numbers
- c. To pursue alternative sources of funding, consistent with the school's ethos
- d. To continue to invest in school's capital programme
- e. To manage cash reserves.

### Reserves policy

At 31 August 2015, the School had a balance on its Unrestricted and Restricted General Funds, available for educational and general purposes of £596,935.

The Governors will review the level of reserves annually. It is their intention to balance future needs of the School with allocating appropriate funds to the education of the students on their roll. The balances currently held are earmarked for;

- *Ensuring the curriculum offer for a small year group,*
- *Anticipation of the significant increases in employers contributions for national insurance and pensions.*

## **DIOCESE OF LIVERPOOL ACADEMIES TRUST (MERSEYSIDE)**

### **GOVERNORS' REPORT (CONTINUED)**

**FOR THE PERIOD ENDED 31 AUGUST 2015**

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#### Investment policy and powers

Due to the nature of funding, the Academy may at times hold cash balances surplus to the short term requirements. Governors are committed to ensuring that all funds under their control are managed in such a way as to maximise return whilst minimising risk.

#### Principal risks and uncertainties

The governors have implemented a number of systems to assess the risks that the School faces especially in the operational areas e.g. teaching, health & safety and in the control of finance. They maintain such systems e.g. vetting of new staff and visitors, a new appointment of operations manager to monitor health & safety requirements, service level agreements with Sefton Local Authority for building checks and health & safety matters and the appointment of Moore & Smalley LLP for independent checks and internal financial controls in order to minimise risks. The School has adequate insurance cover obtained through the EFA RPA scheme.

The School's system of internal financial control is based on a framework of regular management information and administrative procedures including segregation of duties and a system of delegation and accountability. The Governors have approved and work to a detailed financial regulations manual and comply with the requirements as set out in the Academies Financial Handbook. The School's system of internal financial control and checks have been examined as part of the additional checks carried out by Moore and Smalley LLP. 2 visits were made during the year 1st November 2014 to 31st August 2015. The recommendations from these additional checks have been accepted.

The Academy has also been monitored through the completion and submission of EFA returns:

- a) The accounts return 2014/15
- b) The Financial Management and Governance Self Evaluation
- c) Teachers' Pensions Audit
- d) Budget Forecast Return

Governors have considered the principle risks and uncertainties that the School may be exposed to. Policies and controls have been designed so that these risks and uncertainties can be quickly identified, allowing the School to respond swiftly in order to eliminate them.

#### **Plans for future periods**

The continuing success of the School is dependent on continuing to attract sufficient student numbers by maintaining the highest educational standards. The primary success is to continue to ensure our students make significant progress and achieve success in their examinations. This will be achieved by ensuring focus on teaching and learning strategies and providing appropriate CPD. The Governors will review the School Improvement Plan priorities and allocate resources accordingly.

#### **Funds held as custodian trustee on behalf of others**

The Academy and its Governors do not act as the Custodian Trustees of any other Charity.

## DIOCESE OF LIVERPOOL ACADEMIES TRUST (MERSEYSIDE)

### GOVERNORS' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2015

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#### Auditor

In so far as the governors are aware:

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

A resolution proposing that Moore and Smalley LLP be reappointed as auditor of the charitable company will be put to the members.

The trustees' report, incorporating a strategic report, was approved by order of the board of governors, as the company directors, on 1/12/2015 and signed on its behalf by:



Mrs C Roberts

Vice Chair of Governors (Chair of Governors from  
26 September 2015)

# DIOCESE OF LIVERPOOL ACADEMIES TRUST (MERSEYSIDE)

## GOVERNANCE STATEMENT

FOR THE PERIOD ENDED 31 AUGUST 2015

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### Scope of responsibility

As governors we acknowledge we have overall responsibility for ensuring that St Michael's Church of England High School has an effective and appropriate system of control, financial and otherwise. However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

The board of governors has delegated the day-to-day responsibility to the Headteacher, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between St Michael's Church of England High School and the Secretary of State for Education. They are also responsible for reporting to the board of governors any material weaknesses or breakdowns in internal control.

### Governance

The information on governance included here supplements that described in the Governors' Report and in the Statement of Governors' Responsibilities. The board of governors has formally met four times during the period of 1st November 2014 - 31st August 2015. Attendance during the period at meetings of the board of governors was as follows:

Governors	Meetings attended	Out of possible
Reverend Canon P Spiers (Chair of Governors to 31 August 2015)	2	4
Mrs C Roberts (Vice Chair of Governors (Chair of Governors from 26 September 2015))	3	4
Mrs A Seddon (Resigned 31 January 2015)	0	1
Mr R Miller	2	4
Mr R C Cotsworth	4	4
Mrs H Hunter	4	4
Mr P G Masterson	2	4
Mrs V Gee	4	4
Mr A D Smith	2	4
Mrs S Mountford (Resigned 31 August 2015)	3	4
Miss A Mulligan	4	4
Mr M Leicester	3	4
Ms J Cliff	3	4
Mr M W Parry	4	4
Dr S J Hulme (Headteacher)	4	4
Rev S Lucas (Appointed 26 September 2015)		

A skills audit of the Governors is being completed. Governors have been asked to rate their knowledge and experience in a range of areas relevant to their roles. Once this process has been completed, any training requirements will be reviewed and a training programme put in place to rectify any skills requirements. Each Governor is assigned a role in the school according to their particular skills and experience.

