

ANNUAL REPORT AND UNAUDITED ACCOUNTS  
for the year ended 31 July 2023

*of*

**LIVERPOOL COUNCIL OF EDUCATION  
(INCORPORATED)**

Company limited by guarantee, company number 00208578  
Registered charity number 526714

*which, with its connected charity Liverpool Educational Foundation,  
now uses the working name*



# LIVERPOOL COUNCIL OF EDUCATION (INCORPORATED)

## ANNUAL REPORT AND ACCOUNTS

for the year ended 31 July 2023

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# LIVERPOOL COUNCIL OF EDUCATION (INCORPORATED)

## LEGAL AND ADMINISTRATIVE DETAILS

Company limited by guarantee, company number 00208578

Registered charity number 526714

*Liverpool Education Grants Charitable Trust is used as the joint working name for Liverpool Council of Education (Incorporated) and its associated trust fund, Liverpool Educational Foundation*

|          |   |
|----------|---|
| Trustees | David Blythe<br>Chantelle Day<br>Jeffrey Dunn ( <i>deceased 8 October 2023</i> )<br>Mark Fallon<br>Conor Foley ( <i>appointed 1 September 2023</i> )<br>Jeremy Grice<br>Jennifer Holder<br>Leila Kellgren-Parker ( <i>resigned 8 March 2023</i> )<br>Roger Morris OBE DL<br>Barbara Murray<br>John Prince |
|----------|---|

|                   |              |
|-------------------|--------------|
| Company secretary | Roger Morris |
|-------------------|--------------|

|                   |  |
|-------------------|--|
| Registered office | 151 Dale Street<br>Liverpool<br>L2 2AH |
|-------------------|--|

|         |   |
|---------|---|
| Bankers | Lloyds Bank plc<br>88 – 94 Church Street<br>Liverpool<br>L1 3HD |
|---------|---|

|                      |   |
|----------------------|---|
| Independent examiner | Anita C Mason BA (Hons) BFP FCA<br>BWM<br>Chartered Accountants<br>Tempest<br>Suite 5.1<br>12 Tithebarn Street<br>Liverpool<br>L2 2DT |
|----------------------|---|



# LIVERPOOL COUNCIL OF EDUCATION (INCORPORATED)

## REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 JULY 2023

The Trustees present their report and the accounts of Liverpool Council of Education (Incorporated) for the year to 31 July 2023. The accounts have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's memorandum and articles of association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019).

### Structure, governance and management

- ❖ Liverpool Council of Education (Incorporated) is a company limited by guarantee, registered number 00208578. The company is also a registered charity, number 526714.
- ❖ Liverpool Council of Education (Incorporated) was incorporated on 23 September 1925 to act as trustee of various charitable funds and promote and encourage education, in particular by assisting Liverpool schools and their pupils. The company's memorandum and articles of association was updated by special resolution dated 2 July 2015. The company has charitable activities of its own, conducts other charitable activities through the management of restricted funds and also acts as the corporate trustee of an unincorporated charity, Liverpool Educational Foundation, whose objects are very similar to its own.
- ❖ The trustees are the directors of the company for the purposes of the Companies Acts and the trustees for purposes of charity law. Trustees are appointed in accordance with the company's articles of association which provide for some nominations to be made by Liverpool City Council and for other new trustees to be appointed by the current trustees. The present trustees are listed on page 3. Additionally, we record our sadness that our colleague Jeffrey Dunn died in October 2023, having been our most engaged trustee for many years, and a remarkable supporter of young people through his work for the Liverpool Schools Parliament and other initiatives to promote young people's engagement in civil society in the UK and elsewhere in Europe.
- ❖ The current trustees regularly seek new colleagues with up-to-date knowledge of educational priorities in Liverpool. When appointed, new trustees receive induction and training by means of discussion with fellow trustees and with advisers. Each trustee undertakes to contribute to the assets of the company a sum not exceeding £1 in the event of winding up.
- ❖ Liverpool Council of Education (Incorporated) has no employees. The trustees gratefully acknowledge that much of their charitable activities are achieved with the help of volunteers and the staff of various other organisations working in education and related fields.

