Company registration number 08825752 (England and Wales)

THE LIPA MULTI ACADEMY TRUST

(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2024

THE LIPA MULTI ACADEMY TRUST

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THE LIPA MULTI ACADEMY TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Members	
	R Grey
	C Workman
	G Goodwin
	H Clucas
	C Lipton
Trustees	S McNamara (Chair of trustees)
	C Smith
	C Workman
	H Clucas
	N Barnes
	V Hopton
Senior management team	
- CEO, Accounting Officer and Principal of the LIPA Sixth Form College	C Bartholomew (appointed 4 July 2024)
- CEO and Accounting Officer	G Parker (resigned 3 July 2024)
- Consultant CFO	M Giddings (resigned 1 April 2024)
- CFO	C Thakkar (appointed 2 April 2024)
- Primary Phase Headteacher	H Lucas
- Secondary Phase Headteacher	A Raven
Company registration number	08825752 (England and Wales)
Principal and registered office	41 Upper Duke Street
	Liverpool
	Merseyside
	L1 9DY

Academies operated	**Location**	**Principal**
The LIPA Sixth Form College	Liverpool	C Bartholomew
The LIPA Primary and High School	Liverpool	H Lucas/ A Raven

Independent auditor	Mitchell Charlesworth (Audit) Limited
	24 Nicholas Street
	Chester
	CH1 2AU
Bankers	Santander Plc
	Bootle Branch
	Bridle Road
	Bootle
	Liverpool
	Merseyside
	L30 4GB

THE LIPA MULTI ACADEMY TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2024

The trustees present their annual report together with the accounts and auditor's report of the charitable company for the year 1 September 2023 to 31 August 2024. The annual report serves the purposes of both a trustees' report, and a directors' report and strategic report under company law.

The academy trust operates 2 academies serving catchment areas in Liverpool which are:

- LIPA Primary and High School (from 1 May 2022)
- LIPA Sixth Form College (from 12 September 2016)

Its academies have a combined pupil capacity of 918 and had a combined roll of 935 in the school census in the summer census 2023-24.

Structure, governance and management

Constitution

The academy 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 academy trust.

The charitable company operates as The LIPA Multi Academy Trust and the academies within are shown above.

The trustees of The LIPA Multi Academy 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 accounts 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

The charitable company has in place insurance which indemnifies the trustees when acting in that capacity on its behalf.

Method of recruitment and appointment or election of trustees

The membership comprises five persons. The LIPA Multi Academy Trust may appoint eight members and the members themselves may appoint additional members by Special Resolution. There is no limit on the number of members.

The members may appoint up to eight trustees, five of which are to be nominated by LIPA, and such staff trustees as they think fit, provided that the number of staff trustees does not exceed one third of the total number of trustees. Trustees are elected for a term of four years but, subject to remaining eligible, may be re-elected.

Policies and procedures adopted for the induction and training of trustees

The training and induction provided for new trustees will depend on their existing experience. Where necessary, induction will provide training on charity, educational, legal and financial matters. All trustees are welcome to visit the schools and to meet with staff and students. All trustees are to be provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as trustees.

Organisational structure

A unified management structure is in place that consists of three levels: the Trustees, the Senior Management Team, and the Operational Management Team. The aim of the management structure is to devolve responsibility and encourage involvement in decision-making at all levels.

Arrangements for setting pay and remuneration of key management personnel

All staff employed, including members of the Senior Management Team and teaching staff, are employed by LIPA Multi Academy Trust. The pay of the Chief Executive and senior post holders is determined by LIPA Multi Academy Trust Board, having regard to pay scales in the sector and the performance of the individual employees.

Trade Union Facility Time

The trust has no relevant trade union officials.

Related parties and other connected charities and organisations

During the year related party transactions occurred with our sponsor, The Liverpool Institute for Performing Arts (LIPA). Service Level Agreements for HR, Marketing and Communications Services were agreed during the year and charged at cost. Details of this can be found in the related parties note.

Objectives and activities

Objects and aims

The objectives for which the charitable company is established are specifically restricted to offering a curriculum appropriate to the needs of its students.

The charitable company has adopted principles approved by the Secretary of State for Education. These include, amongst other things, the basis for admitting students, the catchment area from which students are drawn, and that the curriculum should comply with the substance of the national curriculum. Students are also admitted following an audition/interview process.

Objectives, strategies and activities

The LIPA Multi Academy Trust is implementing an approach to deliver its transformational agenda in a challenging and, in areas, deprived community by:

- Having personalised learning experiences integrated with new technologies;
- Providing high-quality learning opportunities with a specific focus on the creative and performing arts;
- Assessing admissions based on the concept of a community, The LIPA Multli Academy Trust serving all prospective students of its community;
- Continuing development of a learning model to meet the needs of the whole community, offering innovative and far-reaching practices;
- Providing value for money for the funds expended; and
- Providing a programme of activities for all students.

Public benefit

In setting our objectives and planning our activities, the trustees have carefully considered the Charity Commission's general guidance on public benefit.

Activities in 2023-24 demonstrate in all accepted definitions, that the trust provides services that are of public benefit through the provision of education and making available the facilities and resources of the school for the community and other charitable purposes.

Strategic report

Achievements and performance

LIPA School

LIPA School, located in the vibrant cultural hub of Liverpool, offers a unique educational experience that has a keen focus on real world learning and the creative & performing arts. As part of the LIPA Learning Group, the school is dedicated to nurturing creativity alongside traditional educational disciplines, promoting a holistic approach to pupil development.

