

REGISTERED COMPANY NUMBER: 07664278 (England and Wales)

**REPORT OF THE GOVERNORS AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 AUGUST 2016
FOR
EVERTON IN THE COMMUNITY FREE SCHOOL
TRUST**

McLintocks Limited
Statutory Auditor
46 Hamilton Square
Birkenhead
Merseyside
CH41 5AR

**EVERTON IN THE COMMUNITY FREE SCHOOL
TRUST**

**CONTENTS OF THE FINANCIAL STATEMENTS
for the Year Ended 31 August 2016**

	Page
Reference and Administrative Details	1 to 2
Report of the Governors	3 to 10
Governance Statement	11 to 13
Statement on Regularity, Propriety and Compliance	14
Statement of Governors Responsibilities	15
Report of the Independent Auditors	16 to 17
Independent Accountant's Report on Regularity	18 to 19
Statement of Financial Activities	20
Balance Sheet	21
Cash Flow Statement	22
Notes to the Cash Flow Statement	23
Notes to the Financial Statements	24 to 33

**EVERTON IN THE COMMUNITY FREE SCHOOL
TRUST**

**REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2016**

MEMBERS	Mr I J Ross Mr R C Elstone
GOVERNORS	Dr D Barrett-Baxendale MBE (Chief Executive Officer*) Mr R C Elstone Sir J F Jones (Chartered Accountant) Inspector C Lewis (resigned 28.4.16) Professor C G Mills (*) Mr P J Duffy (Executive Principal) (resigned 31.12.15) Mr R T Cronin (Principal *) (appointed 1.9.15) G R G Ingles (*) (appointed 23.11.15) (resigned 15.7.16) Mr P Loughlin (appointed 15.7.16) Inspector J Sacker (appointed 15.7.16) Mrs A Davies Mrs S Mooney (appointed 11.3.16)

* members of the finance and audit committee

COMPANY SECRETARY	Brabners Secretaries
SENIOR MANAGEMENT TEAM	Mr R T Croner Ms C M Lamontagne Mr M Flannery
REGISTERED OFFICE	Spellow Lane Liverpool Merseyside L4 4DF
REGISTERED COMPANY NUMBER	07664278 (England and Wales)
AUDITORS	McLintocks Limited Statutory Auditor 46 Hamilton Square Birkenhead Merseyside CH41 5AR
SOLICITORS	Brabners LLP Horton House Exchange Flags Liverpool L2 3YL

**EVERTON IN THE COMMUNITY FREE SCHOOL
TRUST**

**REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2016**

BANKERS

Bank of China (UK) Limited
67-69 Mosley Street
Manchester
M2 3JB

EVERTON IN THE COMMUNITY FREE SCHOOL TRUST

REPORT OF THE GOVERNORS for the Year Ended 31 August 2016

The governors who are also directors of the academy trust for the purposes of the Companies Act 2006, present their report with the financial statements of the academy trust for the year ended 31 August 2016. The governors have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) and the Academies Accounts Direction issued by the Education Funding Agency.

OBJECTIVES AND ACTIVITIES

Objectives and aims

The main objectives of the Free School Trust during the year ended 31st August 2015 are summarised below:

- Ensure students are afforded appropriate progression routes to positive futures
- Work in partnership with other professionals, schools and agencies to raise student achievement
- Develop innovative and quality driven approaches to teaching and learning
- Deliver a curriculum underpinned by challenge, choice and customisation
- Build student self-esteem and nurture positive self-belief through the 'three R's' - respect; responsibility and resilience
- Provide students with compassion and challenge within a stable and structured environment
- Turn bold and creative educational innovation into tangible results through clearly defined leadership
- Use robust governance to guarantee that high standards of leadership, teaching and learning and pastoral care are maintained and to challenge the School during its development.

Since 2012, there has been a radical and positive shift in the way state funded Alternative Provision education is delivered. This is largely as a result of the DfE's response to a report it commissioned: "Improving Alternative Provision" by Charlie Taylor.

Objectives, strategies and activities

The Trust's main strategy is to develop and maintain a culture of excellence across our organisation. Everton in The Community Free School Trust is an organisation that provides opportunities for staff and students alike but always embraces the local community so as to ensure that the School is at the centre. We aim for our community to be proud of their Free School Trust.

As we continue to grow we are determined to remain an organisation of 'first choice'.

Public benefit

The Trusts' purpose is to advance, for public benefit, education as described in principal activities above. The Governors have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission in exercising their duties.

EVERTON IN THE COMMUNITY FREE SCHOOL TRUST

REPORT OF THE GOVERNORS for the Year Ended 31 August 2016

STRATEGIC REPORT

Achievement and performance

Charitable activities

The Trust successfully opened in September 2012 and became the first Alternative Provision Free School of its kind in the UK. The Trust enjoyed many firsts and has established itself as a credible and popular Alternative Provision option for Schools and Local Authorities across Merseyside. It has performed well when scrutinised by the DfE and external improvement partners. In May 2014 it was graded as good in three categories and Outstanding for leadership by Ofsted.

The Trust has worked closely with Everton in the Community and Everton Football Club in its inception and continues to offer students high quality learning and enrichment experiences on a daily basis. The Trust has also established strategic partnerships, not least with The City of Liverpool College, Edge Hill University, John Moores University, Liverpool Hope University and Merseyside Police.