## DIOCESE OF LIVERPOOL ACADEMIES TRUST (MERSEYSIDE)

### GOVERNANCE STATEMENT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2015

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The Finance and Personnel committee is a sub-committee of the main board of governors.

The Finance & Personnel committee met four times throughout the year and examined the financial statements reviewing performance against budgets and overall expenditure by means of regular update reports at Full Governors. The Governors examine the financial position each term.

Attendance at meetings in the period was as follows:

Governors	Meetings attended	Out of possible
Mrs C Roberts (Vice Chair of Governors (Chair of Governors from 26 September 2015))	4	4
Mr R Miller	1	4
Mr R C Cotsworth	4	4
Mr P G Masterson	3	4
Mr A D Smith	1	4
Mrs S Mountford (Resigned 31 August 2015)		
Miss A Mulligan	3	4
Dr S J Hulme (Headteacher)	4	4

The audit committee is a sub-committee of the main board of governors. Its purpose is to oversee the audit of the annual financial statements and additional testing of systems and procedures during the year.

Attendance at meetings in the period was as follows:

Governors	Meetings attended	Out of possible
Reverend Canon P Spiers (Chair of Governors to 31 August 2015)	1	1
Mrs H Hunter	2	2
Mr M W Parry	2	2
Rev S Lucas (Appointed 26 September 2015)	1	1

#### Review of value for money

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

## DIOCESE OF LIVERPOOL ACADEMIES TRUST (MERSEYSIDE)

### GOVERNANCE STATEMENT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2015

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The accounting officer considers how the academy trust's use of its resources has provided good value for money during each academic year, and reports to the board of governors 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:

- Regularly review of the functions of the school, **challenging** how and why services are provided and setting targets and performance indicators for improvement;
- Monitoring outcomes and **comparing** performance with similar schools and within the school;
- **Consulting** appropriate stakeholders before major decisions are made; and
- Promoting fair **competition** through quotations and tenders to ensure that goods and services are secured in the most economic, efficient and effective way.

The Governors of St Michael's Church of England High School are committed to achieving Best Value in all decisions made. We use the principles of Best Value as they apply to securing continuous improvement in this school.

We will strive to ensure that the school is using its resources effectively to meet the needs of pupils.

We will submit our Best Value statement with the annual budget plan. The progress of the annual budget plan and the Best Value statement will be monitored with the school improvement plan in order to determine the extent of continuous improvement.

The school has in place a strategy and a set of guidelines, updated annually, which will ensure that Best Value will be reviewed and demonstrated.

#### **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 Academy for the period 25 September 2014 to 31 August 2015 and up to the date of approval of the annual report and financial statements.

#### **Capacity to handle risk**

The board of governors 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 governors is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 25 September 2014 to 31 August 2015 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the board of governors.

## **DIOCESE OF LIVERPOOL ACADEMIES TRUST (MERSEYSIDE)**

### **GOVERNANCE STATEMENT (CONTINUED)**

**FOR THE PERIOD ENDED 31 AUGUST 2015**

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#### **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 board of governors;
- regular reviews by the finance and personnel committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

The governing body has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However the trustees have appointed Moore & Smalley LLP the external auditor, to perform additional checks. The role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. In particular the checks carried out in the current period included:

- testing of payroll systems
- testing of purchase systems
- testing of control account/bank reconciliations
- testing of income systems
- testing of school fund
- testing of charge card controls and procedure

On a termly basis Moore & Smalley LLP reports to the board of trustees, through the Finance & Personnel committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities. Control issues raised during the checks have been addressed and are being implemented.

#### **Review of effectiveness**

As accounting officer, the Headteacher has responsibility for reviewing the effectiveness of the system of internal control. During the period in question the review has been informed by:

- Management accounts
- Finance & Personnel sub committee
- Reports and Minutes
- The financial management and governance self-assessment process;
- The additional controls and procedures checks by Moore & Smalley LLP
- External audit;
- The work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework
- Governors Scheme of delegation
- The Business Interests process and register



## DIOCESE OF LIVERPOOL ACADEMIES TRUST (MERSEYSIDE)

### GOVERNANCE STATEMENT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2015

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The accounting officer has been advised of the implications of the result of their review of the system of internal control by the finance and personnel committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the board of governors on .....12/15..... and signed on its behalf by:



Mrs C Roberts  
Vice Chair of  
Governors (Chair of  
Governors from 26  
September 2015)

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Dr S J Hulme  
Headteacher

## **DIOCESE OF LIVERPOOL ACADEMIES TRUST (MERSEYSIDE)**

### **STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

**FOR THE PERIOD ENDED 31 AUGUST 2015**

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As accounting officer of the academy trust I have considered my responsibility to notify the academy trust board of governors and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, 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.

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

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

Approved on .....1/12/15..... and signed by:

.....

