

Company Registration No. 07664278 (England and Wales)

**EVERTON IN THE COMMUNITY FREE SCHOOL TRUST**

**(A COMPANY LIMITED BY GUARANTEE)**

**ANNUAL REPORT AND ACCOUNTS**

**FOR THE YEAR ENDED 31 AUGUST 2018**

TUESDAY



\*A7Z5612B\*

A19

12/02/2019

#165

COMPANIES HOUSE

# EVERTON IN THE COMMUNITY FREE SCHOOL TRUST

## CONTENTS

---

	Page
Reference and administrative details	1
Governors' report	2 - 9
Governance statement	10 - 12
Statement on regularity, propriety and compliance	13
Statement of governors' responsibilities	14
Independent auditor's report on the accounts	15 - 17
Independent reporting accountant's report on regularity	18 - 19
Statement of financial activities including income and expenditure account	20 - 21
Balance sheet	22
Statement of cash flows	23
Notes to the accounts including accounting policies	24 - 39

---

# EVERTON IN THE COMMUNITY FREE SCHOOL TRUST

## REFERENCE AND ADMINISTRATIVE DETAILS

---

### Members

Mr I J Ross  
M R C Elstone

### Governors

Sir J F Jones (Chair)  
Mr C G Mills (Vice Chair)  
Mr R T Cronin (Principal)  
Mr P Loughlin (Resigned 26 June 2018)  
Mr J Sacker  
Mrs A Davies  
Mrs S Mooney (Resigned 9 August 2018)  
Ms K A Haynes (Appointed 14 November 2018)

### Senior management team

- Principal Mr R T Cronin  
- Deputy Principle Ms C M Lamontagne  
- Teacher Mr M P Flannery

### Company secretary

Brabners Secretaries

### Company registration number

07664278 (England and Wales)

### Registered office

Goodison Park  
Goodison Road  
Liverpool  
Merseyside  
L4 4EL

### Independent auditor

McLintocks Limited  
46 Hamilton Square  
Birkenhead  
Wirral  
Merseyside  
CH41 5AR

### Bankers

Barclays Bank plc  
335-339 Stanley Road  
Bootle  
Liverpool  
L20 3EB

### Solicitors

Brabners LLP  
Brabners LLP  
Horton House  
Exchange Flags  
Liverpool  
Merseyside  
L2 3YL

# EVERTON IN THE COMMUNITY FREE SCHOOL TRUST

## GOVERNORS' REPORT

**FOR THE YEAR ENDED 31 AUGUST 2018**

---

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 2018. 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 and Skills Funding Agency.

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

#### Constitution

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.

#### 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.

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

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.

# EVERTON IN THE COMMUNITY FREE SCHOOL TRUST

## GOVERNORS' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2018

---

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

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

#### 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

## GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

---

### 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, Deputy Principal and Assistant Principal. 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.

### Arrangements for setting pay and remuneration of key management personnel

- 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.

### Related parties and other connected charities and organisations

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.

# EVERTON IN THE COMMUNITY FREE SCHOOL TRUST

## GOVERNORS' REPORT (CONTINUED)

*FOR THE YEAR ENDED 31 AUGUST 2018*

---

### **Objectives and activities**

#### Objects and aims

The main objectives of the Free School Trust during the year ended 31st August 2018 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 ESFA'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**

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

**FOR THE YEAR ENDED 31 AUGUST 2018**

---

### **Strategic report**

#### **Achievements and performance**

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, Ofsted and external improvement partners.

In May 2014 it was graded as Good in three categories and Outstanding for leadership by Ofsted. The school was subject to a Section 8 Ofsted inspection in October 2018. The school was given Outcome 2 by the inspection team. This means the school retains its current grading of Good and would, if it were subject to a full Section 5 Ofsted inspection, likely be graded Outstanding. A Section 5 inspection should take place within one to two years.

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, Liverpool John Moore's University, and Liverpool Hope University. The school continues to work with Merseyrail on several initiatives in the wider community. This work was recognised at the Community Railway Awards where the school was awarded third place in the 'Involving Children and Young People' category.

The Trust commissioned an independent report by Education Consultant, Phoenix Education to assess its Year 6 academic performance. Progress across the curriculum was deemed mostly outstanding in the Alternative Provision context. This was supported by Ofsted's judgement when they visited in October 2018. In English, 45% of students achieved results above expected progress and 78% of students achieved above or in line with expected progress.

