

**THE LIVERPOOL INSTITUTE FOR
PERFORMING ARTS**

ANNUAL REPORT

YEAR ENDED 31 JULY 2024

**COMPANY NUMBER: 02511501
REGISTERED CHARITY: 1001565**

THE LIVERPOOL INSITUTE FOR PERFORMING ARTS

**Annual Report
For the year ended 31 July 2024**

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THE LIVERPOOL INSTITUTE FOR PERFORMING ARTS

Legal and Administrative Details For the year ended 31 July 2024

Status

The Liverpool Institute for Performing Arts (referred to as LIPA, the Institute or the company and collectively with its subsidiary the group) is a company limited by guarantee, with each member guaranteeing £1. Its registered company number is 02511501. The company is also a registered charity, number 1001565.

Registered Office

Mount Street
Liverpool
L1 9HF

Bankers

Santander plc
Bridle Road
Bootle
Merseyside
L30 4GB

Solicitors

Weightmans LLP
100 Old Hall Street
Liverpool
L3 9QJ

Financial Statements Auditors

Crowe UK LLP
St Georges House
56 Peter Street
Manchester
M2 3NQ

Internal Auditors

RSM Risk Assurance Services LLP
14th Floor
20 Chapel Street
Liverpool
L3 9AG

THE LIVERPOOL INSTITUTE FOR PERFORMING ARTS

Operating and Financial Review For the year ended 31 July 2024

The directors present their Annual Report, including the Strategic Report, together with the group's audited Financial Statements for the year ended 31 July 2024.

1. Constitution and Objectives

LIPA is a company limited by guarantee. It does not have any shares, and the liability of its members is limited. LIPA is a registered charity.

The objective of the company is the provision of education and training in the performing arts. In pursuit of this objective, the company became sole trustee of The Liverpool Institute Charity on 8 October 1993.

The governing document of the company is its Articles of Association, which define the framework for corporate governance. The directors confirm compliance with both current statutory requirements and the governing document. In particular, the report complies with the requirements of the Charities Act 2011.

2. Organisation and Decision-Making Structure

The directors, who are collectively referred to as Council, are also the trustees. New directors are appointed by the Council. The directors during the year and up to the date of signing the accounts were as follows:

- Isabel Begg - Vice Chair
- Gina Carter (up to 7 September 2024)
- James Dow
- Louise Ellman
- Michelle Emmerson (from 20 September 2024)
- Victoria Fea
- Mark Featherstone-Witty
- David Fletcher - Chief Operating Officer
- Simon Fowler
- Geoffrey Goodwin - Chair
- Joseph Johnson
- Juliet Johnson (from 20 September 2024)
- Kim Johnson (to 27 September 2024)
- Ashley Herman (from 7 December 2023)
- Sean McNamara - Chief Executive Officer
- Stella Okafor-Ross (from 7 December 2023)
- David Owen
- Zoe Radnor (from 20 September 2024)
- Simeon Scheuber-Rush (to 15 August 2023)
- Claire Workman – Local Vice Chair

The Council has established, through a scheme of delegation, several sub-committees, some of which are formed on a short-term basis. Full information on company membership and committees may be obtained from the Company Secretary. Further information of the six main committees is detailed in the Corporate Governance Statement below.

3. Background

LIPA is dedicated to providing the best teaching and learning for people who want to pursue a lasting career in the arts and entertainment sector. This is provided through a series of courses aimed at different age groups. These include pre-higher education courses, undergraduate and postgraduate programmes for those aged 18 and over and performing arts classes for 4-19 year olds.

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LIPA began teaching students in 1996. It was designated a higher education institute in 2006. It was formed by a combination of the ideas of the Founder, Mark Featherstone-Witty, Sir George Martin and Sir Paul McCartney to develop a specialist performing arts school and also to save the school building in which Sir Paul had studied, from dereliction. Eleven years of planning and fundraising preceded the opening in 1996.

LIPA is not a conventional dance, drama or music college although the standard of professional training reflects the best of such institutions. The training process is based on an awareness of the need for performing artists and those who make performance possible to collaborate creatively and integrate with their peers. The synergy between performers, producers, managers, designers and technicians enables the students to replicate industry practice giving a better understanding of the business they are entering. It prepares students for a lasting career in the performing arts industry.

4. Strategic Report

As a registered charity, the strategic report contains key aspects of LIPA's performance relating, but not limited to:

- Review of Activities and Achievement;
- Results for the year;
- Capital expenditure;
- Cash flows;
- Treasury Policies and Objectives;
- Public Benefit;
- Strategy and Risk;
- Estates; and
- Immediate Prospects.

5. Review of Activities and Achievement

Higher Education - Undergraduate and Postgraduate Programmes

A total of 987 students undertook LIPA's BA and Certificate in Higher Education programmes as follows:

BA Acting	89
BA Acting (Musical Theatre)	20
BA Acting (Screen and Digital)	56
BA Applied Theatre and Community Drama	46
BA Dance	88
BA Filmmaking and Creative Technologies	56
BA Management for the Creative Industries	84
BA Music (all pathways)	301
BA Sound Technology	86
BA Theatre Performance Design	39
BA Theatre Production Technology	63
Cert HE Acting (Musical Theatre)	20
Cert HE Acting (Stage & Screen)	39

Of the students, 740 were eligible for funding from the Student Loan Company and 247 came from countries other than the UK.

In addition, 43 students undertook LIPA's postgraduate programmes of whom 28 were eligible for funding from the Student Loan Company.

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LIPA's degree programmes are validated by Liverpool John Moores University as the awarding body, which confers the qualifications. This arrangement has been in place since LIPA's inception. Additionally, LIPA's academic standards need to meet the regulatory requirements imposed by the Office for Students (OfS), as the Higher Education sector's regulator. LIPA's OfS registration is full and without condition, demonstrating a commitment to quality of education.

Foundation Certificate

In addition to the undergraduate and postgraduate courses, 19 students studied on the LIPA Foundation Certificate in Popular Music and Music Technology.

This course is accredited by Liverpool John Moores University and is a one-year full-time intensive vocationally orientated programme designed to enable progression into the industry or provide preparation for degree level work. The course receives no public funding.

LIPA 4-19 Part Time Academy

LIPA 4-19 is a part time performing arts academy for people aged 4 to 19. It aims to produce multi-disciplined all round performers with courses that comprise song, dance and acting. Courses are carefully designed to reflect the correct stage of performing arts development for each age group. For the individual, the skills learned help develop confidence and presentational skills. They stimulate imagination and creativity.

Its development originally centred on LIPA's premises but also a secondary school in Maghull. Expansion has also been achieved by introducing classes on Sundays and advanced classes. In general, all LIPA managed courses are oversubscribed with a large waiting list.

In 2023/24 many of the students aged 7 to 19 undertook exams in musical theatre, early starters aged 5 to 6 undertook speech and drama exams. Many students leaving LIPA 4-19 have been accepted at highly credited colleges such as Guildford School of Acting, Performers College, Arts Educational, Urdang Academy, Mountview Academy of Theatre Arts, the Royal Academy of Dramatic Art (RADA) and Central School of Speech and Drama.

Once the students reach 16, many of them go on to train at the LIPA Sixth Form College (which is related, but not part of LIPA) and have also been accepted to study at LIPA on the degree courses.

LIPA 4-19 activity has additional corporate benefits: non-government revenue streams, utilisation of specialist facilities outside the normal Higher Education usage and generating expansion without the need for high levels of capital investment.

6. Results for the Year

These Financial Statements comply with the current statutory requirements and have been prepared in accordance with Applicable Accounting Standards in the United Kingdom. This includes the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education 2019 and in accordance with note 1 of the Accounting Policies.

At 31 July 2024 the group had total unrestricted reserves of £20,338,082 available to fulfil adequately the obligations of the group.

The group generated a surplus in the year to 31 July 2024 of £527,383 (2023: £311,197). The overall figure represents a surplus of 3.7% on income (2023: 2.4%). The financial objectives of the group include a targeted return of at least 3% of income.

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Total income increased by £1,135,049 to £14,266,069. The increase largely reflects higher student numbers, and therefore fees, from both UK and overseas students.

Income from government sources totalled £1,401,141 (2023: £1,648,808). This represents 9.8% of total income (2023: 12.6%). The decrease is due to the conclusion of a funding initiative from Research England.

Operating expenditure increased by £918,863 to £13,738,686. This increase covered staff related expenditure which rose by £797,865 to £9,184,373, partly due to general wage increases but also investment in staff levels.

Staff costs represented 64.4% of total income and 66.8% of total expenditure (2023: 63.9% and 65.4% respectively). Other operating expenses increased by £87,590 to £3,531,175 due to higher activity levels and general price rises.

7. Capital Expenditure

The total capital additions in the year to 31 July 2024, including donated assets of £14,000, were £1,472,024 (2023: £891,644 including donated assets of £7,000). This money represented an investment in campus and facilities, with further capital enhancements planned in the year to 31 July 2025.

8. Cash Flows

The consolidated Cash Flow shows net cash inflow from operating activities of £1,273,406 (2023: £680,049).

Total cash balances and deposits were £3,769,882 at 31 July 2024 (2023: £3,892,273).

The group had no borrowings at 31 July 2024 (2023: £nil).

During the year, LIPA maintained healthy cash balances which were higher than the planned balances in the cash flow forecast. External borrowing to fund future campus investments has been discussed by the directors on occasion but has not been deemed necessary up to the point of writing these financial statements.

9. Subsidiary Undertakings

The company has one subsidiary undertaking, LIPA Enterprises Limited. Any distributable surpluses generated by the subsidiary are transferred to the Institute by way of donation in accordance with the Memorandum and Articles of Association. The company has been dormant since 1 August 2020 and has generated no surplus or deficit in the year to 31 July 2024 (2023: no surplus or deficit).