The Trust commissioned an independent report by Education Consultant, Phoenix Education to assess its Year 4 academic performance. Progress across the curriculum was deemed mostly outstanding in the Alternative Provision context. In English, 67% of students achieved results above expected progress and 78% of students achieved above or in line with expected progress.

In Maths, 58% of students achieved results above expected progress and 67% of students achieved above or in line with expected progress.

A high proportion of students achieved GCSE grades at A - G level in both English and Maths. 14% of Year 11 students achieved a Maths GCSE at grade A-C and 5% achieved grade A-C in English. Given the backgrounds of the children who were referred to the Free School Trust (many the majority of whom were outside of formal education), this represents rapid progress from their starting points on entry to the School. In terms of Average Point Score (APS) students outperformed the sector score for England with an APS score of 147.8 against 52.0 for GCSE qualifications or equivalents.

At post 16 level 100% of students achieved pass, merit distinction grades in the BTEC Level 3 Extended Diploma in Sport. At Level 2 100% of students passed the NCFE NVQ Activity Leadership Award and 100% passed the OCR Cambridge Technical Diploma in Sport. These students went on to take up places at university, apprenticeships and employment.

100% of students progressed to further education, training and employment.

Attendance was 86% for the whole year and in some cases over 200% improvement was achieved.

Going forward the School is actively exploring developing a Key Stage 3 provision to support the growing need that is evident across the local area. In addition, we are looking to develop a post 16 provision in conjunction with Vauxhall Motors FC to offer sports based courses to young people in Ellesmere Port and the surrounding areas.

The Spellow Lane school building was completed in April 2015. It has room for 200 students and contains a teaching block, sports hall, a creative block and a covered street to link different parts of the complex. The building was officially opened in September 2015.

Enrichment Trips and Activities

Throughout the year students benefited from many different learning opportunities and trips to enrich their educational experience. These include:

- Anglican Cathedral
- Climbing Hangar
- CST Construction
- Duke of Edinburgh Award

**EVERTON IN THE COMMUNITY FREE SCHOOL
TRUST**

**REPORT OF THE GOVERNORS
for the Year Ended 31 August 2016**

STRATEGIC REPORT

Achievement and performance

Charitable activities

- Everton Nursery School
- Kirkdale Station
- Laser Quest
- Liverpool Watersports Centre
- Metropolitan Cathedral
- National Museums Liverpool
- North Anfield Boxing Club
- Prince's Trust
- Shylowen Horse Sanctuary
- Spellow Lane Church
- Spring City
- Toxteth Chapel
- Whitechapel Homeless Centre
- Williamson Tunnels Heritage Centre
- Liverpool Central Library
- Walker Art Gallery

Key financial performance indicators

The trust considers the following to be the key performance indicators:

- Ofsted rating
- Exam results
- Academic Progress
- School achieving target number of 120 students at key stage 4.

Financial review

Financial position

During the period ended 31st August 2016, total income amounted to £2,300,586 (2015: £4,090,691) from which was deducted expenditure of £1,817,263 (2015: £1,875,803) , leaving a net surplus of £483,323 (2015: £2,214,888).

At 31st August 2016 the net book value of fixed assets amounted to £4,089,187 and movements in fixed assets are shown in note 10 to the financial statements. The academy continues to have positive net current assets of £389,100 2015:Deficit £187,535) and overall net assets of £4,478,287 (2015: £3,994,964).

Investment policy and objectives

Due to the nature of funding, the Trust may at times hold cash balances surplus to its short term requirements. Moving forward, the Governors have authorised the opening of short term bank investment accounts (currently Bank of China) to take advantage of higher interest rates. No other form of investment is authorised.

Reserves policy

The Governors review the level of reserves on a termly basis. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of the reserves. As this amount builds up total reserves less the amounts held in fixed asset reserve and restricted fund reserve), this amount will be kept secure for a time when it is needed to self-finance a scheme of major capital projects.

The Governors have decided that it is prudent to try and build a reserve of restricted funds approximately equal to 5% of annual income to safeguard against unforeseen circumstances, late EFA payments, emergencies and other catastrophes. This is sound commercial practice designed to safeguard the quality of education received at the Free School Trust.

**EVERTON IN THE COMMUNITY FREE SCHOOL
TRUST**

**REPORT OF THE GOVERNORS
for the Year Ended 31 August 2016**

STRATEGIC REPORT

Financial review

Going concern

We confirm that, having considered our expectations and intentions for the next twelve months, and the availability of working capital, the academy is a going concern. In particular we confirm that a review of teaching resources has been conducted and this, along with the rationalisation of the academy to one geographical site, will result in cost efficiencies and the secularisation of a secure financial footing.

Principal risks and uncertainties

The principal risks to the Trust are documented and managed using a risk management policy and a risk register which is regularly reviewed.

The main risks are seen as the loss of reputation through failing standards at the academies, falling student numbers, failure to safeguard our students, and failure on high profile school to school support commissions. Key controls in place to mitigate these risks are:

- An organisational structure with clearly defined roles, responsibilities and authorisation levels,
- Documented terms of reference for the committees and sub-committees of the Trust,
- Financial planning, budgeting and regular management reporting highlighting key areas of financial risk,
- Formal written and published policies for employees,
- Vetting procedures as required by legislation for the protection of the vulnerable, and
- Robust due diligence procedures in place for new contracts and commissions.