### Objectives and activities

- ❖ The company is empowered to carry out a wide range of charitable activities for the benefit of the people of Liverpool. Our activity during the year sought to promote education in Liverpool in various ways: making grants to benefit pupils of Liverpool secondary and special schools, and making some grants and undertaking some direct charitable activities to assist other educational initiatives.
- ❖ The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning future activities.

### Achievements and performance

- ❖ Utilising the income of Liverpool Educational Foundation, the trust fund of which Liverpool Council of Education is corporate trustee, we made five grants to Liverpool secondary and special schools and one to the International Model European Parliament UK. The grants and amounts paid are listed in Note 6 on page 16 of the attached financial statements.



# LIVERPOOL COUNCIL OF EDUCATION (INCORPORATED)

## REPORT OF THE TRUSTEES *continued* FOR THE YEAR ENDED 31 JULY 2023

- ❖ For many years, our charitable activity was made exclusively through grants. In 2021/22 we returned to an older pattern and also carried out some direct charitable activity of our own. This initiative continued in 2022/23 when we incurred expenditure to support an important current project, the Liverpool Literacy Cycle, on which we are working with various partners.
- ❖ We were particularly glad to be the sponsor of the highly successful Kings & Queens Essay Competition which the Literacy Cycle organised for Year 5 pupils, recreating a competition held in Liverpool Schools in 1953, the previous Coronation Year.
- ❖ As reported in previous years, we have been making significant grants out of the accumulated income of the Hughes Percival Scholarship Trust to provide core funding for a Youth Work Apprenticeship scheme administered by the Liverpool FC Foundation. Our major involvement in monitoring and supporting the development of this project continued throughout 2022/23. No further grant was needed in 2022/23 although one has been made in 2023/24. We are pleased with what is being achieved both through our grants and through our involvement in support groups for the project.
- ❖ We are gradually seeking to make our role and work better known. A new working name, Liverpool Education Grants Charitable Trust has been adopted to give a clearer idea of what we do. We now have a new logo, and work on a website and social media is proceeding.

### Financial results

- ❖ The financial results for the year are detailed in the accounts on pages 8 to 19. The trustees are of the opinion that the overall financial position of the Company and its associated charities remains satisfactory.
- ❖ Our balance sheet is shown on page 10. Liverpool Council of Education itself has unrestricted funds of £313,576, together with restricted funds of £40,690 and trust funds of £630,518. The trustees' policy is to use all of these funds appropriately to support the work of the charity. The quantum of the funds is sufficient for much effective work to be done but we are increasingly aware that need is increasing steadily from year to year.

### Investment policy and performance

- ❖ With effect from 1 August 2004 the capital of our connected charities and a major part of the unrestricted funds of Liverpool Council of Education (Incorporated) are managed as one investment pool.
- ❖ The policy of the trustees, in line with the powers and duties contained in the governing instruments and relevant statutes, is to seek expert advice in order to invest the investment pool in a diversified range of investments which overall are intended to balance the two requirements of achieving a satisfactory current income and longer-term capital growth. Investments are monitored regularly, and trustees hold a review meeting with the investment advisers at least once per annum. In 2022/23 our portfolio performance was in line with its benchmarks and peer groups. Volatility and fluctuations in capital values are now normal but fortunately our investments are deployed to produce a stable level of income.

### Plans for future periods

- ❖ In 2023/24, the trustees are continuing to seek to optimise the charity's contribution to supporting education in Liverpool. Our existing programmes are continuing and we are also continuing to discover potential new projects of different types, all within our core purpose. As we strive to be ever more effective, we are also aware that, although some of our origins are much older, September 2025 will mark the centenary of Liverpool Council of Education (Incorporated) becoming a charitable company. We are currently planning how we can celebrate that anniversary in a way which will strengthen the capacity of ourselves and our successors to continue to serve education in Liverpool.



## REPORT OF THE TRUSTEES *continued* FOR THE YEAR ENDED 31 JULY 2023

### **Risk management**

The trustees have reviewed the risks to which the charity is exposed, including potential exposure to adverse investment decisions and also the risks associated with fraudulent applications for help. Steps have been taken to manage known risks. The trustees continue to assess risk management matters at least annually.