10. Unrestricted Reserves

LIPA deems all unrestricted reserves to be free funds for use in achieving the objectives of the company. The directors' view is that it is prudent to ensure that there are sufficient free funds at the current level to provide financial flexibility for the development of the strategic plan. Reserves will be utilised to ensure the continuing operation of the group and the expansion of capacity when appropriate. LIPA's approach is to retain sufficient free cash, or have bank facilities available, to meet three months' expenditure.

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11. Endowment Reserves

Expendable endowment funds represent bursaries and student project funds which are to be distributed over a significant period of time.

12. Treasury Policies and Objectives

Treasury management is the management of the Institute's cash flows, its banking and money market transactions. The major risks relate to the security of the banking institutions where surplus cash is invested and the exposure to fluctuating interest rates. Given the current economic environment, there is no risk-free strategy. The Institute has adopted a risk minimisation strategy and only holds money with large high-street lenders (primarily Santander plc).

13. Pensions

The Institute participates in only one defined benefit scheme, the Teachers' Pension Scheme. It is not possible to separate out LIPA's share of the scheme. As a result, it is treated as a quasi-defined contribution scheme. After each valuation the future contribution rates are adjusted. The last adjustment occurred in April 2024, when employers' contributions increased by 5%. A full explanation of pension commitments is given in note 26 to the accounts.

14. Policy on the Payment of Creditors

Payment terms for goods and services are agreed with the suppliers at the time of placing orders and are adhered to by the company. The company's policy is to pay creditors on the due date and this was maintained throughout the year to 31 July 2024.

15. Accessibility and Widening Participation

LIPA is committed to a fair and transparent admissions system and was the first member of the Federation of Drama Schools to abolish audition fees. Our audition process does not discriminate on grounds of race, ethnicity, gender, sexual orientation, religion, disability or age. To ensure suitability is assessed effectively, undergraduate interview and audition events were undertaken, and, during those events, specialist support was provided for students with disabilities. Furthermore, tutors have experience of working with dyslexia, mental health problems, long-term health problems, stress, organisational difficulties and sensory impairments. IT equipment provided includes accessibility software.

LIPA is particularly concerned to engage with disadvantaged young people and strives to widen participation from groups that are under-represented in higher education. LIPA is committed to a range of outreach initiatives and fair access measures, as detailed in the 2020/21 to 2024/25 Access & Participation Plan. These are targeted towards:

- First degree entrants from lower socio-economic groups;
- Those from black and minority ethnic groups;
- Mature learners; and
- Students from low participation neighbourhoods.

LIPA is also keen to promote applications and support pupils with disabilities and those with experience of being in care.

In pursuit of these objectives LIPA provides a number of financial support initiatives. In the year to 31 July 2024 these included:

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- A LIPA bursary of £560, to all students with a household income of £25,000 or below; and
- A care leavers bursary of £1,000 to students who joined us aged 25 or over and who had been in care for six months or more prior to their 16th birthday.

As noted above, we no longer have any audition fees, as part of efforts to reduce the costs for prospective students auditioning with us. We also offer travel grants to support audition / interview attendance for learners from postcode areas where participation in Higher Education is lowest.

Through the Widening Participation (WP) team's activity, LIPA offers a range of opportunities for young people across the country that are designed to raise awareness and aspiration towards higher education progression. These are targeted at school / college groups and individuals primarily interested in performing arts and making performance possible.

During the year to 31 July 2024, LIPA worked closely with six partner schools containing a significant number of students from under-represented groups. In order to encourage interest in performing arts-related subjects and identify talented students, LIPA:

- Provided tailored support workshops in these partner schools, known as LIPA Tasters with Year 7, 8 and 9 pupils (along with Year 10 and Year 11 pupils in some cases), reaching 100+ learners;
- Supported learners at three of these partners plus three other local schools through our newly launched LIPA FEST project. Participating schools worked with LIPA graduates to create a showcase piece across weekly sessions which they then performed in front of other participating groups on our Paul McCartney Auditorium stage; and
- Ran Year 9 taster events in June, open to partner schools plus others from across Merseyside. These were attended by 267 participants from 10 schools.

From year 10 onwards, LIPA offered a two-year programme of activities for individuals from state schools who met at least one WP eligibility criteria. This structured progression framework for Year 10 and Year 11 students during this year consisted of:

- Review by WP staff of self-tape submissions and online auditions onto the programme, designed, in part, to give participants audition experience;
- A welcome event in early March for new participants and parents explaining the future activities on offer and showcasing the benefits of getting involved in the programme. This was attended by 18 young people and their accompanying supporters;
- LIPA XTRA, a 3-day non-residential course attended by 28 Year 10 students who are interested in progressing to LIPA in the future. They chose to study acting, backstage, dance, music or singing for the week and participated in a series of practical workshops;
- The LIPA Summer Xperience, a 5-day non-residential summer school attended by 25 students finishing year 10. Working together across multiple disciplines to put on their own production, the week culminated in a performance in the Paul McCartney Auditorium; and
- 13 after-school skills workshops, plus a weekend film making project, for Year 11 students between January and April 2024 covering various topics in acting, dance, music / singing and making performance possible.

For students studying at a Sixth Form or Further Education College, LIPA delivered:

- Get Set, a 3-day course attended by 38 students who are interested in applying to LIPA for 2025 entry. They chose to study acting, dance, musical theatre or music for the duration of the project, which included a focus on application and audition awareness. Get Set was run as a residential experience with students staying in a local hall of residence and taking part in evening activities. As we were oversubscribed in Summer 2023, we also ran an additional summer school in August 2023, with some related delivery costs for this being accrued within the 2023/24 financial year;
- A range of workshops with seven partner colleges for young people studying performing arts and making performance possible subjects at level 3 and considering higher education for 2024 and 2025 entry (additional workshops were also offered through schools and colleges liaison work);

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- Audition preparation phone calls for students from low participation neighbourhoods throughout January, February, March and April; and
- We also ran three regional Acting audition events in February (North East, Midlands, South West), aimed at offering applicants from disadvantaged backgrounds the opportunity to complete their first stage audition closer to home.

LIPA also responded to a variety of requests for ad-hoc activities from various schools and community groups. In the year to 31 July 2024 LIPA provided:

- A further five visits to LIPA by non-partner schools and colleges. These visits included a tour and talk and, on occasion, a workshop in the students' chosen subject. These visits reached 80+ students from Years 9 to 13;
- In-school or online workshops at / with a further 11 schools;
- Attendance at 70 careers fairs in local and regional schools / colleges with a LIPA / HE information stand;
- The opportunity for local schools / colleges to attend suitable public performances. This included running three schools-only performances of the Acting Rep season (alongside post-show Q&As with the cast), attended by six school/college groups;
- Music theory preparation workshops during November attended by six students interested in applying to music courses; and
- Hosting of and support for four arts-week programmes for looked after young people, delivered by Collective Encounters.

LIPA has also engaged in activities closer to home, supporting its additional education ventures as follows:

- Through Access and Participation Plan allocation, LIPA financed and hosted an induction morning in July for all children and their parents / carers due to start at the Primary School in September 2024. Pupils currently at the LIPA School participated in a series of inspirational assemblies and workshops sessions in acting, singing, dance and backstage delivered through LIPA's widening participation provision;
- LIPA School pupils also participated in campus-based activities, in-school subject workshops and careers talks led by Widening Participation staff, plus the LIPA Fest project above. LIPA students and graduates also supported Key Stage 3 learners with preparation (such as choreography and prop making) for their main school performance;
- Learners at LIPA Sixth Form College participated in activities designed to raise awareness of the process for applying to study in Higher Education and to assist with building confidence and skills for preparing auditions / interviews. This included talks and audition preparation workshops across some discipline areas, as well as portfolio preparation sessions for Production Arts students across the year; and
- Finally, LIPA was involved in supporting a number of collaborative outreach activities with other HE providers across Liverpool. This spend has been accounted against additional funding relating to support of the Uniconnect Programme.

16. Public Benefit

LIPA's primary charitable purpose is the provision of education and training in the performing arts. Details of the courses and programmes and the number of students who have participated are given earlier in this Review.

LIPA seeks to provide benefits both to the wider public and to targeted groups of individuals who might not otherwise experience or participate in the performing arts. In pursuance of this objective LIPA has:

- Run a series of public performances with wide-ranging themes linked to LIPA's creative purpose;

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- Provided management support and training for new businesses, either through LIPA's own initiatives or in combination with others;
- Given financial support for a number of graduate businesses;
- Generated new graduates' business employment;
- Used LIPA's location, infrastructure, contacts, track-record and reputation to assist a variety of enquirers;
- Contributed through technical theatre programmes to the region's live entertainment industry;
- Worked in the community, including cultural activities for young people, asylum seekers, offenders and those with addiction issues; and
- Sponsored and provided support to The LIPA Multi Academy Trust (which is a separate but related legal entity).

17. Strategy and Risk

Linked to the overall strategic plan to 2026, a comprehensive risk register has been produced which links the goals within the strategic plan to the risks of not achieving those goals. Where appropriate there are also action plans in place to mitigate these risks.

Applications to LIPA each year are in excess of eight times the number of places available. As noted above it had free cash of £3,769,882 available on 31 July 2024 and no borrowings.

In overall terms, LIPA is a relatively low risk organisation with a reputation for excellence, drawing students from across the world. However, it is not risk free nor does the low level of risk mean that the Institute is complacent about its future, especially having regard to:

- Increased competition in the Higher Education marketplace;
- Potential changes in the funding arrangements for UK students;
- The impact of the UK Government's changes to immigration laws and the impact of this on international student recruitment patterns and staff mobility; and
- The steps needed to achieve Degree Awarding Powers.