Financial and risk management objectives and policies

The main financial risks are mitigated through the employment of sound financial management and internal control processes. Balanced budgets are set and limited budgets are further delegated to departments and faculties. Actual performance against agreed budgets is closely monitored by the finance team and via regular (termly) meetings of the finance and audit committee.

Bank and cash reconciliations are carried out routinely and signed by the Accounting Officer. All orders and cheques are signed off by the finance team with appropriate segregation of duties in place. Fixed asset registers are in place and there are processes in place for the acquisition, adaptation and disposal of assets. Payroll is outsourced and checked by more than one individual each month. The appropriateness and integrity of internal controls is assessed and reported to the Governors by the Responsible Officer and external auditors.

The security of data is administered by an in house team of IT professionals.

Remaining risks are mitigated to a large extent by comprehensive insurance policies.

**EVERTON IN THE COMMUNITY FREE SCHOOL
TRUST**

**REPORT OF THE GOVERNORS
for the Year Ended 31 August 2016**

STRATEGIC REPORT

Future plans

The Trust will continue to strive to provide an outstanding alternative provision education and improve the levels of performance of its students at all levels. The Trust has a new Strategic Development Plan and a set of Key Performance Indicators (KPIs) linked directly to the vision and ethos objectives. These KPIs are measured termly through the School Self Evaluation Form (SEF).

The Trust will also continue to aim to attract high quality teachers and support staff in order to deliver its objectives and additional governors with appropriate expertise and skills to drive forward development plans.

The Trust will continue to work with partner schools, charities, business and sponsors to improve the educational opportunities for students and raise standards of academic achievement and well-being of students.

Future developments that are under consideration include creating a provision for Key Stage 3 students who have been, or are at risk of exclusion from mainstream schools. Post 16 the school is investigating partnerships that will allow it to grow its post 16 numbers.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

Everton in The Community Free School Trust is a company limited by guarantee and an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents of the Free School Trust.

The Governors of Everton in The Community Free School Trust are also the directors of the charitable company for the purposes of company law.

Details of the Governors who served during the year are included in the Reference and Administrative Details on page 1 and 2.

Members' liability

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

Governors' Indemnities

Professional indemnity insurance is in place to protect Trustees, Governors, and officers from claims arising from negligent acts, errors or omissions occurring on Trust business.

Principal activities

Everton in The Community Free School Trust was set up to provide the highest quality alternative educational environment and experiences for young people aged 14-19 across Merseyside. Everton Free School Trust's main focus is to provide formal education for young people who do not currently attend school or are at risk of being excluded.

**EVERTON IN THE COMMUNITY FREE SCHOOL
TRUST**

**REPORT OF THE GOVERNORS
for the Year Ended 31 August 2016**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Recruitment and appointment of new trustees

The Trust shall have the following Governors as set out in its Articles of Association and funding agreement:

- Up to 6 persons who may be appointed by Everton in The Community (registered charity number 109936)
- The Chairman of the Governors
- Up to 1 person appointed by the Secretary of State (if so required)
- Any person the Members may unanimously agree in writing to appoint as they see fit

Governors are appointed for a four year period except that this time limit does not apply to the Principal. Subject to remaining eligible to be a particular type of Governor, any Governor can be re-appointed or re-elected.

Governors are recruited for their specialist knowledge from a wide range of fields that include business, banking, education, law enforcement and social services. The body also contains a parent governor. They are invited to join the governing body to provide diversity and representation for all groups in the School.

Organisational structure

The Governors are responsible for setting general policy, adopting an annual plan and budget, monitoring the Trust and Free School Trust by the use of financial management information, making strategic decisions about the direction of the Trust and capital expenditure, making senior appointments, and approving the Annual Report and Financial Statements.

The School's Principal is the accounting officer.

The Senior Leadership Team consists of Principal, the Deputy Principal and the Director of Student Progress. They control the Free School Trust at an executive level led by the Principal implementing the policies laid down by the Governors and reporting back to them. As a group the senior leadership team is responsible for the authorisation of spending within agreed budgets. The Principal is responsible for the staff structure and the appointment of staff, though appointment boards for posts in the leadership team will always contain a Trustee. Some spending control is devolved to members of the leadership team as the Principal's discretion.

The overall School Management Team includes the Senior Leadership Team, three extended leaders and four lead practitioners, and two administration and support managers. These managers are responsible for the day to day operation of the Trust and the Free School Trust, in particular organising the staff (teaching and non-teaching), facilities and students.

EVERTON IN THE COMMUNITY FREE SCHOOL TRUST

REPORT OF THE GOVERNORS for the Year Ended 31 August 2016

STRUCTURE, GOVERNANCE AND MANAGEMENT

Induction and training of new trustees

The Trust has a Governor Recruitment, Induction and Training policy available from the Clerk to the Governors. The training and induction provided for new Governors will depend upon their existing experience but would always include a tour of the school and a chance to meet staff and students. All Governors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Governors.

In advance of their attendance at a meeting of the Board, a new Governor shall go through the Induction Procedure, consisting of:

- receipt of the current Governors' Information Pack of relevant briefing and background documents
- visit to Everton Free School Trust to meet the Chairman and the Principal
- briefings from members of the Senior Leadership Team (SLT)
- a tour of Everton Free School Trust.