### **Independent examiner**

The company's articles of association require the trustees to comply with the requirements of the Companies Act 2006 and the Charities Act 2011 in regard to matters including keeping records, and audit or independent examination of accounts. Accordingly, the trustees have appointed Miss Anita Mason, from BWM Chartered Accountants, to act as the company's Independent Examiner.

### **Small company provisions**

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

### **Statement of trustees' responsibilities**

The trustees, who are also the directors for the purposes of company law, are responsible for preparing this report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).


Company law requires the trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing the accounts trustees are required to

- ❖ select suitable accounting policies and then apply them consistently;
- ❖ observe the methods and principles of the Charities SORP;
- ❖ make judgements and 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 charity will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that accounts comply with the Companies Act 2006.

The trustees are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Roger Morris   
Honorary Treasurer  
on behalf of all of the trustees  
29 April 2024

# LIVERPOOL COUNCIL OF EDUCATION (INCORPORATED)

## INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF LIVERPOOL COUNCIL OF EDUCATION (INCORPORATED)

I report to the trustees on my examination of the accounts of Liverpool Council of Education (Incorporated) for the year ended 31 July 2023.

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

### **Responsibilities and basis of report**

As the trustees of the charity (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 (the 2006 Act).

Having satisfied myself that the accounts of the charity are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the charity's accounts as carried out under section 145 of the Charities Act 2011 (the 2011 Act). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

### **Independent examiner's statement**

I have completed my examination. I can confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the charity as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Miss Anita C Mason BA (Hons) BFP FCA  
BWM  
Chartered Accountants  
Tempest  
Suite 5.1  
12 Tithebarn Street  
Liverpool L2 2DT



29 April 2024



# LIVERPOOL COUNCIL OF EDUCATION (INCORPORATED)

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 JULY 2023

Current financial year

|                                      | Note | Unrestricted<br>funds | Restricted<br>funds | As trustee of<br>Liverpool<br>Educational<br>Foundation | Total<br>funds | Total<br>funds |
|--------------------------------------|------|-----------------------|---------------------|---|----------------|----------------|
|                                      |      | 2023<br>£             | 2023<br>£           | 2023<br>£   | 2023<br>£      | 2022<br>£      |
| INCOME FROM:                         |      |                       |                     |   |                |                |
| Investments                          | 3    | 8,109                 | 1,931               | 16,905  | 26,945         | 21,972         |
| Total income                         |      | 8,109                 | 1,931               | 16,905  | 26,945         | 21,972         |
| EXPENDITURE ON:                      |      |                       |                     |   |                |                |
| Raising funds                        | 4    | 2,595                 | -                   | 5,445   | 8,040          | 8,610          |
| Charitable activities                | 5    | 9,613                 | -                   | 10,799  | 20,412         | 6,760          |
| Total expenditure                    |      | 12,208                | -                   | 16,244  | 28,452         | 15,370         |
| Net gains/(losses) on<br>investments | 9    | (4,774)               | -                   | (10,014)  | (14,788)       | (57,807)       |
| Net income/ (expenditure)            |      | (8,873)               | 1,931               | (9,353)   | (16,295)       | (51,205)       |
| NET MOVEMENT IN FUNDS                |      | (8,873)               | 1,931               | (9,353)   | (16,295)       | (51,205)       |
| RECONCILIATION OF FUNDS              |      |                       |                     |   |                |                |
| Total funds brought forward          |      | 322,449               | 38,759              | 639,871   | 1,001,079      | 1,052,284      |
| TOTAL FUNDS CARRIED FORWARD          |      | 313,576               | 40,690              | 630,518   | 984,784        | 1,001,079      |

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The movement in funds detailed above complies with the requirements for a statement of changes in equity under FRS 102.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.