The key strands of LIPA's strategy and risk management are to:

- Continue to provide high quality teaching aligned to performing arts industry, thereby providing the best possible student experience;
- Maintain and increase the level of student intake, in terms of both quality and numbers, including overseas students;
- Develop new facilities, including music, technical and performance spaces, designed specifically to meet LIPA's specialist needs;
- Manage costs appropriately whilst balancing the needs of the student experience; and
- Monitoring the wider economic and political landscape and use influence with sector groups such as GuildHE and the Federation of Drama Schools to ensure that our needs are recognised.

18. OfS Funding

For the year ended 31 July 2024 OfS income provided 9.8% of LIPA's total funding. This included capital grant income and Specialist Institution Funding in the form of a recurrent grant. The majority of UK student funding is through loans provided by the Student Loan Company to students to fund their tuition fees.

19. Estates

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LIPA has been operating for over 25 years and has been at the forefront of the development of the Georgian quarter of Liverpool. One of LIPA's aims was to save the Liverpool Institute building attended by Sir Paul McCartney, from dereliction. The building was completely refurbished at a total cost of £13.6m. LIPA occupies the Mount Street property in accordance with the Scheme of the Charity Commission which makes LIPA the trustee of the Liverpool Institute Charity.

In March 2012, LIPA acquired the freehold property at 68 Hope Street, on the basis that the building would provide scope for expansion and enhancement of the facilities on offer at that time. Following extensive alteration work, the building now provides high quality teaching spaces for the benefit of LIPA students.

LIPA spent £6.9m (including £3.9m of OfS funding) to upgrade infrastructure and facilities between 2018 and 2021 as part of a successful capital bidding process and further investment in the estate continues to enhance the provision for students, including remodelling of the reception area and investment in upgrades to music facilities. This is part of an ongoing investment in resources planned as part of the current strategic investment cycle, linked to the overall strategic direction.

20. Immediate Prospects

The plans for the next three years are laid out within LIPA's Strategic Plan and include enhancement of the curriculum, growth of student numbers into areas linked to growth industries, aligned with industry partners, achievement of Degree Awarding Powers and forging stronger partnerships locally, nationally and internationally.

Whilst investing in the future, the Group will also continue to:

- Review all courses offered and introducing new courses where demand justifies this;
- Optimise the funding available to achieve a maximum impact on the student experience;
- Pursue Value for Money in all aspects of the group's activities; and
- Review all new appointments as posts become available.

21. The LIPA Multi Academy Trust

The LIPA MAT is a company limited by guarantee, with charitable status. Whilst LIPA is a corporate Trustee and Sponsor and some of its Members and Council Directors are involved with The LIPA MAT as Members and Trustees, the company does not constitute a subsidiary of LIPA.

22. Stakeholder Relationships

LIPA's stakeholders include students, staff, alumni, patrons, the OfS, employers, government offices, Liverpool residents, professional bodies and practitioners. LIPA communicates on a regular basis with stakeholders as appropriate to ensure that positive relationships are maintained.

23. Equal opportunities and employment of disabled employees

LIPA is committed to ensuring equality of opportunity for everyone. LIPA respects and positively values differences in race, gender, disability and disadvantaged backgrounds. Applications for employment by disabled persons are given full and fair consideration in accordance with their particular aptitudes and abilities. In the event of an employee becoming disabled, every effort is given to retrain them in order that their employment with the company may continue.

24. Fundraising

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LIPA does not carry out fundraising from the general public and had no fundraising activities requiring disclosure under s162A of the Charities Act 2011.

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25. Going Concern

After a thorough review of the Group's status as a going concern, the Council has agreed that the Group has sufficient resources to continue to meet its obligations as they arise over the next 12 months. The Group has a five-year financial forecast that is cash positive. Student numbers for the September 2024 intake are broadly in line with expectations and, up to the time of signing these financial statements, student withdrawal levels are not out of line with previous years. The Group has undertaken stress testing on the assumptions within its financial forecasts and believe that the risk of significant adverse performance is very low.

26. Financial Statements Auditors

A resolution to reappoint Crowe UK LLP will be proposed at the Annual General Meeting.

The approval of the Operating and Financial Review includes the approval of the Strategic Report as well as the responsibilities required by the regulator.

By order of the Board:

Katharine Dimmock
Katharine Dimmock (Nov 26, 2024 10:09 GMT)

K Dimmock
Company Secretary

Nov 26, 2024

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Corporate Governance Statement For the year ended 31 July 2024

LIPA's Board of Directors is committed to achieving the highest standards of corporate governance and in doing so complies with the Committee of University Chairs (CUC) Higher Education Code of Governance 2020. In carrying out its duties it also has regard for the best practice in The UK Corporate Governance Code 2018, insofar as it is applicable to the company. This summary describes the manner in which the company has applied the principles set out in the CUC Higher Education Code of Governance. Its purpose is to help the reader of the accounts understand how LIPA applies the principles.

The Members of the company within the meaning of the Companies Act are the custodians of LIPA's ethos and culture and guardians of its fundamentals. The Members' primary responsibilities are:

1. To consult with LIPA's Directors in order to agree the determination of the educational character and mission of LIPA;
2. To consult with LIPA's Directors on filling any vacancy or expected vacancy in the role of Principal;
3. To appoint LIPA's financial statements auditors; and
4. To consider and, if agreed, approve changes to LIPA's Articles of Association proposed by LIPA's Council. Any changes are subject to the approval of the Privy Council and the Charity Commission.

LIPA's Articles of Association empower the Members to remove any or all of the directors by written resolution signed by a majority of the Members.

The Council is LIPA's governing body. Its members are directors of the company within the meaning of the Companies Act and Trustees within the meaning of the Charities Act. The primary responsibilities of Council are:

1. To consult with LIPA's members in order to agree the determination of the educational character and mission of LIPA and oversee LIPA's activities having regard to such determination;
2. To prepare, or cause to be prepared, long-term teaching and business plans and key performance indicators, and to ensure that these meet the interests of stakeholders;
3. To fill any vacancy, or determine the method of filling any expected vacancy, in the post of Principal, having consulted LIPA's members about any such vacancy or expected vacancy;
4. To delegate to the Principal, as chief executive, authority for the teaching, corporate, financial, estate and the management of teams LIPA;
5. To establish and keep under regular review the policies, procedures and limits within the management functions undertaken by, and under the authority of, the Principal;
6. To ensure the establishment and monitoring of systems of control and accountability, including financial and operational controls and risk assessment;
7. To ensure that processes are in place to monitor and evaluate the performance and effectiveness of LIPA against the plans and approved key performance indicators, which should be, where possible and appropriate, benchmarked against other comparable institutions;
8. To establish processes to monitor and evaluate the performance and effectiveness of Council itself;
9. To conduct its business in accordance with best practice in higher education corporate governance and with the principles of public life drawn up by the Committee on Standards in Public Life;
10. To safeguard LIPA's good name and values;
11. To appoint a clerk to accurately record meetings and to ensure that, if the person appointed has managerial responsibilities in LIPA, there is an appropriate separation in the lines of accountability;

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12. To be responsible for the appointment, grading, appraisal, assignment, suspension and dismissal of senior post holders and the determination of their pay and conditions of service;
13. To set a framework for the pay and conditions of service of all staff and make rules specifying procedures according to which staff may seek redress of any grievances relating to their performance;
14. To be LIPA's principal financial and business authority, to ensure that proper books of account are kept, to approve the annual budget and Financial Statements, and to have overall responsibility for LIPA's assets, property and estate;
15. To set rules, after consultation with the Academic Board and representatives of the students, with respect to the conduct of students, including procedures for suspension and expulsion, and make such provision as it thinks fit for the general welfare of students;
16. To act as trustee for any property, legacy, endowment, bequest or gift made in support of the work and welfare of LIPA;
17. To be LIPA's legal authority and, as such, to ensure that systems are in place for meeting all LIPA's legal obligations, including those arising from contracts and other legal commitments made in LIPA's name;
18. To ensure that LIPA adheres to its constitution at all times and that appropriate advice is available to enable this to happen; and
19. To amend LIPA's Articles of Association, subject to the approval of LIPA's members in a General Meeting or by written resolution, the Privy Council and the Charities Commission.

Directors serve a term of four years and may be re-elected to serve a further term of four years. Any director retiring after serving eight years is eligible for re-appointment having regard to the individual's particular skills, experience, commitment and longevity of service.

Nominations for new appointees are sought from existing and past directors and from within the performing arts, business, and other sectors. Additionally professional consultants are retained to identify suitable candidates. The aim is to ensure a balance of skills within the Council. Such criteria as widening the diversity of the Council are also considered in seeking nominations.

All nominations are tabled at a full Council meeting for approval. On appointment new directors attend an induction programme at LIPA. This provides a detailed explanation of the legal responsibilities of the post and the workings of the Institute. This is supplemented by detailed policy documents such as the group's current strategic plan.

Directors observe the Seven Principles of Public Life drawn up by the Committee on Standards in Public Life: Selflessness, Integrity, Objectivity, Accountability, Openness, Honesty and Leadership.

Council ensures that the Institute has in place appropriate procedures under which staff may raise matters of legitimate concern in the public interest, consistent with the requirements of the Public Interest Disclosure Act (2010).

The Council has six main committees: Academic Board, Audit Committee, Equality, Diversity & Inclusion (EDI) Committee, Finance Committee, Nominations & Governance Committee, and Remuneration Committee. Each has terms of reference agreed by Council.

The Academic Board meets at least three times a year and determines the strategic curriculum development of the Institute and oversees the academic standards set by the Institute.

THE LIVERPOOL INSTITUTE FOR PERFORMING ARTS

Corporate Governance Statement For the year ended 31 July 2024

The Audit Committee meets four times a year, with the company's Financial Statements Auditors and Internal Auditors in attendance as appropriate. The Committee considers detailed reports together with recommendations for the improvement of the Institute's systems of internal control and management's responses and implementation plans. It also receives and considers reports from the OfS as they affect LIPA's business and monitors adherence to the regulatory requirements. Whilst senior executives attend meetings of the Audit Committee as necessary, they are not members of the Committee. The Committee has the opportunity to meet with both Financial Statements Auditors and Internal Auditors on their own for independent discussions.