**Dr S J Hulme**  
**Accounting Officer**

## DIOCESE OF LIVERPOOL ACADEMIES TRUST (MERSEYSIDE)

### STATEMENT OF GOVERNORS' RESPONSIBILITIES

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The governors (who act as trustees for Diocese of Liverpool Academies Trust (Merseyside) and are also the directors of Diocese of Liverpool Academies Trust (Merseyside) for the purposes of company law) are responsible for preparing the Governors' Report and the accounts in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the governors to prepare accounts for each financial year. Under company law the governors must not approve the accounts 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 accounts, the governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2005;
- 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 accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The governors 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 accounts 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 governors 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 the EFA/DfE have been applied for the purposes intended.

The governors 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 accounts may differ from legislation in other jurisdictions.

Approved by order of the board of governors on <sup>01.12.2015</sup> ..... and signed on its behalf by:



.....  
**Mrs C Roberts**

**Vice Chair of Governors (Chair of Governors from  
26 September 2015)**

# **DIOCESE OF LIVERPOOL ACADEMIES TRUST (MERSEYSIDE)**

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF DIOCESE OF LIVERPOOL ACADEMIES TRUST (MERSEYSIDE)**

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We have audited the accounts of Diocese of Liverpool Academies Trust (Merseyside) for the period ended 31 August 2015 set out on pages 22 to 43. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2014 to 2015 issued by the EFA.

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 its members as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of governors and auditors**

As explained more fully in the Governors' Responsibilities Statement set out on page 17, the governors, who are also the directors of Diocese of Liverpool Academies Trust (Merseyside) for the purposes of company law, are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view.

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

#### **Scope of the audit of the accounts**

An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the governors; and the overall presentation of the accounts. In addition, we read all the financial and non-financial information in the Governors' Annual Report to identify material inconsistencies with the audited accounts and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### **Opinion on accounts**

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2015 and of its incoming resources and application of resources, including its income and expenditure, for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Academies Accounts Direction 2014 to 2015 issued by the EFA.

#### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Governors' Report for the financial period for which the accounts are prepared is consistent with the accounts.

## **DIOCESE OF LIVERPOOL ACADEMIES TRUST (MERSEYSIDE)**

### **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

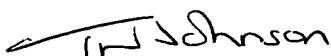
#### **TO THE MEMBERS OF DIOCESE OF LIVERPOOL ACADEMIES TRUST (MERSEYSIDE)**

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##### **Matters on which we are required to report by exception**

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

- 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 accounts are not in agreement with the accounting records and returns; or
- certain disclosures of governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



**Tracey Johnson (Senior Statutory Auditor)**  
**Moore and Smalley LLP**

##### **Chartered Accountants**

##### **Statutory Auditor**

Richard House  
9 Winckley Square  
Preston  
PR1 3HP

Dated: 11 December 2015

## **DIOCESE OF LIVERPOOL ACADEMIES TRUST (MERSEYSIDE)**

### **INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO DIOCESE OF LIVERPOOL ACADEMIES TRUST (MERSEYSIDE) AND THE EDUCATION FUNDING AGENCY**

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In accordance with the terms of our engagement letter dated 25 November 2014 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2014 to 2015, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Diocese of Liverpool Academies Trust (Merseyside) during the period 25 September 2014 to 31 August 2015 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Diocese of Liverpool Academies Trust (Merseyside) and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Diocese of Liverpool Academies Trust (Merseyside) and the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Diocese of Liverpool Academies Trust (Merseyside) and the EFA, for our work, for this report, or for the conclusion we have formed.

#### **Respective responsibilities of Diocese of Liverpool Academies Trust (Merseyside)'s accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of Diocese of Liverpool Academies Trust (Merseyside)'s funding agreement with the Secretary of State for Education dated 29 October 2014 and the Academies Financial Handbook, extant from 1 September 2014, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2014 to 2015. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 25 September 2014 to 31 August 2015 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

#### **Approach**

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

The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity.

A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion.

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

The work undertaken to draw to our conclusion includes an evaluation of the control environment of the School together with enquiry, analytical review and substantive testing of transactions.

## DIOCESE OF LIVERPOOL ACADEMIES TRUST (MERSEYSIDE)

### INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO DIOCESE OF LIVERPOOL ACADEMIES TRUST (MERSEYSIDE) AND THE EDUCATION FUNDING AGENCY (CONTINUED)

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#### Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 25 September 2014 to 31 August 2015 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



**Tracey Johnson**  
**Reporting Accountant**  
**Moore and Smalley LLP**

Dated: 11 December 2015

# DIOCESE OF LIVERPOOL ACADEMIES TRUST (MERSEYSIDE)

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE PERIOD ENDED 31 AUGUST 2015

