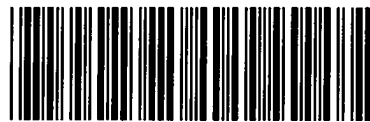


REGISTERED COMPANY NUMBER: 07664278 (England and Wales)

REPORT OF THE TRUSTEES AND  
FINANCIAL STATEMENTS FOR THE YEAR ENDED  
31 AUGUST 2014  
FOR  
EVERTON IN THE COMMUNITY FREE SCHOOL  
TRUST

McLintocks Limited  
46 Hamilton Square  
Birkenhead  
Merseyside  
CH41 5AR

THURSDAY



\*A4136YIR\*

A30

12/02/2015

#57

COMPANIES HOUSE

**EVERTON IN THE COMMUNITY FREE SCHOOL  
TRUST**

**CONTENTS OF THE FINANCIAL STATEMENTS  
for the Year Ended 31 August 2014**

---

	Page
Reference and Administrative Details	1 to 2
Report of the Trustees	3 to 10
Governance Statement	11 to 14
Statement on Regularity, Propriety and Compliance	15
Statement of Trustees Responsibilities	16
Report of the Independent Auditors	17 to 18
Independent Accountant's Report on Regularity	19 to 20
Statement of Financial Activities	21
Balance Sheet	22 to 23
Cash Flow Statement	24
Notes to the Cash Flow Statement	25
Notes to the Financial Statements	26 to 35
Detailed Statement of Financial Activities	36 to 37

---

**EVERTON IN THE COMMUNITY FREE SCHOOL  
TRUST**

**REFERENCE AND ADMINISTRATIVE DETAILS  
FOR THE YEAR ENDED 31 AUGUST 2014**

**MEMBERS**

Mr I J Ross  
Mr R C Elstone

**TRUSTEES**

Dr D Barrett-Baxendale MBE (Chief Executive  
Officer)  
Mr R C Elstone (\*)  
Sir J F Jones (Chartered Accountant)  
Inspector C Lewis  
Mr A G Packer (\* (Principal)) (resigned 31.8.14)  
Professor C G Mills  
Mr M W Caputo (\*) (resigned 2.12.14)  
Mr P J Duffy Principal (appointed 1.9.14)

\* members of the finance and audit committee

**COMPANY SECRETARY**

Brabners Secretaries

**SENIOR MANAGEMENT TEAM**

Mr P J Duffy Principal (appointed 1.9.14)  
Ms C M Lamontagne  
Mr R T Cronin

**REGISTERED OFFICE**

Goodison Park  
Goodison Road  
Liverpool  
L4 4EL

**PRINCIPAL ADDRESS**

The City of Liverpool College  
Learning Exchange  
Roscoe Street  
Liverpool  
Merseyside  
L1 9DW

**REGISTERED COMPANY  
NUMBER**

07664278 (England and Wales)

**EVERTON IN THE COMMUNITY FREE SCHOOL  
TRUST**

**REFERENCE AND ADMINISTRATIVE DETAILS  
FOR THE YEAR ENDED 31 AUGUST 2014**

**AUDITORS**

McLintocks Limited  
46 Hamilton Square  
Birkenhead  
Merseyside  
CH41 5AR

**SOLICITORS**

Brabners LLP  
Horton House  
Exchange Flags  
Liverpool  
L2 3YL

**BANKERS**

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

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

## **REPORT OF THE TRUSTEES for the Year Ended 31 August 2014**

---

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 August 2014. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' issued in March 2005 and the Academies Accounts Direction issued by the Education Funding Agency.

### **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 Trustees 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 Trustees who served during the year are included in the Reference and Administrative Details on page 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.

#### **Trustees' 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.

In setting the Trust's objectives and planning its activities, the Trustees have given careful consideration to the Charity Commission's general guidance on public benefit.

**EVERTON IN THE COMMUNITY FREE SCHOOL  
TRUST**

**REPORT OF THE TRUSTEES  
for the Year Ended 31 August 2014**

---

**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.

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

## **REPORT OF THE TRUSTEES for the Year Ended 31 August 2014**

---

### **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 TRUSTEES for the Year Ended 31 August 2014**

---

### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

#### **Organisational structure**

The Trustees 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 Trustees 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.

