

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 2019**

EVERTON IN THE COMMUNITY FREE SCHOOL TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Founding Members	Mr R C Elstone Mr I J Ross Ms D Barrett-Baxendale
Governors	Sir J F Jones (Chair) Mr C G Mills (Vice Chair) Mr R T Cronin (Principal) Mr J Sacker Mrs A Davies (Resigned 26 June 2019) Ms K A Haynes (Appointed 14 November 2018) Mrs Nicola Noon (Appointed 28 February 2019) Mrs Jacqueline Colbeck (Staff Governor)
Senior management team	
- Principal	Mr R T Cronin
- Deputy Principal	Ms C M Lamontagne
- Teacher	Mr M P Flannery
- Business Manager	Mrs L McMullen
Company secretary	Brabners Secretaries
Company registration number	07664278 (England and Wales)
Registered office	Goodison Park Goodison Road Liverpool Merseyside L4 4EL
Independent auditor	McLintocks (NW) Limited 46 Hamilton Square Birkenhead Wirral Merseyside CH41 5AR
Bankers	Barclays Bank plc 335-339 Stanley Road Bootle Liverpool Merseyside L20 3EB

EVERTON IN THE COMMUNITY FREE SCHOOL TRUST

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

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 & Football College to meet the Chairman and the Principal
- Briefings from members of the Senior Leadership Team (SLT)
- A tour of Everton Free School & Football College.

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 & Football College
- Understand the strengths and weaknesses of Everton Free School & Football College
- Challenge and support the Principal and the Senior Leadership Team
- Ensure that Everton Free School & Football College 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 & Football College's work
- Receipt of briefing newsletters from the Local Authority or ESFA
- Involvement with Governors' Glance- visiting the Free School Trust, carrying out work scrutiny, meeting parents, students and teachers

In line with Everton Free School & Football College'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 & Football College's development priorities
- The focus on support and challenge for Everton Free School & Football College

Principal activities

Everton Free School & Football College was set up to provide the highest quality alternative educational environment and experiences for young people aged 14-19 across Merseyside. Everton Free School & Football College'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 2019

Objectives and activities

Objects and aims

The main objectives of the Free School Trust during the year ended 31st August 2019 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.

Objectives, strategies and activities

The Trust's main strategy is to develop and maintain a culture of excellence across our organisation. Everton Free School & Football College 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 2019

At post 16 the Football College operates from Jericho Lane at the new football hub as of September 2019. This provision is for level 3 learners who are following the BTEC Extended Diploma in Sport, there are eighteen students learning there this year. These are in addition to the 62 students at the Spellow Lane site and represents a significant growth in our post 16 numbers from the previous year. The College continues to operate a post 16 educational provision from the Vauxhall Motors Sports and Social Club site in Ellesmere Port. This is a Level 2 and 3 education and a football offering. There are currently 44 students attending there. Overall the sixth form has increased its numbers from 87 in 2018 to 124 in 2019.

The Football College now delivers a foundation degree in partnership with Liverpool John Moores University, the course is sport development and coaching.

Over 200 young people engaged with Everton Free School & Football College during Year 7 of its operation.

Enrichment Trips and Activities

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

- Redbridge Special School wheelchair accessible garden
- Bounce Trampoline
- Velocity
- DoE students mentoring blind students in partnership with Daisy UK.
- DoE students building a garden at Holy Spirit School, Wirral.
- Nugent Care – working with residents of care home
- Laser Quest
- Liverpool Watersports Centre
- Metropolitan Cathedral
- Missionaries of Charity Seel Street
- National Museums Liverpool
- Long Lane Boxing Club
- Prince's Trust
- Spellow Lane Church
- Spring City
- Toxteth Chapel
- TRACS UK cycling at Delamere Forest
- Whitechapel Homeless Centre
- Williamson Tunnels Heritage Centre
- Liverpool Central Library
- Walker Art Gallery
- Dallas Cup – 44 post 16 students and 5 staff were in Dallas for the tournament

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.

EVERTON IN THE COMMUNITY FREE SCHOOL TRUST

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

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 Responsible 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.

Fundraising

The Academy Trust does not participate in any external fundraising activities, however the Academy Trust does participate in fundraising for other charitable causes.

