

Amended

Company Registration No. 07664278 (England and Wales)

EVERTON IN THE COMMUNITY FREE SCHOOL TRUST
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2019

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EVERTON IN THE COMMUNITY FREE SCHOOL TRUST

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EVERTON IN THE COMMUNITY FREE SCHOOL TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Founding Members

Mr R C Elstone
Mr I J Ross
Ms D Barrett-Baxendale

Governors

Sir J F Jones (Chair)
Mr C G Mills (Vice Chair)
Mr R T Cronin (Principal)
Mr J Sacker
Mrs A Davies (Resigned 26 June 2019)
Ms K A Haynes (Appointed 14 November 2018)
Mrs Nicola Noon (Appointed 28 February 2019)
Mrs Jacqueline Colbeck (Staff Governor)

Senior management team

- Principal	Mr R T Cronin
- Deputy Principal	Ms C M Lamontagne
- Teacher	Mr M P Flannery
- Business Manager	Mrs L McMullen

Company secretary

Brabners Secretaries

Company registration number

07664278 (England and Wales)

Registered office

Goodison Park
Goodison Road
Liverpool
Merseyside
L4 4EL

Independent auditor

McLintocks (NW) Limited
46 Hamilton Square
Birkenhead
Wirral
Merseyside
CH41 5AR

Bankers

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

EVERTON IN THE COMMUNITY FREE SCHOOL TRUST

GOVERNORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2019

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 2019. The Governors have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) and the Academies Accounts Direction issued by the Education and Skills Funding Agency.

Structure, governance and management

Constitution

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

The Academy is known as Everton Free School & Football College.

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

Members' liability

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

Governors' indemnities

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

Method of recruitment and appointment or election of governors

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

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

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

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

EVERTON IN THE COMMUNITY FREE SCHOOL TRUST

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Policies and procedures adopted for the induction and training of governors

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

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

- Receipt of the current Governors' Information Pack of relevant briefing and background documents
- Visit to Everton Free School & Football College to meet the Chairman and the Principal
- Briefings from members of the Senior Leadership Team (SLT)
- A tour of Everton Free School & Football College.

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

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

- Help to shape the vision and direction of Everton Free School & Football College
- Understand the strengths and weaknesses of Everton Free School & Football College
- Challenge and support the Principal and the Senior Leadership Team
- Ensure that Everton Free School & Football College fulfils its statutory duties.

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

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

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

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

- Individual Governors
- The strength of the Governing Body as a whole
- Everton Free School & Football College's development priorities
- The focus on support and challenge for Everton Free School & Football College

Principal activities

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

EVERTON IN THE COMMUNITY FREE SCHOOL TRUST

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Organisational structure

The Governors are responsible for setting general policy, adopting an annual plan and budget, monitoring the 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, Director of Behaviour for Learning and Business Manager. 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.

Arrangements for setting pay and remuneration of key management personnel

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

Related parties and other connected charities and organisations

The Trust's lead delivery partners are:

- Addaction
- Cheshire East Council
- Cheshire West Council
- Edge Hill University
- Halton Borough Council
- Hope University
- Jericho Lane Football Hub
- Knowsley Borough Council
- Liverpool City Council
- Liverpool John Moores University
- Merseyrail
- Merseyside Police
- Sefton Borough Council
- Wirral Borough Council
- Vauxhall Motors

The Trust's main supporters are:

- Everton Football Club
- Everton in The Community
- Fanatics
- Sodexo

EVERTON IN THE COMMUNITY FREE SCHOOL TRUST

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Objectives and activities

Objects and aims

The main objectives of the Free School Trust during the year ended 31st August 2019 are summarised below:

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

Objectives, strategies and activities

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

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

Public benefit

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

EVERTON IN THE COMMUNITY FREE SCHOOL TRUST

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Strategic report

Achievements and performance

The Trust successfully opened in September 2012 and became the first Alternative Provision Free School of its kind in the UK. The Trust enjoyed many firsts and has established itself as a credible and popular Alternative Provision option for schools and local authorities across Merseyside. It has performed well when scrutinised by the DfE, Ofsted and external improvement partners.