		Unrestricted funds	Restricted funds	Fixed Asset funds	Total 2015 10 months £
<u>Incoming resources</u>	Notes	£	£	£	£
<i>Resources from generated funds</i>					
- Voluntary income	2	1,570	1,188	270,209	272,967
- Inherited on conversion	24	575,174	(1,456,656)	1,875,000	993,518
- Activities for generating funds	3	7,117	-	-	7,117
- Investment income	4	548	-	-	548
<i>Resources from charitable activities</i>					
- Funding for educational operations	5	628	3,244,323	298,117	3,543,068
<b>Total incoming resources</b>		<u>585,037</u>	<u>1,788,855</u>	<u>2,443,326</u>	<u>4,817,218</u>
<u>Resources expended</u>					
<i>Costs of generating funds</i>					
- Fundraising trading	6	1,555	-	-	1,555
<i>Charitable activities</i>					
- Educational operations	7	777	3,348,031	-	3,348,808
Governance costs	8	-	12,075	-	12,075
<b>Total resources expended</b>	6	<u>2,332</u>	<u>3,360,106</u>	<u>-</u>	<u>3,362,438</u>
<b>Net incoming/(outgoing) resources before transfers</b>		<u>582,705</u>	<u>(1,571,251)</u>	<u>2,443,326</u>	<u>1,454,780</u>
Gross transfers between funds		(42,460)	122,941	(80,481)	-
<b>Net income/(expenditure) for the period</b>		<u>540,245</u>	<u>(1,448,310)</u>	<u>2,362,845</u>	<u>1,454,780</u>
<u>Other recognised gains and losses</u>					
Actuarial gains/(losses) on defined benefit pension scheme	22	-	(40,000)	-	(40,000)
<b>Net movement in funds</b>		<u>540,245</u>	<u>(1,488,310)</u>	<u>2,362,845</u>	<u>1,414,780</u>
Fund balances at 25 September 2014		-	-	-	-
<b>Fund balances at 31 August 2015</b>	14	<u>540,245</u>	<u>(1,488,310)</u>	<u>2,362,845</u>	<u>1,414,780</u>

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006. A statement of total recognised gains and losses is not required as all gains and losses are included in the statement of financial activities.

All of the academy's activities derive from continuing operations during the financial period above.



# DIOCESE OF LIVERPOOL ACADEMIES TRUST (MERSEYSIDE)

## BALANCE SHEET

AS AT 31 AUGUST 2015

	Notes	2015 £	£
<b>Fixed assets</b>			
Tangible assets	11		2,151,657
<b>Current assets</b>			
Debtors	12	91,027	
Cash at bank and in hand		934,012	
		<u>1,025,039</u>	
<b>Current liabilities</b>			
Creditors: amounts falling due within one year	13	(216,916)	
		<u></u>	
<b>Net current assets</b>			808,123
<b>Net assets excluding pension liability</b>			<u>2,959,780</u>
Defined benefit pension liability	22		(1,545,000)
			<u></u>
<b>Net assets</b>			<u>1,414,780</u>
<b>Funds of the academy trust:</b>			
<b>Restricted funds</b>	14		
- Fixed asset funds			2,362,845
- General funds			56,690
- Pension reserve			(1,545,000)
			<u></u>
<b>Total restricted funds</b>			874,535
<b>Unrestricted income funds</b>	14		540,245
			<u></u>
<b>Total funds</b>			<u>1,414,780</u>

The accounts were approved by order of the board of governors and authorised for issue on .....



Mrs C Roberts

Vice Chair of Governors (Chair of Governors from 26 September 2015)

Company Number 09235635

# DIOCESE OF LIVERPOOL ACADEMIES TRUST (MERSEYSIDE)

## CASH FLOW STATEMENT

FOR THE PERIOD ENDED 31 AUGUST 2015

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	Notes	31 August 2015 10 months £
Net cash inflow/(outflow) from operating activities	18	53,277
Cash funds transferred on conversion		588,518
<b>Returns on investments and servicing of finance</b>		
Investment income		548
		<hr/>
<b>Net cash inflow/(outflow) from returns on investments and servicing of finance</b>		548
		<hr/>
		642,343
<b>Capital expenditure and financial investments</b>		
Capital grants received		298,117
Payments to acquire tangible fixed assets		(6,448)
		<hr/>
<b>Net cash flow from capital activities</b>		291,669
		<hr/>
<b>Increase/(decrease) in cash</b>	19	934,012
		<hr/> <hr/>

# **DIOCESE OF LIVERPOOL ACADEMIES TRUST (MERSEYSIDE)**

## **NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED 31 AUGUST 2015**

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### **1 Accounting policies**

#### **1.1 Basis of preparation**

The accounts have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Charity Commission 'Statement of Recommended Practice: Accounting and Reporting by Charities' ('SORP 2005'), the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

These financial statements have been prepared for the period 25 September 2014 to 31 August 2015 which is a period of less than twelve months. Academy trusts are required by the EFA to report annually to 31 August and the academy trust is not permitted under the Companies Act 2006 to extend its accounting reference date to more than eighteen months but it may shorten it.

#### **1.2 Going concern**

The governors assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The governors make this assessment in respect of a period of one year from the date of approval of the accounts.

#### **1.3 Conversion to an academy trust**

The conversion from a local authority school to an academy trust involved the transfer of identifiable assets and liabilities and the operation of the Academy for £nil consideration and has been accounted for under the acquisition accounting method.

The assets and liabilities transferred on conversion from St Michael's High School to an academy trust have been valued at their fair value being a reasonable estimate of the current market value that the governors would expect to pay in an open market for an equivalent item. Their fair value is in accordance with the accounting policies set out for the Academy. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in other resources expended in the Statement of Financial activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

The Trust inherited the fixtures and fittings and other tangible fixed assets in use by the Academy at the date of conversion. These assets have been transferred at their net book value as an estimate of their market value.