In Maths, 54% of students achieved results above expected progress and 85% of students achieved above or in line with expected progress.

A high proportion of students achieved GCSE grades at 9 – 1 level in both English and Maths. 13% of Year 11 students achieved a Maths GCSE at grade 9-4 and 4% achieved grade 9-4 in English. Given the backgrounds of the children who were referred to the Free School Trust (the majority of whom were outside of formal education), this represents rapid progress from their starting points on entry to the School.

Post 16 100% of students achieved Level 2 and 3 in sports related courses.

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

Attendance was 87.9% for the whole year and in some cases students improved their attendance by over 200%.

From September 2018 the school now operates a post 16 educational provision from the Vauxhall Motors Sports and Social Club site in Ellesmere Port. This is Level 2 and 3 education and an elite football offering. There are currently 38 students attending. These are in addition to the 41 students at the Spellow Lane site and represents a significant growth in our post 16 numbers.

Further improvements continue to be made to the school site. Land adjacent to the front of the school was acquired and incorporated to create a garden for students.

Over 200 children and young people engaged with Everton Free School during Year 6.



# EVERTON IN THE COMMUNITY FREE SCHOOL TRUST

## GOVERNORS' REPORT (CONTINUED)

*FOR THE YEAR ENDED 31 AUGUST 2018*

---

### 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 Nursery School
- Kirkdale Station
- Laser Quest
- Liverpool Watersports Centre
- Metropolitan Cathedral
- Missionaries of Charity Seel Street
- National Museums Liverpool
- North Anfield Boxing Club
- Prince's Trust
- Shanghai trip - 15 students and 2 staff went on a 10 day trip to Shanghai where they coached over 300 young people.
- Spellow Lane Church
- Spring City
- Toxteth Chapel
- Whitechapel Homeless Centre
- Williamson Tunnels Heritage Centre
- Liverpool Central Library
- Walker Art Gallery

### Key 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.

### 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.

### **Financial review**

During the period ended 31 August 2018, total income amounted to £2,267,591 (2017: £2,373,899 ) from which was deducted expenditure of £2,333,072 (2017: £2,126,246 ), leaving a net deficit of £65,481 (2017: surplus £247,653 )

At 31st August 2018 the net book value of fixed assets amounted to £4,099,918 and movements in fixed assets are shown in note 13 to the financial statements. The academy continues to have positive net current assets of £653,541(2017: £690,625) and overall net assets of £4,693,459 (2017: £4,725,940 ). Cash at bank amounted to £493,227 (2017: £724,907).

# EVERTON IN THE COMMUNITY FREE SCHOOL TRUST

## GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

---

### 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 ESFA payments, emergencies and other catastrophes. This is sound commercial practice designed to safeguard the quality of education received at the Free School Trust.

### Investment policy

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 to take advantage of higher interest rates. No other form of investment is authorised.

### Principal risks and uncertainties

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

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**

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

**FOR THE YEAR ENDED 31 AUGUST 2018**

---

### **Fundraising**

The academy does not participate in any external fundraising.

### **Plans for future periods**

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.

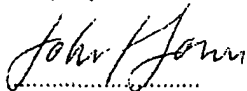
### **Auditor**

In so far as the governors are aware:

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

A resolution proposing that McLIntocks Partnership Limited be reappointed as auditor of the charitable company will be put to the members.

The governors' report, incorporating a strategic report, was approved by order of the board of governors, as the company directors, on 31.08.2018 and signed on its behalf by:



Sir J F Jones  
Chair

# EVERTON IN THE COMMUNITY FREE SCHOOL TRUST

## GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2018

---

### 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 or loss.

The board of 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 Governors' Report 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:

Governors	Meetings attended	Out of possible
Sir J F Jones (Chair)	3	3
Mr C G Mills (Vice Chair)	3	3
Mr R T Cronin (Principal)	3	3
Mr P Loughlin (Resigned 26 June 2018)	2	3
Mr J Sacker	3	3
Mrs A Davies	3	3
Mrs S Mooney (Resigned 9 August 2018)		3
Ms K A Haynes (Appointed 14 November 2018)		

The finance and audit committee is a sub-committee of the main board of governors. Its purpose is to report to the full board of Governors on a timely basis the finances of the Trust.