# LIVERPOOL COUNCIL OF EDUCATION (INCORPORATED)

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 JULY 2023

### Prior financial year

|                                      | Note | Unrestricted<br>funds | Restricted<br>funds | As trustee of<br>Liverpool<br>Educational<br>Foundation | Total<br>funds |
|--------------------------------------|------|-----------------------|---------------------|---|----------------|
|                                      |      | 2022<br>£             | 2022<br>£           | 2022<br>£   | 2022<br>£      |
| INCOME FROM:                         |      |                       |                     |   |                |
| Investments                          | 3    | 6,574                 | 1,610               | 13,788  | 21,972         |
| Total income                         |      | 6,574                 | 1,610               | 13,788  | 21,972         |
| EXPENDITURE ON:                      |      |                       |                     |   |                |
| Raising funds                        | 4    | 2,779                 | -                   | 5,831   | 8,610          |
| Charitable activities                | 5    | 2,560                 | 200                 | 4,000   | 6,760          |
| Total expenditure                    |      | 5,339                 | 200                 | 9,831   | 15,370         |
| Net gains/(losses) on<br>investments | 9    | (18,660)              | -                   | (39,147)  | (57,807)       |
| Net income/ (expenditure)            |      | (17,425)              | 1,410               | (35,190)  | (51,205)       |
| NET MOVEMENT IN FUNDS                |      | (17,425)              | 1,410               | (35,190)  | (51,205)       |
| RECONCILIATION OF FUNDS              |      |                       |                     |   |                |
| Total funds brought forward          |      | 339,874               | 37,349              | 675,061   | 1,052,284      |
| TOTAL FUNDS CARRIED FORWARD          |      | 322,449               | 38,759              | 639,871   | 1,001,079      |

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The movement in funds detailed above complies with the requirements for a statement of changes in equity under FRS 102.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

# LIVERPOOL COUNCIL OF EDUCATION (INCORPORATED)

## BALANCE SHEET AS AT 31 JULY 2023

|                                  | Note | 31 July 2023 |         | 31 July 2022 |           |
|----------------------------------|------|--------------|---------|--------------|-----------|
|                                  |      | £            | £       | £            | £         |
| <b>FIXED ASSETS</b>              |      |              |         |              |           |
| Investments at market value      | 9    |              | 883,932 |              | 905,111   |
| Investment cash/(overdraft)      |      |              | (7,541) |              | (6,412)   |
| Total fixed assets               |      |              | 876,391 |              | 898,699   |
| <b>CURRENT ASSETS</b>            |      |              |         |              |           |
| Debtors                          | 10   |              | 30      |              | 111       |
| Cash at bank                     |      |              | 111,504 |              | 105,937   |
| Total current assets             |      |              | 111,534 |              | 106,048   |
| <b>LIABILITIES: amounts</b>      |      |              |         |              |           |
| Falling due within one year      | 11   |              | (3,141) |              | (3,668)   |
| <b>NET CURRENT ASSETS</b>        |      |              | 108,393 |              | 102,380   |
| <b>NET ASSETS</b>                |      |              | 984,784 |              | 1,001,079 |
| <b>THE FUNDS OF THE CHARITY</b>  |      |              |         |              |           |
| Unrestricted funds               | 12   |              | 313,576 |              | 322,449   |
| Restricted funds                 | 13   |              | 40,690  |              | 38,759    |
| Liverpool Educational Foundation | 14   |              | 630,518 |              | 639,871   |
| Total charity funds              |      |              | 984,784 |              | 1,001,079 |

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006 for the year ended 31 July 2023.

The trustees acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with section 386 of the Act and for preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of section 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to accounts, so far as applicable to the company.

The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the board of directors and authorised for issue on 29 April 2024 and are signed on the board's behalf by:



Roger Morris  
Trustee and Honorary Treasurer

**Company registration number 00208578**



# LIVERPOOL COUNCIL OF EDUCATION (INCORPORATED)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023

### 1 ACCOUNTING POLICIES

#### Charity information

Liverpool Council of Education is a private company limited by guarantee incorporated in England and Wales. The registered office is 151 Dale Street, Liverpool, L2 2AH.

#### 1.1 Accounting convention

These accounts have been prepared in accordance with the charity's memorandum and articles of association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102" (effective 1 January 2019). The charity is a Public Benefit Entity as defined by FRS 102.

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

The accounts have been prepared under the historical cost convention, modified to include certain financial instruments at fair value. The principal accounting policies adopted are set out below.