#### **Connected organisations including related parties**

The Trust's lead delivery partners are:

The City of Liverpool College, Liverpool John Moores University, The Liverpool Institute for Performing Arts (LIPA), Liverpool City Council, Merseyside Fire and Rescue Service, Childnet International, Merseyside Police, Urbeatz, Edge Hill University, Everyman Liverpool Playhouse, Wirral Borough Council and Wallasey School.

The Trust's main supporters are:

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

#### **Risk management**

The Trustees 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 Trustees 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



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

## **REPORT OF THE TRUSTEES for the Year Ended 31 August 2014**

---

### **OBJECTIVES AND ACTIVITIES**

#### **Objectives and aims**

The main objectives of the Free School Trust during the year ended 31st August 2014 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 Trustees have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission in exercising their duties.

### **STRATEGIC REPORT**

#### **Achievement and performance**

##### *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**

## **REPORT OF THE TRUSTEES for the Year Ended 31 August 2014**

---

### **STRATEGIC REPORT**

#### **Achievement and performance**

The Trust successfully opened in September 2012 and became the first Alternative Provision Free School of its kind in the UK. The Trust enjoyed many firsts and has established itself as a credible and popular Alternative Provision option for Schools and Local Authorities across Merseyside. It has performed well when scrutinised by the DfE 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 Liverpool City College, Edge Hill University, John Moores University and Merseyside Fire and Rescue Service.

The Trust commissioned an independent report by Education Consultant, Phoenix Education to assess its Year 2 academic performance. Progress across the curriculum was deemed mostly outstanding in the Alternative Provision context. In English, 43% of students achieved results above expected progress and 87% of students achieved above or in line with expected progress.

In Maths, 51% of students achieved results above expected progress and 87% of students achieved above or in line with expected progress.

A high proportion of students achieved GCSE grades at A – G level in both English and Maths. 31% of Year 11 students achieved a Maths GCSE at grade A–C. Given the backgrounds of the children who were referred to the Free School Trust (many the majority of whom were outside of formal education), this is an outstanding achievement.

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

Attendance was 91% for the whole year and in some cases over 200% improvement was achieved.

The Trust occupied the refurbished part of the Spellow Lane development in September 2014. The second phase will open in March 2015 when the refurbished phase has been joined to the innovative new build development.

Over 200 children and young people engaged with Everton Free School during Year 2.

#### **Financial review**

##### *Reserves policy*

The Trustees and 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 Trustees 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 TRUSTEES for the Year Ended 31 August 2014**

---

### **STRATEGIC REPORT**

#### **Financial review**

##### *Investment policy and objectives*

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

#### **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 Trustees 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 TRUSTEES  
for the Year Ended 31 August 2014**

---

**STRATEGIC REPORT**

**Future developments**

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, particularly as the Trust moves towards occupancy of its permanent site from September 2014.

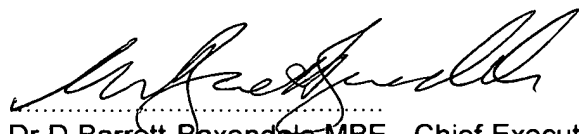
The Trust will continue to work with partner schools, charities, business and sponsors to improve the educational opportunities for students and raise standards of academic achievement and well-being of students.

Full details of our plans for the future are given in our School Development Plan, which is available from the Clerk to the Governors.

**AUDITORS**

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

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 18.12.2014 and signed on the board's behalf by:



Dr D Barrett-Baxendale MBE - Chief Executive Officer

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

## **GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 AUGUST 2014**

---

### **Scope of Responsibility**

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 of loss.

The board of the 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. They are also responsible for reporting to the board of trustees 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 Trustees and in the Statement of Trustees Responsibilities. The board of trustees has formally met 3 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 3 times during the year ending 31st August 2014. Attendance during the year at meetings of the board of Trustees was as follows:

<b>Trustee</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Dr D Barrett-Baxendale OBE	3	3
Sir J F Jones	2	3
Professor C G Mills	2	3
Mr R C Elstone	2	3
Mr M W Caputo	3	3
Mr A G Packer	3	3
Inspector C Lewis	2	3

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

### **GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 AUGUST 2014**

---

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 2014 was as follows:

<b>Trustee</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Mr R C Elstone	4	4
Mr M W Caputo	4	4
Mr A G Packer	4	4

#### **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 charitable company 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 2013 to 31 August 2014 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 2013 to 31 August 2014 and up to the date of approval of the Annual Report and Financial Statements.