Attendance at meetings in the year was as follows:

Governors	Meetings attended	Out of possible
Mr C G Mills (Vice Chair)	3	3
Mr R T Cronin (Principal)	3	3
Mr P Loughlin (Resigned 26 June 2018)	3	3

# EVERTON IN THE COMMUNITY FREE SCHOOL TRUST

## GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

---

### 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 2017 to 31 August 2018 and up to the date of approval of the annual report and accounts.

### Capacity to handle risk

The board of governors has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of governors is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the board of governors.

### The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of governors;
- regular reviews by the finance and 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.

# EVERTON IN THE COMMUNITY FREE SCHOOL TRUST

## GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

---

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 appoint a 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.

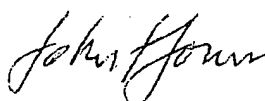
### Review of effectiveness

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 internal reviewer;
- the work of the external auditor;
- the financial management and governance self-assessment process ;
- the work of the executive managers within the academy 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/audit committee] and a plan to address weaknesses [if relevant] and ensure continuous improvement of the system is in place.

Approved by order of the board of governors on 19.12.18.... and signed on its behalf by:



Sir J F Jones  
Chair



Mr R T Cronin  
Principal

# EVERTON IN THE COMMUNITY FREE SCHOOL TRUST

## STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

*FOR THE YEAR ENDED 31 AUGUST 2018*

---

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 & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, 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 2017.

I confirm that I and the academy trust's board of governors are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2017.

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 ESFA.

Mr R T Cronin  
Accounting Officer

  
.....

# EVERTON IN THE COMMUNITY FREE SCHOOL TRUST

## STATEMENT OF GOVERNORS' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2018

---

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

Company law requires the governors to prepare accounts for each financial year. Under company law the governors must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period.

In preparing these accounts, the governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

The governors are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of accounts may differ from legislation in other jurisdictions.

Approved by order of the members of the board of governors on 19.12.18 and signed on its behalf by:



Sir J F Jones  
Chair



# EVERTON IN THE COMMUNITY FREE SCHOOL TRUST

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EVERTON IN THE COMMUNITY FREE SCHOOL TRUST

*FOR THE YEAR ENDED 31 AUGUST 2018*

---

### Opinion

We have audited the accounts of Everton In The Community Free School Trust for the year ended 31 August 2018 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & Skills Funding Agency.

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2018 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 the Academies Accounts Direction 2017 to 2018.

### Basis for opinion

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

### Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the governors' use of the going concern basis of accounting in the preparation of the accounts is not appropriate; or
- the governors have not disclosed in the accounts any identified material uncertainties that may cast significant doubt about the academy trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the accounts are authorised for issue.

### Other information

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

In connection with our audit of the accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the accounts or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

# EVERTON IN THE COMMUNITY FREE SCHOOL TRUST

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EVERTON IN THE COMMUNITY FREE SCHOOL TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

---

### Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the governors' report including the incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts; and
- the governors' report including the incorporated strategic report have been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the governors' report, including the incorporated strategic report.

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

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

### Responsibilities of governors

As explained more fully in the statement of governors' responsibilities, the governors are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the governors determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

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

### Auditor's responsibilities for the audit of the accounts

Our objectives are to obtain reasonable assurance about whether the accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these accounts.

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

# **EVERTON IN THE COMMUNITY FREE SCHOOL TRUST**

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EVERTON IN THE COMMUNITY FREE SCHOOL TRUST (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2018**

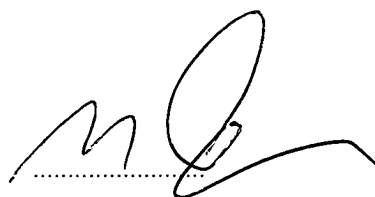
---

### **Use of our report**

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Michael Caputo FCA (Senior Statutory Auditor)  
for and on behalf of McLintocks Limited**

**Chartered Accountants  
Statutory Auditor**



19.12.18

46 Hamilton Square  
Birkenhead  
Wirral  
Merseyside  
CH41 5AR

# **EVERTON IN THE COMMUNITY FREE SCHOOL TRUST**

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

***FOR THE YEAR ENDED 31 AUGUST 2018***

---

In accordance with the terms of our engagement letter dated 4 September 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, 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 2017 to 31 August 2018 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 ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Everton In The Community Free School Trust and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Everton In The Community Free School Trust and ESFA, 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 dated 22 August 2012 and the Academies Financial Handbook, extant from 1 September 2017, 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 2017 to 2018. 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 2017 to 31 August 2018 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 2017 to 2018 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