The Charity has taken advantage of the provisions in the SORP for Charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

#### 1.2 Going concern

At the time of approving the accounts, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. In making this assessment the trustees have considered the likely impact of all factors of which they are currently aware. The trustees therefore continue to adopt the going concern basis of accounting in preparing the accounts.

#### 1.3 Charitable funds

The nature and purpose of the funds maintained are detailed in note 12 to 14.

#### 1.4 Income

Income from equity investments is accounted for when received. Income from other sources is included in the Statement of Financial Activities on the basis of the amounts receivable for the year.

#### 1.5 Expenditure

Expenditure is included in the Statement of Financial Activities on the accruals basis, based on the amounts payable for work done and grants offered in the year. Charitable activities consist of grant-making and associated support costs, if any. Independent examiner's fees and incidental management expenses are included in governance costs. Investment management costs are allocated pro rata to the size of the share in the pool at the balance sheet date.

# LIVERPOOL COUNCIL OF EDUCATION (INCORPORATED)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023 *continued*

### 1.6 Fixed asset investments

Investments are included in the balance sheet at their market value at the year end date.

Realised gains and losses are calculated as the difference between disposal proceeds and purchase cost. Unrealised gains and losses are calculated as the residual movement in market value during the year.

### 1.7 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its fixed tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

### 1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts.

### 1.9 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

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

#### *Basic financial assets*

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

#### *Basic financial liabilities*

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.



# LIVERPOOL COUNCIL OF EDUCATION (INCORPORATED)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023 *continued*

### 1.9 Financial instruments (continued)

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### *Derecognition of financial liabilities*

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

### 1.10 Custodian trustee

The fund is disclosed separately as it is represented by listed investments classed in one single pool. The capital of the connected charity and a major part of the unrestricted funds of Liverpool Council of Education (Inc) are managed as one investment pool which was created on 1 August 2004.

### 1.11 Company status and taxation position

The company is limited by guarantee and has no share capital. Each member undertakes to contribute to the assets of the company a sum not exceeding £1 in the event of winding up.

As a registered charity the Company benefits from various exemptions from taxation afforded by tax legislation and is not liable to corporation tax on income or gains falling within those exemptions. The Company is not VAT registered. Expenditure is recorded in the accounts inclusive of VAT.

## 2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

# LIVERPOOL COUNCIL OF EDUCATION (INCORPORATED)

## NOTES TO THE FINANCIAL STATEMENTS *continued* FOR THE YEAR ENDED 31 JULY 2023

### 3 INVESTMENTS

|   | Unrestricted<br>funds | Restricted<br>funds | As trustee of<br>Liverpool<br>Educational<br>Foundation | Total<br>2023 | Total<br>2022 |
|---|-----------------------|---------------------|---|---------------|---------------|
|   | £                     | £                   | £   | £             | £             |
| Income from investments                 | 8,015                 | 1,819               | 16,814  | 26,648        | 21,963        |
| Bank deposit and money on call interest | 94                    | 112                 | 91  | 297           | 9             |
|   | 8,109                 | 1,931               | 16,905  | 26,945        | 21,972        |

*For the year ended 31 July 2022:*

|   | Unrestricted<br>funds | Restricted<br>funds | As trustee of<br>Liverpool<br>Educational<br>Foundation | Total<br>2022 |
|---|-----------------------|---------------------|---|---------------|
|   | £                     | £                   | £   | £             |
| Income from investments                 | 6,571                 | 1,606               | 13,786  | 21,963        |
| Bank deposit and money on call interest | 3                     | 4                   | 2   | 9             |
|   | 6,574                 | 1,610               | 13,788  | 21,972        |

### 4 RAISING FUNDS

|                               | 2023<br>Unrestricted<br>funds | 2023<br>Restricted<br>funds | 2023<br>As trustee of<br>Liverpool Educational<br>Foundation | 2023<br>Total | 2022<br>Total |
|-------------------------------|-------------------------------|-----------------------------|--|---------------|---------------|
|                               | £                             | £                           |  | £             | £             |
| Investment<br>management fees | 2,595                         | -                           | 5,445  | 8,040         | 8,610         |
|                               | 2,595                         | -                           | 5,445  | 8,040         | 8,610         |

