

REGISTERED COMPANY NUMBER: 07664278 (England and Wales)



EVERTON

FREE SCHOOL & Sixth Form College

**REPORT OF THE GOVERNORS AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 AUGUST 2017
FOR**

**EVERTON IN THE COMMUNITY FREE SCHOOL
TRUST**

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

**EVERTON IN THE COMMUNITY FREE SCHOOL
TRUST**

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for the Year Ended 31 August 2017**

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**EVERTON IN THE COMMUNITY FREE SCHOOL
TRUST**

**REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2017**

MEMBERS

Mr I J Ross
Mr R C Elstone

GOVERNORS

Sir J F Jones - Chair
Professor C G Mills - Vice Chair
Mr R T Cronin - Principal
Mr P Loughlin
Inspector J Sacker
Mrs A Davies
Mrs S Mooney

* members of the finance and audit committee

COMPANY SECRETARY

Brabners Secretaries

SENIOR MANAGEMENT TEAM

Mr M P Flannery
Ms C M Lamontagne
Mr R T Cronin Principal

REGISTERED OFFICE

Spellow Lane
Liverpool
Merseyside
L4 4DF

REGISTERED COMPANY NUMBER

07664278 (England and Wales)

AUDITORS

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

SOLICITORS

Brabners LLP
Horton House
Exchange Flags
Liverpool
L2 3YL

**EVERTON IN THE COMMUNITY FREE SCHOOL
TRUST**

**REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2017**

BANKERS

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

EVERTON IN THE COMMUNITY FREE SCHOOL TRUST

REPORT OF THE GOVERNORS for the Year Ended 31 August 2017

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 2017. 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.

OBJECTIVES AND ACTIVITIES

Objectives and aims

The main objectives of the Free School Trust during the year ended 31st August 2017 are summarised below:

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

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

Objectives, strategies and activities

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

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

Public benefit

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

**EVERTON IN THE COMMUNITY FREE SCHOOL
TRUST**

**REPORT OF THE GOVERNORS
for the Year Ended 31 August 2017**

STRATEGIC REPORT

Achievement and performance

Charitable activities

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

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

The Trust commissioned an independent report by Education Consultant, Phoenix Education to assess its Year 5 academic performance. Progress across the curriculum was deemed mostly outstanding in the Alternative Provision context. In English, 68% of students achieved results above expected progress and 86% of students achieved above or in line with expected progress.

In Maths, 57% of students achieved results above expected progress and 91% 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. 5% of Year 11 students achieved a Maths GCSE at grade 9-4 and 2% 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. In terms of Average Point Score (APS) students outperformed the sector score for England with an APS score of 150.4 against 52.0 for GCSE qualifications or equivalents.

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

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

Attendance was 89% for the whole year and in some cases over 200% improvement was achieved.

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

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

Enrichment Trips and Activities

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

- Anglican Cathedral
 - Climbing Hangar
 - CST Construction
 - Duke of Edinburgh Award
 - Everton Nursery School
 - Kirkdale Station
-

**EVERTON IN THE COMMUNITY FREE SCHOOL
TRUST**

**REPORT OF THE GOVERNORS
for the Year Ended 31 August 2017**

STRATEGIC REPORT

Achievement and performance

Charitable activities

- 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 financial performance indicators

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

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

Financial review

Financial position

During the period ended 31st August 2017, total income amounted to £2,373,899 (2016: £2,300,586) from which was deducted expenditure of £2,126,246 (2016: £1,817,263), leaving a net surplus of £247,653 (2016: £483,323)

At 31st August 2017 the net book value of fixed assets amounted to £4,035,315 and movements in fixed assets are shown in note 10 to the financial statements. The academy continues to have positive net current assets of £690,625 (2016: £389,100) and overall net assets of £4,725,940 (2016: £4,478,287).