- Review of governing body and committee minutes
- Review of Internal Assurance reports
- Review of Register of Interests
- Review of related party transactions
- Review of internal control procedures
- Review of capital expenditure tendering process

# **EVERTON IN THE COMMUNITY FREE SCHOOL TRUST**

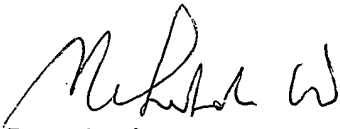
## **INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO EVERTON IN THE COMMUNITY FREE SCHOOL TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)**

***FOR THE YEAR ENDED 31 AUGUST 2018***

---

### **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 2017 to 31 August 2018 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



**Reporting Accountant**  
McLintocks Limited

Dated: 19.12.18

# EVERTON IN THE COMMUNITY FREE SCHOOL TRUST

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

**FOR THE YEAR ENDED 31 AUGUST 2018**

	Notes	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total 2018 £	Total 2017 £
<b>Income and endowments from:</b>						
Donations and capital grants	3	-	105,340	6,430	111,770	123,190
<b>Charitable activities:</b>						
- Funding for educational operations	4	-	2,155,821	-	2,155,821	2,250,709
<b>Total</b>		-	2,261,161	6,430	2,267,591	2,373,899
<b>Expenditure on:</b>						
<b>Charitable activities:</b>						
- Educational operations	6	-	2,206,855	126,218	2,333,073	2,126,246
<b>Total</b>	5	-	2,206,855	126,218	2,333,073	2,126,246
<b>Net income/(expenditure)</b>		-	54,306	(119,788)	(65,482)	247,653
Transfers between funds	13	-	(184,391)	184,391	-	-
<b>Other recognised gains/(losses)</b>						
Actuarial gains on defined benefit pension schemes	15	-	33,000	-	33,000	-
<b>Net movement in funds</b>		-	(97,085)	64,603	(32,482)	247,653
<b>Reconciliation of funds</b>						
Total funds brought forward		-	690,625	4,035,315	4,725,940	4,478,287
Total funds carried forward		-	593,540	4,099,918	4,693,458	4,725,940

# EVERTON IN THE COMMUNITY FREE SCHOOL TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2018

Comparative year information Year ended 31 August 2017	Notes	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total 2017 £
<b>Income and endowments from:</b>					
Donations and capital grants	3	-	116,254	6,936	123,190
<b>Charitable activities:</b>					
- Funding for educational operations	4	-	2,250,709	-	2,250,709
<b>Total</b>		-	2,366,963	6,936	2,373,899
<b>Expenditure on:</b>					
<b>Charitable activities:</b>					
- Educational operations	6	-	2,003,389	122,857	2,126,246
<b>Total</b>	5	-	2,003,389	122,857	2,126,246
<b>Net income/(expenditure)</b>		-	363,574	(115,921)	247,653
Transfers between funds	13	-	(1,208)	1,208	-
<b>Reconciliation of funds</b>					
Total funds brought forward		-	328,259	4,150,028	4,478,287
Total funds carried forward		-	690,625	4,035,315	4,725,940

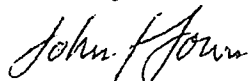
# EVERTON IN THE COMMUNITY FREE SCHOOL TRUST

## BALANCE SHEET

AS AT 31 AUGUST 2018

	Notes	2018		2017	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	10		4,099,918		4,035,315
<b>Current assets</b>					
Debtors	11	224,964		52,611	
Cash at bank and in hand		493,227		724,907	
			718,191		777,518
<b>Current liabilities</b>					
Creditors: amounts falling due within one year	12	(64,651)		(86,893)	
<b>Net current assets</b>			653,540		690,625
<b>Net assets excluding pension liability</b>			4,753,458		4,725,940
Defined benefit pension scheme liability	15		(60,000)		-
<b>Net assets</b>			4,693,458		4,725,940
<b>Funds of the academy trust:</b>					
<b>Restricted funds</b>	13				
- Fixed asset funds			4,099,918		4,035,315
- Restricted income funds			653,540		690,625
- Pension reserve			(60,000)		-
<b>Total restricted funds</b>			4,693,458		4,725,940
Unrestricted income funds	13		-		-
<b>Total funds</b>			4,693,458		4,725,940