*For the year ended 31 July 2022:*

|                               | 2023<br>Unrestricted<br>funds | 2023<br>Restricted<br>funds | 2023<br>As trustee of<br>Liverpool Educational<br>Foundation | 2023<br>Total |
|-------------------------------|-------------------------------|-----------------------------|--|---------------|
|                               | £                             | £                           |  | £             |
| Investment<br>management fees | 2,779                         | -                           | 5,831  | 8,610         |
|                               | 2,779                         | -                           | 5,831  | 8,610         |



# LIVERPOOL COUNCIL OF EDUCATION (INCORPORATED)

## NOTES TO THE FINANCIAL STATEMENTS *continued* FOR THE YEAR ENDED 31 JULY 2023

### 5 CHARITABLE EXPENDITURE

|  | Grant<br>&<br>Other direct<br>Expenditure<br>£ | Grant and<br>Activity<br>related<br>Support costs<br>£ | Total<br>2023<br>£ | Total<br>2022<br>£ |
|--|--|--|--------------------|--------------------|
| Grant funding activities (note 6)      | 9,670  | -  | 9,670              | 4,200              |
| Direct charitable activities (note 6)  | 8,629  | -  | 8,629              | 843                |
| Share of governance costs (note 7)     | -  | 2,113  | 2,113              | 1,717              |
|  | 18,299   | 2,113  | 20,412             | 6,760              |
| <b>Analysis by fund</b>                |  |  |                    |                    |
| Unrestricted funds                     | 7,500  | 2,113  | 9,613              | 2,560              |
| Restricted funds                       | -  | -  | -                  | 200                |
| As trustee of connected charities      | 10,799   | -  | 10,799             | 4,000              |
|  | 18,299   | 2,113  | 20,412             | 6,760              |
| <i>For the year ended 31 July 2022</i> |  |  |                    |                    |
| Grant funding activities (note 6)      | 4,200  | -  | 4,200              |                    |
| Direct charitable activities (note 6)  | 843  |  | 843                |                    |
| Share of governance costs (note 7)     | -  | 1,717  | 1,717              |                    |
|  | 5,043  | 1,717  | 6,760              |                    |
| <b>Analysis by fund</b>                |  |  |                    |                    |
| Unrestricted funds                     | 843  | 1,717  | 2,560              |                    |
| Restricted funds                       | 200  | -  | 200                |                    |
| As trustee of connected charities      | 4,000  | -  | 4,000              |                    |
|  | 5,043  | 1,717  | 6,760              |                    |

# LIVERPOOL COUNCIL OF EDUCATION (INCORPORATED)

## NOTES TO THE FINANCIAL STATEMENTS *continued* FOR THE YEAR ENDED 31 JULY 2023

### 6 CHARITABLE EXPENDITURE

|  | 2023<br>£  | 2022<br>£  |
|--|------------|------------|
| GRANTS MADE:   |            |            |
| Unrestricted funds: Total grants from unrestricted funds | <i>nil</i> | <i>nil</i> |
| Restricted funds: Total of grants paid to individuals    | -          | 200        |
| Total grants from restricted funds                       | -          | 200        |
| Liverpool Educational Foundation:                        |            |            |
| Archbishop Blanch School                                 | 1,000      | -          |
| Calderstones School                                      | 1,500      | 1,500      |
| Childwall Sports & Science Academy                       | 2,000      | -          |
| International Model European                             |            |            |
| Parliament UK  | 1,800      | -          |
| New Heights School                                       | 1,970      | -          |
| Redbridge School   | -          | 1,000      |
| Sandfield Park School                                    | 1,400      | 1,250      |
| Total of grants paid to individuals                      | -          | 250        |
| Total grants from connected charities                    | 9,670      | 4,000      |
| Total grants   | 9,670      | 4,200      |
| DIRECT CHARITABLE ACTIVITIES                             |            |            |
| Unrestricted funds: Pupil participation workshops        | -          | 375        |
| Support for Liverpool Literacy Cycle                     | 7,500      | -          |
| Sign language event support                              | -          | 468        |
| Total from unrestricted funds                            | 7,500      | 843        |
| Liverpool Educational Foundation:                        |            |            |
| Kings & Queens Essay Competition                         | 1,129      | -          |
| Total from connected charities                           | 1,129      | -          |
| Total direct charitable activities                       | 8,629      | 843        |

All grants were made for the advancement of education. There were no chargeable support costs.  
The trustees received no remuneration or reimbursement of expenses from the company (2022 £nil).