Despite a current Ofsted rating of 'Requires Improvement', following the latest inspection on 12 March 2024, LIPA School is actively working to address the areas identified for enhancement. The school's management demonstrates a proactive commitment to raising standards and fostering an environment conducive to high-quality education. In comparison to other schools in the Liverpool area, LIPA School stands out for its distinctive integration of the arts and commitment to inclusivity. As the school continues to evolve and adapt, it remains focused on providing an enriched educational experience, ensuring that every pupil is equipped with the skills and confidence needed for future success. The ongoing improvements and dedication to pupil welfare position LIPA School as a valuable asset to the community and a beacon of opportunity for its pupils.

LIPA School Improvement Priorities

Key Priority 1 - To develop further the LIPA curriculum so that it is sequenced and taught well to ensure that pupils know more and remember more.
Key Priority 2 - To establish an approach to formative assessment that supports teachers to identify and rectify pupils' misconceptions swiftly.
Key Priority 3 - To secure a consistently high level of positive behaviour throughout the entire school.
Key Priority 4 - To ensure that pupils' feel safe, valued, respected and supported at school.
Key Priority 5 - To adopt a fair & transparent approach to managing staff workload.
Key Priority 6 - To ensure effective systems are in place for quality assurance stakeholder feedback.
Key Priority 7 - To raise levels of attendance in line with national expectations.

LIPA Sixth Form College

LIPA Sixth Form College is a 16 to 19 free school that specialises in providing courses in creative and performing arts. Students study programmes which include both specialist UAL qualifications and GCSE resits in Maths and English. The largest cohort of students was on the Music course, followed by Musical Theatre, Acting, Dance and Technical Theatre & Design for Performance respectively.

The college's self-assessment remains Outstanding in all areas.

Results in August 2024 were again excellent, with a 100% pass rate and 98% of students achieving high grades. 97% of leavers progressed to either education or employment.

The impressive range of higher education destinations for 2024 leavers includes: LIPA, Leeds Conservatoire, RADA, Royal Welsh College of Music and Drama, Italia Conti, Guildford School of Acting, East 15, Bird College, Trinity Laban, Urdang, Mountview, Northern School of Contemporary Dance, Institute of Contemporary Music Performance and BIPA.

The standard of student work over the last twelve months was highly impressive. A wide range of performances have been staged including Shakespeare's Macbeth, the Musical Cry Baby, the annual dance show at the Capstone Theatre and numerous live music performances in venues such as the Cavern and Future Yard.

The college has been awarded "The SENDIA Award" in recognition of its outstanding provision for students with special educational needs and disabilities.

Our alumni continue to shine in the performing arts industry. The Mysterines, Crawlers and Stone all feature ex LIPA Sixth Form College students with recent acting alumni appearing in The Responder, Inside Number 9 and The Midas Man.

In April 2023 it was confirmed that a DfE £3.995 million Post 16 Capacity Fund Bid (kindly supported by Liverpool City Region Metro Mayor Rotherham) had been successful. As a result, the college will be able to expand its building to accommodate more students from September 2025.

Key performance indicators

Key performance indicators cover student enrolment, attendance, retention, and progress as well as financial performance measures such as operating surplus and salaries as a percentage of income, cash and creditor days and working capital movements. The trust also has measures in place to ensure that quality of education is provided and has worked proactively on student progression and achievement routes.

Staff costs % Total Revenue income:	82.74%	(2023 – 79.56%)
Revenue income per pupil:	£6,890.91	(2023 - £6,332.42)
Pupil/ Teacher ratio:	15.8/1	(2023 – 19.4/1)

Going concern

After making appropriate enquiries, the board of trustees 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 trustees 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, please see note 1.2 for further explanations surrounding going concern.

Financial review

Most of the trust's income is obtained from the DfE in the form of grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year and the associated expenditure are shown as restricted funds in the statements of financial activities. The principal accounting policies adopted during the year are detailed in the notes to the financial statements.

During the year ended 31 August 2024, total expenditure of £7,958,000 (2023: £6,313,000) exceeded grant funding from the DfE together with other incoming resources. The excess of expenditure over income for the year (excluding actuarial losses on the defined benefit pension scheme) was £1,493,000 (2023: £3,209,000 surplus).

As at the 31st August 2024, the net book value of fixed assets was £9,972,000 (2023: £9,841,000), including the value of the land and building which are leased on a 125-year lease. The assets are used exclusively for providing education and the associated support services to the pupils of the academy.

Reserves policy

The trustees recognise that The LIPA Multi Academy Trust needs to hold a level of reserves to protect itself from unforeseen events. In setting a policy on reserves the trustees have taken into consideration:

- The need to spend funds in the year of their receipt or subsequently; and
- The need to demonstrate a level of prudence and good financial planning to cover unexpected and unplanned events so that the trust's objective is preserved in unforeseen circumstances.

The trust agreed that the minimum level of reserves that should be held was 5% of annual revenue income and that this would be monitored as the trust continues to develop.

The trust has overall reserves of £12,566,000 (2023: £14,124,000), included within is restricted general reserves (excluding pension & fixed asset reserves) a deficit of £1,151,000 (2023: £90,000 surplus) and unrestricted reserves of £173,000 (2023: £250,000). The total free reserves (excluding pension & fixed asset reserves) amounts to a deficit of £978,000 (2023: 340,000 surplus).

The pension scheme liability as at 31st August 2024 was restricted to £nil (2023: £39,000). The vast majority of the movement of the pension scheme liability is due to actuarial assumptions and does not have a direct cash impact.

Investment policy

Currently the LIPA Multi Academy Trust has no investments and holds its funds in a bank current account as they are needed for day-to-day operations and capital expenditure. As LIPA Multi Academy Trust strengthens its asset base it will use appropriate forms of investment, particularly bank deposit accounts, to ensure that income is maximised. Any future investment decisions would be subject to scrutiny by the trustees.