Investment policy and objectives

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

Reserves policy

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

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

**EVERTON IN THE COMMUNITY FREE SCHOOL
TRUST**

**REPORT OF THE GOVERNORS
for the Year Ended 31 August 2017**

STRATEGIC REPORT

Financial review

Going concern

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

Principal risks and uncertainties

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

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

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

Financial and risk management objectives and policies

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

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

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

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

**EVERTON IN THE COMMUNITY FREE SCHOOL
TRUST**

**REPORT OF THE GOVERNORS
for the Year Ended 31 August 2017**

STRATEGIC REPORT

Future plans

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

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

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

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

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

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

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

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

Members' liability

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

Governors' Indemnities

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

Principal activities

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

**EVERTON IN THE COMMUNITY FREE SCHOOL
TRUST**

**REPORT OF THE GOVERNORS
for the Year Ended 31 August 2017**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Recruitment and appointment of new trustees

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

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

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

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

Organisational structure

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

The School's Principal is the accounting officer.

The Senior Leadership Team consists of Principal, 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.

EVERTON IN THE COMMUNITY FREE SCHOOL TRUST

REPORT OF THE GOVERNORS for the Year Ended 31 August 2017

STRUCTURE, GOVERNANCE AND MANAGEMENT

Induction and training of new trustees

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

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

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

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

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

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

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

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

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

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

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

**EVERTON IN THE COMMUNITY FREE SCHOOL
TRUST**

**REPORT OF THE GOVERNORS
for the Year Ended 31 August 2017**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Key management remuneration

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

Connected organisations including related parties

The Trust's lead delivery partners are:

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

The Trust's main supporters are:

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

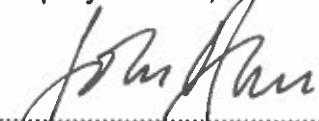
Risk management

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

AUDITORS

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

Report of the governors, incorporating a strategic report, approved by order of the board of governors, as the company directors, on 31.12.17 and signed on the board's behalf by:


.....
Sir F Jones - Chair

**EVERTON IN THE COMMUNITY FREE SCHOOL
TRUST**

**GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2017**

Scope of Responsibility

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

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

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

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

Governance

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

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 ending 31st August 2017. Attendance during the year at meetings of the board of Governors was as follows:

Governor	Meetings attended	Out of a possible
Sir J F Jones Chair	3	3
Professor C G Mills Vice Chair	3	3
Mr P Loughlin	3	3
Inspector J Sacker	1	3
Mr R T Cronin Principal	3	3
Mrs A Davies	3	3
Mrs S Mooney	-	3

The finance and audit committee is a sub-committee of the main board of Trustees. Its purpose is to report to the full board of Trustees on a timely basis the finances of the Trust. Attendance at meetings in the year ended 31st August 2017 was as follows:

Governor	Meetings attended	Out of a possible
Mr R Cronin	3	3
Professor C G Mills	3	3
Mr P Loughlin	3	3

**EVERTON IN THE COMMUNITY FREE SCHOOL
TRUST**

**GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2017**

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 create 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 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements.

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Everton In The Community Free School Trust for the year 1 September 2016 to 31 August 2017 and up to the date of approval of the Annual Report and Financial Statements.

Capacity to Handle Risk

The board of governors has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of governors is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of governors.

The Board of Governors has reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Governors is of the view that there is a formal on-going process for identifying, evaluating and managing the Free School Trust's significant risks that has been in place for the year 1 September 2016 to 31 August 2017 and up to the date of approval of the Annual Report and Financial Statements. This process is regularly reviewed by the Board of Governors.

The Risk and Control Framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Governors;
-

**EVERTON IN THE COMMUNITY FREE SCHOOL
TRUST**

**GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2017**

The Risk and Control Framework

- regular reviews by the finance and audit committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

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

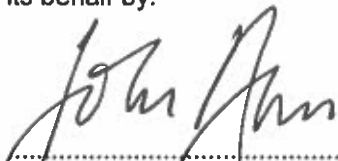
Review of Effectiveness


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

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

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

Approved by order of the members of the Board of Governors on18.12.17..... and signed on its behalf by:


.....
Sir J F Jones - Chair


.....
R T Cronin - Accounting Officer

**EVERTON IN THE COMMUNITY FREE SCHOOL
TRUST**

**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE
for the Year Ended 31 August 2017**

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 and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2016.