An opportunity to engage in a plenary session with the Principal to ask questions, clarify a Governors' role and discuss procedures of the Governing Body will also be offered.

The development of the Governing Body will cover four main areas. These are with regard to how Governors:

- help to shape the vision and direction of Everton Free School Trust
- understand the strengths and weaknesses of Everton Free School Trust
- challenge and support the Principal and the Senior Leadership Team
- ensure that Everton Free School Trust fulfils its statutory duties.

Governor development shall be effected by a combination of means, to include:

- Group briefings at Governors' Meetings on particular issues (from, inter alia, members of the SLT, other staff, fellow Governors' and external bodies)
- Training sessions on specific skills (in house or by attendance at external courses)
- Individual briefings by members of the SLT or other staff (especially in relation to Governors' individual responsibilities)
- Visits, group or individual, to observe aspects of Everton Free School Trust's work
- Receipt of briefing newsletters from the Local Authority or DFE
- Involvement with Governors' Glance- visiting the Free School Trust, carrying out work scrutiny, meeting parents, students and teachers

In line with Everton Free School Trust's needs, the Governing Body will review its priorities and approaches to training and development annually.

This commitment to maintaining and sustaining the strength of the Governing Body will be supported by a programme of development activities to meet the needs of:

- individual Governors
- the strength of the Governing Body as a whole
- Everton Free School Trust's development priorities
- the focus on support and challenge for Everton Free School Trust

EVERTON IN THE COMMUNITY FREE SCHOOL TRUST

**REPORT OF THE GOVERNORS
for the Year Ended 31 August 2016**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Key management remuneration

- The pay of the Principal will be set by a sub group of the governing body. It will set objectives for the Principal.
- Will appraise the performance of the Principal, assessing their performance in the role against the relevant national standards of excellence for headteachers and their performance objectives.
- Will assess the Principal's professional development needs and the actions needed to address them.
- Make a recommendation on the Principal's pay progression, where relevant. This must be done by 31st December.
- Give the Principal a written report of his appraisal, which include assessments and the decision on pay.
- The appraisal period is for 12 months.
- Set objectives which will contribute to improving the education of pupils.
- All other key management will have their performance measured using the School appraisal process.

Connected organisations including related parties

The Trust's lead delivery partners are:

- Addaction
- Edge Hill University
- Hope University
- Knowsley Borough Council
- Liverpool City Council
- Liverpool John Moores University
- Merseyrail,
- Merseyside Police
- Sefton Borough Council
- The City of Liverpool College
- Wirral Borough Council

The Trust's main supporters are:

Everton Football Club, Barclays Premier League, Kitbag, Sodexo and The Football Foundation.

Risk management

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

AUDITORS

The auditors, McLintocks Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Report of the governors, incorporating a strategic report, approved by order of the board of governors, as the company directors, on ...20.12.16..... and signed on the board's behalf by:



Dr D Barrett-Baxendale MBE - Chief Executive Officer*

**EVERTON IN THE COMMUNITY FREE SCHOOL
TRUST**

**GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2016**

Scope of Responsibility

As governors, we acknowledge we have overall responsibility for ensuring that Everton in The Community Free School Trust has an effective and appropriate system of control, financial and otherwise. However such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement of loss.

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

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

The Board of Trustees has delegated the day-to-day responsibility to the Principal, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Everton in The Community Free School Trust and the Secretary of State for Education. The Principal is also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Report of the Governors and in the Statement of Governors Responsibilities. The board of governors has formally met 3 times during the year. Attendance during the year at meetings of the board of governors was as follows:

Governor	Meetings attended	Out of a possible
Dr D Barrett-Baxendale MBE	2	3
Sir J F Jones	3	3
Professor C G Mills	3	3
Mr R C Elstone	2	3
Inspector C Lewis	2	2
Mrs A Davies	3	3
Mr R T Cronin	3	3
Mr P J Duffy	1	1
G R G Ingles	2	3
Mrs S Mooney	1	2

The finance and audit committee is a sub-committee of the main board of Trustees. Its purpose is to report to the full board of Trustees on a timely basis the finances of the Trust. Attendance at meetings in the year ended 31st August 2016 was as follows:

Governor	Meetings attended	Out of a possible
Dr D Barrett-Baxendale	3	3
Professor C G Mills	3	3
Mr R Cronin	3	3
Mr G R G Ingles	3	3

**EVERTON IN THE COMMUNITY FREE SCHOOL
TRUST**

**GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2016**

Review of Value for Money

As Accounting Officer the Principle has responsibility for ensuring that the trust continues to deliver value for money in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received. The Accounting Officer considers how the Trust's use of resources has provided good value for money during each academic year, and reports to the Board of Trustees where value for money can be improved.

The Accounting Officer has delivered improved value for money during the current year in many ways, including the following:-

Changes in the teaching and administrative staff numbers has creative an efficient and unified staffing structure at a reduced cost.

Best value procurement and fair competition practices continue to be applied through the quotation and tender process.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Everton in The Community Free School Trust for the period 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements.

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Everton in The Community Free School Trust for the year 1 September 2015 to 31 August 2016 and up to the date of approval of the Annual Report and Financial Statements.

Capacity to Handle Risk

The board of governors has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of governors is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of governors.