Principal risks and uncertainties

The LIPA Multi Academy Trust identified that its key risks during the year related to student success and progression, progress monitoring, competition, funding pressures in the education sector and maintaining compliance with regulatory requirements. Managing these risks is a core responsibility of the Senior Management Team in liaison with trustees, with regular discussions on these matters taking place at trustee meetings. Risks are assessed in terms of impact and likelihood and risk control measures are identified and assigned to an appropriate member of staff. Consideration has been given to ensure the trust's estate is safe, well maintained and complies with the relevant regulations.

Financial and risk management objectives and policies

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 scheme liabilities would be met by the Department for Education. The LIPA Multi Academy Trust uses a variety of financial instruments, including cash and items such as trade debtors and trade creditors that arise directly from day-to-day activities. The main purpose of these financial instruments is to ensure liquidity for operations.

Fundraising

The trust did not undertake any fundraising activities under section S162A of the Charities Act 2011.

Streamlined energy and carbon reporting

As the trust has not consumed more than 40,000 kWh of energy in this reporting period nor is it classed as a large company as determined by sections 465 and 466 of the Companies Act 2006, it is not required to report on its emissions, energy consumption or energy efficiency activities.

Plans for future periods

LIPA will strive to ensure that all students achieve their maximum potential.

The demand for pupil places at both the LIPA School and the LIPA Sixth Form College remains very strong. The trust will therefore explore options to increase the capacity across the MAT to help pupil numbers grow.

In April 2023, it was confirmed that a DfE £3.995 million Post 16 Capacity Fund Bid (kindly supported by Liverpool City Region Metro Mayor Rotherham) had been successful. As a result, the college will be able to expand its building to accommodate more students from September 2025.

Funds held as custodian trustee on behalf of others

The trust does not hold any funds as custodian trustee on behalf of others.

Auditor

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

A resolution proposing that Mitchell Charlesworth (Audit) Limited 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 trustees, as the company directors, on 17/12/2024 and signed on its behalf by:

Sean McNamara

.....

S McNamara

Chair of trustees

THE LIPA MULTI ACADEMY TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2024

Scope of responsibility

As trustees, we acknowledge we have overall responsibility for ensuring that The LIPA Multi Academy 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 principal, 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 LIPA Multi Academy Trust and the Secretary of State for Education. The accounting officer is 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 six times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustees	Meetings attended	Out of possible
S McNamara (Chair of trustees)	5	6
C Smith	5	6
C Workman	5	6
H Clucas	5	6
N Barnes	4	6
V Hopton	4	6

There have been no major changes to the board.

Conflicts of interest

The trust requests that each member of the board of trustees completes a Conflict of Interest, Declaration of Business Interest and Related Party Certificate at the start of each new academic year. If a trustee joins the board part way through a year, they are requested to complete the same documents. All these declarations are noted on the trust’s website.

Governance reviews

The trust has commissioned an independent review of the trust's governance arrangements and is due to be carried out in accordance with the regulatory framework governing academies.

The finance, audit and risk committee is a sub-committee of the main board of trustees. Its purpose is to:

- Ensure compliance with reporting and regulatory requirements
- Receive and act upon reports from the Responsible Officer

Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
C Smith	3	5
H Clucas	5	5
N Barnes	5	5
V Hopton	4	5

Review of value for money

As accounting officer, the CEO 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, as well as estates safety and management, achieved in return for the taxpayer resources received.

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 trustees where value for money can be improved, including the use of benchmarking data or by using a framework where appropriate. The accounting officer for the academy trust has delivered improved value for money during the year by:

- Applying strict procurement procedures, including multiple quotations and competitive tendering;
- Maximising existing income streams and pursuing additional revenues; and
- Utilising purchasing consortia to achieve benefits from bulk purchasing.

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 LIPA Multi Academy Trust for the period 1 September 2023 to 31 August 2024 and up to the date of approval of the annual report and accounts.

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 ongoing process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2023 to 31 August 2024 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the board of trustees.

The risk and control framework

The academy trust's system of internal 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 trustees;
- regular reviews by the finance, audit and risk 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; and
- identification and management of risks.

The board of trustees has decided to appoint Haines Watts Chartered Accountants to provide internal audit services to The LIPA Multi Academy Trust.

Haines Watts have been appointed as they provide the trustees with the skills required to undertake the required internal audit work and offer value for money.

The internal auditor's role includes performing a range of checks on the internal systems operated by the trust, which may include reviewing bank systems, purchases, income & payroll and compliance.

On an annual basis, the reviewer reports to the board of trustees, through the sub-committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities. They prepare a summary report on an annual basis to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress.

The trustees are satisfied with the results of the internal auditors report.

Review of effectiveness

As accounting officer, the CEO 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 internal auditor;
- the financial management and governance self-assessment process or the school resource management self-assessment tool;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework;
- the work of the external auditor; and
- correspondence from ESFA, eg financial notice to improve/notice to improve (FNtI/NtI) and 'minded to' letters.

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

Conclusion

Based on the advice of the audit and risk committee and the accounting officer, the board of trustees is of the opinion that the academy trust has an adequate and effective framework for governance, risk management and control.

Approved by order of the board of trustees on 17/12/2024.. and signed on its behalf by:

Sean McNamara

S McNamara
Chair of trustees

Charles Bartholomew

C Bartholomew
Accounting officer

THE LIPA MULTI ACADEMY TRUST

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2024

As accounting officer of The LIPA Multi Academy 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, including for estates safety and management, 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 Academy Trust Handbook 2023, including responsibilities for estates safety and management.

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 Academy Trust Handbook 2023.

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.

Charles Bartholomew

C Bartholomew
Accounting Officer

18/12/2024
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THE LIPA MULTI ACADEMY TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2024

The trustees (who are also the directors of The LIPA Multi Academy Trust for the purposes of company law) are responsible for preparing the trustees' report and the accounts in accordance with the Academies Accounts Direction 2023 to 2024 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 accounts for each financial year. Under company law, the trustees 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 trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2023 to 2024;
- 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 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 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 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 accounts may differ from legislation in other jurisdictions.