The academy trust company occupies land (including buildings) which is owned by its Trustees who are the Diocese of Liverpool. The Trustees are the providers of the academy on the same basis as when the academy was a maintained school. The academy trust company occupies part of the land (and buildings) under a mere licence. This continuing permission of their Trustees is pursuant to, and subject to, the Trustees' charitable objects, and is part of the Church of England's contribution to provide State funded education in partnership with the State. The licence delegates aspects of the management of the land (and buildings) to the academy trust company for the time being, but does not vest any rights over the land in the academy trust company. The Trustees have given an undertaking to the Secretary of State that they will not give the academy trust company less than two years notice to terminate the occupation of the land (including buildings). Having considered the factual matrix under which the academy trust company is occupying the land (and buildings) the directors have concluded that the value of the land and buildings occupied by the academy trust company will not be recognised on the balance sheet of the company.

The school playing fields are leased under a 125 year lease from the Local Authority. These were valued as at 31 March 2015 by Mouchel and are included in the balance sheet at this valuation.

# DIOCESE OF LIVERPOOL ACADEMIES TRUST (MERSEYSIDE)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2015

### 1 Accounting policies

(Continued)

#### 1.4 Incoming resources

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

##### Grants receivable

Grants are included in the statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of entitlement of receipt its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

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

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

##### Sponsorship income

Sponsorship income provided to the academy trust which amounts to a donation is recognised in the statement of financial activities in the period in which it is receivable, where there is certainty of receipt and the value of the donation is measurable.

##### Donations

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

##### Other income

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

##### Donated services and gifts in kind

The value of donated services and gifts in kind provided to the academy trust are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the academy trust can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the statement of financial activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's policies.

#### 1.5 Resources expended

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

##### Costs of generating funds

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

##### Charitable activities

These are costs incurred on the academy trust's educational operations.

# DIOCESE OF LIVERPOOL ACADEMIES TRUST (MERSEYSIDE)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2015

### 1 Accounting policies

(Continued)

#### Governance costs

These include the costs attributable to the academy trust's compliance with constitutional and statutory requirements, including audit, strategic management and governors' meetings and reimbursed expenses.

All resources expended are inclusive of irrecoverable VAT.

#### 1.6 Tangible fixed assets and depreciation

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the statement of financial activities and carried forward in the balance sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the statement of financial activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the academy trust's depreciation policy. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

Land and buildings	2% per annum straight line
Computer equipment	33% per annum straight line

#### 1.7 Leasing and hire purchase commitments

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

#### 1.8 Taxation

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

#### 1.9 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'). These are defined benefit schemes and the assets are held separately from those of the academy trust.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in Note 22, the TPS is a multi-employer scheme and the academy trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions are recognised as they are paid each period.

# DIOCESE OF LIVERPOOL ACADEMIES TRUST (MERSEYSIDE)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2015

### 1 Accounting policies

(Continued)

The LGPS is a funded scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the statement of financial activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

#### 1.10 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 governors.

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

Restricted general funds comprise all other restricted funds received and include grants from the Education Funding Agency.

#### 1.11 Agency arrangements

The academy trust acts as an agent in distributing 16-19 bursary funds from EFA. Payments received from EFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The funds received and paid and any balances held are disclosed in the notes to the accounts.

### 2 Voluntary income

	Unrestricted funds £	Restricted funds £	Total 2015 £
Donated fixed assets	-	270,209	270,209
Other donations	1,570	1,188	2,758
	<u>1,570</u>	<u>271,397</u>	<u>272,967</u>

# DIOCESE OF LIVERPOOL ACADEMIES TRUST (MERSEYSIDE)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2015

### 3 Activities for generating funds

	Unrestricted funds £	Restricted funds £	Total 2015 £
Hire of facilities	1,300	-	1,300
Uniform sales	2,066	-	2,066
Other income	3,751	-	3,751
	<u>7,117</u>	<u>-</u>	<u>7,117</u>

### 4 Investment income

	Unrestricted funds £	Restricted funds £	Total 2015 £
Short term deposits	548	-	548
	<u>548</u>	<u>-</u>	<u>548</u>

### 5 Funding for the academy trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2015 £
<b>DfE / EFA grants</b>			
General annual grant (GAG)	-	2,773,404	2,773,404
Start up grants	-	55,000	55,000
Capital grants	-	298,117	298,117
Other DfE / EFA grants	-	139,860	139,860
	<u>-</u>	<u>3,266,381</u>	<u>3,266,381</u>
<b>Other government grants</b>			
Local authority grants	-	236,645	236,645
	<u>-</u>	<u>236,645</u>	<u>236,645</u>
<b>Other funds</b>			
Other incoming resources	628	39,414	40,042
	<u>628</u>	<u>39,414</u>	<u>40,042</u>
<b>Total funding</b>	<u>628</u>	<u>3,542,440</u>	<u>3,543,068</u>