The EDI Committee has delegated oversight for the development, implementation, impact and monitoring of the EDI Strategy as well as providing assurances to Council that LIPA is satisfying its legal and regulatory duties under the Equality Act 2010.

The Finance Committee meets three times per year and, inter alia, recommends to the Council the company's annual revenue and capital budgets and monitors performance in relation to the approved budgets.

The Nominations and Governance Committee seeks out new directors and recommends their appointment to Council. The Committee's remit includes monitoring governance arrangements.

The Remuneration Committee determines the remuneration of the most senior staff, including the Chief Executive. The Remuneration Committee has agreed that it will be guided by the CUC HE Senior Staff Remuneration Code but would not formally adopt it as LIPA's Principal is a member of the Remuneration Committee but is not involved in discussions related to their own salary.

Working groups are established from time to time by the Chief Executive, for which a member of the senior management team is responsible (though not necessarily as chair).

Formal working groups are not established without the approval of the Chief Executive, although it is expected that staff will work in a cross-disciplinary manner and on a team basis, without the need for direction to do so, in order to maximise the benefits of the expertise available to achieve any given objective.

As noted above, LIPA is the sponsor of the LIPA MAT, which is a separate legal entity and these financial statements do not consolidate LIPA's figures with those of the LIPA MAT.

The Council is ultimately responsible for the company's system of internal control and for reviewing its effectiveness to ensure that LIPA upholds regularity and propriety in the use of public funding. The system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss. The system of internal control is based on an ongoing process designed to identify the principal risks to the achievement of policies, aims and objectives, to evaluate the nature and extent of those risks and to manage them efficiently, effectively and economically.

This process has been in place for the year ended 31 July 2024 and up to the date of approval of the Financial Statements and accords with OfS guidance.

The key elements of the company's system of internal control, which is designed to discharge the responsibilities set out above, include the following:

- Effective review by directors;
- Systems which define policies, set objectives and plans and then monitor financial and other performance;
- Systems and procedures which include segregation of duties, authorisation and approval procedures and information systems;
- An effective internal audit system;
- An effective financial statements audit system, including an appropriate response to the points raised in the management letter;
- Other reporting and monitoring systems such as those required by providers of other funds;

THE LIVERPOOL INSTITUTE FOR PERFORMING ARTS

Corporate Governance Statement For the year ended 31 July 2024

- The work of the Finance and Audit Committees in monitoring the financial position and control systems;
- The strategic plan and the related annual operating statements which set the framework for the annual budgets;
- The annual operating and capital budgets which identify and quantify the revenue resources available and associated expenditure;
- The provision of regular financial information to individuals with responsibility for elements of the budget and the monitoring of progress against budgets;
- Day to day controls exercised by the financial officers of LIPA;
- The Financial Regulations which, amongst other items, detail the financial procedures and rules to be followed for various financial transactions;
- Policies on a range of areas such as treasury management, debt collection, fraud etc.; and
- A Corporate Governance manual, which sets out various controls and policies.

The risk management strategy incorporates the following processes:

- Council have approved the risk management policy;
- The principal responsibility for risk management has been assigned to the senior management team, and risk management is planned into the work of the team for the year, with regular updates to the Institute's risk profile reported and discussed at senior management team meetings;
- The Internal Auditors have been instructed to ensure that their planning arrangements, methodology and approach conform to the latest professional standards reflecting the adoption of risk management; and
- The Audit Committee has been charged with providing advice on the effectiveness of the establishment and implementation of risk management.

The Council ensures that there is an independent Internal Audit function, which has direct access to the Chair of Council and to the Chair of the Audit Committee. This is the same for the Financial Statements Audit function.

The Internal Auditors submit regular reports on the adequacy and effectiveness of the system of internal control, together with recommendations for improvement. Similarly, the Financial Statements Auditors have the opportunity to suggest control improvements during their audit process. All recommendations made are monitored and tracked to completion by the Audit Committee.

The directors' review of the effectiveness of the system of internal control is informed by the work of the Internal Auditors and the executive managers within the Institute who have responsibility for the development and maintenance of the internal control framework, and by comments made by the Financial Statements Auditors in their management letter and other reports. No significant control weaknesses have arisen during the year.

Approved on behalf of the Board by:


Geoffrey Goodwin (Nov 26, 2024 17:08 GMT)

G. Goodwin
Chair of Council

Nov 26, 2024

THE LIVERPOOL INSTITUTE FOR PERFORMING ARTS

Trustees' Responsibilities Statement For the year ended 31 July 2024

In accordance with the Institute's Memorandum and Articles of Association, Council is responsible for the administration and management of the affairs of the Institute and is required to present audited financial statements for each financial year.

The Council (the members of which are also the directors of the company for the purposes of company law) is responsible for preparing the Operating and Financial Review including the Strategic Report and the financial statements in accordance with applicable law and regulations.

Company law requires Council to prepare financial statements for each financial year. Under that law, Council is required to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

In addition, Council, through its Accounting Officer, is required to prepare the financial statements in accordance with the terms and conditions of the OfS's Terms and conditions of funding for higher education institutions 2023-24 (issued July 2023) through its accountable officer. Under company law, Council must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Institute and the group and of the surplus or deficit, gains and losses, changes in reserves and cash flows of the Institute and the group for that year.

In preparing the financial statements Council is required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and accounting estimates that are reasonable and prudent;
- State whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Institute will continue in business.

Council is responsible for keeping adequate accounting records that are sufficient to show and explain the Institute's transactions and disclose with reasonable accuracy at any time the financial position of the Institute and enable it to ensure that the financial statements comply with the OfS's Terms and conditions of funding for higher education institutions 2023-24 (issued July 2023), the Statement of Recommended Practice: Accounting for Further and Higher Education (2019 edition), and any subsequent amendments, the Office for Student's Accounts Direction (issued October 2019) and the Companies Act 2006. Council is also responsible for safeguarding the assets of the Institute and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Council has taken reasonable steps to:

- Ensure that funds from the OfS and other funding bodies are used only for the proper purposes for which they have been given and seek to achieve value for money in accordance with the OfS's Terms and conditions of funding for higher education institutions 2023-24 (issued July 2023) and any other conditions which the funding body may from time to time prescribe;
- Ensure that the Institute has a robust and comprehensive system of risk management, control and corporate governance, which includes the prevention and detection of corruption, fraud, bribery and irregularities;
- Ensure that there is regular, reliable, timely and adequate information to monitor performance and track the use of public funds;
- Plan and manage the Institute's activities to remain sustainable and financially viable;
- Ensure that it informs the OfS of any material change in its circumstances, including any significant developments that could impact on the mutual interests of the Institute and the OfS;
- Ensure that there are adequate and effective arrangements for the management and quality assurance of data submitted to the Higher Education Statistics Agency, the Student Loans Company, the OfS and other funding or regulatory bodies;
- Ensure an effective framework – overseen by the Institute's academic board or equivalent – to manage the quality of learning and teaching and to maintain academic standards; and

THE LIVERPOOL INSTITUTE FOR PERFORMING ARTS

**Trustees' Responsibilities Statement
For the year ended 31 July 2024**

- Consider and act on the OfS's assessment of the Institute's risks specifically in relation to these funding purposes.

Council is responsible for the maintenance and integrity of the corporate and financial information included on the Institute's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Council confirms that:

- So far as each member is aware, there is no relevant audit information of which the Institute's auditor is unaware; and
- Members have taken all the steps that they ought to have taken as members in order to make themselves aware of any relevant audit information and to establish that the Institute's auditor is aware of that information.

Approved on behalf of the Board by:

Sean McNamara
Sean McNamara (Nov 26, 2024 10:14 GMT)

S. McNamara
Director

Nov 26, 2024

THE LIVERPOOL INSTITUTE FOR PERFORMING ARTS

Financial Statements Auditor's report to Council For the year ended 31 July 2024

Opinion

We have audited the financial statements of The Liverpool Institute for Performing Arts for the year ended 31 July 2024 which comprise Consolidated and Institute Statement of Comprehensive Income, the Consolidated and Institute Statement of Changes in Reserves, the Consolidated and Institute Balance Sheets, the Consolidated Statement of Cash Flows and notes to the financial statements, 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) and the Statement of Recommended Practice: Accounting for Further and Higher Education (2019 Edition).

In our opinion the financial statements:

- Give a true and fair view of the state of the charitable company's affairs as at 31 July 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; and
- Have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements 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.

THE LIVERPOOL INSTITUTE FOR PERFORMING ARTS

Financial Statements Auditor's report to Council For the year ended 31 July 2024

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 our audit:

- The information given in the trustees' report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

Opinion on other matters prescribed by the OfS accounts direction (issued October 2019)

In our opinion, in all material respects:

- Funds from whatever source administered by the parent institute for specific purposes have been properly applied to those purposes and managed in accordance with the relevant legislation;
- Funds provided by the OfS, UK Research and Innovation (including Research England), the Education and Skills Funding Agency and the Department for Education have been applied in accordance with the relevant terms and conditions; and any other terms and conditions attached to them; and
- The requirements of the OfS's accounts direction (issued October 2019) have been met.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the trustees' 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
- The financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of Council's 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 Trustees' Responsibilities Statement set out on pages 16 to 17, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

THE LIVERPOOL INSTITUTE FOR PERFORMING ARTS

Financial Statements Auditor's report to Council For the year ended 31 July 2024

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory frameworks within which the charitable company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, Charities Act 2011 and employment legislation.
- Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the trustees and other management and inspection of regulatory and legal correspondence, if any.
- We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be the override of controls by management and completeness and cut off of grant income. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases and sample testing from grant documentation.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations. A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: 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 Council, 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 Council 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 Council as a body, for our audit work, for this report, or for the opinions we have formed.