Approved by order of the members of the board of trustees on 17/12/2024 and signed on its behalf by:

Sean McNamara

S McNamara
Chair of trustees

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE LIPA MULTI ACADEMY TRUST

FOR THE YEAR ENDED 31 AUGUST 2024

Opinion

We have audited the accounts of The LIPA Multi Academy Trust for the year ended 31 August 2024 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the accounts, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2019 and the Academies Accounts Direction 2023 to 2024 issued by the Education and Skills Funding Agency.

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2024 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 Charities SORP 2019 and the Academies Accounts Direction 2023 to 2024.

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 accounts' section of our report. We are independent of the academy trust in accordance with the ethical requirements that are relevant to our audit of the accounts 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.

Material uncertainty relating to going concern

We draw attention to note 1.2 in the financial statements, which highlights the fact that the trust has made a deficit of £1,493,000 during the year. This has brought free reserves position to a deficit of £978,000, and overall reserves to £12,566,000 at 31 August 2024. There is also a material uncertainty as to whether the trust will have sufficient resources to pay its creditors. Whilst these conditions indicate that a material uncertainty exists that may cast doubt on the trust's ability to continue as a going concern, note 1.2 provides an explanation of the circumstances surrounding this. Our opinion is not modified in respect of this matter.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the accounts and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the accounts 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. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts or our knowledge obtained in the course of 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 this gives rise to a material misstatement in the accounts themselves. 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 including the incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts; and
- the trustees' report including the incorporated strategic report has been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE LIPA MULTI ACADEMY TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report, including 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 accounts 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, the trustees are responsible for the preparation of the accounts 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 accounts that are free from material misstatement, whether due to fraud or error. In preparing the accounts, the trustees are responsible for assessing the academy trust'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 have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the accounts

Our objectives are to obtain reasonable assurance about whether the accounts 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 accounts.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Extent to which the audit was considered capable of detecting irregularities, including fraud

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and business performance;
- the school's own assessment of the risks that irregularities may occur either as a result of fraud or error;
- the results of our enquiries of management and members of the board of governors of their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the school's documentation of their policies and procedures relating to:
- identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
- detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
- the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations; and
- the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas:

(i) The presentation of the trust's Statement of Financial Activities, (ii) revenue recognition (iii) the overstatement of salary and other costs (iv) the assumptions used in the calculation of the valuation of the surplus or deficit on the defined benefit pension scheme and the movements for the year. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory framework that the charity operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act, the Statement of Recommended Practice - 'Accounting and Reporting by Charities' issued by the joint SORP making body, along with the Academies Financial Handbook and Accounts Direction 2023-24 issued by the Education and Skills Funding Agency.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the academy's ability to operate or to avoid a material penalty. This includes regulations concerning Data Protection and Safeguarding.

Audit response to risks identified
As a result of performing the above, we identified the presentation of the trust's Statement of Financial Activities, revenue recognition and overstatement of wages and other costs as the key audit matters related to the potential risk of fraud. The key audit matters section of our report explains the matters in more detail and also describes the specific procedures we performed in response to those key audit matters.

In addition to the above, our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations described above as having a direct effect on the financial statements;
- enquiring of management and members of the board concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance and reviewing correspondence with relevant authorities where matters identified were significant; and
- in addressing the risk of fraud through management override of controls we carried out testing of the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates were indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE LIPA MULTI ACADEMY TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

A further description of our responsibilities is available on the Financial Reporting Council's website at: https://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.

Robert Hall (Senior Statutory Auditor)
for and on behalf of Mitchell Charlesworth (Audit) Limited 18/12/2024

Accountants
Statutory Auditor

24 Nicholas Street
Chester
CH1 2AU

THE LIPA MULTI ACADEMY TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE LIPA MULTI ACADEMY TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY

FOR THE YEAR ENDED 31 AUGUST 2024

In accordance with the terms of our engagement letter dated 7 July 2023 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2023 to 2024, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The LIPA Multi Academy Trust during the period 1 September 2023 to 31 August 2024 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to The LIPA Multi Academy Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the The LIPA Multi Academy Trust and 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 LIPA Multi Academy Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of The LIPA Multi Academy Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of The LIPA Multi Academy Trust's funding agreement with the Secretary of State for Education dated 28 April 2022 and the Academy Trust Handbook, extant from 1 September 2023, 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 2023 to 2024. 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 2023 to 31 August 2024 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 Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts issued by ESFA. 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 assessment of the risk of material irregularity and impropriety across the academy trust's activities;
- A review of the academy trust's accounting and internal procedures; and
- Consideration and review of the evidence supporting the Accounting Officer's statement on regularity, propriety and compliance.

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE LIPA MULTI ACADEMY TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2023 to 31 August 2024 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Reporting Accountant

Mitchell Charlesworth (Audit) Limited
24 Nicholas Street
Chester
CH1 2AU

Dated: 18/12/2024

THE LIPA MULTI ACADEMY TRUST

STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2024

	Notes	Unrestricted funds £'000	Restricted funds: General £'000	Restricted funds: Fixed asset £'000	Total 2024 £'000	Total 2023 £'000
Income and endowments from:						
Donations and capital grants	**3**	-	8	22	30	4,108
Charitable activities:						
- Funding for educational operations	**4**	139	6,270	-	6,409	5,391
Other trading activities	**5**	26	-	-	26	23
Total		165	6,278	22	6,465	9,522
Expenditure on:						
Raising funds	**6**	26	-	-	26	-
Charitable activities:						
- Educational operations	**8**	215	7,426	291	7,932	6,313
Total	**6**	241	7,426	291	7,958	6,313
Net income/(expenditure)		(76)	(1,148)	(269)	(1,493)	3,209
Transfers between funds	**16**	-	(68)	68	-	-
Other recognised gains/(losses)						
Actuarial gains on defined benefit pension schemes	**18**	-	14	-	14	175
Adjustment for restriction on pension assets	**18**	-	(79)	-	(79)	-
Net movement in funds		(76)	(1,281)	(201)	(1,558)	3,384
Reconciliation of funds						
Total funds brought forward		249	130	13,745	14,124	10,740
Total funds carried forward		173	(1,151)	13,544	12,566	14,124