The Board of Governors has reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Governors is of the view that there is a formal on-going process for identifying, evaluating and managing the Free School Trust's significant risks that has been in place for the year 1 September 2015 to 31 August 2016 and up to the date of approval of the Annual Report and Financial Statements. This process is regularly reviewed by the Board of Governors.

The Risk and Control Framework

The Trust's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular it includes:

**EVERTON IN THE COMMUNITY FREE SCHOOL
TRUST**

**GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2016**

The Risk and Control Framework

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Governors;
- regular reviews by the finance and audit committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

The Board of Governors has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However the Governors have appointed Michael Caputo as Responsible Officer (RO). The RO's role includes giving advice on financial matters and performing a range of checks on the Trust's financial systems. On a quarterly basis the RO performs these checks and reports to the Board of Governors on the operation of systems of control and on the discharge of the Board of Governors' financial responsibilities. The RO has delivered a schedule of work and found minor control issues which are being addressed by strengthening controls accordingly.

Review of Effectiveness

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

- the work of the Responsible Officer;
- the work of the external auditor;
- the financial management process;
- the work of the executive managers within the Free School Trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the Board of Governors on20.12.16..... and signed on its behalf by:



.....

Dr D Barrett-Baxendale MBE - Chief Executive Officer*



.....

R T Cronin - Accounting Officer

**EVERTON IN THE COMMUNITY FREE SCHOOL
TRUST**

**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE
for the Year Ended 31 August 2016**

As accounting officer of Everton in The Community Free School Trust I have considered my responsibility to notify the academy trust board of governors and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2015.

I confirm that I and the academy trust board of governors are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2015.

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



R T Cronin - Accounting Officer

Date: 20/12/16

**EVERTON IN THE COMMUNITY FREE SCHOOL
TRUST**

**STATEMENT OF GOVERNORS RESPONSIBILITIES
for the Year Ended 31 August 2016**

The governors (who act as trustees of Everton In The Community Free School Trust and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Report of the Governors and the financial statements in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the governors to prepare financial statements for each financial year. Under company law the governors 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 academy trust and of the incoming resources and application of resources, including the income and expenditure, of the academy trust for that period. In preparing those financial statements, the governors are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the academy trust will continue in business.

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

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

In so far as the governors are aware:

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

Approved by order of the board of governors on20.12.16..... and signed on it's behalf by:



Dr D Barrett-Baxendale MBE - Chief Executive Officer*

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
EVERTON IN THE COMMUNITY FREE SCHOOL
TRUST**

We have audited the financial statements of Everton in The Community Free School Trust for the year ended 31 August 2016 on pages twenty to thirty four. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Accounts Direction 2015 to 2016 issued by the Education Funding Agency (EFA).

This report is made solely to the academy trust's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the academy trust's members those matters we are required to state to them in an auditors' 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 academy trust and the academy trust's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of governors and auditors

As explained more fully in the Statement of Governors Responsibilities set out on page fifteen, the governors (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.

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

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the academy trust's affairs as at 31 August 2016 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and Academies Accounts Direction 2015 to 2016.

Opinion on other matter prescribed by the Companies Act 2006

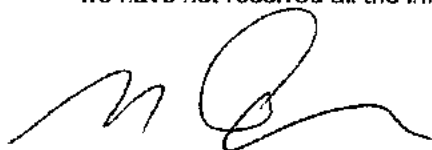
In our opinion the information given in the Report of the Governors for the financial year for which the financial statements are prepared is consistent with the financial statements.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
EVERTON IN THE COMMUNITY FREE SCHOOL
TRUST**

Matters on which we are required to report by exception

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

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



Michael Caputo FCA (Senior Statutory Auditor)
for and on behalf of McLintocks Limited
Statutory Auditor
46 Hamilton Square
Birkenhead
Merseyside
CH41 5AR

Date:22.12.16.....

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO
EVERTON IN THE COMMUNITY FREE SCHOOL
TRUST AND THE EDUCATION FUNDING AGENCY**

In accordance with the terms of our engagement and further to the requirements of the Education Funding Agency (EFA), as included in the Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Everton In The Community Free School Trust during the period 1 September 2015 to 31 August 2016 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of Everton in The Community Free School Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Everton In The Community Free School Trust's funding agreement with the Secretary of State for Education and the Academies Financial Handbook, extant from 1 September 2015, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2015 to 2016. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2015 to 31 August 2016 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2015 to 2016 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

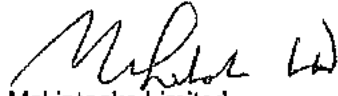
A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a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

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

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO
EVERTON IN THE COMMUNITY FREE SCHOOL
TRUST AND THE EDUCATION FUNDING AGENCY**

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2015 to 31 August 2016 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



McLintocks Limited
46 Hamilton Square
Birkenhead
Merseyside
CH41 5AR

Date:22.12.16.....