Vicky Szulist
Senior Statutory Auditor
for and on behalf of Crowe UK LLP
Statutory Auditor
St Georges House
56 Peter Street
Manchester
M2 3NQ

Nov 29, 2024

THE LIVERPOOL INSTITUTE FOR PERFORMING ARTS

Consolidated and Institute Statement of Comprehensive Income and Expenditure
For the year ended 31 July 2024

Year ended 31 July	INCOME	2024		2023	
		Consolidated	Institute	Consolidated	Institute
Notes		£	£	£	£
Tuition Fees	1.1	11,516,088	11,516,088	10,334,804	10,334,804
Funding Body Grants	1.2	1,401,141	1,401,141	1,648,808	1,648,808
Project Income	1.3	528,258	528,258	471,628	471,628
Other Income	1.4	725,471	725,471	606,241	606,241
Investment Income	1.5	76,226	76,226	42,404	42,404
Total Income before Donations and Endowments		14,247,184	14,247,184	13,103,885	13,103,885
Donations and Endowments	1.6	18,885	18,885	27,135	27,135
Total Income		14,266,069	14,266,069	13,131,020	13,131,020
EXPENDITURE					
Staff Costs	2	9,184,373	9,184,373	8,386,508	8,386,508
Other Operating Expenses	3	3,531,175	3,531,175	3,443,585	3,443,585
Depreciation		1,023,138	1,023,138	989,730	989,730
Interest and Other Finance Costs	4	-	-	-	-
Total Expenditure		13,738,686	13,738,686	12,819,823	12,819,823
Surplus before Tax		527,383	527,383	311,197	311,197
Taxation	5	-	-	-	-
Surplus and Total Comprehensive Income for the year		527,383	527,383	311,197	311,197
Represented by:					
Unrestricted income for the year		515,000	515,000	292,452	292,452
Restricted income for the year		-	-	-	-
Endowment income / (expenditure) for the year		12,383	12,383	18,745	18,745
		527,383	527,383	311,197	311,197

THE LIVERPOOL INSTITUTE FOR PERFORMING ARTS

**Financial Statements Auditor's report to Council
For the year ended 31 July 2024**

All amounts relate to continuing operations.

THE LIVERPOOL INSTITUTE FOR PERFORMING ARTS

**Consolidated and Institute Statement of Changes in Reserves
For the year ended 31 July 2024**

	Income and Expenditure Account			
	Endowment	Restricted	Unrestricted	Total
Consolidated	£	£	£	£
Balance at 1 August 2022	264,811	-	19,530,630	19,795,441
Surplus from the Income and Expenditure Account	18,745	-	292,452	311,197
Transfers between funds	-	-	-	-
Total Comprehensive Income for the year	18,745	-	292,452	311,917
Balance at 1 August 2023	283,556	-	19,823,082	20,106,638
Surplus from the Income and Expenditure Account	12,383	-	515,000	527,383
Transfers between funds	-	-	-	-
Total Comprehensive Income for the year	12,383	-	515,000	527,383
Balance at 31 July 2024	295,939	-	20,338,082	20,634,021
Institute				
Balance at 1 August 2022	264,811	-	19,530,630	19,795,441
Surplus from the Income and Expenditure Account	18,745	-	292,452	311,197
Transfers between funds	-	-	-	-
Total Comprehensive Income for the year	18,745	-	292,452	311,917
Balance at 1 August 2023	283,556	-	19,823,082	20,106,638
Surplus from the Income and Expenditure Account	12,383	-	515,000	527,383
Transfers between funds	-	-	-	-
Total Comprehensive Income for the year	12,383	-	515,000	527,383
Balance at 31 July 2024	295,939	-	20,338,082	20,634,021

THE LIVERPOOL INSTITUTE FOR PERFORMING ARTS

Consolidated and Institute Balance Sheets

Registered number: 02511501

		As at 31 July 2024		As at 31 July 2023	
	Notes	Consolidated £	Institute £	Consolidated £	Institute £
Non-Current Assets					
Intangible Assets	6	116,147	116,147	154,698	154,698
Fixed Assets	7	15,948,075	15,948,075	15,987,378	15,987,378
Assets Held in Trust	8	1,800,301	1,800,301	1,273,562	1,273,562
Investments	9	2,377	2,477	2,377	2,477
		17,866,900	17,867,000	17,418,015	17,418,115
Current Assets					
Stock	10	11,384	11,384	8,573	8,573
Trade and Other Receivables	11	855,177	855,177	684,688	684,688
Cash and Cash Equivalents	12	3,769,882	3,769,882	3,892,273	3,892,273
		4,636,443	4,636,443	4,585,534	4,585,534
Less: Creditors					
Amounts Falling Due Within One Year	13	(1,869,322)	(1,869,422)	(1,896,911)	(1,897,011)
Net Current Assets		2,767,121	2,767,021	2,688,623	2,688,523
Total Assets less Current Liabilities		20,634,021	20,634,021	20,106,638	20,106,536
Less: Creditors					
Amounts Falling Due after more than One Year		-	-	-	-
Total Net Assets		20,634,021	20,634,021	20,106,638	20,106,638
Restricted Reserves					
Endowment Reserve	14	295,939	295,939	283,556	283,556
Restricted Reserve	15	-	-	-	-
Unrestricted Reserves					
Income and Expenditure Account - Unrestricted		20,338,082	20,338,082	19,823,082	19,823,082
Total Funds		20,634,021	20,634,021	20,106,638	20,106,638

Approved by the board and authorised for issue on 22 November 2024, and signed on its behalf by:

Geoffrey Goodwin
Geoffrey Goodwin (Nov 26, 2024 17:08 GMT)

Nov 26, 2024

G. Goodwin – Chair of Council

Sean McNamara
Sean McNamara (Nov 26, 2024 10:14 GMT)

Nov 26, 2024

S. McNamara – Director

THE LIVERPOOL INSTITUTE FOR PERFORMING ARTS

**Consolidated Statement of Cash Flows
For the year ended 31 July 2024**

Cash Flow from Operating Activities	2024	2023
	£	£
Surplus for the year ended 31 July	527,383	311,197
Adjustment for Non-Cash Items		
Depreciation	1,023,138	989,730
(Increase) / Decrease in Stock	(2,811)	714
(Increase) in Debtors	(170,489)	(117,039)
(Decrease) in Creditors	(27,589)	(462,149)
Adjustment for Investing or Financing Activities		
Investment Income	(76,226)	(42,404)
Interest Payable	-	-
Net Cash Inflow from Operating Activities	1,273,406	680,049
Cash Flows from investing activities		
Investment Income	76,226	42,404
Payments made to Acquire Fixed Assets	(1,458,023)	(884,644)
Donated Assets	(14,000)	(7,000)
	(1,395,797)	(849,240)
Cash flows from financing activities		
Interest Paid	-	-
Loan Repaid	-	-
	-	-
(Decrease) in Cash and Cash Equivalents in the year	(122,391)	(169,191)
Cash and Cash Equivalents at beginning of the year	3,892,273	4,061,464
Cash and Cash Equivalents at end of the year	3,769,882	3,892,273

THE LIVERPOOL INSTITUTE FOR PERFORMING ARTS

Accounting Policies For the year ended 31 July 2024

1. Basis of Preparation

These financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting for Further and Higher Education (2019 edition) and in accordance with applicable accounting standards. LIPA is a public benefit entity and therefore has applied the relevant public benefit requirement of the applicable accounting standards. The financial statements are prepared in accordance with the historical cost convention.

1.1 The financial statements have been prepared under FRS 102.

1.2 The financial statements are presented in sterling (£).

1.3 Going Concern - After a thorough review of the Group's status as a going concern, the Council has agreed that the Group has sufficient resources to continue to meet its obligations as they arise over the next 12 months. The Group has a five-year financial forecast that is cash positive. Student numbers for the September 2024 intake are broadly in line with expectations and, up to the time of signing these financial statements, student withdrawal levels are not out of line with previous years. The Group has undertaken stress testing on the assumptions within its financial forecasts and believe that the risk of significant adverse performance is very low.

2. Basis of consolidation

The consolidated financial statements include the company and its subsidiary for the financial year to 31 July 2024. Intra-group transactions are eliminated on consolidation. In the financial year to 31 July 2024, the subsidiary was dormant and therefore there were no transactions within it.

3. Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

The Institute makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. There are no estimates or assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Critical areas of judgement

There are no areas of judgement that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

4. Income Recognition

4.1 Income from the sale of goods or services is credited to the Statement of Comprehensive Income and Expenditure when the goods or services are supplied to the external customers or the terms of the contract have been satisfied.

4.2 Fee income is stated gross of any expenditure which is not a discount and credited to the Statement of Comprehensive Income and Expenditure over the period in which students are studying. Where the amount of the tuition fee is reduced by any discount, income receivable is shown net of the discount.

4.3 Bursaries and scholarships are accounted for gross as expenditure and not deducted from income.

4.4 Funds the Institute receives and disburses as paying agent on behalf of a funding body are excluded from the income and expenditure of the Institute where the Institute is exposed to minimal risk or enjoys minimal economic benefit related to the transaction.

4.5 Government grants, including funding council grants are recognised within the Statement of Income and Expenditure over the periods in which the Institute recognises the related costs for which the grant is intended to compensate. Where part of a government grant is deferred it is recognised as deferred income within creditors and allocated between creditors due within one year and due after more than one year as appropriate.

THE LIVERPOOL INSTITUTE FOR PERFORMING ARTS

Accounting Policies

For the year ended 31 July 2024

Other grants and donations from non-government sources are recognised within the Statement of Comprehensive Income and Expenditure when the Institute is entitled to the income and performance related conditions have been met.