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2024

Comparative year information Year ended 31 August 2023	Notes	Unrestricted funds £'000	Restricted funds: General £'000	 Fixed asset £'000	Total 2023 £'000
Income and endowments from:					
Donations and capital grants	**3**	-	20	4,088	4,108
Charitable activities:					
- Funding for educational operations	**4**	117	5,274	-	5,391
Other trading activities	**5**	23	-	-	23
Total		140	5,294	4,088	9,522
Expenditure on:					
Charitable activities:					
- Educational operations	**8**	-	6,024	289	6,313
Total	**6**	-	6,024	289	6,313
Net income/(expenditure)		140	(730)	3,799	3,209
Transfers between funds	**16**	-	(145)	145	-
Other recognised gains/(losses)					
Actuarial gains on defined benefit pension schemes	**18**	-	175	-	175
Net movement in funds		140	(700)	3,944	3,384
Reconciliation of funds					
Total funds brought forward		110	829	9,801	10,740
Total funds carried forward		250	129	13,745	14,124

THE LIPA MULTI ACADEMY TRUST

BALANCE SHEET

AS AT 31 AUGUST 2024

	Notes	2024 £'000	2024 £'000	2023 £'000	2023 £'000
Fixed assets					
Tangible assets	**12**		9,972		9,841
Current assets					
Debtors	**13**	3,824		4,233	
Cash at bank and in hand		3		347	
		3,827		4,580	
Current liabilities					
Creditors: amounts falling due within one year	**14**	(1,233)		(336)	
Net current assets			2,594		4,244
Net assets excluding pension asset			12,566		14,085
Defined benefit pension scheme asset	**18**		-		39
Total net assets			12,566		14,124
Funds of the academy trust:					
Restricted funds	**16**				
- Fixed asset funds			13,544		13,745
- Restricted income funds			(1,151)		90
- Pension reserve			-		39
Total restricted funds			12,393		13,874
Unrestricted income funds	**16**		173		250
Total funds			12,566		14,124

Sean McNamara

The accounts on pages 19 to 42 were approved by the trustees and authorised for issue on ..... and are signed on their behalf by:

17/12/2024

.....

S McNamara

Chair of trustees

Company registration number 08825752 (England and Wales)

THE LIPA MULTI ACADEMY TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2024

	Notes	2024 £'000	2024 £'000	2023 £'000	2023 £'000
Cash flows from operating activities					
Net cash used in operating activities	**19**		(351)		(332)
Cash flows from investing activities					
Capital grants from DfE Group		429		83	
Purchase of tangible fixed assets		(422)		(320)	
Net cash provided by/(used in) investing activities			7		(237)
Net decrease in cash and cash equivalents in the reporting period			(344)		(569)
Cash and cash equivalents at beginning of the year			347		916
Cash and cash equivalents at end of the year			3		347

1 Accounting policies

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.

1.1 Basis of preparation

The accounts of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2023 to 2024 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the trust. Monetary amounts in these financial statements are rounded to the nearest £'000.

1.2 Going concern

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

The trustees and management recognise that the trust made a deficit of £1,493,000 during the year ended 31 August 2024 as well as having depleted cash reserves at the year end, but drastic measures have been taken to ensure effective turnaround of finances and operations. A Rapid Response Plan was put in place to ensure that organisational structures and processes are effective to allow continued focus on academic improvement and to secure a return to sustainable financial stability. The trust is in discussion with the Department for Education regarding its financial position. The trustees have concluded that the trust has adequate resources to continue in operational existence for the foreseeable future, thus they continue to adopt the going concern basis of accounting in preparing the accounts.

1.3 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.

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.

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 are no performance-related conditions), where the receipt is probable and it can be measured reliably.

1 Accounting policies **(Continued)**

Donations

Donations are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable 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 academy trust has provided the goods or services.

Donated goods, facilities and services

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the accounts until they are sold. This income is recognised within 'Income from other trading activities'.

Donated fixed assets

Donated fixed assets are measured at fair value unless it is impractical to measure this reliably, in which case the cost of the item to the donor is used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's accounting policies.

1.4 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, including support costs and costs relating to the governance of the academy trust apportioned to charitable activities.

1 Accounting policies **(Continued)**

1.5 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. Where there are specific conditions attached to the funding that require the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the statement of financial activities and carried forward in the balance sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the statement of financial activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

Leasehold land and buildings	Land not depreciated and buildings straight line over 50 years
Assets under construction	Not depreciated
Computer equipment	20% straight line
Fixtures, fittings & equipment	10% straight line

No depreciation is provided in respect of leasehold land, which departs from the requirement in the Companies Act 2006 (the Act) to depreciate all fixed assets. The Trustees believe that the value of land does not materially differ to its cost, and therefore the departure from the provisions of the Act is required in order to achieve a fair presentation of the entity's financial position and performance.

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

1.6 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 of services it must provide.

1.7 Leased assets

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

1.8 Financial instruments

The academy trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the academy trust and their measurement basis are as follows.

Financial assets

Trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

Cash at bank is classified as a basic financial instrument and is measured at face value.

1 Accounting policies **(Continued)**

Financial liabilities

Trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. Taxation and social security are not included in the financial instruments disclosure definition.

Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.9 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.

1.10 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 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 based on quadrennial valuations using a prospective unit credit method. The TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate.

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

1.11 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/donor and include grants from the Department for Education Group.

1 Accounting policies **(Continued)**

1.12 Provisions

Provisions are recognised when the academy trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

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.

Local Government Pension Scheme

The present value of the Local Government Pension Scheme defined benefit asset/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 17, will impact the carrying amount of the pension asset/liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2022 has been used by the actuary in valuing the pensions asset/liability at 31 August 2024. 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 asset/liability.

FRS 102 section 28.22 allows an entity to recognise a surplus within the Local Government Pension Scheme “only to the extent it is able to recover the surplus either through reduced contributions in the future or through refunds from the plan”. The actuarial report as at 31 August 2024 indicates a defined benefit asset position, which has been capped at nil value. This is on the basis that it is uncertain that a surplus following any triennial review would result in reduced contributions for the employer, and is unlikely to result in a repayment.

3 Donations and capital grants

	Unrestricted funds £'000	Restricted funds £'000	Total 2024 £'000	Total 2023 £'000
Donated fixed assets	-	-	-	9
Capital grants	-	22	22	4,079
Other donations	-	8	8	20
	-	30	30	4,108

4 Funding for the academy trust's educational operations

	Unrestricted funds £'000	Restricted funds £'000	Total 2024 £'000	Total 2023 £'000
DfE/ESFA grants				
General annual grant (GAG)	-	5,145	5,145	4,503
Other DfE/ESFA grants:				
- UIFSM	-	62	62	60
- Pupil premium	-	269	269	269
- Others	-	589	589	282
	-	6,065	6,065	5,114
Other government grants				
Local authority grants	-	205	205	160
Other incoming resources	139	-	139	117
Total funding	139	6,270	6,409	5,391

5 Other trading activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2024 £'000	Total 2023 £'000
Other income	26	-	26	23

6 Expenditure

		Non-pay expenditure		Total	Total
	Staff costs £'000	Premises £'000	Other £'000	2024 £'000	2023 £'000
Expenditure on raising funds					
- Direct costs	-	-	26	26	-
Academy's educational operations					
- Direct costs	4,500	219	507	5,226	4,073
- Allocated support costs	831	789	1,086	2,706	2,240
	5,331	1,008	1,619	7,958	6,313

6 Expenditure **(Continued)**

Net income/(expenditure) for the year includes:	**2024**	**2023**
	£'000	**£'000**
Operating lease rentals	218	24
Depreciation of tangible fixed assets	291	289
Fees payable to auditor for:		
- Audit	9	9
- Other services	4	4
Net interest on defined benefit pension liability	(2)	-

7 Central services

No central services were provided by the academy trust to its academies during the year and no central charges arose.

The academy trust has operated GAG & Reserve Pooling during the year, hence there are no central service charges.

8 Charitable activities

	Unrestricted funds	**Restricted funds**	**Total 2024**	**Total 2023**
	£'000	**£'000**	**£'000**	**£'000**
Direct costs				
Educational operations	215	5,011	5,226	4,073
Support costs				
Educational operations	-	2,706	2,706	2,240
	215	7,717	7,932	6,313

	2024	**2023**
	£'000	**£'000**
Analysis of support costs		
Support staff costs	842	867
Depreciation	72	-
Technology costs	142	43
Premises costs	717	423
Legal costs	41	26
Other support costs	879	837
Governance costs	13	44
	2,706	2,240

9 Staff

Staff costs and employee benefits

Staff costs during the year were:

	2024	2023
	£'000	£'000
Wages and salaries	3,756	3,021
Social security costs	379	292
Pension costs	754	727
Staff costs - employees	4,889	4,040
Agency staff costs	442	258
Staff restructuring costs	-	10
	5,331	4,308
Staff development and other staff costs	92	46
Total staff expenditure	5,423	4,354

Staff restructuring costs comprise:

Severance payments	-	10

Special staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £nil (2023: £10,000).

Staff numbers

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

	2024	2023
	Number	Number
Teachers	59	48
Administration and support	58	55
Management	4	4
	121	107

9 Staff **(Continued)**

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

	2024 Number	2023 Number
Teachers	54	45
Administration and support	39	40
Management	3	4
	96	89

Higher paid staff

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

	2024 Number	2023 Number
£60,001- £70,000	4	3
£80,001 - £90,000	1	1
£90,001 - £100,000	1	-
£100,001 - £110,000	-	1
£110,001 - £120,000	1	-

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 key management personnel benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £467,045 (2023: £445,043).

10 Trustees' remuneration and expenses

No trustees have been paid remuneration or received other benefit from employment with the trust. The CEO has not been appointed to the board of trustees as permitted in the articles.

11 Trustees' and officers' insurance

In accordance with normal commercial practice, the academy trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business. The insurance provides cover up to £10m on any one claim with maximum of claims of £10m in any year. The cost of the insurance is included in the Risk Protection cover organised through the Department for Education.

12 Tangible fixed assets

	Leasehold land and buildings	Assets under construction	Computer equipment	Fixtures, fittings & equipment	Total
	£'000	£'000	£'000	£'000	£'000
Cost					
At 1 September 2023	10,127	116	447	720	11,410
Additions	70	331	21	-	422
At 31 August 2024	10,197	447	468	720	11,832
Depreciation					
At 1 September 2023	795	-	375	399	1,569
Charge for the year	163	-	41	87	291
At 31 August 2024	958	-	416	486	1,860
Net book value					
At 31 August 2024	9,239	447	52	234	9,972
At 31 August 2023	9,332	116	72	321	9,841

13 Debtors

	2024	2023
	£'000	£'000
Trade debtors	11	27
VAT recoverable	83	95
Other debtors	6	-
Prepayments and accrued income	3,724	4,111
	3,824	4,233

14 Creditors: amounts falling due within one year

	2024	2023
	£'000	£'000
Trade creditors	859	79
Other taxation and social security	158	74
Other creditors	92	52
Accruals and deferred income	124	131
	1,233	336

15 Deferred income

	2024	2023
	£'000	£'000
Deferred income is included within:		
Creditors due within one year	29	29
Deferred income at 1 September 2023	29	47
Released from previous years	(29)	(47)
Resources deferred in the year	29	29
Deferred income at 31 August 2024	29	29

At the balance sheet date, the academy trust received £29,444 in advance relating to Universal Infant Free School Meals (UIFSM) grants.