**EVERTON IN THE COMMUNITY FREE SCHOOL
TRUST**

**STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
for the Year Ended 31 August 2016**

	Notes	Unrestricted fund £	Restricted fund £	Fixed assets funds £	2016 Total funds £	2015 Total funds £
INCOME AND ENDOWMENTS FROM						
Donations and capital grants	2	-	38,069	60,840	98,909	2,265,981
Charitable activities						
	3					
	4	-	<u>2,201,677</u>	-	<u>2,201,677</u>	<u>1,824,710</u>
Total		-	2,239,746	60,840	2,300,586	4,090,691
EXPENDITURE ON						
Charitable activities						
Academy's educational operations		-	<u>1,687,891</u>	<u>129,372</u>	<u>1,817,263</u>	<u>1,875,803</u>
NET INCOME/(EXPENDITURE)		-	551,855	(68,532)	483,323	2,214,888
Transfers between funds	15	-	<u>(96,901)</u>	<u>96,901</u>	-	-
Net movement in funds		-	454,954	28,369	483,323	2,214,888
RECONCILIATION OF FUNDS						
Total funds brought forward		-	(126,695)	4,121,659	3,994,964	1,780,076
TOTAL FUNDS CARRIED FORWARD		-	<u>328,259</u>	<u>4,150,028</u>	<u>4,478,287</u>	<u>3,994,964</u>

The notes form part of these financial statements

**EVERTON IN THE COMMUNITY FREE SCHOOL
TRUST**

**BALANCE SHEET
At 31 August 2016**

	Notes	Unrestricted fund £	Restricted fund £	Fixed assets funds £	2016 Total funds £	2015 Total funds £
FIXED ASSETS						
Tangible assets	10	-	-	4,089,187	4,089,187	4,182,499
CURRENT ASSETS						
Debtors	11	-	281,439	60,841	342,280	87,926
Cash at bank and in hand		-	<u>242,409</u>	-	<u>242,409</u>	<u>102,176</u>
		-	523,848	60,841	584,689	190,102
CREDITORS						
Amounts falling due within one year	12	-	(195,589)	-	(195,589)	(377,637)
NET CURRENT ASSETS/(LIABILITIES)		-	<u>328,259</u>	<u>60,841</u>	<u>389,100</u>	<u>(187,535)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		-	<u>328,259</u>	<u>4,150,028</u>	<u>4,478,287</u>	<u>3,994,964</u>
NET ASSETS		-	<u>328,259</u>	<u>4,150,028</u>	<u>4,478,287</u>	<u>3,994,964</u>
FUNDS	15					
Restricted funds:						
General funds					328,259	(126,695)
Fixed assets funds					<u>4,150,028</u>	<u>4,121,659</u>
					<u>4,478,287</u>	<u>3,994,964</u>
TOTAL FUNDS					<u>4,478,287</u>	<u>3,994,964</u>

The financial statements were approved by the Board of Governors on 20.12.16 and were signed on its behalf by:


.....
Dr D Barrett-Baxendale MBE-Chief Executive Officer*

The notes form part of these financial statements

**EVERTON IN THE COMMUNITY FREE SCHOOL
TRUST**

**CASH FLOW STATEMENT
for the Year Ended 31 August 2016**

	Notes	2016 £	2015 £
Cash flows from operating activities:			
Cash generated from operations	1	<u>115,453</u>	<u>98,453</u>
Net cash provided by (used in) operating activities		<u>115,453</u>	<u>98,453</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		(36,061)	(2,322,549)
Capital grants from DfE/EFA		<u>60,840</u>	<u>2,239,132</u>
Net cash provided by (used in) investing activities		<u>24,779</u>	<u>(83,417)</u>
		<hr/>	<hr/>
Change in cash and cash equivalents in the reporting period		140,232	15,036
Cash and cash equivalents at the beginning of the reporting period		<u>102,176</u>	<u>87,140</u>
Cash and cash equivalents at the end of the reporting period		<u>242,408</u>	<u>102,176</u>

The notes form part of these financial statements

**EVERTON IN THE COMMUNITY FREE SCHOOL
TRUST**

**NOTES TO THE CASH FLOW STATEMENT
for the Year Ended 31 August 2016**

**1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING
ACTIVITIES**

	2016 £	2015 £
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	483,323	2,214,888
Adjustments for:		
Depreciation	129,372	104,621
Capital grants from DfE/EFA	(60,840)	(2,239,132)
(Increase)/decrease in debtors	(254,354)	1,051,836
Decrease in creditors	<u>(182,048)</u>	<u>(1,033,760)</u>
Net cash provided by (used in) operating activities	<u>115,453</u>	<u>98,453</u>

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Academies Accounts Direction 2015 to 2016 issued by the EFA, the Charities Act 2011 and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Everton in The Community Free School Trust meets the definition of a public benefit entity under FRS 102.

Going concern

The governors assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The governors make this assessment in respect of a period of one year from the date of authorisation for issue of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they adopt the going concern basis of accounting in preparing the financial statements.

Income

All income is recognised in the Statement of Financial Activities once the academy trust has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Grants

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

General Annual Grant is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

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

Donations

Donations are recognised on a receivable basis (where there are no performance related conditions), where it is probable that the income will be received and the amount can be measured reliably.

Other income

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

1. ACCOUNTING POLICIES - continued

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the academy trust to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Charitable activities

Costs of charitable activities are incurred on the academy trust's educational operations, including support costs and costs relating to the governance of the academy trust apportioned to charitable activities.

Governance costs

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

Tangible fixed assets

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment. Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the school's depreciation policy.

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

Freehold property 2% straight line

Fixtures, fittings and equipment 20% straight line and 33% straight Line

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

Taxation

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

**EVERTON IN THE COMMUNITY FREE SCHOOL
TRUST**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
for the Year Ended 31 August 2016**

1. ACCOUNTING POLICIES - continued

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the governors.