#### **Capacity to Handle Risk**

The board of trustees has reviewed the key risks to which the charitable company is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the charitable company's significant risks that has been in place for the period 1 September 2013 to 31 August 2014 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

The Board of Trustees 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 Trustees 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 2013 to 31 August 2014 and up to the date of approval of the Annual Report and Financial Statements. This process is regularly reviewed by the board of Trustees.

#### **The Risk and Control Framework**

---

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

## **GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 AUGUST 2014**

---

### **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 Trustees;
- 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 Trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However the Trustees 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 Trustees on the operation of systems of control and on the discharge of the board of Trustees' 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.

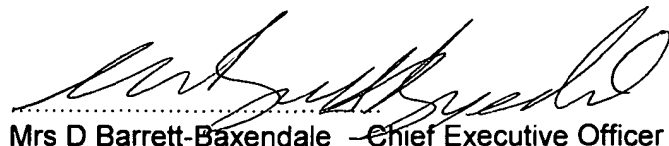
The accounting officer has been advised of the implications of the result of their review of the system of internal control by the finance and audit committee and a plan to address minor weaknesses and ensure continuous improvement of the system is in place.

**EVERTON IN THE COMMUNITY FREE SCHOOL  
TRUST**

**GOVERNANCE STATEMENT  
FOR THE YEAR ENDED 31 AUGUST 2014**

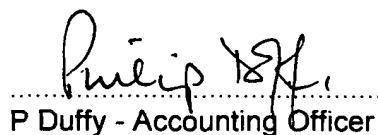
---

Approved by order of the members of the board of trustees on 18.12.2014 and  
signed on its behalf by:



.....

Mrs D Barrett-Baxendale - Chief Executive Officer



.....

P Duffy - Accounting Officer



**EVERTON IN THE COMMUNITY FREE SCHOOL  
TRUST**

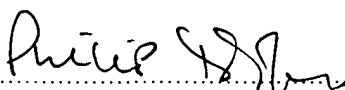
**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE  
for the Year Ended 31 August 2014**

---

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

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

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 trustees and EFA.

  
P Duffy - Accounting Officer

Date: 18.12.2014

**EVERTON IN THE COMMUNITY FREE SCHOOL  
TRUST**

**STATEMENT OF TRUSTEES RESPONSIBILITIES  
for the Year Ended 31 August 2014**

---

The trustees (who act as governors 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 Trustees and the financial statements in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- 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 charitable company will continue in business.

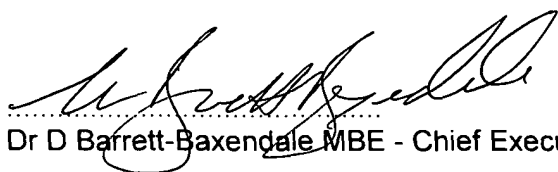
The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements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

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

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees 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 trustees on 18.12.2014 and signed on its behalf by:



Dr D Barrett-Baxendale MBE - Chief Executive Officer

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

---

We have audited the financial statements of Everton In The Community Free School Trust for the year ended 31 August 2014 on pages twenty one to thirty five. 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 2013 to 2014 issued by the Education Funding Agency (EFA).

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 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 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.

### **Respective responsibilities of trustees and auditors**

As explained more fully in the Statement of Trustees Responsibilities set out on page sixteen, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

### **Scope of the audit of the financial statements**

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

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2014 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 Academies Accounts Direction 2013 to 2014 issued by the EFA.

### **Opinion on other matter prescribed by the Companies Act 2006**

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

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

---

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

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

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



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

Date: 22.12.2014.