The accounts on pages 20 to 39 were approved by the governors and authorised for issue on 19.12.18 and are signed on their behalf by:



Sir J F Jones  
Chair

Company Number 07664278



# EVERTON IN THE COMMUNITY FREE SCHOOL TRUST

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2018

---

	Notes	2018 £	£	2017 £	£
<b>Cash flows from operating activities</b>					
Net cash (used in)/provided by operating activities	16		(47,289)		544,546
<b>Cash flows from investing activities</b>					
Capital grants from DfE Group		6,430		6,936	
Purchase of tangible fixed assets		(190,821)		(68,984)	
<b>Net cash used in investing activities</b>			(184,391)		(62,048)
<b>Net (decrease)/increase in cash and cash equivalents in the reporting period</b>			(231,680)		482,498
Cash and cash equivalents at beginning of the year			724,907		242,409
<b>Cash and cash equivalents at end of the year</b>			<u>493,227</u>		<u>724,907</u>

# EVERTON IN THE COMMUNITY FREE SCHOOL TRUST

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2018

---

### 1 Accounting policies

A summary of the principal accounting policies adopted (which have been applied consistently, except where noted), judgements and key sources of estimation uncertainty, is set out below.

#### 1.1 Basis of preparation

The accounts of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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

#### 1.2 Going concern

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

#### 1.3 Income

All incoming resources are recognised when the academy trust has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

##### Grants

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

General Annual Grant is recognised in full in the statement of financial activities in the period for which it is receivable, and any abatement in respect of the period is deducted from income and recognised as a liability.

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

##### Donations

Donations are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.

##### Other income

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

# EVERTON IN THE COMMUNITY FREE SCHOOL TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

### 1 Accounting policies

(Continued)

#### Donated fixed assets

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

#### 1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

#### Charitable activities

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

#### 1.5 Tangible fixed assets and depreciation

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment. Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. 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 other than freehold land, 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:

Land and buildings	2% straight line
Computer equipment	33% straight line
Fixtures, fittings & equipment	20% reducing balance

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

#### 1.6 Liabilities

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the academy trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods of services it must provide.

# EVERTON IN THE COMMUNITY FREE SCHOOL TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

---

1 Accounting policies (Continued)

### 1.7 Leased assets

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

### 1.8 Financial instruments

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

#### Financial assets

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

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

#### Financial liabilities

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

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

### 1.9 Taxation

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

### 1.10 Pensions benefits

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes and the assets are held separately from those of the academy trust.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a projected unit method. The TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate.

### 1.11 Fund accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the academy trust at the discretion of the governors.

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

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the Department for Education Group.

# EVERTON IN THE COMMUNITY FREE SCHOOL TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

### 2 Critical accounting estimates and areas of judgement

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

#### Critical accounting estimates and assumptions

The academy trust makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

[Disclose the key assumptions concerning the future, other key sources of estimation uncertainty at the reporting date, and the nature and carrying amount at the end of the reporting period of assets and liabilities.

The main example that would apply to academy trusts is the estimates used in the valuing the local government pension scheme. As an example:

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 15, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.]

#### Critical areas of judgement

### 3 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
Capital grants	-	6,430	6,430	6,936
Other donations	-	105,340	105,340	116,254
	-	111,770	111,770	123,190

# EVERTON IN THE COMMUNITY FREE SCHOOL TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

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

	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
<b>DfE / ESFA grants</b>				
General annual grant (GAG)	-	1,501,002	1,501,002	1,599,310
Other DfE group grants	-	30,622	30,622	33,596
	-	1,531,624	1,531,624	1,632,906
<b>Other funding</b>				
Placement fees income	-	542,377	542,377	490,428
Other incoming resources	-	81,820	81,820	127,375
	-	624,197	624,197	617,803
<b>Total funding</b>	-	2,155,821	2,155,821	2,250,709