16 Funds

	Balance at 1 September 2023 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2024 £'000
Restricted general funds					
General Annual Grant (GAG)	71	5,145	(6,319)	(68)	(1,171)
UIFSM	-	62	(62)	-	-
Pupil premium	-	269	(269)	-	-
Other DfE/ESFA grants	-	589	(589)	-	-
Other government grants	-	205	(205)	-	-
Other restricted funds	20	8	(8)	-	20
Pension reserve	39	-	26	(65)	-
	130	6,278	(7,426)	(133)	(1,151)
Restricted fixed asset funds					
Inherited on conversion	4,212	-	(74)	(393)	3,745
DfE group capital grants	9,524	22	(216)	402	9,732
Capital expenditure from GAG	-	-	(1)	68	67
Donated assets	9	-	-	(9)	-
	13,745	22	(291)	68	13,544
Total restricted funds	13,875	6,300	(7,717)	(65)	12,393
Unrestricted funds					
General funds	249	165	(241)	-	173
Total funds	14,124	6,465	(7,958)	(65)	12,566

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

Restricted General Funds
These comprise of all restricted funds other than restricted fixed asset fund and include grants from the Education and Skills Fund Agency and local authorities.

Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward.

Unrestricted Funds
These comprise of resources that may be used towards meeting any of the charitable objects of the academy trust at the discretion of the trustees.

Restricted Fixed Asset Funds
These comprise of resources which are to the applied to specific capital purposes imposed by the Education and Skills Funding Agency and local authorities where the asset acquired or created is held for a specific purpose.

16 Funds **(Continued)**

Comparative information in respect of the preceding period is as follows:

	Balance at 1 September 2022 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2023 £'000
Restricted general funds					
General Annual Grant (GAG)	829	4,503	(5,117)	(145)	70
UIFSM	-	60	(60)	-	-
Pupil premium	-	269	(269)	-	-
Other DfE/ESFA grants	-	282	(282)	-	-
Other government grants	-	160	(160)	-	-
Other restricted funds	-	20	-	-	20
Pension reserve	-	-	(136)	175	39
	829	5,294	(6,024)	30	129
Restricted fixed asset funds					
Inherited on conversion	4,501	-	(289)	-	4,212
DfE group capital grants	5,300	4,079	-	145	9,524
Donated assets	-	9	-	-	9
	9,801	4,088	(289)	145	13,745
Total restricted funds	10,630	9,382	(6,313)	175	13,874
Unrestricted funds					
General funds	110	140	-	-	250
Total funds	10,740	9,522	(6,313)	175	14,124

16 Funds **(Continued)**

Total funds analysis by academy

Fund balances at 31 August 2024 were allocated as follows:	**£'000**	**£'000**
The LIPA Sixth Form College	-	-
The LIPA Primary and High School	-	-
Central services	(978)	340
Total before fixed assets fund and pension reserve	(978)	340
Restricted fixed asset fund	13,544	13,745
Pension reserve	-	39
Total funds	12,566	14,124

The academy trust is operating GAG & Reserve Pooling this year. The trust is currently working with the DfE and undertaking a finical review to bring the trust back to a surplus position in the foreseeable future, more details of this are below.

Trust deficit

The Trustees and Management recognise that the trust made a significant deficit in 2023/24, but it has taken drastic measures to ensure effective turnaround of finances and operations. A Rapid Response Plan was put in place to ensure that organisational structures and processes are effective to allow continued focus on academic improvement and to secure a return to sustainable financial stability. The plan is based around, but not limited to, the following critical areas:

- Governance and Leadership
- Finance and Operations
- Communications
- Culture

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 2024 £'000**	**Total 2023 £'000**
The LIPA Sixth Form College	1,451	521	215	463	2,650	2,524
The LIPA Primary and High School	3,050	224	315	814	4,403	2,987
Central services	-	109	1	529	639	513
	4,501	854	531	1,806	7,692	513

17 Analysis of net assets between funds

	Unrestricted Funds £'000	Restricted funds: General £'000	Restricted funds: Fixed asset £'000	Total Funds £'000
Fund balances at 31 August 2024 are represented by:				
Tangible fixed assets	-	-	9,972	9,972
Current assets	173	66	3,588	3,827
Current liabilities	-	(1,217)	(16)	(1,233)
Total net assets	173	(1,151)	13,544	12,566

	Unrestricted Funds £'000	Restricted funds: General £'000	Restricted funds: Fixed asset £'000	Total Funds £'000
Fund balances at 31 August 2023 are represented by:				
Tangible fixed assets	-	-	9,841	9,841
Current assets	250	426	3,904	4,580
Current liabilities	-	(336)	-	(336)
Pension scheme asset	-	39	-	39
Total net assets	250	129	13,745	14,124

18 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 2020, and that of the LGPS related to the period ended 31 March 2022.