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 (NW) 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 17 December 2019 and signed on its behalf by:



Sir J F Jones
Chair

EVERTON IN THE COMMUNITY FREE SCHOOL TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

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 2018 to 31 August 2019 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 2018 to 31 August 2019 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.

The Board of Governors has considered the need for a specific internal audit function and have now appointed an internal auditor from Everton Football Club, The Governors have also appointed 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.

EVERTON IN THE COMMUNITY FREE SCHOOL TRUST

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2019

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 2018.

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 2018.

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

17 December 2019

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 2019

Opinion

We have audited the accounts of Everton In The Community Free School Trust for the year ended 31 August 2019 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 2018 to 2019 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 2019 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 2018 to 2019.

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 governors are responsible for the other information, which comprises the information included in the annual report other than the accounts and our auditor's report thereon. 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 2019

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.



**Helen Furlong FCCA (Senior Statutory Auditor)
for and on behalf of McLintocks (NW) Limited**

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**Chartered Accountants
Statutory Auditor**

**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 (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

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 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

McLintocks (NW) Ltd

Reporting Accountant
McLintocks (NW) Limited

Dated: *19.12.19*

EVERTON IN THE COMMUNITY FREE SCHOOL TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2019

Comparative year information Year ended 31 August 2018	Notes	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total 2018 £
Income and endowments from:					
Donations and capital grants	3	-	105,340	6,430	111,770
Charitable activities:					
- Funding for educational operations	4	-	2,155,821	-	2,155,821
Total		-	2,261,161	6,430	2,267,591
Expenditure on:					
Charitable activities:					
- Educational operations	8	-	2,206,855	126,218	2,333,073
Total	7	-	2,206,855	126,218	2,333,073
Net income/(expenditure)		-	54,306	(119,788)	(65,482)
Transfers between funds	16	-	(184,391)	184,391	-
Other recognised gains/(losses)					
Actuarial gains on defined benefit pension schemes	18	-	33,000	-	33,000
Net movement in funds		-	(97,085)	64,603	(32,482)
Reconciliation of funds					
Total funds brought forward		-	690,625	4,035,315	4,725,940
Total funds carried forward		-	593,540	4,099,918	4,693,458

EVERTON IN THE COMMUNITY FREE SCHOOL TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2019

	Notes	2019 £	£	2018 £	£
Cash flows from operating activities					
Net cash provided by/(used in) operating activities	19		83,738		(47,289)
Cash flows from investing activities					
Dividends, interest and rents from investments		602		-	
Capital grants from DfE Group		16,262		6,430	
Purchase of tangible fixed assets		(68,455)		(190,821)	
Net cash used in investing activities			(51,591)		(184,391)
Net increase/(decrease) in cash and cash equivalents in the reporting period			32,147		(231,680)
Cash and cash equivalents at beginning of the year			493,227		724,907
Cash and cash equivalents at end of the year			525,374		493,227

EVERTON IN THE COMMUNITY FREE SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

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 or services it must provide.

EVERTON IN THE COMMUNITY FREE SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

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.

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 18, 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 2019. 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.

3 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
Capital grants	-	16,262	16,262	6,430
Other donations	-	82,689	82,689	105,340
	-	98,951	98,951	111,770

4 Funding for the academy trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
DfE / ESFA grants				
General annual grant (GAG)	-	1,459,067	1,459,067	1,501,002
Other DfE group grants	-	47,218	47,218	30,622
	-	1,506,285	1,506,285	1,531,624
Other funding				
Placement fees	-	676,745	676,745	542,377
Other incoming resources	-	105,968	105,968	81,820
	-	782,713	782,713	624,197
Total funding	-	2,288,998	2,288,998	2,155,821

EVERTON IN THE COMMUNITY FREE SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

8 Charitable activities

	2019	2018
	£	£
All from restricted funds:		
Direct costs		
Educational operations	1,793,213	1,605,437
Support costs		
Educational operations	869,636	727,636
	<u>2,662,849</u>	<u>2,333,073</u>

	2019	2018
	£	£
Analysis of support costs		
Support staff costs	171,177	177,852
Depreciation	138,093	126,218
Technology costs	77,485	86,013
Premises costs	250,650	177,034
Other support costs	210,849	142,625
Governance costs	21,382	17,894
	<u>869,636</u>	<u>727,636</u>

EVERTON IN THE COMMUNITY FREE SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

10 Governors' remuneration and expenses

There were no governors' expenses paid for the year ended 31 August 2019 nor for the year ended 31 August 2018.