### 5 Expenditure

	Staff costs £	Non Pay Expenditure Premises      Other £                      £		Total 2018 £	Total 2017 £
<b>Academy's educational operations</b>					
- Direct costs	1,299,241	-	306,196	1,605,437	1,505,944
- Allocated support costs	177,852	303,252	246,532	727,636	620,302
	1,477,093	303,252	552,728	2,333,073	2,126,246

#### Net income/(expenditure) for the year includes:

	2018 £	2017 £
Fees payable to auditor for:		
- Audit	6,000	5,000
- Other services	6,894	10,821
Depreciation of tangible fixed assets	126,218	122,857
Net interest on defined benefit pension liability	2,000	-

# EVERTON IN THE COMMUNITY FREE SCHOOL TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

<b>6 Charitable activities</b>	<b>2018</b>	<b>2017</b>
	£	£
All from restricted funds:		
<b>Direct costs</b>		
Educational operations	1,605,437	1,505,944
<b>Support costs</b>		
Educational operations	727,636	620,302
	<u>2,333,073</u>	<u>2,126,246</u>
	<b>2018</b>	<b>2017</b>
	£	£
<b>Analysis of support costs</b>		
Support staff costs	177,852	58,598
Depreciation	126,218	122,857
Technology costs	86,013	114,516
Premises costs	177,034	184,762
Other support costs	142,625	121,773
Governance costs	17,894	17,796
	<u>727,636</u>	<u>620,302</u>
<b>7 Staff</b>		
<b>Staff costs</b>		
Staff costs during the year were:	<b>2018</b>	<b>2017</b>
	£	£
Wages and salaries	1,046,381	1,022,316
Social security costs	99,260	96,204
Pension costs	213,532	122,251
	<u>1,359,173</u>	<u>1,240,771</u>
Staff costs	1,359,173	1,240,771
Agency staff costs	112,985	133,306
Staff development and other staff costs	4,935	3,025
	<u>1,477,093</u>	<u>1,377,102</u>
Total staff expenditure	<u>1,477,093</u>	<u>1,377,102</u>

# EVERTON IN THE COMMUNITY FREE SCHOOL TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

### 7 Staff (Continued)

#### Staff numbers

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

	2018 Number	2017 Number
Teachers	19	21
Administration and support	16	14
Management	2	2
	<u>37</u>	<u>37</u>

#### Higher paid staff

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

	2018 Number	2017 Number
£70,001 - £80,000	1	1
£80,001 - £90,000	1	1
	<u>2</u>	<u>2</u>

#### Key management personnel

The key management personnel of the academy trust comprise the governors and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £189,747 (2017: £182,721)

### 8 Governors' remuneration and expenses

There were no governors' expenses paid for the year ended 31 August 2018 nor for the year ended 31 August 2017.

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:

R Cronin (Principal and Trustee)  
Remuneration £85,000 - £90,000 (2017: £80,000 - £85,000 )  
Employers pension contributions paid £10,000 - £15,000 (2017: £10,000 - £15,000 )

### 9 Governors and officers insurance

In accordance with normal commercial practice, the academy trust has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business. The insurance provides cover up to £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 2018

### 10 Tangible fixed assets

	Land and buildings	Computer equipment	Fixtures, fittings & equipment	Total
	£	£	£	£
<b>Cost</b>				
At 1 September 2017	4,105,903	259,556	139,577	4,505,036
Additions	118,547	39,087	33,187	190,821
At 31 August 2018	4,224,450	298,643	172,764	4,695,857
<b>Depreciation</b>				
At 1 September 2017	198,347	213,492	57,882	469,721
Charge for the year	82,077	27,473	16,668	126,218
At 31 August 2018	280,424	240,965	74,550	595,939
<b>Net book value</b>				
At 31 August 2018	3,944,026	57,678	98,214	4,099,918
At 31 August 2017	3,907,556	46,064	81,695	4,035,315

### 11 Debtors

	2018	2017
	£	£
Trade debtors	133,804	36,609
Other debtors	57,211	5,937
Prepayments and accrued income	33,949	10,065
	224,964	52,611

### 12 Creditors: amounts falling due within one year

	2018	2017
	£	£
Trade creditors	15,928	27,916
Other taxation and social security	26,290	28,142
Other creditors	3,907	16,321
Accruals and deferred income	18,526	14,514
	64,651	86,893