### 7 GOVERNANCE COSTS

|  | 2023<br>£ | 2022<br>£ | Basis of allocation                  |
|--|-----------|-----------|--------------------------------------|
| Independent examiner's fee             | 1,980     | 1,704     | Allocated to grant making activities |
| Legal and regulatory fees              | 13        | 13        | Allocated to grant making activities |
| Website costs                          | 120       | -         | Allocated to grant making activities |
|  | 2,113     | 1,717     |                                      |
| Analysed between Charitable activities | 2,113     | 1,717     |                                      |



# LIVERPOOL COUNCIL OF EDUCATION (INCORPORATED)

## NOTES TO THE FINANCIAL STATEMENTS *continued* FOR THE YEAR ENDED 31 JULY 2023

### 8 FINANCIAL INSTRUMENTS

|  | 2023<br>£      | 2022<br>£      |
|--|----------------|----------------|
| <b>Carrying amount of financial assets</b>                               |                |                |
| Debt instruments measured at cost  | 103,993        | 99,636         |
| Equity instruments measured at fair value through income and expenditure | <u>883,932</u> | <u>905,111</u> |
| <b>Carrying amount of financial liabilities</b>                          |                |                |
| Measured at amortised cost   | <u>3,141</u>   | <u>3,668</u>   |

### 9 FIXED ASSET INVESTMENTS

|                                      | 2023<br>£       | 2022<br>£       |
|--------------------------------------|-----------------|-----------------|
| Composite fund investments:          |                 |                 |
| Market value at 1 August 2022        | 905,111         | 925,577         |
| Disposals                            | (114,515)       | (72,404)        |
| Additions at cost                    | 108,125         | 109,745         |
| Revaluation adjustments:             |                 |                 |
| Historic gains/(losses) on disposals | 35,517          | 34,054          |
| Other changes in market value        | <u>(50,306)</u> | <u>(91,861)</u> |
| Market value at 31 July 2023         | <u>883,932</u>  | <u>905,111</u>  |
| Historic cost at 31 July 2023        | <u>769,859</u>  | <u>740,731</u>  |

The capital of the connected charities and a major part of the unrestricted funds of Liverpool Council of Education (Inc) are managed as one investment pool which was created on 1 August 2004 and as at 31 July consisted of:

|                                      | 2023<br>£      | 2022<br>£      |
|--------------------------------------|----------------|----------------|
| Investments at market value as above | 883,932        | 905,111        |
| Investment cash                      | <u>(7,541)</u> | <u>(6,412)</u> |
| Total value of pool                  | <u>876,391</u> | <u>898,699</u> |

### 10 DEBTORS

|                      | 2023<br>£ | 2022<br>£  |
|----------------------|-----------|------------|
| Due within one year: |           |            |
| HMRC                 | -         | 110        |
| Accrued income       | <u>30</u> | <u>1</u>   |
|                      | <u>30</u> | <u>111</u> |

### 11 LIABILITIES: Amounts falling due within one year

|                                      | 2023<br>£    | 2022<br>£    |
|--------------------------------------|--------------|--------------|
| Amounts falling due within one year: |              |              |
| Accruals and deferred income         | <u>3,141</u> | <u>3,668</u> |

# LIVERPOOL COUNCIL OF EDUCATION (INCORPORATED)

## NOTES TO THE FINANCIAL STATEMENTS *continued* FOR THE YEAR ENDED 31 JULY 2023

### 12 UNRESTRICTED FUNDS

|  | 2023<br>£      | 2022<br>£      |
|--|----------------|----------------|
| Balance at 1 August 2022                               | 322,449        | 339,874        |
| Net income for year                                    | (4,099)        | 1,235          |
| Realised gains/(losses) on investments sold            | 11,465         | 10,993         |
| Unrealised gains/(losses)<br>on investment revaluation | (16,239)       | (29,653)       |
| Balance at 31 July 2023                                | <u>313,576</u> | <u>322,449</u> |

The unrestricted funds are the accumulated surplus of the company to be used for its charitable objects.