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

The Trust has worked closely with Everton in the Community and Everton Football Club in its inception and continues to offer students high quality learning and enrichment experiences on a daily basis. The Trust has also established strategic partnerships with Edge Hill University, Liverpool John Moore's University, and Liverpool Hope University. The school continues to work with Merseyrail on several initiatives in the wider community. This work was recognised at the Community Railway Awards where the school was awarded third place in the 'Involving Children and Young People' category. In October 2019 the work of the school students' working with students from a special school received the Prince's Trust Award for Community Engagement for the north of England.

The Trust commissioned an independent report by Education Consultant, Phoenix Education to assess its Year 7 academic performance. Progress across the curriculum was deemed mostly outstanding in the Alternative Provision context. This was supported by Ofsted's judgement when they visited in October 2018. In English, 78% of students achieved results above expected progress and 98% of students achieved above or in line with expected progress.

In Maths, 53% of students achieved results above expected progress and 90% of students achieved above or in line with expected progress.

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

Post 16 value added progress for level 3 learners increased as that there was a significant upward trend for level 2 learners in terms of value added. Attainment for level 3 learners dipped slightly in terms of attainment points. However, attainment points for level 2 learners showed a significant improvement.

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

Attendance was 87.5% for the whole year and in some cases, students improved their attendance by over 200%.

EVERTON IN THE COMMUNITY FREE SCHOOL TRUST

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

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

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

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

Enrichment Trips and Activities

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

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

Key performance indicators

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

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

Going concern

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

EVERTON IN THE COMMUNITY FREE SCHOOL TRUST

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Financial review

During the period ended 31 August 2019, total income amounted to £2,402,794 (2018: £2,267,591) from which was deducted expenditure of £2,662,850 (2018: £2,333,073), leaving a net deficit of £260,056 (2018: deficit £65,482)

At 31st August 2019 the net book value of fixed assets amounted to £4,030,280 and movements in fixed assets are shown in note 13 to the financial statements. The academy continues to have positive net current assets of £632,997 (2017: £718,191) and overall net assets of £4,565,401 (2018: £4,753,458). Cash at bank amounted to £525,374 (2018: £493,227).

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), will be kept secure for a time when it is needed to self-finance a scheme of major capital projects.

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

Investment policy

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

Principal risks and uncertainties

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

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

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

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

EVERTON IN THE COMMUNITY FREE SCHOOL TRUST

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Financial and risk management objectives and policies

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

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

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

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

Fundraising

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

Plans for future periods

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

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

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

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

Auditor

In so far as the governors are aware:

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

A resolution proposing that McLintocks (NW) Limited be reappointed as auditor of the charitable company will be put to the members.

The governors' report, incorporating a strategic report, was approved by order of the board of governors, as the company directors, on 17 December 2019 and signed on its behalf by:


Sir J F Jones
Chair

EVERTON IN THE COMMUNITY FREE SCHOOL TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2019

Scope of responsibility

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

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

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

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

Governance

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

Governors	Meetings attended	Out of possible
Sir J F Jones (Chair)	3	3
Mr C G Mills (Vice Chair)	3	3
Mr R T Cronin (Principal)	3	3
Mr J Sacker	3	3
Mrs A Davies (Resigned 26 June 2019)	3	3
Ms K A Haynes (Appointed 14 November 2018)	3	3
Mrs Nicola Noon (Appointed 28 February 2019)	2	2
Mrs Jacqueline Colbeck (Staff Governor)	3	3

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:-

Following the introduction of the Football College additional staff were recruited and this further created efficiencies and unification within the staffing structure at a reduced cost.

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

EVERTON IN THE COMMUNITY FREE SCHOOL TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Everton In The Community Free School Trust for the period 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

The board of governors has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of governors is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the board of governors.

The risk and control framework

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

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

The Board of Governors has considered the need for a specific internal audit function and have now appointed an internal auditor from Everton Football Club, The Governors have also appointed a Responsible Officer (RO). The RO's role includes giving advice on financial matters and performing a range of checks on the Trust's financial systems. On a quarterly basis the RO performs these checks and reports to the Board of Governors on the operation of systems of control and on the discharge of the Board of Governors' financial responsibilities. The RO has delivered a schedule of work and found minor control issues which are being addressed by strengthening controls accordingly.