I confirm that I and the academy trust board of governors are able to identify any material irregular or improper use of all 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 2016.

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.


.....
R T Cronin - Accounting Officer

Date: ..18/12/17.....

**EVERTON IN THE COMMUNITY FREE SCHOOL
TRUST**

**STATEMENT OF GOVERNORS RESPONSIBILITIES
for the Year Ended 31 August 2017**

The governors (who act as trustees of Everton In The Community Free School Trust and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Report of the Governors and the financial statements in accordance with the Annual Accounts Direction issued by the Education and 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 financial statements for each financial year. Under company law the governors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the academy trust and of the incoming resources and application of resources, including the income and expenditure, of the academy trust for that period. In preparing those financial statements, the governors are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the academy trust will continue in business.


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

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

In so far as the governors are aware:

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

Approved by order of the board of governors on18.12.17..... and signed on it's behalf by:


.....
Sir J F Jones - Chair

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

Opinion

We have audited the financial statements of Everton In The Community Free School Trust (the 'academy trust') for the year ended 31 August 2017 on pages twenty to thirty three. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Accounts Direction 2015 to 2016 issued by the Education Funding Agency (EFA).

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

In our opinion the financial statements:

- give a true and fair view of the state of the academy trust's affairs as at 31 August 2017 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and Academies Accounts Direction 2016 to 2017.

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 Auditors responsibilities for the audit of the financial statements 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 financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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 financial statements is not appropriate; or
- the governors have not disclosed in the financial statements 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 financial statements are authorised for issue.

Other information

The governors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, 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.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Opinion on other matters prescribed by the Companies Act 2006

- the information given in the Report of the Governors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Governors has 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 Report of the Governors.

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

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

Responsibilities of governors

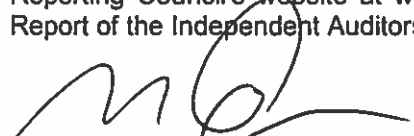
As explained more fully in the Statement of Governors Responsibilities set out on page fifteen, the governors (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the governors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the 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 academy trust or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors 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 financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.



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

Date:20.....12.....17.....

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

In accordance with the terms of our engagement and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, 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 2016 to 31 August 2017 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Everton In The Community Free School Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Everton In The Community Free School Trust and the 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 the 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 and the Academies Financial Handbook, extant from 1 September 2016, 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 2016 to 2017. 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 2016 to 31 August 2017 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 2016 to 2017 issued by the 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.

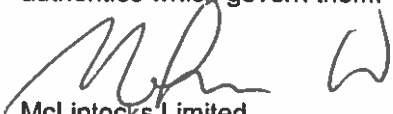
A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a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

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

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2016 to 31 August 2017 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



McLintocks Limited
46 Hamilton Square
Birkenhead
Merseyside
CH41 5AR

Date: 20.12.17.....

**EVERTON IN THE COMMUNITY FREE SCHOOL
TRUST**

**STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
for the Year Ended 31 August 2017**

	Notes	Unrestricted fund £	Restricted fund £	Fixed assets funds £	Total 2017 funds £	Total 2016 funds £
INCOME AND ENDOWMENTS FROM						
Donations and capital grants	2	-	116,254	6,936	123,190	98,909
Charitable activities						
Funding for the academy's educational operations	3	-	<u>2,250,709</u>	-	<u>2,250,709</u>	<u>2,201,677</u>
Total		-	2,366,963	6,936	2,373,899	2,300,586
 EXPENDITURE ON						
Charitable activities						
Academy's educational operations						
		-	<u>2,003,389</u>	<u>122,857</u>	<u>2,126,246</u>	<u>1,817,263</u>
NET INCOME/(EXPENDITURE)						
		-	363,574	(115,921)	247,653	483,323
Transfers between funds	14	-	<u>(1,208)</u>	<u>1,208</u>	-	-
Net movement in funds		-	362,366	(114,713)	247,653	483,323
RECONCILIATION OF FUNDS						
Total funds brought forward		-	328,259	4,150,028	4,478,287	3,994,964
TOTAL FUNDS CARRIED FORWARD		-	<u>690,625</u>	<u>4,035,315</u>	<u>4,725,940</u>	<u>4,478,287</u>