# EVERTON IN THE COMMUNITY FREE SCHOOL TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

13 Funds	Balance at 1 September 2017 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2018 £
<b>Restricted general funds</b>					
General Annual Grant (GAG)	690,625	1,501,002	(1,353,696)	(184,391)	653,540
Other DfE / ESFA grants	-	30,622	(30,622)	-	-
Other restricted funds	-	729,537	(729,537)	-	-
Pension reserve	-	-	(93,000)	33,000	(60,000)
	<u>690,625</u>	<u>2,261,161</u>	<u>(2,206,855)</u>	<u>(151,391)</u>	<u>593,540</u>
<b>Restricted fixed asset funds</b>					
DfE group capital grants	<u>4,035,315</u>	<u>6,430</u>	<u>(126,218)</u>	<u>184,391</u>	<u>4,099,918</u>
<b>Total restricted funds</b>	<u>4,725,940</u>	<u>2,267,591</u>	<u>(2,333,073)</u>	<u>33,000</u>	<u>4,693,458</u>
<b>Unrestricted funds</b>	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>Total funds</b>	<u>4,725,940</u>	<u>2,267,591</u>	<u>(2,333,073)</u>	<u>33,000</u>	<u>4,693,458</u>

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 2018.

Capital grants are awarded by the DfE/ESFA 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.

# EVERTON IN THE COMMUNITY FREE SCHOOL TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

### 13 Funds

(Continued)

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

	Balance at 1 September 2016 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2017 £
<b>Restricted general funds</b>					
General Annual Grant (GAG)	328,259	1,599,310	(1,235,736)	(1,208)	690,625
Other DfE / ESFA grants	-	33,596	(33,596)	-	-
Other restricted funds	-	734,057	(734,057)	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Restricted fixed asset funds</b>					
DfE group capital grants	4,150,028	6,936	(122,857)	1,208	4,035,315
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Total restricted funds</b>	<u>4,478,287</u>	<u>2,373,899</u>	<u>(2,126,246)</u>	<u>          </u>	<u>4,725,940</u>
<b>Unrestricted funds</b>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Total funds</b>	<u>4,478,287</u>	<u>2,373,899</u>	<u>(2,126,246)</u>	<u>          </u>	<u>4,725,940</u>

# EVERTON IN THE COMMUNITY FREE SCHOOL TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

### 13 Funds

(Continued)

A current year 12 months and prior year 12 months combined position is as follows:

	Balance at 1 September 2016 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2018 £
<b>Restricted general funds</b>					
General Annual Grant (GAG)	328,259	3,100,312	(2,589,432)	(185,599)	653,540
Other DfE / ESFA grants	-	64,218	(64,218)	-	-
Other restricted funds	-	1,463,594	(1,463,594)	-	-
Pension reserve	-	-	(93,000)	33,000	(60,000)
	<u>328,259</u>	<u>4,628,124</u>	<u>(4,210,244)</u>	<u>(152,599)</u>	<u>593,540</u>
<b>Restricted fixed asset funds</b>					
DfE group capital grants	<u>4,150,028</u>	<u>13,366</u>	<u>(249,075)</u>	<u>185,599</u>	<u>4,099,918</u>
<b>Total restricted funds</b>	<u>4,478,287</u>	<u>4,641,490</u>	<u>(4,459,319)</u>	<u>33,000</u>	<u>4,693,458</u>
<b>Unrestricted funds</b>	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>Total funds</b>	<u>4,478,287</u>	<u>4,641,490</u>	<u>(4,459,319)</u>	<u>33,000</u>	<u>4,693,458</u>

### 14 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
<b>Fund balances at 31 August 2018 are represented by:</b>				
Tangible fixed assets	-	-	4,099,918	4,099,918
Current assets	-	718,191	-	718,191
Creditors falling due within one year	-	(64,651)	-	(64,651)
Defined benefit pension liability	-	(60,000)	-	(60,000)
<b>Total net assets</b>	<u>-</u>	<u>593,540</u>	<u>4,099,918</u>	<u>4,693,458</u>

# EVERTON IN THE COMMUNITY FREE SCHOOL TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

### 14 Analysis of net assets between funds (Continued)

	Unrestricted	Restricted funds:		Total
	Funds	General	Fixed asset	Funds
	£	£	£	£
<b>Fund balances at 31 August 2017 are represented by:</b>				
Tangible fixed assets	-	-	4,035,315	4,035,315
Current assets	-	777,518	-	777,518
Creditors falling due within one year	-	(86,893)	-	(86,893)
<b>Total net assets</b>	-	<b>690,625</b>	<b>4,035,315</b>	<b>4,725,940</b>

### 15 Pension and similar obligations

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012, and that of the LGPS related to the period ended 31 March 2016.