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 £90,000 - £95,000 (2018: £85,000 - £90,000)

Employers pension contributions paid £10,000 - £15,000 (2018: £10,000 - £15,000)

J.E Colbeck (Teacher and Trustee)

Remuneration £35,000- £40,000 (2018: £35,000- £40,000)

Employers pension contributions paid £5,000 - £10,000 (2018: £5,000 - £10,000)

11 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.

12 Tangible fixed assets

	Land and buildings	Computer equipment	Fixtures, fittings & equipment	Total
	£	£	£	£
Cost				
At 1 September 2018	4,224,450	298,643	172,764	4,695,857
Additions	56,739	3,510	8,206	68,455
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 August 2019	4,281,189	302,153	180,970	4,764,312
	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation				
At 1 September 2018	280,424	240,965	74,550	595,939
Charge for the year	85,256	32,172	20,665	138,093
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 August 2019	365,680	273,137	95,215	734,032
	<hr/>	<hr/>	<hr/>	<hr/>
Net book value				
At 31 August 2019	3,915,509	29,016	85,755	4,030,280
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 August 2018	3,944,026	57,678	98,214	4,099,918
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EVERTON IN THE COMMUNITY FREE SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

16 Funds

	Balance at 1 September 2018 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2019 £
Restricted general funds					
General Annual Grant (GAG)	653,539	1,459,067	(1,540,136)	(52,193)	520,277
Other DfE / ESFA grants	-	47,218	(47,218)	-	-
Other restricted funds	-	865,402	(865,402)	-	-
Pension reserve	(60,000)	-	(72,000)	(65,000)	(197,000)
	<u>593,539</u>	<u>2,371,687</u>	<u>(2,524,756)</u>	<u>(117,193)</u>	<u>323,277</u>
Restricted fixed asset funds					
DfE group capital grants	4,099,918	16,262	(138,093)	52,193	4,030,280
	<u>4,099,918</u>	<u>16,262</u>	<u>(138,093)</u>	<u>52,193</u>	<u>4,030,280</u>
Total restricted funds	<u>4,693,457</u>	<u>2,387,949</u>	<u>(2,662,849)</u>	<u>(65,000)</u>	<u>4,353,557</u>
Unrestricted funds					
Matchday experience	-	14,845	-	-	14,845
	<u>-</u>	<u>14,845</u>	<u>-</u>	<u>-</u>	<u>14,845</u>
Total funds	<u>4,693,457</u>	<u>2,402,794</u>	<u>(2,662,849)</u>	<u>(65,000)</u>	<u>4,368,402</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 2019.

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 2019

17 Analysis of net assets between funds

(Continued)

	Unrestricted	Restricted funds:		Total
	Funds	General	Fixed asset	Funds
	£	£	£	£
Fund balances at 31 August 2018 are represented by:				
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)
Total net assets	-	593,540	4,099,918	4,693,458

18 Pension and similar obligations

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

The 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 2019

18 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:

	2019 Years	2018 Years
Retiring today		
- Males	22.2	22
- Females	25	24.8
Retiring in 20 years		
- Males	25.2	25
- Females	27.9	27.8

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

Defined benefit pension scheme net liability

Scheme assets	156,000	110,000
Scheme obligations	(353,000)	(170,000)
Net liability	(197,000)	(60,000)

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

	2019 Fair value £	2018 Fair value £
Equities	79,000	57,000
Bonds	16,000	4,000
Other bonds	9,000	13,000
Cash	5,000	3,000
Property	14,000	10,000
Other assets	33,000	23,000
Total market value of assets	156,000	110,000

The actual return on scheme assets was £5,000 (2018: £10,000).

Amount recognised in the Statement of Financial Activities

	2019 £	2018 £
Current service cost	88,000	119,000
Past service cost	2,000	-
Interest income	(2,000)	(2,000)
Interest cost	6,000	4,000
Total operating charge	94,000	121,000

EVERTON IN THE COMMUNITY FREE SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

20 Commitments under operating leases

At 31 August 2019 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2019	2018
	£	£
Amounts due within one year	14,523	14,524
Amounts due in two and five years	5,901	19,395
	<u>20,424</u>	<u>33,919</u>

21 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 £82,689 (2018: £105,340). These costs are included as donations and support costs.

22 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.