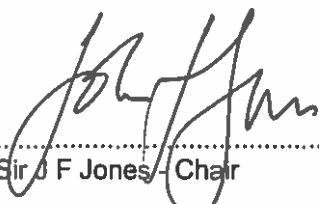
The notes form part of these financial statements

**EVERTON IN THE COMMUNITY FREE SCHOOL
TRUST**

**BALANCE SHEET
At 31 August 2017**

	Notes	Unrestricted fund £	Restricted fund £	Fixed assets funds £	2017 Total funds £	2016 Total funds £
FIXED ASSETS						
Tangible assets	10	-	-	4,035,315	4,035,315	4,089,187
CURRENT ASSETS						
Debtors	11	-	52,611	-	52,611	342,280
Cash at bank and in hand		-	724,907	-	724,907	242,409
		-	777,518	-	777,518	584,689
CREDITORS						
Amounts falling due within one year	12	-	(86,893)	-	(86,893)	(195,589)
NET CURRENT ASSETS		-	690,625	-	690,625	389,100
TOTAL ASSETS LESS CURRENT LIABILITIES		-	690,625	4,035,315	4,725,940	4,478,287
NET ASSETS		-	690,625	4,035,315	4,725,940	4,478,287
FUNDS						
Restricted funds:	14					
General funds					690,625	328,259
Fixed assets funds					4,035,315	4,150,028
					4,725,940	4,478,287
TOTAL FUNDS					4,725,940	4,478,287

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


.....
Sir J F Jones - Chair

The notes form part of these financial statements

**EVERTON IN THE COMMUNITY FREE SCHOOL
TRUST**

**CASH FLOW STATEMENT
for the Year Ended 31 August 2017**

	Notes	2017 £	2016 £
Cash flows from operating activities:			
Cash generated from operations	1	<u>544,546</u>	<u>115,454</u>
Net cash provided by (used in) operating activities		<u>544,546</u>	<u>115,454</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		(68,984)	(36,061)
Capital grants from DfE/EFA		<u>6,936</u>	<u>60,840</u>
Net cash provided by (used in) investing activities		<u>(62,048)</u>	<u>24,779</u>
		<hr/>	<hr/>
Change in cash and cash equivalents in the reporting period		482,498	140,233
Cash and cash equivalents at the beginning of the reporting period		<u>242,409</u>	<u>102,176</u>
Cash and cash equivalents at the end of the reporting period		<u>724,907</u>	<u>242,409</u>

The notes form part of these financial statements

**EVERTON IN THE COMMUNITY FREE SCHOOL
TRUST**

**NOTES TO THE CASH FLOW STATEMENT
for the Year Ended 31 August 2017**

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

	2017	2016
	£	£
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	247,653	483,323
Adjustments for:		
Depreciation	122,857	129,372
Capital grants from DfE/EFA	(6,936)	(60,840)
Decrease/(increase) in debtors	289,668	(254,353)
Decrease in creditors	<u>(108,696)</u>	<u>(182,048)</u>
Net cash provided by (used in) operating activities	<u>544,546</u>	<u>115,454</u>

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Academies Accounts Direction 2016 to 2017 issued by the ESFA, the Charities Act 2011 and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

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

Going concern

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

Income

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

Grants

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

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

Capital grants are recognised 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 it is probable that the income will be received and the amount can be measured reliably.

Other income

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

1. ACCOUNTING POLICIES - continued

Expenditure

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

Charitable activities

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

Governance costs

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

Tangible fixed assets

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

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

Freehold property 2% straight line

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

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

**EVERTON IN THE COMMUNITY FREE SCHOOL
TRUST**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
for the Year Ended 31 August 2017**

1. ACCOUNTING POLICIES - continued

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 as detailed in note 15. Prepayments are not financial instruments. Amounts due to the charity's wholly owned subsidiary are held at face value less any impairment.