- 4.6** Income received in advance of performance related conditions is deferred on the balance sheet and released to the Statement of Comprehensive Income and Expenditure in line with such conditions being met.
- 4.7** Other grants and donations from non-government sources are recognised within the Statement of Comprehensive Income and Expenditure when the Institute is entitled to the income and performance related conditions have been met. Income received in advance of performance related conditions being met is deferred on the Balance Sheet and released to the Statement of Comprehensive Income and Expenditure in line with such conditions being met.
- 4.8** Non-exchange transactions without performance related conditions are donations and endowments. Donations and endowments with donor-imposed restrictions are recognised within the Statement of Comprehensive Income and Expenditure when the Institute is entitled to the Income. Income is retained within the restricted reserve until such time that it is utilised in line with such restrictions at which point the income is released to general reserves through a reserve transfer.
- 4.9** Investment income and appreciation of endowments is recorded in income in the year in which it arises and as either restricted or unrestricted income according to the terms applied to the individual endowment fund.
- 4.10** Donations with no restrictions are recorded within the Statement of Comprehensive Income and Expenditure when the Institute is entitled to the income. Donations and endowments with restrictions are classified as restricted reserves with additional disclosure provided within the notes to the accounts. There are four main types of donations and endowments with restrictions:
1. Restricted donations - the donor has specified that the donation must be used for a particular objective;
 2. Unrestricted permanent endowments - the donor has specified that the fund is to be permanently invested to generate an income stream for the general benefit of the Institute;
 3. Restricted expendable endowments - the donor has specified a particular objective other than the purchase or construction of tangible fixed assets, and the Institute can convert the donated sum into income; and
 4. Restricted permanent endowments - the donor has specified that the fund is to be permanently invested to generate an income stream to be applied to a particular objective.

5. Capital grants

Capital grants are recorded in the Statement of Comprehensive Income and Expenditure when the Institute is entitled to the income subject to any performance related conditions being met.

6. Accounting for retirement benefits

For eligible employees, the Institute contributes to a defined benefit plan, the Teachers' Pension Scheme, a superannuation scheme that provides benefits based on final pensionable pay. For other staff the company also operates the LIPA Staff Pension Schemes, a range of defined contribution pension plans providing benefits additional to those from the State.

Defined Benefit Plan

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. Under the definitions set out in Section 28 of FRS102, the Teachers' Pension Scheme is a multi-employer pension scheme. LIPA is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, LIPA has taken advantage of the exemption in Section 28.11 of FRS102 and has accounted for contributions to the scheme as if it were a defined contribution scheme.

Defined Contribution Plan

A defined contribution plan is a post-employment benefit plan under which the company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the Statement of Comprehensive Income and Expenditure in the periods during which services are rendered by employees. The assets of the LIPA's schemes are held separately from those of the Institute in independently administered funds.

THE LIVERPOOL INSTITUTE FOR PERFORMING ARTS

Accounting Policies For the year ended 31 July 2024

7. Employment benefits

Short term employment benefits such as salaries and compensated absences are recognised as an expense in the year in which the employees render service to the Institute. Any unused benefits are accrued and measured as the additional amount the Institute expects to pay as a result of the unused entitlement.

8. Operating leases

Costs in respect of operating leases are charged on a straight-line basis over the lease term. Any lease premiums or incentives are spread over the minimum lease term.

9. Foreign currency

Transactions in foreign currency are accounted for at the sterling equivalent (net of charges) on the date of receipt or payment. Monetary assets and liabilities are translated into sterling at year end rates. The resulting exchange differences are dealt with in the determination of income and expenditure for the financial year.

10. Intangible assets

Intangible assets are stated at cost less accumulated amortisation. Intangible assets are amortised over between three and 10 years, representing their remaining estimated economic lives. Intangible assets are subject to periodic impairment reviews as appropriate.

11. Tangible fixed assets

Fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Where parts of a fixed asset have different useful lives, they are accounted for as separate items of fixed assets.

Land and buildings

Costs incurred in relation to land and buildings after initial purchase or construction, and prior to valuation, are capitalised to the extent that they increase the expected future benefits to the Institute. Freehold land is not depreciated as it is considered to have an indefinite useful life.

Freehold buildings are depreciated on a straight line basis over 50 years.

Leasehold land is depreciated over the life of the lease up to a maximum of 50 years.

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

Furniture and equipment

Items of furniture and equipment costing less than £1,000 per individual item or groups of the same items are written off in the year of acquisition. All other equipment is capitalised.

Capitalised furniture and equipment is stated at cost and depreciated over its expected useful life as follows:

- Computer equipment 3 years; and
- Furniture and other equipment up to 10 years.

12. Assets held in trust

Assets held in trust include additions to the Liverpool Institute building. These assets are depreciated over a period of up to 25 years.

Art works represent historic assets used by the institution and corporate art and are not, therefore, accounted for as a heritage asset.

13. Investments

Investments are shown at cost less any provision for impairment.

14. Stock

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**Accounting Policies
For the year ended 31 July 2024**

Stock is held at the lower of cost and net realisable value, and is measured using an average cost formula.

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Accounting Policies For the year ended 31 July 2024

15. Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

16. Creditors

Short term trade creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

17. Cash and cash equivalents

Cash includes cash in hand, deposits repayable on demand and overdrafts. Deposits are repayable on demand if they are in practice available within 24 hours without penalty.

Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash with insignificant risk of change in value.

18. Borrowing costs

Borrowing costs are recognised as an expense in the Statement of Comprehensive Income and Expenditure in the period in which they are incurred.

19. Provisions, contingent liabilities and contingent assets

Provisions are recognised in the financial statements when:

- (a) The Institute has a present obligation (legal or constructive) as a result of a past event;
- (b) It is probable that an outflow of economic benefits will be required to settle the obligation; and
- (c) A reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability.

A contingent liability arises from a past event that gives the Institute a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Institute. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured reliably.

A contingent asset arises where an event has taken place that gives the Institute a possible asset whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Institute.

Contingent assets and liabilities are not recognised in the Balance Sheet but are disclosed in the notes.

20. Taxation

The Institute is an exempt charity within the meaning of Part 3 of the Charities Act 2011, and, as such, is a charity within the meaning of Section 506 (1) of the Income and Corporation Taxes Act 1988. The Institute is recognised as a charity by HM Revenue & Customs. It is therefore a charity within the meaning of Para 1 of schedule 6 to the Finance Act 2010 and accordingly, the Institute is potentially exempt from taxation in respect of income or capital gains received within categories covered by section 478-488 of the Corporation Tax Act 2010 (CTA 2010) or section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied to exclusively charitable purposes.

The Institute receives no similar exemption in respect of Value Added Tax. Irrecoverable VAT on inputs is included in the costs of such inputs. Any irrecoverable VAT allocated to fixed assets is included in their cost.

The Institute's subsidiary is liable to Corporation Tax in the same way as any other commercial organisation

THE LIVERPOOL INSTITUTE FOR PERFORMING ARTS

Accounting Policies For the year ended 31 July 2024

21. Reserves

Reserves are allocated between restricted and unrestricted reserves. Restricted endowment reserves include balances which, through endowment to the Institute, are held as a permanently restricted fund as the Institute must hold the fund to perpetuity.

Other restricted reserves include balances through which the donor has designated a specific purpose and therefore the Institute is restricted in the use of these funds.

22. Financial Instruments

LIPA only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities 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.

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.

THE LIVERPOOL INSTITUTE FOR PERFORMING ARTS

Notes to the Accounts For the year ended 31 July 2024

1. Income	2024 Consolidated	2024 Institute	2023 Consolidated	2023 Institute
1.1 Tuition Fees	£	£	£	£
Full Time UK Undergraduate fees	7,005,028	7,005,028	6,591,624	6,591,624
Full Time Overseas Undergraduate fees	3,763,829	3,763,829	3,225,667	3,225,667
UK Postgraduate fees	294,101	294,101	184,974	184,974
Overseas Postgraduate fees	282,350	282,350	137,187	137,187
Foundation Certificate fees	170,380	170,380	194,251	194,251
Other Fees	400	400	1,101	1,101
	11,516,088	11,516,088	10,334,804	10,334,804
1.2 Funding Body Grants				
OfS Recurrent Grants	1,351,141	1,351,141	1,337,126	1,337,126
OfS Capital Grant	50,000	50,000	100,000	100,000
OfS Hardship Funding	-	-	12,300	12,300
Research England	-	-	193,548	193,548
Kickstart	-	-	5,834	5,834
	1,401,141	1,401,141	1,648,808	1,648,808
1.3 Project Income				
LIPA 4-19	509,278	509,278	455,142	455,142
Other Projects	18,980	18,980	16,486	16,486
	528,258	528,258	471,628	471,628
1.4 Other Income				
Catering, Bar and Venue Hire	307,796	307,796	282,117	282,117
Projects and Performances	346,923	346,923	263,126	263,126
Service Level Agreement Income	6,044	6,044	18,380	18,380
Sundry Income	64,708	64,708	42,618	42,618
	725,471	725,471	606,241	606,241
1.5 Investment Income				
Interest Receivable	76,226	76,226	42,404	42,404
	76,226	76,226	42,404	42,404
1.6 Donations and Endowments				
New Endowments	2,500	2,500	16,000	16,000
Donations with Restrictions	-	-	3,107	3,107
Unrestricted Donations	2,385	2,385	1,028	1,028
Donated Assets	14,000	14,000	7,000	7,000
	18,885	18,885	27,135	27,135

THE LIVERPOOL INSTITUTE FOR PERFORMING ARTS

Notes to the Accounts For the year ended 31 July 2024

1.7 Grant and Fee Income

The sources of grant and fee income included in notes 1.1 to 1.3 are as follows:

	2024 Consolidated	2024 Institute	2023 Consolidated	2023 Institute
	£	£	£	£
Grant income from the OfS	1,401,141	1,401,141	1,449,426	1,449,426
Grant income from other bodies	-	-	199,382	199,382
Fee income from non-qualifying courses	699,039	699,039	666,979	666,979
Fee income for taught awards	<u>11,345,307</u>	<u>11,345,307</u>	<u>10,139,453</u>	<u>10,139,453</u>
	<u>13,445,487</u>	<u>13,445,487</u>	<u>12,455,240</u>	<u>12,455,240</u>

2. Staff Costs

Aggregate amounts for staff and directors paid in respect of:

	2024 Consolidated	2024 Institute	2023 Consolidated	2023 Institute
	£	£	£	£
Wages and Salaries	7,362,808	7,362,808	6,750,564	6,750,564
Social Security Costs	652,843	652,843	611,798	611,798
Other Pension Costs	<u>1,168,722</u>	<u>1,168,722</u>	<u>1,024,146</u>	<u>1,024,146</u>
	<u>9,184,373</u>	<u>9,184,373</u>	<u>8,386,508</u>	<u>8,386,508</u>

Emoluments of the Chief Executive:

	2024 £	2023 £
Remuneration	157,590	151,500
Pension contributions	<u>39,943</u>	<u>35,875</u>
	<u>197,533</u>	<u>187,375</u>

No other employees received remuneration more than £100,000.