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

---

In accordance with the terms of our engagement and further to the requirements of the Education Funding Agency (EFA), as included in the Academies Accounts Direction 2013 to 2014, 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 2013 to 31 August 2014 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

The accounting officer is responsible, under the requirements of Everton In The Community Free School Trust's funding agreement with the Secretary of State for Education and the Academies Financial Handbook, extant from 1 September 2012, 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 2013 to 2014. 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 2013 to 31 August 2014 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 2013 to 2014 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matter 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 charitable company's income and expenditure.

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

---

**Conclusion**

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2013 to 31 August 2014 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

McLintocks Ltd

McLintocks Limited  
46 Hamilton Square  
Birkenhead  
Merseyside  
CH41 5AR

Date: 22.12.2014

**EVERTON IN THE COMMUNITY FREE SCHOOL  
TRUST**

**STATEMENT OF FINANCIAL ACTIVITIES  
for the Year Ended 31 August 2014**

					2014	2013
	Notes	Unrestricted fund £	Restricted fund £	Fixed assets funds £	Total funds £	Total funds £
<b>INCOMING RESOURCES</b>						
<b>Incoming resources from charitable activities</b>						
Academy's educational operations	2	-	1,986,301	1,862,661	3,848,962	1,080,717
<b>RESOURCES EXPENDED</b>						
<b>Charitable activities</b>						
Academy's educational operations		-	1,984,118	65,753	2,049,871	1,048,638
Governance costs	5	-	20,331	-	20,331	30,763
<b>Total resources expended</b>	3	-	2,004,449	65,753	2,070,202	1,079,401
<b>NET INCOMING/(OUTGOING) RESOURCES</b>						
		-	(18,148)	1,796,908	1,778,760	1,316
<b>RECONCILIATION OF FUNDS</b>						
<b>Total funds brought forward</b>		-	(87,566)	88,882	1,316	-
<b>TOTAL FUNDS CARRIED FORWARD</b>		-	(105,714)	1,885,790	1,780,076	1,316

**CONTINUING OPERATIONS**

All incoming resources and resources expended arise from continuing activities.

The notes form part of these financial statements

**EVERTON IN THE COMMUNITY FREE SCHOOL  
TRUST**

**BALANCE SHEET  
At 31 August 2014**

					2014	2013
	Notes	Unrestricted fund £	Restricted fund £	Fixed assets funds £	Total funds £	Total funds £
<b>FIXED ASSETS</b>						
Tangible assets	9	-	55,797	1,908,774	1,964,571	97,128
<b>CURRENT ASSETS</b>						
Debtors	10	-	565,062	574,700	1,139,762	130,846
Cash at bank		-	87,140	-	87,140	7,747
		-	652,202	574,700	1,226,902	138,593
<b>CREDITORS</b>						
Amounts falling due within one year	11	-	(813,713)	(597,684)	(1,411,397)	(234,405)
<b>NET CURRENT ASSETS/(LIABILITIES)</b>		-	(161,511)	(22,984)	(184,495)	(95,812)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		-	(105,714)	1,885,790	1,780,076	1,316
<b>NET ASSETS</b>		-	(105,714)	1,885,790	1,780,076	1,316
<b>FUNDS</b>	14					
Restricted funds:						
General funds					(105,714)	(87,566)
Fixed assets funds					1,885,790	88,882
					1,780,076	1,316
<b>TOTAL FUNDS</b>					1,780,076	1,316

The notes form part of these financial statements

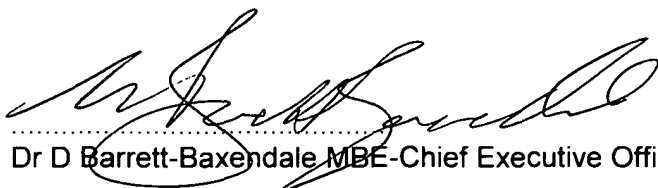


**EVERTON IN THE COMMUNITY FREE SCHOOL  
TRUST**

**BALANCE SHEET - CONTINUED**  
**At 31 August 2014**

---

The financial statements were approved by the Board of Trustees on 18.12.2014  
and were signed on its behalf by:

  
Dr D Barrett-Baxendale MBE-Chief Executive Officer

The notes form part of these financial statements

---

**EVERTON IN THE COMMUNITY FREE SCHOOL  
TRUST**

**CASH FLOW STATEMENT  
for the Year Ended 31 August 2014**

		2014 £	2013 £
<b>Net cash inflow from operating activities</b>	Notes 1	2,012,589	151,993
<b>Capital expenditure and financial investment</b>	2	(1,933,196)	(144,246)
<b>Increase in cash in the period</b>		<u>79,393</u>	<u>7,747</u>
<b>Reconciliation of net cash flow to movement in net debt</b>	3		
Increase in cash in the period		<u>79,393</u>	<u>7,747</u>
Change in net debt resulting from cash flows		<u>79,393</u>	<u>7,747</u>
<b>Movement in net debt in the period</b>		<u>79,393</u>	<u>7,747</u>
<b>Net debt at 1 September</b>		<u>7,747</u>	<u>-</u>
<b>Net debt at 31 August</b>		<u>87,140</u>	<u>7,747</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 2014**

**1. RECONCILIATION OF NET INCOMING RESOURCES TO NET CASH INFLOW FROM OPERATING ACTIVITIES**

	2014 £	2013 £
Net incoming resources	1,778,760	1,316
Depreciation charges	65,753	47,118
Increase in debtors	(1,008,916)	(130,846)
Increase in creditors	1,176,992	234,405
<b>Net cash inflow from operating activities</b>	<b>2,012,589</b>	<b>151,993</b>

**2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT**

	2014 £	2013 £
<b>Capital expenditure and financial investment</b>		
Purchase of tangible fixed assets	(1,933,196)	(144,246)
<b>Net cash outflow for capital expenditure and financial investment</b>	<b>(1,933,196)</b>	<b>(144,246)</b>

**3. ANALYSIS OF CHANGES IN NET DEBT**

	At 1.9.13 £	Cash flow £	At 31.8.14 £
Net cash:			
Cash at bank	7,747	79,393	87,140
<b>Total</b>	<b>7,747</b>	<b>79,393</b>	<b>87,140</b>

**EVERTON IN THE COMMUNITY FREE SCHOOL  
TRUST**

**Notes to the Financial Statements  
for the Year Ended 31 August 2014**

---

**1. ACCOUNTING POLICIES**

**Accounting convention**

The financial statements have been prepared under the historical cost convention, the Companies Act 2006, the requirements of the Statement of Recommended Practice, Accounting and Reporting by Charities and the Academies Accounts Direction 2013 to 2014 issued by the EFA.

**Going concern**

The Trustees 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 Trustees make this assessment in respect of a period of one year from the date of approval of the financial statements.

**Incoming resources**

All incoming resources are included on the Statement of Financial Activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

**Grants receivable**

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 year is shown in the relevant funds on the balance sheet. Where income is received in advance of entitlement of receipt its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund. Capital grants are recognised when receivable and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

**Other income**

Other income, including the hire of facilities, is recognised in the year it is receivable and to the extent the goods have been provided in or on.

**EVERTON IN THE COMMUNITY FREE SCHOOL  
TRUST**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
for the Year Ended 31 August 2014**

---

**1. ACCOUNTING POLICIES - continued**

**Resources expended**

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**

These are costs incurred on the Free School Trust's educational operations.

**Governance costs**

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

All resources expended are inclusive of irrecoverable VAT.

**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:

Fixtures, fittings and equipment 20% p.a. reducing balance and 33% straight Line

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

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

**Taxation**

The charity is exempt from corporation tax on its charitable activities.

**EVERTON IN THE COMMUNITY FREE SCHOOL  
TRUST**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
for the Year Ended 31 August 2014**

**1. ACCOUNTING POLICIES - continued**

**Fund accounting**

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

Restricted funds can only be used for particular restricted purposes within the objects of the charity. 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.