Restricted funds can only be used for particular restricted purposes within the objects of the academy trust. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Pension costs and other post-retirement benefits

Retirement benefits to employees of the Academy are provided by the Teachers' Pension Scheme ('TPS'). This is a defined benefit scheme and the assets are held separately from those of the Academy.

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

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 trust makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the actual results.

2. DONATIONS AND CAPITAL GRANTS

	2016	2015
	£	£
Donations	38,069	26,849
Grants	<u>60,840</u>	<u>2,239,132</u>
	<u>98,909</u>	<u>2,265,981</u>

Grants received, included in the above, are as follows:

	2016	2015
	£	£
Capital grants	<u>60,840</u>	<u>2,239,132</u>

**EVERTON IN THE COMMUNITY FREE SCHOOL
TRUST**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
for the Year Ended 31 August 2016**

3. FUNDING FOR THE ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds £	Restricted funds £	2016 Total funds £	2015 Total funds £
Grants	-	1,636,096	1,636,096	1,333,462
Tuition fees	-	2,870	2,870	57,753
Other income	-	43,139	43,139	73,624
Placement fees	-	519,572	519,572	359,871
	-	<u>2,201,677</u>	<u>2,201,677</u>	<u>1,824,710</u>

An analysis of grants received is given below:

	Unrestricted funds £	Restricted funds £	2016 Total funds £	2015 Total funds £
DfE/EFA revenue grant				
General Annual Grant(GAG)	-	1,607,911	1,607,911	1,298,691
Other Dfe grants	-	28,185	28,185	34,493
	-	1,636,096	1,636,096	1,333,184
Other grants				
Apprentice grant	-	-	-	278
	-	<u>1,636,096</u>	<u>1,636,096</u>	<u>1,333,462</u>

5. EXPENDITURE

	Staff costs £	Non-pay expenditure		2016 Total £	2015 Total £
		Premises £	Other costs £		
Charitable activities					
Academies educational operations					
Direct costs	1,091,098	-	208,405	1,299,503	1,315,159
Allocated support costs	<u>36,761</u>	<u>132,166</u>	<u>339,390</u>	<u>508,317</u>	<u>547,714</u>
	<u>1,127,859</u>	<u>132,166</u>	<u>547,795</u>	<u>1,807,820</u>	<u>1,862,873</u>

**EVERTON IN THE COMMUNITY FREE SCHOOL
TRUST**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
for the Year Ended 31 August 2016**

4. EXPENDITURE - continued

Net income/(expenditure) is stated after charging/(crediting):

	2016	2015
	£	£
Audit fees	3,950	4,000
Other non-audit services	5,493	8,930
Operating lease payments	13,467	14,450
Depreciation - owned assets	<u>129,373</u>	<u>104,621</u>

5. CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds £	Restricted funds £	2016 Total funds £	2015 Total funds £
Direct costs	-	1,299,503	1,299,503	1,315,159
Support costs	<u>-</u>	<u>508,317</u>	<u>508,317</u>	<u>547,714</u>
	<u>-</u>	<u>1,807,820</u>	<u>1,807,820</u>	<u>1,862,873</u>

	2016 Total £	2015 Total £
Analysis of support costs		
Support staff costs	36,761	34,152
Depreciation	129,372	104,621
Technology costs	60,663	31,502
Premises costs	132,166	138,724
Other support costs	149,355	238,715
Governance costs	<u>9,443</u>	<u>12,930</u>
Total support costs	<u>517,760</u>	<u>560,644</u>

6. GOVERNORS' REMUNERATION AND BENEFITS

The Principal only received remuneration in respect of services he provides undertaking the role of principal, and not in respect of his service as a Governor. Other Governors did not receive any payments from the Free School Trust in respect of their role as Governor. The value of Governor's remuneration was as follows:

P Duffy (Executive Principal):
Remuneration £35,000 - £40,000 (2015: £60,000 - £65,000)

R Cronin (Principal and Trustee)
Remuneration £75,000 - £80,000 (2015: £55,000 - £60,000)
Employers pension contributions paid £10,000 - £15,000 (2015: £5,000 - £10,000)

Governors' expenses

There were no governors' expenses paid for the year ended 31 August 2016 nor for the year ended 31 August 2015.

**EVERTON IN THE COMMUNITY FREE SCHOOL
TRUST**

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
for the Year Ended 31 August 2016

7. STAFF COSTS

	2016	2015
	£	£
Wages and salaries	793,604	909,226
Social security costs	66,163	72,495
Other pension costs	<u>108,104</u>	<u>87,266</u>
	967,871	1,068,987
Supply teacher costs	155,788	64,617
Compensation payments	<u>4,200</u>	<u>34,253</u>
	<u>1,127,859</u>	<u>1,167,857</u>

The average number of persons (including senior management team) employed by the academy trust during the year was as follows:

	2016	2015
Teachers	21	27
Management	2	2
Administration and support	<u>6</u>	<u>4</u>
	<u>29</u>	<u>33</u>

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

	2016	2015
£70,001 - £80,000	<u>2</u>	<u>1</u>

The above employees participated in the Teachers Pension Scheme.

Key management personnel

The key management personnel of the academy comprise the governors and the senior leadership team. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy was £216,603 (2015: £202,370)

8. GOVERNORS' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the Free School Trust has purchased insurance to protect Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on school business. The insurance provides cover up to £1,000,000 on any one claim.