The emoluments of the Chief Executive Officer and Chief Operating Officer are set by LIPA's Remuneration Committee and reflect the operational structure operated by LIPA, the complexity of the roles, the performance of the CEO and COO and the rates of pay of others in similar roles both locally and nationally.

The CEO received a remuneration that was 4.75 times the remuneration for other substantive staff at LIPA (2023: 4.76 times).

Key Management Personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Institute. The team comprised six (2023: six) individuals led by the Chief Executive.

	2024 £	2023 £
Remuneration of key management personnel, other than the Chief Executive, including pension contributions	<u>605,161</u>	<u>571,723</u>

Average number of persons (including the Principal and CEO) employed during the year was:

	2024	2023
Administration	58	54
Teaching and Teaching Support	92	92
Catering, Bar, Conference and Venue	<u>5</u>	<u>5</u>

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Notes to the Accounts For the year ended 31 July 2024

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In addition to the numbers above, LIPA also employed students and graduates on a number of specific projects, such as working on Open Days and LIPA 4-19. These figures are not included in the staff numbers above.

The aggregate amounts for staff and directors can be split into the following categories:

	2024 Consolidated	2024 Institute	2023 Consolidated	2023 Institute
	£	£	£	£
Teaching	5,470,958	5,470,958	4,724,854	4,724,854
Productions	527,273	527,273	502,400	502,400
Projects	218,432	218,432	202,453	202,453
Canteen, Bar and Venue	183,551	183,551	155,075	155,075
Information Systems and Technical Support	600,623	600,623	587,964	587,964
Marketing and Student Recruitment	884,354	884,354	797,915	797,915
Facilities	441,160	441,160	447,598	447,598
Administration	858,022	858,022	968,249	968,249
	<u>9,184,373</u>	<u>9,184,373</u>	<u>8,386,508</u>	<u>8,386,508</u>
		2024	2023	
Number of directors accruing retirement benefits, excluding the staff representative		<u>2</u>	<u>2</u>	

The Institute's Council Directors are the trustees for charitable law purposes.

Excluding the remuneration and reimbursement of expenses of the Chief Executive, the Chief Operating Officer and the Staff Representative, no other Council Director received payment for services (2023: One director received £12,750 for services provided to LIPA).

The only other payments to Council Directors related to the reimbursement of expenses. In the year to 31 July 2024 the total expenses paid to Council Directors, other than the Chief Executive and the Chief Operating Officer, were:

	2024	2023
	£	£
Reimbursement of travel and accommodation expenses to three directors (2023: three directors).	<u>1,803</u>	<u>1,356</u>

3a. Analysis of Operating Expenditure by Activity

	2024 Consolidated	2024 Institute	2023 Consolidated	2023 Institute
	£	£	£	£
Teaching	480,983	480,983	429,227	429,227
Productions	304,606	304,606	319,818	319,818
Projects	94,036	94,036	94,826	94,826
Canteen, Bar and Venue	158,420	158,420	149,220	149,220
Information Systems and Technical Support	690,613	690,613	684,896	684,896
Marketing and Student Recruitment	556,406	556,406	487,021	487,021
Facilities	835,132	835,132	736,316	736,316

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**Notes to the Accounts
For the year ended 31 July 2024**

Administration	<u>410,979</u>	<u>410,979</u>	<u>542,261</u>	<u>542,261</u>
	<u>3,531,175</u>	<u>3,531,175</u>	<u>3,443,585</u>	<u>3,443,585</u>

THE LIVERPOOL INSTITUTE FOR PERFORMING ARTS

Notes to the Accounts For the year ended 31 July 2024

Operating expenditure includes:

	2024	2023
	£	£
Financial Statements Auditors' Remuneration		
Audit	19,656	22,200
Other	6,180	3,510
Internal Auditors' Remuneration	22,104	18,827
Operating Lease Rentals	-	9,455

3b. Access and Participation

	2024	2023
	£	£
Total access activity investment		
Access (pre-16)	206,719	173,180
Access (post-16)	133,043	107,957
Access (adults and the community)	17,040	16,922
Financial support	120,290	117,090
Research and evaluation	29,660	21,670
	<u>506,752</u>	<u>436,729</u>

£259,490 of these costs are already included in the overall staff costs figures included in the financial statements, see note 2. In addition, LIPA spent £90,987 in support for disabled students in the financial year to 31 July 2024 (2023: £87,524).

The Access and Participation needs to be understood in conjunction with LIPA's Access and Participation Plan 2020-21 to 2024-25, which is located on LIPA's website. The differences between the planned spend as per the Access and Participation Plan relate to changes in activity during the year.

4. Interest Payable

LIPA had no borrowings in the year to 31 July 2024 (2023: £Nil) and incurred no interest payable or other finance costs (2023 Nil) in the year (2023: £Nil).

5. Taxation

LIPA is a charitable company as stated in Accounting Policies note 20. There is no tax charge arising for the year (2023: £nil) in respect of subsidiary undertakings.

6. Intangible Assets (software) - Consolidated and Institute

	Total
	£
Cost	
At 1 August 2023	472,625
Additions	-
Disposals	<u>(122,221)</u>
At 31 July 2024	<u>350,404</u>
At 1 August 2023	317,927
Depreciation charge for the Year	38,551
Eliminated on Disposal	<u>(122,221)</u>
At 31 July 2024	<u>234,257</u>
Net Book Value	
At 31 July 2023	<u>154,698</u>
At 31 July 2024	<u>116,147</u>

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**Notes to the Accounts
For the year ended 31 July 2024**

THE LIVERPOOL INSTITUTE FOR PERFORMING ARTS

Notes to the Accounts For the year ended 31 July 2024

7. Tangible Fixed Assets - Consolidated and Institute

	Freehold Land and Buildings	Fixtures, Fittings and Equipment	Art Works	Total
	£	£	£	£
Cost				
At 1 August 2023	15,915,473	5,799,524	197,092	21,912,089
Additions	-	786,697	-	786,697
Donated Assets	-	14,000	-	14,000
Disposals	-	(175,285)	-	(175,285)
At 31 July 2024	15,915,473	6,424,936	197,092	22,537,501
Depreciation				
At 1 August 2023	2,016,224	3,711,395	197,092	5,924,711
Charge for the Year	297,919	542,081	-	840,000
Disposals	-	(175,285)	-	(175,285)
At 31 July 2024	2,314,143	4,078,191	197,092	6,589,426
Net Book Value				
At 31 July 2023	13,899,249	2,088,129	-	15,987,378
At 31 July 2024	13,601,330	2,346,745	-	15,948,075

Freehold Land and Buildings

The freehold buildings relates to the property at 68 Hope Street, Liverpool.

Freehold land includes land amounting to £1,000,000 which is not depreciated.

8. Assets held in Trust - Consolidated and Institute

	Total £
Cost	
At 1 August 2023	2,157,266
Additions	671,327
At 31 July 2024	2,828,593
At 1 August 2023	883,704
Depreciation charge for the Year	144,587
At 31 July 2024	1,028,291
Net Book Value	
At 31 July 2023	1,273,562
At 31 July 2024	1,800,302

The assets held in trust represent the cost of capital works on the Liverpool Institute building.

Interest in Liverpool Institute building

LIPA has no ownership rights to the Liverpool Institute building. It occupies the building in its role as sole corporate trustee of The Liverpool Institute Charity. LIPA was appointed corporate trustee of The Liverpool Institute Charity on 8th October 1993. The Liverpool Institute Charity has no assets, other than the Liverpool Institute building, and no liabilities. It generates no income and incurs no expenditure. LIPA may continue in its role as corporate trustee of The Liverpool Institute Charity, and thereby occupy the Liverpool Institute building, provided it continues to use the building for educational purposes.

THE LIVERPOOL INSTITUTE FOR PERFORMING ARTS

Notes to the Accounts For the year ended 31 July 2024

In the event that LIPA no longer operates the trusteeship of The Liverpool Institute Charity, and thereby loses its rights to occupy the Liverpool Institute building, trusteeship would revert to the former trustee, Liverpool City Council; failing acceptance by them of the trusteeship the Charity Commission would seek an alternative trustee.

As LIPA cannot sell the Liverpool Institute building, which was redeveloped specifically for LIPA's programmes and may only be used for educational purposes, the directors do not consider that any market value can be attributed to it and that a valuation would not be in the best interests of the Institute.

9. Non-Current Investments

	Subsidiary Companies	Chattels and Memorabilia	Total
	£	£	£
Consolidated			
At 1 August 2023	-	2,377	2,377
Additions	-	-	-
Disposals	-	-	-
Impairment	-	-	-
At 31 July 2024	-	2,377	2,377
Institute			
At 1 August 2023	100	2,377	2,477
Additions	-	-	-
Disposals	-	-	-
Impairment	-	-	-
At 31 July 2024	100	2,377	2,477

Please refer to note 23 for additional details relating to the investment in the subsidiary company.