# DIOCESE OF LIVERPOOL ACADEMIES TRUST (MERSEYSIDE)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2015

### 6 Resources expended

	Staff costs £	Premises & equipment £	Other costs £	Total 2015 £
<b>Academy's educational operations</b>				
- Direct costs	2,192,769	-	240,690	2,433,459
- Allocated support costs	364,392	135,180	415,777	915,349
	<u>2,557,161</u>	<u>135,180</u>	<u>656,467</u>	<u>3,348,808</u>
<b>Other expenditure</b>				
Costs of activities for generating funds	-	-	1,555	1,555
Governance costs	-	-	12,075	12,075
	<u>-</u>	<u>-</u>	<u>13,630</u>	<u>13,630</u>
<b>Total expenditure</b>	<u>2,557,161</u>	<u>135,180</u>	<u>670,097</u>	<u>3,362,438</u>
<b>Net income/(expenditure) for the period includes:</b>				<b>2015 £</b>
Operating leases				
- Other				965
Fees payable to auditor				
- Audit				7,750
- Other services				4,325
				<u>12,040</u>



# DIOCESE OF LIVERPOOL ACADEMIES TRUST (MERSEYSIDE)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2015

### 7 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2015 £
<b>Direct costs</b>			
Teaching and educational support staff costs	-	2,192,769	2,192,769
Technology costs	-	21,247	21,247
Educational supplies and services	-	172,431	172,431
Examination fees	-	47,012	47,012
	-	2,433,459	2,433,459
<b>Allocated support costs</b>			
Support staff costs	-	312,392	312,392
Maintenance of premises and equipment	-	135,180	135,180
Cleaning	-	82,944	82,944
Energy costs	-	74,239	74,239
Rent and rates	-	38,159	38,159
Insurance	-	11,306	11,306
Catering	-	45,197	45,197
Interest and finance costs	-	52,000	52,000
Other support costs	777	163,155	163,932
	777	914,572	915,349
<b>Total costs</b>	777	3,348,031	3,348,808

### 8 Governance costs

	Unrestricted funds £	Restricted funds £	Total 2015 £
Auditor's remuneration			
- Audit of financial statements	-	7,750	7,750
- Other services	-	4,325	4,325
	-	12,075	12,075

# DIOCESE OF LIVERPOOL ACADEMIES TRUST (MERSEYSIDE)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2015

### 9 Staff costs

	2015 £
Wages and salaries	2,057,401
Social security costs	138,523
Other pension costs	360,885
	<u>2,556,809</u>
Supply teacher costs	352
	<u>2,557,161</u>

The average number of persons (including senior management team) employed by the academy trust during the period expressed as full time equivalents was as follows:

	2015 Number
Teachers and teaching assistants	51
Administration and support	22
Management	10
	<u>83</u>

The number of employees whose annual emoluments were £60,000 or more was:

	2015 Number
£60,000 - £65,000	<u>1</u>

# DIOCESE OF LIVERPOOL ACADEMIES TRUST (MERSEYSIDE)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2015

### 10 Governors' remuneration and expenses

One or more governors has been paid remuneration or has received other benefits from an employment with the academy trust. The Headteacher and other staff governors only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff members under their contracts of employment, and not in respect of their services as governors. Other governors did not receive any payments, other than expenses, from the academy trust in respect of their role as governors.

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

Dr Simon Hulme (Headteacher and trustee)  
Remuneration £60,000 - £65,000  
Employer's pension contributions £5,000 - £10,000

Ms Julie Cliff (staff trustee)  
Remuneration £15,000 - £20,000  
Employer's pension contributions £0 - £5,000

Mr Mark Leicester (staff trustee)  
Remuneration £20,000 - £25,000  
Employer's pension contributions £0 - £5,000

Mrs Adele Mulligan (staff trustee)  
Remuneration £30,000 - £35,000  
Employer's pension contributions £0 - £5,000

### Governors' and officers' insurance

In accordance with normal commercial practice, the academy trust has purchased insurance to protect governors 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.

### 11 Tangible fixed assets

	Land and buildings £	Computer equipment £	Total £
<b>Cost</b>			
At 25 September 2014	-	-	-
Additions	2,145,209	6,448	2,151,657
At 31 August 2015	2,145,209	6,448	2,151,657
<b>Depreciation</b>			
At 25 September 2014 and at 31 August 2015	-	-	-
<b>Net book value</b>			
At 31 August 2015	2,145,209	6,448	2,151,657

**DIOCESE OF LIVERPOOL ACADEMIES TRUST (MERSEYSIDE)**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE PERIOD ENDED 31 AUGUST 2015**

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<b>12 Debtors</b>	<b>2015</b>
	<b>£</b>
Trade debtors	226
VAT recoverable	28,248
Prepayments and accrued income	62,553
	<u>91,027</u>
	<u><u>91,027</u></u>
 <b>13 Creditors: amounts falling due within one year</b>	 <b>2015</b>
	<b>£</b>
Taxes and social security costs	51,059
Other creditors	47,064
Accruals	118,793
	<u>216,916</u>
	<u><u>216,916</u></u>