**2. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES - ACADEMY'S  
EDUCATIONAL OPERATIONS**

	Unrestricted funds £	Restricted funds £	2014 Total funds £	2013 Total funds £
Grants	-	3,456,220	3,456,220	937,370
Tuition fees	-	313,755	313,755	129,421
Other income	-	78,987	78,987	13,926
	-	3,848,962	3,848,962	1,080,717

**EVERTON IN THE COMMUNITY FREE SCHOOL  
TRUST**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
for the Year Ended 31 August 2014**

**2. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES - ACADEMY'S  
EDUCATIONAL OPERATIONS - continued**

An analysis of grants received is given below:

	Unrestricted funds £	Restricted funds £	2014 Total funds £	2013 Total funds £
<b>DfE/EFA revenue grant</b>				
General Annual Grant(GAG)	-	1,587,679	1,587,679	801,370
<b>DfE/EFA capital grant</b>				
Capital grants	-	1,862,661	1,862,661	136,000
<b>Other grants</b>				
Apprentice grant	-	3,000	3,000	-
Business & enterprise grant	-	2,880	2,880	-
	-	5,880	5,880	-
	-	3,456,220	3,456,220	937,370

**3. RESOURCES EXPENDED**

	Staff costs £	Non-pay expenditure Premises £	Other costs £	2014 Total £	2013 Total £
<b>Charitable activities</b>					
<b>Academies educational operations</b>					
Direct costs	1,253,519	-	383,360	1,636,879	690,807
Allocated support costs	79,526	9,651	323,815	412,992	357,831
	1,333,045	9,651	707,175	2,049,871	1,048,638
<b>Governance costs including allocated support costs</b>	-	-	20,331	20,331	30,763
	1,333,045	9,651	727,506	2,070,202	1,079,401

**EVERTON IN THE COMMUNITY FREE SCHOOL  
TRUST**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
for the Year Ended 31 August 2014**

**3. RESOURCES EXPENDED - continued**

Net resources are stated after charging/(crediting):

	2014	2013
	£	£
Auditors' remuneration	4,000	4,000
Auditors' remuneration for non-audit work	11,846	6,755
Depreciation - owned assets	65,753	47,118

**4. RESOURCES EXPENDED FROM CHARITABLE ACTIVITIES**

	2014	2013
	£	£
<b>Direct costs - academy's educational operations</b>		
Teaching and educational support staff	1,253,519	615,302
Educational supplies	274,777	55,079
Examination fees	16,169	5,542
Staff development	2,673	-
Educational consultancy	63,206	10,809
Goods and services	26,535	4,075
	1,636,879	690,807
<b>Allocated support costs - academy's educational operations</b>		
Support staff costs	79,526	74,963
Depreciation	65,753	47,118
Technology costs	26,647	27,000
Recruitment and support	17,892	30,719
Maintenance of premises and equipment	9,651	7,304
Rent and rates	83,721	81,504
Insurance	8,788	4,800
Security and transport	57,729	23,326
Other support costs	63,285	61,097
	412,992	357,831
	2,049,871	1,048,638

**5. GOVERNANCE COSTS**

	2014	2013
	£	£
Auditors' remuneration	4,000	4,000
Auditors' remuneration for non-audit work	11,846	6,755
Legal and professional fees	4,485	20,008
	20,331	30,763



**EVERTON IN THE COMMUNITY FREE SCHOOL  
TRUST**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
for the Year Ended 31 August 2014**

---

**6. TRUSTEES' 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 Trustee. Other Trustees did not receive any payments from the Free School Trust in respect of their role as Trustees. The value of Trustees' remuneration was as follows:

Principal: £95,001 - £100,000

During the year ended 31 August 2014, no travel and subsistence expenses were reimbursed to Trustees. Other related party transactions involving the Trustees are set out in note 20.

**Trustees' expenses**

There were no trustees' expenses paid for the year ended 31 August 2014 nor for the year ended 31 August 2013.

**EVERTON IN THE COMMUNITY FREE SCHOOL  
TRUST**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
for the Year Ended 31 August 2014**

**7. STAFF COSTS**

	2014 £	2013 £
Wages and salaries	1,032,345	522,620
Social security costs	88,859	22,818
Other pension costs	96,957	55,921
	<u>1,218,161</u>	<u>601,359</u>
Supply teacher costs	114,884	88,906
	<u>1,333,045</u>	<u>690,265</u>

The average number of persons (including senior management team) employed by the charitable company during the year expressed as full time equivalents was as follows:

	2014	2013
Teachers	35	13
Management	2	2
Administration and support	3	2
	<u>40</u>	<u>17</u>

The number of employees whose emoluments fell within the following bands was:

	2014	2013
£60,001 - £70,000	-	1
£70,001 - £80,000	1	-
£80,001 - £90,000	-	1
£90,001 - £100,000	1	-
	<u>2</u>	<u>2</u>

The above employees participated in the Teachers Pension Scheme. During the year ended 31 August 2014, pension contributions amounted to £19,574 (2013 £19,458)

**8. TRUSTEES' AND OFFICERS' INSURANCE**

In accordance with normal commercial practice the Free School Trust has purchased insurance to protect Trustees 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 2014**

**9. TANGIBLE FIXED ASSETS**

	Freehold property £	Fixtures and fittings £	Computer equipment £	Totals £
<b>COST</b>				
At 1 September 2013	-	7,223	137,023	144,246
Additions	1,869,501	19,484	44,211	1,933,196
	<u>1,869,501</u>	<u>26,707</u>	<u>181,234</u>	<u>2,077,442</u>
At 31 August 2014	<u>1,869,501</u>	<u>26,707</u>	<u>181,234</u>	<u>2,077,442</u>
<b>DEPRECIATION</b>				
At 1 September 2013	-	1,444	45,674	47,118
Charge for year	-	5,341	60,412	65,753
	<u>-</u>	<u>6,785</u>	<u>106,086</u>	<u>112,871</u>
At 31 August 2014	<u>-</u>	<u>6,785</u>	<u>106,086</u>	<u>112,871</u>
<b>NET BOOK VALUE</b>				
At 31 August 2014	<u>1,869,501</u>	<u>19,922</u>	<u>75,148</u>	<u>1,964,571</u>
At 31 August 2013	<u>-</u>	<u>5,779</u>	<u>91,349</u>	<u>97,128</u>

**10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2014 £	2013 £
Trade debtors	59,384	94,847
Other debtors	347	-
VAT	99,433	30,343
Prepayments and accrued income	980,598	5,656
	<u>1,139,762</u>	<u>130,846</u>

**11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2014 £	2013 £
Trade creditors	690,476	179,763
Social security and other taxes	25,603	15,173
Other creditors	168,076	9,020
Accrued expenses	527,242	30,449
	<u>1,411,397</u>	<u>234,405</u>

**EVERTON IN THE COMMUNITY FREE SCHOOL  
TRUST**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
for the Year Ended 31 August 2014**

**12. OPERATING LEASE COMMITMENTS**

The following operating lease payments are committed to be paid within one year:

	Land and buildings		Other operating leases	
	2014	2013	2014	2013
	£	£	£	£
Expiring:				
Within one year	27,000	27,000	9,140	9,140
Between one and five years	-	27,000	7,616	16,756
	<u>27,000</u>	<u>54,000</u>	<u>16,756</u>	<u>25,896</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.

**14. MOVEMENT IN FUNDS**

	At 1.9.13 £	Net movement in funds £	At 31.8.14 £
<b>Restricted funds</b>			
General funds	(87,566)	(18,148)	(105,714)
Fixed assets funds	88,882	1,796,908	1,885,790
	<u>1,316</u>	<u>1,778,760</u>	<u>1,780,076</u>
<b>TOTAL FUNDS</b>	<u>1,316</u>	<u>1,778,760</u>	<u>1,780,076</u>

**EVERTON IN THE COMMUNITY FREE SCHOOL  
TRUST**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
for the Year Ended 31 August 2014**

**14. MOVEMENT IN FUNDS - continued**

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

	Incoming resources £	Resources expended £	Movement in funds £
<b>Restricted funds</b>			
General funds	1,986,301	(2,004,449)	(18,148)
Fixed assets funds	1,862,661	(65,753)	1,796,908
	<u>3,848,962</u>	<u>(2,070,202)</u>	<u>1,778,760</u>
<b>TOTAL FUNDS</b>	<u>3,848,962</u>	<u>(2,070,202)</u>	<u>1,778,760</u>

Under the funding agreement with the Secretary of State, the Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2014.

**15. CAPITAL COMMITMENTS**

	2014 £	2013 £
Contracted but not provided for in the financial statements	<u>2,378,604</u>	<u>-</u>

**16. RELATED PARTY DISCLOSURES**

Owing to the nature of the school'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 Trustee has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Free School Trust's financial regulations and normal procurement procedures.