10. Stock Consolidated and Institute

	2024 £	2023 £
Canteen and bar stocks	11,384	8,573

11. Trade and Other Receivables Amounts due within one year

	2024 Consolidated	2024 Institute	2023 Consolidated	2023 Institute
	£	£	£	£
Tuition and Other Fees	9	9	16,506	16,506
Other Debtors	417,394	417,394	288,366	288,366
Amounts owed by related undertakings	30,249	30,249	5,098	5,098
Prepayments and Accrued Income	407,526	407,526	374,718	374,718
	855,178	855,178	684,688	684,688

12. Cash and Cash Equivalents

At 31 July 2024		At 31 July 2023	
Consolidated	Institute	Consolidated	Institute

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**Notes to the Accounts
For the year ended 31 July 2024**

	£	£	£	£
Cash and Cash Equivalents	3,769,882	3,769,882	3,892,273	3,892,273

13. Creditors: Amounts falling due within one year

	At 31 July 2024		At 31 July 2023	
	Consolidated	Institute	Consolidated	Institute
	£	£	£	£
Trade Creditors	235,961	235,961	226,029	226,029
Taxation and Social Security	162,476	162,476	165,155	165,155
Accruals	317,015	317,015	307,234	307,234
Other Creditors and Deferred Income	1,153,970	1,153,970	1,198,493	1,198,593
	1,869,422	1,869,422	1,896,911	1,897,011

Deferred Income

Included in other creditors and deferred income are the following items of income which have been deferred until specific performance related conditions have been met.

	At 31 July 2024		At 31 July 2023	
	Consolidated	Institute	Consolidated	Institute
	£	£	£	£
Donations	-	-	-	-
Grants	-	-	-	-
	-	-	-	-

14. Endowments

	Restricted Permanent Endowments	Unrestricted Permanent Endowments	Expendable Endowments	2024 Total	2023 Total
	£	£	£	£	£
Balances at 1 August 2023					
Capital	-	-	243,842	243,842	232,460
Accumulated Income	-	-	39,714	39,714	32,351
	-	-	283,556	283,556	264,811
New Endowments	-	-	2,500	2,500	16,000
Investment Income	-	-	14,883	14,883	9,545
Expenditure	-	-	(5,000)	(5,000)	(6,800)
At 31 July 2024	-	-	295,939	295,939	283,556
Represented by:					
Capital	-	-	244,441	244,441	243,842
Accumulated Income	-	-	51,498	51,498	39,714
	-	-	295,939	295,939	283,556
Analysis by type of purpose					
Bursary and Prize Funds	-	-	79,582	79,582	76,563
Culture	-	-	198,217	198,217	188,332
Graduate Business Support	-	-	18,140	18,140	18,661
	-	-	295,939	295,939	283,556

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**Notes to the Accounts
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Analysis by Asset					
Cash	-	-	295,939	295,939	283,556

15. Restricted Reserves

Reserves with restrictions are as follows:

	Capital Grants	Other Restricted Funds and Donations	2024 Total	2023 Total
	£	£	£	£
New Grants	-	-	-	-
New Donations	-	-	-	3,107
Investment Income	-	-	-	-
Capital Grant Utilised	-	-	-	-
Expenditure	-	-	-	(3,107)
At 31 July 2024	-	-	-	-

Analysis of Other Restricted Funds and Donations by type of purpose:

	2024 Total	2023 Total
	£	£
Buildings	-	-
Other	-	-
	-	-

Other restricted funds include donations and restricted expendable endowments.

16. Reconciliation of Cash Flow to Statement of Financial Position - Consolidated

	At 31 August 2023	Cash Flows	At 31 July 2024
	£	£	£
Cash at bank and on deposit	3,892,273	(122,391)	3,769,882
Other	-	-	-
	3,892,273	(122,391)	3,769,882

17. Consolidated reconciliation of net credit

	£
Net credit at 1 August 2023	3,892,473
Movement in cash and cash equivalents	(122,391)
Other non-cash changes	-
Net credit at 31 July 2024	3,769,882
Change in net credit	(122,391)

Analysis of net credit

31 July 2024 31 July 2023

THE LIVERPOOL INSTITUTE FOR PERFORMING ARTS

Notes to the Accounts For the year ended 31 July 2024

	<u>£</u>	<u>£</u>
Cash and cash equivalents	<u>3,769,882</u>	<u>3,892,273</u>

18. Capital and Other Commitments

Capital and other commitments are funded from cash reserves:

Consolidated and Institute at 31 July	2024	2023
	£	£
Capital works authorised but not contracted	-	420,771
Commitments contracted for refurbishment of estates	-	100,007
Other capital additions	187,496	34,619
	<u>187,496</u>	<u>555,397</u>

19. Contingent Assets and Liabilities

Consolidated and Institute at 31 July	2024	2023
	£	£
Guarantees	-	-
	<u>-</u>	<u>-</u>

20. Lease Obligations – Consolidated and Institute

Total rentals payable under operating leases:

	31 July 2024 Plant and Machinery	31 July 2024 Other Leases	31 July 2024 Total	31 July 2023 Total
	£	£	£	£
Payable during the year	-	-	-	9,455
Future minimum lease payments due	-	-	-	-
No later than one year	-	-	-	-
Later than 1 year and not later than 5 years	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,455</u>

21. Financial Assets and Liabilities

	31 July 2024		31 July 2023	
	Consolidated	Institute	Consolidated	Institute
	£	£	£	£
Financial assets measured at amortised cost	3,362,256	3,362,256	3,517,555	3,517,555
Financial liabilities measured at amortised cost	1,129,250	1,129,250	1,092,981	1,092,981

22. Events after the Reporting Period

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**Notes to the Accounts
For the year ended 31 July 2024**

There were no significant events after the after the reporting period that impact the results for the year or the balance sheet at 31 July 2024.

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Notes to the Accounts For the year ended 31 July 2024

23. Subsidiary Undertaking

During the year ended 31 July 2024, LIPA had one wholly owned subsidiary, LIPA Enterprises Limited (which is registered at the same address as LIPA).

LIPA Enterprises Limited is registered in England and Wales and is dormant, resulting in the cost of investment of £100 having been written off. The principal activity of the company was the provision of training courses.

24. Connected Charitable Institution: The LIPA Multi Academy Trust (MAT)

Third-party costs paid by LIPA on behalf of The LIPA MAT have been recharged directly to it without uplift.

In the year to 31 July 2024, LIPA charged The LIPA MAT £7,252 for support services (2023: £18,380)

A new Service Level Agreement in relation to Human Resources services commenced on 17/05/2024 and it is therefore expected that the amount charged will increase in the year to 31 July 2025.

In addition, there were recharges of amounts paid on behalf of The LIPA MAT of £16,838 and other sales of £19,497 (2023: £5,187) relating mainly to use of facilities.

At 31 July 2024 The LIPA Multi Academy Trust owed LIPA £30,249 (2023: £5,098).

25. Related Party Transactions

During the year, LIPA undertook the following transactions with related parties defined by Financial Reporting Standard 102:

The Liverpool Institute Charity

LIPA is the sole corporate trustee of The Liverpool Institute Charity. LIPA occupies the Liverpool Institute Building, held in The Liverpool Institute Charity, under terms at £nil rent.

LIPA Enterprises Limited

Transactions with the subsidiary, LIPA Enterprises Limited, have not been disclosed under the exemption allowed in FRS102 Section 33.

LIPA Members

Travel or other expenses amounting to £167 (2023: Nil) were reimbursed to one Member (2023: Nil) in the year.

26. Pension Commitments

26a. Defined Benefit Scheme

As stated in Accounting Policies note 6, for eligible employees the company contributes to the Teachers' Pension Scheme (TPS). The scheme is sector wide and the Department for Education has provided the information below in order to meet the requirements of Financial Reporting Standard 102 Section 28.

The Teachers' Pension Scheme (TPS or scheme) is a statutory, unfunded, defined benefit occupational scheme, governed by the Teachers' Pensions Regulations 2010 (as amended), and the Teachers' Pension Scheme Regulations 2014 (as amended). These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

The Teachers' Pension Budgeting and Valuation Account

THE LIVERPOOL INSTITUTE FOR PERFORMING ARTS

Notes to the Accounts For the year ended 31 July 2024

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and Public Service Pensions Act (2013) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – contributions from members, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Acts.

The Teachers' Pensions Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

Valuation of the Teachers' Pension Scheme

The most recent Department for Education outcome of the valuation of the Teachers' Pension Scheme, based upon 2020 data, confirmed a need to increase the employer contribution rate by 5 percentage points from 1 April 2024 to ensure that the Scheme continues to meet present and future obligations.

The resultant contribution rate therefore increased from 23.68% to 28.68% (including a charge equivalent to 0.08% of pensionable salary costs to cover administration expenses). This follows an increase in September 2019 from a rate of 16.4% to 23.6%, meaning that contribution rates increased by 12.28% over a five year period.

The pension costs paid to TPS in the year amounted to £827,534 (2023: £689,617) and the total amount outstanding as at 31 July 2024 was £93,414 (2023: £80,067).

26b. Defined Contribution Scheme

The employer's contributions payable in respect of defined contribution scheme arrangements were £341,188 (2023: £334,529). The amount outstanding at 31 July 2024 was £48,669 (2023: £nil).

The member and the company make contributions to the LIPA Staff Pension Schemes. Currently contribution rates for the main scheme are 7.4% to 11.7% of pensionable salary by the member and 16.48% of pensionable salary by the employer. Employees may choose to join a default scheme introduced as part of the Government's auto enrolment programme. Under this scheme both the member and the company make contributions of 3% of pensionable salary. Employees may elect to join neither the main nor the default scheme.

27. Legal Form

LIPA is a company limited by guarantee in the United Kingdom, with registration number 02511501. The company is a registered charity, number 1001565. The registered office is: Mount Street, Liverpool, L1 9HF.