Contributions amounting to £91,906 were payable to the schemes at 31 August 2024 (2023: £53,062) 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' Pension Scheme Regulations 2014. Membership is automatic for teachers in academy trusts. All teachers have the option to opt out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary. These contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

18 Pension and similar obligations **(Continued)**

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to ensure scheme costs are recognised and managed appropriately and the review specifies 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 2020. The valuation report was published by the Department for Education on 27 October 2023, with the SCAPE rate, set by HMT, applying a notional investment return based on 1.7% above the rate of CPI. The key elements of the valuation outcome are:

- Employer contribution rates set at 28.68% of pensionable pay (including a 0.08% administration levy). This is an increase of 5% in employer contributions and the cost control result is such that no change in member benefits is needed.
- Total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £262,000 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £222,200 million, giving a notional past service deficit of £39,800 million.

The result of this valuation has been implemented from 1 April 2024. The next valuation result is due to be implemented from 1 April 2028.

The employer's pension costs paid to the TPS in the period amounted to £605,545 (2023: £430,267).

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

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The academy trust is unable to identify its share of the underlying assets and liabilities of the plan. Accordingly, the academy trust has taken advantage of the exemption in FRS 102 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy trust has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 14.7% for employers and 5.5 to 6.5% 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 and on 21 July 2022, the Department for Education reaffirmed its commitment to the guarantee, with a parliamentary minute published on GOV.UK.

Total contributions made	**2024**	**2023**
	£'000	**£'000**
Employer's contributions	145	185
Employees' contributions	53	59
Total contributions	198	244

18 Pension and similar obligations **(Continued)**

Principal actuarial assumptions	**2024**	**2023**
	%	**%**
Rate of increase in salaries	4.1	4.3
Rate of increase for pensions in payment/inflation	2.7	2.9
Discount rate for scheme liabilities	5.0	5.2
Inflation assumption (CPI)	2.6	2.8

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

	2024	**2023**
	Years	**Years**
Retiring today		
- Males	20.8	20.8
- Females	23.4	23.3
Retiring in 20 years		
- Males	22.0	22.1
- Females	25.1	25.1

Sensitivity analysis

Scheme liabilities would have been affected by changes in assumptions as follows:

	2024	**2023**
	£'000	**£'000**
Discount rate + 0.1%	-12	-6
Discount rate - 0.1%	13	7
Mortality assumption + 1 year	7	3
Mortality assumption - 1 year	-7	-3
CPI rate + 0.1%	13	6
CPI rate - 0.1%	-12	-6

18 Pension and similar obligations **(Continued)**

The academy trust's share of the assets in the scheme	**2024 Fair value £'000**	**2023 Fair value £'000**
Equities	249	123
Bonds	30	83
Cash	7	3
Other	128	-
Property	53	28
Total market value of assets	467	237
Restriction on scheme assets	(79)	-
Net assets recognised	388	237

The actual return on scheme assets was £29,000 (2023: £(2,000)).

Amount recognised in the statement of financial activities	**2024 £'000**	**2023 £'000**
Current service cost	121	136
Interest income	(18)	-
Interest cost	16	-
Benefit changes, curtailments and settlements gains or losses	(5)	(5)
Administration expenses	5	5
Total amount recognised	119	136

The net gain recognised on scheme assets has been restricted because the full pension surplus is not expected to be recovered through refunds or reduced contributions in the future.

Changes in the present value of defined benefit obligations	**2024 £'000**	**2023 £'000**
At 1 September 2023	198	-
Current service cost	121	319
Interest cost	11	2
Employee contributions	53	59
Actuarial gain	(3)	(182)
Benefits paid	8	-
At 31 August 2024	388	198

18 Pension and similar obligations **(Continued)**

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

	2024	2023
	£'000	£'000
At 1 September 2023	237	-
Interest income	18	5
Actuarial (gain)/loss	11	(7)
Employer contributions	145	185
Employee contributions	53	59
Benefits paid	8	-
Effect of non-routine settlements and administration expenses	(5)	(5)
At 31 August 2024	467	237
Restriction on scheme assets	(79)	-
Net assets recognised	388	237

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

	Notes	2024	2023
		£'000	£'000
Net (expenditure)/income for the reporting period (as per the statement of financial activities)		(1,493)	3,209
Adjusted for:			
Capital grants from DfE and other capital income		(22)	(4,088)
Defined benefit pension costs less contributions payable	**18**	(24)	136
Defined benefit pension scheme finance income	**18**	(2)	-
Depreciation of tangible fixed assets		291	289
Decrease in debtors		2	210
Increase/(decrease) in creditors		897	(88)
Net cash used in operating activities		(351)	(332)

20 Analysis of changes in net funds

	1 September 2023	Cash flows	31 August 2024
	£'000	£'000	£'000
Cash	347	(344)	3

21 Long-term commitments

Operating leases

At 31 August 2024 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2024 £'000	2023 £'000
Amounts due within one year	397	24
Amounts due in two and five years	1,278	42
	1,675	66

22 Related party transactions

Owing to the nature of the academy trust and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. The following related party transactions took place in the financial period.

Expenditure related party transactions

The Liverpool Institute for Performing Arts (LIPA)

The academy trust had hire costs, technicians, hospitality, bank charges and SLA HR services from LIPA totaling £24,951 (2023: £nil) during the period. There was £13,686 outstanding at 31 August 2024 (2023: £nil)

The element above £24,951 has been provided at no more than cost

Core Education Trust - a Trust in which Adrian Packer (former trustee) is CEO

The academy trust purchased a course from Core Education Trust totalling £nil (2023: £2,500). There were no amounts outstanding at 31 August 2024.

23 Members' liability

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

24 Agency arrangements

The academy trust distributes 16-19 Bursary Funds to students as an agent for the ESFA. In the accounting period ended 31 August 2024, the Trust received £78,701 (2023: £69,024) and disbursed £78,701 (2023: £69,024) from the fund. An amount of £nil (2023: £nil) is included in other creditors relating to the undistributed funds that are repayable to the ESFA.