# DIOCESE OF LIVERPOOL ACADEMIES TRUST (MERSEYSIDE)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2015

### 14 Funds

	Balance at 25 September 2014 £	Incoming resources £	Resources expended £	Gains, losses & transfers £	Balance at 31 August 2015 £
<b>Restricted general funds</b>					
General Annual Grant	-	2,773,404	(2,819,265)	45,861	-
Start up grants	-	55,000	(55,000)	-	-
Other DfE / EFA grants	-	139,860	(191,525)	86,929	35,264
Other government grants	-	236,645	(219,534)	(6,448)	10,663
Other restricted funds	-	53,946	(39,782)	(3,401)	10,763
	-	3,258,855	(3,325,106)	122,941	56,690
Funds excluding pensions	-	(1,470,000)	(35,000)	(40,000)	(1,545,000)
Pension reserve	-	1,788,855	(3,360,106)	82,941	(1,488,310)
<b>Restricted fixed asset funds</b>					
DfE / EFA and other capital grants	-	298,117	-	(86,929)	211,188
Inherited fixed asset fund	-	1,875,000	-	-	1,875,000
Capital expenditure from GAG or other funds	-	-	-	6,448	6,448
Public sector capital sponsorship	-	270,209	-	-	270,209
	-	2,443,326	-	(80,481)	2,362,845
<b>Total restricted funds</b>	-	4,232,181	(3,360,106)	2,460	874,535
<b>Unrestricted funds</b>					
General funds	-	585,037	(2,332)	(42,460)	540,245
<b>Total funds</b>	-	4,817,218	(3,362,438)	(40,000)	1,414,780

# DIOCESE OF LIVERPOOL ACADEMIES TRUST (MERSEYSIDE)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2015

### 14 Funds

(Continued)

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

General Annual Grant must be used for the normal running expenses of the School and any amounts carried forward at the end of a financial period must be used in accordance with the terms of the Funding Agreement. The school is not subject to a limit on GAG carry forward.

Other DFE/EFA grants comprise additional funding received for the furtherance of education, which must be used in accordance with the specific terms of each grant.

Other government grants include LEA funding for Special Educational Needs.

Other restricted funds include contributions received for school trips and other donations and their related expenditure.

The pension reserve represents the value of the School's share of the deficit in the local Government Pension Scheme.

Restricted fixed asset funds include assets inherited on conversion and expenditure out of GAG and other other capital grants and donations during the period. Depreciation will be charged against the fund.

### 15 Analysis of net assets between funds

	Unrestricted funds	Restricted general funds	Restricted fixed asset funds	Total funds
	£	£	£	£
<b>Fund balances at 31 August 2015 are represented by:</b>				
Tangible fixed assets	-	-	2,151,657	2,151,657
Current assets	757,161	56,690	211,188	1,025,039
Creditors falling due within one year	(216,916)	-	-	(216,916)
Defined benefit pension liability	-	(1,545,000)	-	(1,545,000)
	<u>540,245</u>	<u>(1,488,310)</u>	<u>2,362,845</u>	<u>1,414,780</u>

### 16 Capital commitments

2015  
£

At 31 August 2015 the company had capital commitments as follows:

Expenditure contracted for but not provided in the accounts

196,396

# DIOCESE OF LIVERPOOL ACADEMIES TRUST (MERSEYSIDE)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2015

### 17 Commitments under operating leases

At 31 August 2015 the academy trust had annual commitments under non-cancellable operating leases as follows:

	2015 £
Expiry date:	
- Within one year	1,159

### 18 Reconciliation of net income to net cash inflow/(outflow) from operating activities

	2015 £
Net income	1,454,780
Capital grants and similar income	(568,326)
Net deficit/(surplus) transferred on conversion	(993,518)
Investment income	(548)
Defined benefit pension costs less contributions payable	(17,000)
Defined benefit pension finance costs/(income)	52,000
(Increase)/decrease in debtors	(91,027)
Increase/(decrease) in creditors	216,916
Net cash inflow/(outflow) from operating activities	53,277

### 19 Reconciliation of net cash flow to movement in net funds

	2015 £
Increase/(decrease) in cash	934,012
Net funds at 25 September 2014	-
Net funds at 31 August 2015	934,012

### 20 Analysis of net funds

	At 25 September 2014 £	Transferred on conversion £	Cash flows £	Non-cash changes £	At 31 August 2015 £
Cash at bank and in hand	-	588,518	345,494	-	934,012

# **DIOCESE OF LIVERPOOL ACADEMIES TRUST (MERSEYSIDE)**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE PERIOD ENDED 31 AUGUST 2015**

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### **21 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 £[insert amount as stated in memorandum and articles of association] for the debts and liabilities contracted before he or she ceases to be a member.

### **22 Pensions and similar obligations**

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

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

Contributions amounting to £44,845 were payable to the schemes at 31 August 2015 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 Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

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

##### **Valuation of the Teachers' Pension Scheme**

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014.



# DIOCESE OF LIVERPOOL ACADEMIES TRUST (MERSEYSIDE)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2015

### 22 Pensions and similar obligations

(Continued)

The key elements of the valuation and subsequent consultation are:

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

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

The pension costs paid to the TPS in the period amounted to £191,765.

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

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has set out above the information available on the scheme.

#### Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 14.7% for employers and 5.5 to 12.5% for employees. The estimated value of employer contributions for the forthcoming year is £162,000.

Additional payments of £64,500 per annum have been agreed. The level of these deficit payments will be reviewed following the next actuarial review in 2017.

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.