### 13 RESTRICTED FUNDS

|                               | 2023<br>£     | 2022<br>£     |
|-------------------------------|---------------|---------------|
| Balance at 1 August 2022      | 38,759        | 37,349        |
| Net (expense)/income for year | <u>1,931</u>  | <u>1,410</u>  |
| Balance at 31 July 2023       | <u>40,690</u> | <u>38,759</u> |

At 1 August 2022 and at 31 July 2023 restricted funds consisted solely of income transferred into the trusteeship of Liverpool Council of Education for distribution under the terms of the Hughes Percival Will Trust. All transactions during the year related to the Hughes Percival Will Trust.

### 14 FUNDS OF LIVERPOOL EDUCATIONAL FOUNDATION

|  | 2023<br>£      | 2022<br>£      |
|--|----------------|----------------|
| Balance at 1 August 2022                               | 639,871        | 675,061        |
| Net income/(expenditure for year)                      | 661            | 3,957          |
| Realised gains/(losses) on investments sold            | 24,054         | 23,061         |
| Unrealised gains/(losses)<br>on investment revaluation | (34,068)       | (62,208)       |
| Balance at 31 July 2023                                | <u>630,518</u> | <u>639,871</u> |

Following a consolidation which took place in the year to 31 July 2017, the sole connected and subsidiary charity in the year to 31 July 2023 was Liverpool Educational Foundation, a charity whose corporate trustee is Liverpool Council of Education and whose funds include some permanent endowment. The assets of Liverpool Educational Foundation can be analysed as follows:

|                             | 2023<br>£      | 2022<br>£      |
|-----------------------------|----------------|----------------|
| Unrestricted Revenue Funds: | 37,838         | 31,731         |
| Permanent Endowment Funds:  | 419,295        | 430,233        |
| Expendable Endowment Funds: | <u>173,385</u> | <u>177,907</u> |
| Total                       | <u>630,518</u> | <u>639,871</u> |



# LIVERPOOL COUNCIL OF EDUCATION (INCORPORATED)

## NOTES TO THE FINANCIAL STATEMENTS *continued* FOR THE YEAR ENDED 31 JULY 2023

### 15 ANALYSIS OF NET ASSETS BETWEEN FUNDS

|  | Unrestricted | Restricted | Connected<br>charities | Total   |
|--|--------------|------------|------------------------|---------|
|  | £            | £          | £                      | £       |
| Fund balances at 31 July 2023<br>are represented by: |              |            |                        |         |
| Share of investment pool                             | 282,899      | -          | 593,492                | 876,391 |
| Net current assets                                   | 30,677       | 40,690     | 37,026                 | 108,393 |
| Total net assets                                     | 313,576      | 40,690     | 630,518                | 984,784 |

*For the year ended 31 July 2022:*

|  | Unrestricted | Restricted | Connected<br>charities | Total     |
|--|--------------|------------|------------------------|-----------|
|  | £            | £          | £                      | £         |
| Fund balances at 31 July 2022<br>are represented by: |              |            |                        |           |
| Share of investment pool                             | 290,100      | -          | 608,599                | 898,699   |
| Net current assets                                   | 32,349       | 38,759     | 31,272                 | 102,382   |
| Total net assets                                     | 322,449      | 38,759     | 639,871                | 1,001,079 |

### 16 RELATED PARTY TRANSACTIONS

Because of the nature of its objectives, Liverpool Council of Education has trustees who in their various other capacities are involved with education in Liverpool. Barbara Murray and John Prince are both elected members of Liverpool City Council, David Blythe and Conor Foley are school governors, and Jennifer Holder's principal employment is with the Liverpool Learning Partnership. Other similar connections may occur from time to time.

Trustees of Liverpool Council of Education do not participate in decisions in which conflicts of interest could be perceived. Liverpool City Council, as the statutory local education authority, has a right under Liverpool Council of Education's Articles of Association to nominate two persons to serve as trustees of Liverpool Council of Education but that power was not in operation in 2022/23. For the purposes of the Charity SORP, there were no specific related party transactions identified in the year to 31 July 2023.