Review of effectiveness

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

- the work of the internal reviewer;
- the work of the external auditor;
- the financial management and governance self-assessment process ;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

EVERTON IN THE COMMUNITY FREE SCHOOL TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

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

Approved by order of the board of governors on 17 December 2019 and signed on its behalf by:



Sir J F Jones
Chair



Mr R T Cronin
Principal

EVERTON IN THE COMMUNITY FREE SCHOOL TRUST

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2019

As accounting officer of Everton In The Community Free School Trust I have considered my responsibility to notify the academy trust board of governors and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2018.

I confirm that I and the academy trust's board of governors are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2018.

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



Mr R T Cronin
Accounting Officer

17 December 2019

EVERTON IN THE COMMUNITY FREE SCHOOL TRUST

STATEMENT OF GOVERNORS' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2019

The governors (who act as trustees for Everton In The Community Free School Trust and are also the directors of Everton In The Community Free School Trust for the purposes of company law) are responsible for preparing the governors' report and the accounts in accordance with the Academies Accounts Direction 2018 to 2019 published by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

In preparing these accounts, the governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of governors on 17 December 2019 and signed on its behalf by:



Sir J F Jones

Chair

EVERTON IN THE COMMUNITY FREE SCHOOL TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2019

Opinion

We have audited the accounts of Everton In The Community Free School Trust for the year ended 31 August 2019 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2019 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

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

We have nothing to report in this regard.

EVERTON IN THE COMMUNITY FREE SCHOOL TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2019

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of governors

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

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

Auditor's responsibilities for the audit of the accounts

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

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

EVERTON IN THE COMMUNITY FREE SCHOOL TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2019.

Use of our report

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



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

19.12.19.

**Chartered Accountants
Statutory Auditor**

46 Hamilton Square
Birkenhead -
Wirral
Merseyside
CH41 5AR

EVERTON IN THE COMMUNITY FREE SCHOOL TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2019

In accordance with the terms of our engagement letter dated 4 September 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, 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 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

The accounting officer is responsible, under the requirements of Everton In The Community Free School Trust's funding agreement with the Secretary of State for Education dated 22 August 2012 and the Academies Financial Handbook, extant from 1 September 2018, 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 2018 to 2019. 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 2018 to 31 August 2019 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 2018 to 2019 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

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

EVERTON IN THE COMMUNITY FREE SCHOOL TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2019

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

McLintocks (NW) Ltd

Reporting Accountant

McLintocks (NW) Limited

Dated: 19.12.19

EVERTON IN THE COMMUNITY FREE SCHOOL TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2019

	Notes	Unrestricted Funds £	Restricted funds: General £ Fixed asset £	Total 2019 £	Total 2018 £
Income and endowments from:					
Donations and capital grants	3	-	82,689	16,262	98,951
Charitable activities:					
- Funding for educational operations	4	-	2,288,998	-	2,288,998
Other trading activities	5	14,243	-	-	14,243
Investments	6	602	-	-	602
Total		<u>14,845</u>	<u>2,371,687</u>	<u>16,262</u>	<u>2,402,794</u>
Expenditure on:					
Charitable activities:					
- Educational operations	8	-	2,524,756	138,093	2,662,849
Total	7	<u>-</u>	<u>2,524,756</u>	<u>138,093</u>	<u>2,662,849</u>
Net income/(expenditure)		14,845	(153,069)	(121,831)	(260,055)
Transfers between funds	16	-	(52,193)	52,193	-
Other recognised gains/(losses)					
Actuarial (losses)/gains on defined benefit pension schemes	18	-	(65,000)	-	(65,000)
Net movement in funds		<u>14,845</u>	<u>(270,262)</u>	<u>(69,638)</u>	<u>(325,055)</u>
Reconciliation of funds					
Total funds brought forward		-	593,539	4,099,918	4,693,457
Total funds carried forward		<u>14,845</u>	<u>323,277</u>	<u>4,030,280</u>	<u>4,368,402</u>

EVERTON IN THE COMMUNITY FREE SCHOOL TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2019