Contributions made	2015 £
Employer's contributions (rounded)	132,000
Employees' contributions (rounded)	33,000
Total contributions	165,000
Principal actuarial assumptions	2015 %
Rate of increase in salaries	3.8

# DIOCESE OF LIVERPOOL ACADEMIES TRUST (MERSEYSIDE)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2015

### 22 Pensions and similar obligations (Continued)

Rate of increase for pensions in payment	2.3
Discount rate for scheme liabilities	4
Inflation assumption (CPI)	2.3

A 0.1% increase in the discount rate reduces the liability as at 31 August 2015 from £1,545,000 to £1,505,000. A 0.1% increase in the inflation assumption increases the liability to £1,585,000 and a 1 year increase in life expectancy increases the liability to £1,575,000.

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

	2015 Years
Retiring today	
- Males	22.4
- Females	25.3
Retiring in 20 years	
- Males	24.8
- Females	28.1

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

	2015 Expected return %	2015 Fair value £
Equities	6.5	99,000
Government bonds	2.5	23,000
Other bonds	3.6	9,000
Cash/liquidity	0.5	5,000
Property	6.1	14,000
Other assets	6.5	16,000
Total market value of assets		166,000
Present value of scheme liabilities - funded		(1,711,000)
Net pension asset / (liability)		(1,545,000)

# DIOCESE OF LIVERPOOL ACADEMIES TRUST (MERSEYSIDE)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2015

22 Pensions and similar obligations	(Continued)
<b>Amounts recognised in the statement of financial activities</b>	
	2015 £
<b>Operating costs/(income)</b>	
Current service cost (net of employee contributions)	115,000
Past service cost	-
Total operating charge	115,000
<b>Finance costs/(income)</b>	
Expected return on pension scheme assets	(1,000)
Interest on pension liabilities	53,000
Net finance costs/(income)	52,000
<b>Total charge/(income)</b>	167,000
<b>Actuarial gains and losses recognised in the statement of financial activities</b>	
	2015 £
Actuarial (gains)/losses on assets: actual return less expected	40,000
Experience (gains)/losses on liabilities	-
(Gains)/losses arising from changes in assumptions	-
Total (gains)/losses	40,000
Cumulative (gains)/losses to date	40,000
<b>Movements in the present value of defined benefit obligations</b>	
	2015 £
Obligations acquired on conversion	(1,470,000)
Current service cost	(115,000)
Interest cost	(53,000)
Contributions by employees	(33,000)
Actuarial gains/(losses)	(40,000)
At 31 August 2015	(1,711,000)

## DIOCESE OF LIVERPOOL ACADEMIES TRUST (MERSEYSIDE)

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2015

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#### 22 Pensions and similar obligations (Continued)

##### Movements in the fair value of scheme assets

	2015 £
Expected return on assets	1,000
Contributions by employers	132,000
Contributions by employees	33,000
	<hr/>
At 31 August 2015	166,000
	<hr/>

##### History of experience gains and losses

	2015 £
Present value of defined benefit obligations	(1,711,000)
Fair value of share of scheme assets	166,000
	<hr/>
Surplus / (deficit)	(1,545,000)
	<hr/>
Experience adjustment on scheme assets	-
Experience adjustment on scheme liabilities	(40,000)
	<hr/>

#### 23 Related parties

No related party transactions took place in the period of account.

## DIOCESE OF LIVERPOOL ACADEMIES TRUST (MERSEYSIDE)

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2015

#### 24 Conversion to an academy

On 1 November 2014 St Michael's Church of England High School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Diocese of Liverpool Academies Trust (Merseyside) from the Sefton Local Authority for £nil consideration.

The transfer has been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as net resources expended in the statement of financial activities as other resources expended.

Fixtures and fittings acquired on conversion had been held for a significant period of time and were fully depreciated. An estimate of the current fair value was not readily available and the cost of obtaining a valuation was considered to be disproportionate to the value of including such a valuation in the accounts. No value has therefore been included for these assets.

The school playing fields have been transferred to the school from the Local Authority under a 125 year lease and are included in the accounts as a donated asset at their fair value as at 31 March 2015.

As noted in the Accounting Policies, the remaining Land and Buildings owned by the Diocese of Liverpool have not been included in the accounts as they are not considered to be assets of the Academy and have been treated in line with guidance issued by the Church of England's National Education Office.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the statement of financial activities.

<b>Funds surplus/(deficit) transferred:</b>	<b>Unrestricted funds £</b>	<b>Restricted funds £</b>	<b>Fixed asset funds £</b>	<b>Total 2015 £</b>
Fixed assets funds	-	-	1,875,000	1,875,000
LGPS pension funds	-	(1,470,000)	-	(1,470,000)
Other funds	575,174	13,344	-	588,518
	<u>575,174</u>	<u>(1,456,656)</u>	<u>1,875,000</u>	<u>993,518</u>
<b>Net assets transferred:</b>				<b>£</b>
Leasehold land and buildings				1,875,000
Cash				588,518
Pension surplus/(deficit)				(1,470,000)
				<u>993,518</u>

#### 25 Agency arrangements

The academy trust distributes 16-19 bursary funds to students as an agent for EFA. In the accounting period ending 31 August 2015 the trust received £4,283 and disbursed £3,433 from the fund. An amount of £850 is included in other creditors relating to undistributed funds that is repayable to EFA.