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 as detailed in notes 16 and 17. 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. Amounts due to charity's wholly owned subsidiary are held at face value less any impairment.

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.

Provisions

Provisions are recognised when the academy trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

Leased assets

Rentals under operating leases are charged on a straight line basis.

Taxation

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

**EVERTON IN THE COMMUNITY FREE SCHOOL
TRUST**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
for the Year Ended 31 August 2017**

1. ACCOUNTING POLICIES - continued

Fund accounting

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

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

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

Pension costs and other post-retirement benefits

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

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

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

2. DONATIONS AND CAPITAL GRANTS

	2017	2016
	£	£
Donations	116,254	38,069
Grants	<u>6,936</u>	<u>60,840</u>
	<u>123,190</u>	<u>98,909</u>

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

	2017	2016
	£	£
Capital grants	<u>6,936</u>	<u>60,840</u>

**EVERTON IN THE COMMUNITY FREE SCHOOL
TRUST**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
for the Year Ended 31 August 2017**

3. FUNDING FOR THE ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds £	Restricted funds £	2017 Total funds £	2016 Total funds £
Grants	-	1,632,906	1,632,906	1,636,096
Tuition fees	-	-	-	2,870
Other income	-	127,375	127,375	43,139
Placement fees	-	490,428	490,428	519,572
	-	<u>2,250,709</u>	<u>2,250,709</u>	<u>2,201,677</u>

An analysis of grants received is given below:

	Unrestricted funds £	Restricted funds £	2017 Total funds £	2016 Total funds £
DfE/ESFA revenue grant				
General Annual Grant(GAG)	-	1,606,246	1,606,246	1,607,911
Other Dfe grants	-	26,660	26,660	28,185
	-	<u>1,632,906</u>	<u>1,632,906</u>	<u>1,636,096</u>

4. EXPENDITURE

	Staff costs £	Non-pay expenditure		2017 Total £	2016 Total £
		Premises £	Other costs £		
Charitable activities					
Academies educational operations					
Direct costs	1,315,479	-	190,464	1,505,943	1,299,503
Allocated support costs	<u>58,598</u>	<u>166,717</u>	<u>394,988</u>	<u>620,303</u>	<u>517,760</u>
	<u>1,374,077</u>	<u>166,717</u>	<u>585,452</u>	<u>2,126,246</u>	<u>1,817,263</u>

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

	2017 £	2016 £
Audit fees	5,000	3,950
Other non-audit services	10,821	5,493
Depreciation - owned assets	<u>122,856</u>	<u>129,373</u>

**EVERTON IN THE COMMUNITY FREE SCHOOL
TRUST**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
for the Year Ended 31 August 2017**

5. CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds £	Restricted funds £	2017 Total funds £	2016 Total funds £
Direct costs	-	1,505,943	1,505,943	1,299,503
Support costs	-	620,303	620,303	517,760
	-	2,126,246	2,126,246	1,817,263

	2017 Total £	2016 Total £
Analysis of support costs		
Support staff costs	58,598	36,761
Depreciation	122,857	129,372
Technology costs	114,516	60,663
Premises costs	166,717	132,166
Other support costs	139,819	149,355
Governance costs	17,796	9,443
Total support costs	620,303	517,760

6. GOVERNORS' REMUNERATION AND BENEFITS

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

R Cronin (Principal and Trustee)
Remuneration £80,000 - £85,000 (2016: £75,000 - £80,000)
Employers pension contributions paid £10,000 - £15,000 (2015: £10,000 - £15,000)

Governors' expenses

There were no governors' expenses paid for the year ended 31 August 2017 nor for the year ended 31 August 2016.