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

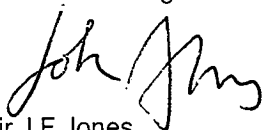
EVERTON IN THE COMMUNITY FREE SCHOOL TRUST

BALANCE SHEET

AS AT 31 AUGUST 2019

	Notes	2019 £	£	2018 £	£
Fixed assets					
Tangible assets	12		4,030,280		4,099,918
Current assets					
Debtors	13	107,624		224,964	
Cash at bank and in hand		525,374		493,227	
		<u>632,998</u>		<u>718,191</u>	
Current liabilities					
Creditors: amounts falling due within one year	14	(97,876)		(64,651)	
Net current assets			535,122		653,540
Net assets excluding pension liability			4,565,402		4,753,458
Defined benefit pension scheme liability	18		(197,000)		(60,000)
Total net assets			<u>4,368,402</u>		<u>4,693,458</u>
Funds of the academy trust:					
Restricted funds	16				
- Fixed asset funds			4,030,280		4,099,918
- Restricted income funds			520,277		653,540
- Pension reserve			(197,000)		(60,000)
Total restricted funds			<u>4,353,557</u>		<u>4,693,458</u>
Unrestricted income funds	16		14,845		-
Total funds			<u>4,368,402</u>		<u>4,693,458</u>

The accounts on pages 20 to 39 were approved by the governors and authorised for issue on 17 December 2019 and are signed on their behalf by:



Sir J F Jones
Chair

Company Number 07664278

EVERTON IN THE COMMUNITY FREE SCHOOL TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2019

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

EVERTON IN THE COMMUNITY FREE SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

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

1.1 Basis of preparation

The accounts of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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

1.2 Going concern

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

1.3 Income

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

Grants

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

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

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

Donations

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

Other income

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

EVERTON IN THE COMMUNITY FREE SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

(Continued)

Donated fixed assets

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

1.4 Expenditure

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

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

All resources expended are inclusive of irrecoverable VAT.

Charitable activities

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

1.5 Tangible fixed assets and depreciation

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

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

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

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

1.6 Liabilities

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

EVERTON IN THE COMMUNITY FREE SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

(Continued)

1.7 Leased assets

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

1.8 Financial instruments

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

Financial assets

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

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

Financial liabilities

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

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

1.9 Taxation

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

1.10 Pensions benefits

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

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

1.11 Fund accounting

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

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

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

EVERTON IN THE COMMUNITY FREE SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

2 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 18, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

3 Donations and capital grants

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

4 Funding for the academy trust's educational operations

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

EVERTON IN THE COMMUNITY FREE SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

5 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
Matchday experience	14,243	-	14,243	-

6 Investment income

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
Short term deposits	602	-	602	-

7 Expenditure

	Staff costs £	Non Pay Expenditure Premises £	Other £	Total 2019 £	Total 2018 £
Academy's educational operations					
- Direct costs	1,462,712	-	330,501	1,793,213	1,605,437
- Allocated support costs	171,177	388,743	309,716	869,636	727,636
	<u>1,633,889</u>	<u>388,743</u>	<u>640,217</u>	<u>2,662,849</u>	<u>2,333,073</u>

Net income/(expenditure) for the year includes:

	2019 £	2018 £
Fees payable to auditor for:		
- Audit	4,500	4,000
- Other services	9,982	8,894
Depreciation of tangible fixed assets	138,093	126,218
Net interest on defined benefit pension liability	<u>4,000</u>	<u>2,000</u>

EVERTON IN THE COMMUNITY FREE SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

8 Charitable activities

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

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

EVERTON IN THE COMMUNITY FREE SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

9 Staff

Staff costs

Staff costs during the year were:

	2019 £	2018 £
Wages and salaries	1,225,040	1,046,381
Social security costs	111,145	99,260
Pension costs	213,127	213,532
Amounts paid to employees	1,549,312	1,359,173
Agency staff costs	84,577	112,985
Amounts paid to staff	1,633,889	1,472,158
Staff development and other staff costs	964	4,935
Total staff expenditure	<u>1,634,853</u>	<u>1,477,093</u>