#### Teachers' Pension Scheme

##### Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

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

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

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014.

# EVERTON IN THE COMMUNITY FREE SCHOOL TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

### 15 Pension and similar obligations

(Continued)

The key elements of the valuation and subsequent consultation are:

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

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to the TPS in the period amounted to £118,945.

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

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The academy trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy trust has set out above the information available on the scheme.

#### Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 6.6% for employers and 5.5 - 6.5% for employees.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

<b>Total contributions made</b>	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Employer's contributions	28,000	-
Employees' contributions	20,000	-
	<u>          </u>	<u>          </u>
Total contributions	48,000	-
	<u>          </u>	<u>          </u>
<b>Principal actuarial assumptions</b>	<b>2018</b>	<b>2017</b>
	<b>%</b>	<b>%</b>
Rate of increase in salaries	3.6	
Rate of increase for pensions in payment/inflation	2.2	
Discount rate for scheme liabilities	2.8	
Inflation assumption (CPI)	2.1	
	<u>          </u>	<u>          </u>

# EVERTON IN THE COMMUNITY FREE SCHOOL TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

### 15 Pension and similar obligations

(Continued)

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

	2018 Years	2017 Years
Retiring today		
- Males	22	
- Females	24.8	
Retiring in 20 years		
- Males	25	
- Females	27.8	

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

#### Defined benefit pension scheme net liability

Scheme assets	110,000	-
Scheme obligations	(170,000)	-
Net liability	(60,000)	-

#### The academy trust's share of the assets in the scheme

	2018 Fair value £	2017 Fair value £
Equities	57,000	-
Bonds	4,000	-
Other bonds	13,000	-
Cash	3,000	-
Property	10,000	-
Other assets	23,000	-
Total market value of assets	110,000	-

The actual return on scheme assets was £10,000 (2017: £-).

#### Amount recognised in the Statement of Financial Activities

	2018 £	2017 £
Current service cost	119,000	-
Interest income	(2,000)	-
Interest cost	4,000	-
Total operating charge	121,000	-

# EVERTON IN THE COMMUNITY FREE SCHOOL TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

15 Pension and similar obligations	(Continued)	
Changes in the present value of defined benefit obligations		2018 £
Transferred in on existing scheme		47,000
Current service cost		119,000
Interest cost		4,000
Employee contributions		20,000
Actuarial gain		(18,000)
Benefits paid		(2,000)
At 31 August 2018		<u>170,000</u>
Changes in the fair value of the academy trust's share of scheme assets		2018 £
Transferred in on existing scheme		54,000
Interest income		2,000
Actuarial gain		8,000
Employer contributions		28,000
Employee contributions		20,000
Benefits paid		(2,000)
At 31 August 2018		<u>110,000</u>
<b>16 Reconciliation of net (expenditure)/income to net cash flow from operating activities</b>		
	2018	2017
	£	£
Net (expenditure)/income for the reporting period (as per the Statement of Financial Activities)	(65,482)	247,653
Adjusted for:		
Capital grants from DfE/ESFA and other capital income	(6,430)	(6,936)
Defined benefit pension costs less contributions payable	91,000	-
Defined benefit pension net finance cost	2,000	-
Depreciation of tangible fixed assets	126,218	122,857
(Increase)/decrease in debtors	(172,353)	289,668
(Decrease) in creditors	(22,242)	(108,696)
<b>Net cash (used in)/provided by operating activities</b>	<u>(47,289)</u>	<u>544,546</u>



# EVERTON IN THE COMMUNITY FREE SCHOOL TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

---

### 17 Commitments under operating leases

At 31 August 2018 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2018 £	2017 £
Amounts due within one year	14,524	2,005
Amounts due in two and five years	19,395	4,120
	<u>33,919</u>	<u>6,125</u>

### 18 Related party transactions

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.

Everton Football Club incurred operating costs amounting to £105,340 (2017: £106,688). These costs are included as donations and support costs.

### 19 Members' liability

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