The cost of this insurance is included in the total insurance cost.

**EVERTON IN THE COMMUNITY FREE SCHOOL
TRUST**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
for the Year Ended 31 August 2016**

9. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Restricted fund £	Fixed assets funds £	Total funds £
INCOME AND ENDOWMENTS FROM				
Donations and capital grants	-	26,849	2,239,132	2,265,981
Charitable activities				
Funding for the academy's educational operations	-	<u>1,824,710</u>	-	<u>1,824,710</u>
Total	-	1,851,559	2,239,132	4,090,691
EXPENDITURE ON				
Charitable activities				
Academy's educational operations	-	<u>1,771,182</u>	<u>104,621</u>	<u>1,875,803</u>
NET INCOME/(EXPENDITURE)	-	80,377	2,134,511	2,214,888
Transfers between funds	-	<u>(101,358)</u>	<u>101,358</u>	<u>-</u>
Net movement in funds	-	(20,981)	2,235,869	2,214,888
RECONCILIATION OF FUNDS				
Total funds brought forward	-	(105,714)	1,885,790	1,780,076
TOTAL FUNDS CARRIED FORWARD	<u>-</u>	<u>(126,695)</u>	<u>4,121,659</u>	<u>3,994,964</u>

**EVERTON IN THE COMMUNITY FREE SCHOOL
TRUST**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
for the Year Ended 31 August 2016**

10. TANGIBLE FIXED ASSETS

	Freehold property £	Fixtures and fittings £	Computer equipment £	Totals £
COST				
At 1 September 2015	4,103,908	105,601	190,482	4,399,991
Additions	-	17,091	18,970	36,061
At 31 August 2016	<u>4,103,908</u>	<u>122,692</u>	<u>209,452</u>	<u>4,436,052</u>
DEPRECIATION				
At 1 September 2015	34,200	19,482	163,810	217,492
Charge for year	<u>82,071</u>	<u>20,642</u>	<u>26,660</u>	<u>129,373</u>
At 31 August 2016	<u>116,271</u>	<u>40,124</u>	<u>190,470</u>	<u>346,865</u>
NET BOOK VALUE				
At 31 August 2016	<u>3,987,637</u>	<u>82,568</u>	<u>18,982</u>	<u>4,089,187</u>
At 31 August 2015	<u>4,069,708</u>	<u>86,119</u>	<u>26,672</u>	<u>4,182,499</u>

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016 £	2015 £
Trade debtors	242,184	59,541
Other debtors	72,772	-
VAT	8,076	4,482
Prepayments and accrued income	<u>19,248</u>	<u>23,903</u>
	<u>342,280</u>	<u>87,926</u>

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016 £	2015 £
Trade creditors	154,068	248,132
Social security and other taxes	20,996	17,110
Other creditors	13,235	11,629
Accrued expenses	<u>7,290</u>	<u>100,766</u>
	<u>195,589</u>	<u>377,637</u>

**EVERTON IN THE COMMUNITY FREE SCHOOL
TRUST**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
for the Year Ended 31 August 2016**

13. OPERATING LEASE COMMITMENTS

At 31 August 2016 the total of the Academy's future minimum lease payments under non-cancellable operating leases was:

	2016 £	2015 £
Amounts due within one year	5,850	13,467
Amounts due between one and five years	488	6,339
	<u>6,338</u>	<u>19,806</u>

14. MEMBERS' LIABILITY

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

15. MOVEMENT IN FUNDS

	At 1.9.15 £	Net movement in funds £	Transfers between funds £	At 31.8.16 £
Restricted funds				
General funds	(126,695)	551,855	(96,901)	328,259
Fixed assets funds	4,121,659	(68,532)	96,901	4,150,028
	3,994,964	483,323	-	4,478,287
	<u>3,994,964</u>	<u>483,323</u>	<u>-</u>	<u>4,478,287</u>
TOTAL FUNDS				

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Restricted funds			
General funds	2,239,746	(1,687,891)	551,855
Fixed assets funds	60,840	(129,372)	(68,532)
	2,300,586	(1,817,263)	483,323
	<u>2,300,586</u>	<u>(1,817,263)</u>	<u>483,323</u>
TOTAL FUNDS			

**EVERTON IN THE COMMUNITY FREE SCHOOL
TRUST**

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
for the Year Ended 31 August 2016

15. MOVEMENT IN FUNDS - continued

Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2016.

Capital grants are awarded by the DfE/EFA to fund building and maintenance projects within the Academy.

The gross transfer from restricted general fund to restricted fixed asset fund represents the General Annual Grant (GAG) surpluses on capital projects.

16. RELATED PARTY DISCLOSURES

The trust is controlled by the governors, who are all directors of the company.

Owing to the nature of the trust's operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which a governor has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the trust's financial regulations and normal procurement procedures.

The general insurance for the trust was included in the policy for Everton Football Club, a company in which Dr D Barrett-Baxendale and Mr R Elstone are directors. The premium for the insurance amounted to £28,667 and has been included in the financial statements as a donation received by the trust.

17. FIRST YEAR ADOPTION

Transitional relief

There have been no financial adjustments arising on the transition from UK GAAP to the Financial Reporting Standard (FRS 102) effective (effective 1st January 2015).