**EVERTON IN THE COMMUNITY FREE SCHOOL
TRUST**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
for the Year Ended 31 August 2017**

7. STAFF COSTS

	2017 £	2016 £
Wages and salaries	1,022,316	793,604
Social security costs	96,204	66,163
Operating costs of defined benefit pension schemes	<u>122,251</u>	<u>108,104</u>
	1,240,771	967,871
Supply teacher costs	133,306	155,788
Compensation payments	<u>-</u>	<u>4,200</u>
	<u><u>1,374,077</u></u>	<u><u>1,127,859</u></u>

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

	2017	2016
Teachers	21	21
Management	2	2
Administration and support	<u>14</u>	<u>6</u>
	<u><u>37</u></u>	<u><u>29</u></u>

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

	2017	2016
£70,001 - £80,000	1	2
£80,001 - £90,000	<u>1</u>	<u>-</u>
	<u><u>2</u></u>	<u><u>2</u></u>

The above employees participated in the Teachers Pension Scheme.

Key management personnel

The key management personnel of the academy comprise the governors and the senior leadership team. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy was £182,721 (2016: £238,935)

8. GOVERNORS' AND OFFICERS' INSURANCE

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

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

**EVERTON IN THE COMMUNITY FREE SCHOOL
TRUST**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
for the Year Ended 31 August 2017**

9. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

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

**EVERTON IN THE COMMUNITY FREE SCHOOL
TRUST**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
for the Year Ended 31 August 2017**

10. TANGIBLE FIXED ASSETS

	Freehold property £	Fixtures and fittings £	Computer equipment £	Totals £
COST				
At 1 September 2016	4,103,908	122,692	209,452	4,436,052
Additions	<u>1,995</u>	<u>16,885</u>	<u>50,104</u>	<u>68,984</u>
At 31 August 2017	<u>4,105,903</u>	<u>139,577</u>	<u>259,556</u>	<u>4,505,036</u>
DEPRECIATION				
At 1 September 2016	116,271	40,124	190,470	346,865
Charge for year	<u>82,076</u>	<u>17,758</u>	<u>23,022</u>	<u>122,856</u>
At 31 August 2017	<u>198,347</u>	<u>57,882</u>	<u>213,492</u>	<u>469,721</u>
NET BOOK VALUE				
At 31 August 2017	<u>3,907,556</u>	<u>81,695</u>	<u>46,064</u>	<u>4,035,315</u>
At 31 August 2016	<u>3,987,637</u>	<u>82,568</u>	<u>18,982</u>	<u>4,089,187</u>

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017 £	2016 £
Trade debtors	36,609	242,184
Other debtors	-	72,772
VAT	5,937	8,076
Prepayments and accrued income	<u>10,065</u>	<u>19,248</u>
	<u>52,611</u>	<u>342,280</u>

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017 £	2016 £
Trade creditors	27,916	154,068
Social security and other taxes	28,142	20,996
Other creditors	16,321	13,235
Accrued expenses	<u>14,514</u>	<u>7,290</u>
	<u>86,893</u>	<u>195,589</u>

13. MEMBERS' LIABILITY

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

**EVERTON IN THE COMMUNITY FREE SCHOOL
TRUST**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
for the Year Ended 31 August 2017**

14. MOVEMENT IN FUNDS

	At 1.9.16 £	Net movement in funds £	Transfers between funds £	At 31.8.17 £
Restricted funds				
General funds	328,259	363,574	(1,208)	690,625
Fixed assets funds	<u>4,150,028</u>	<u>(115,921)</u>	<u>1,208</u>	<u>4,035,315</u>
	4,478,287	247,653	-	4,725,940
	<u>4,478,287</u>	<u>247,653</u>	<u>-</u>	<u>4,725,940</u>
TOTAL FUNDS	<u>4,478,287</u>	<u>247,653</u>	<u>-</u>	<u>4,725,940</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Restricted funds			
General funds	2,366,963	(2,003,389)	363,574
Fixed assets funds	<u>6,936</u>	<u>(122,857)</u>	<u>(115,921)</u>
	2,373,899	(2,126,246)	247,653
	<u>2,373,899</u>	<u>(2,126,246)</u>	<u>247,653</u>
TOTAL FUNDS	<u>2,373,899</u>	<u>(2,126,246)</u>	<u>247,653</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 2017.

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

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

15. RELATED PARTY DISCLOSURES

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

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

Everton Football Club incurred operating costs amounting to £106,688. These costs are included as donations and support costs.