Staff numbers

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

	2019 Number	2018 Number
Teachers	21	19
Administration and support	22	16
Management	2	2
	<u>45</u>	<u>37</u>

Higher paid staff

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

	2019 Number	2018 Number
£70,001 - £80,000	1	1
£80,001 - £90,000	-	1
£90,001 - £100,000	1	-
	<u>2</u>	<u>2</u>

Key management personnel

The key management personnel of the academy trust comprise the governors and the senior management team as listed on page 1. The total amount of employee benefits (including employer national insurance and employer pension contributions) received by key management personnel for their services to the academy trust was £217,611 (2018: £209,944)

EVERTON IN THE COMMUNITY FREE SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

10 Governors' remuneration and expenses

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

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

R Cronin (Principal and Trustee)

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

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

J.E Colbeck (Teacher and Trustee)

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

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

11 Governors and officers insurance

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

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

12 Tangible fixed assets

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

EVERTON IN THE COMMUNITY FREE SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

13 Debtors	2019	2018
	£	£
Trade debtors	28,304	133,804
Other debtors	13,783	57,211
Prepayments and accrued income	65,537	33,949
	<u>107,624</u>	<u>224,964</u>
	<u><u>107,624</u></u>	<u><u>224,964</u></u>
14 Creditors: amounts falling due within one year	2019	2018
	£	£
Trade creditors	45,273	15,928
Other taxation and social security	28,801	26,290
Other creditors	2,355	3,907
Accruals and deferred income	21,447	18,526
	<u>97,876</u>	<u>64,651</u>
	<u><u>97,876</u></u>	<u><u>64,651</u></u>
15 Deferred income	2019	2018
	£	£
Deferred income is included within:		
Creditors due within one year	4,380	-
	<u>4,380</u>	<u>-</u>
	<u><u>4,380</u></u>	<u><u>-</u></u>
Deferred income at 1 September 2018	-	-
Resources deferred in the year	4,380	-
	<u>4,380</u>	<u>-</u>
Deferred income at 31 August 2019	4,380	-
	<u><u>4,380</u></u>	<u><u>-</u></u>

EVERTON IN THE COMMUNITY FREE SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

16 Funds

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

Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2019.

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

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

EVERTON IN THE COMMUNITY FREE SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

16 Funds

(Continued)

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

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

17 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
Fund balances at 31 August 2019 are represented by:				
Tangible fixed assets	-	-	4,030,280	4,030,280
Current assets	14,845	618,153	-	632,998
Creditors falling due within one year	-	(97,876)	-	(97,876)
Defined benefit pension liability	-	(197,000)	-	(197,000)
Total net assets	<u>14,845</u>	<u>323,277</u>	<u>4,030,280</u>	<u>4,368,402</u>

EVERTON IN THE COMMUNITY FREE SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

17 Analysis of net assets between funds

(Continued)

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

18 Pension and similar obligations

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

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

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

EVERTON IN THE COMMUNITY FREE SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

18 Pension and similar obligations

(Continued)

The key elements of the valuation and subsequent consultation are:

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

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

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

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

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

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 14% for employers and 5.5 to 12.5% for employees.

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

Total contributions made	2019 £	2018 £
Employer's contributions	22,000	28,000
Employees' contributions	20,000	20,000
Total contributions	42,000	48,000
Principal actuarial assumptions	2019 %	2018 %
Rate of increase in salaries	3.6	3.6
Rate of increase for pensions in payment/inflation	2.2	2.2
Discount rate for scheme liabilities	1.8	2.8
Inflation assumption (CPI)	2.1	2.1

EVERTON IN THE COMMUNITY FREE SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

18 Pension and similar obligations

(Continued)

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

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

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

Defined benefit pension scheme net liability

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

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

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

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

Amount recognised in the Statement of Financial Activities

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

EVERTON IN THE COMMUNITY FREE SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

18 Pension and similar obligations

(Continued)

Changes in the present value of defined benefit obligations	2019 £
At 1 September 2018	170,000
Current service cost	88,000
Interest cost	6,000
Employee contributions	20,000
Actuarial loss/(gain)	68,000
Benefits paid	(1,000)
Past service cost	2,000
	<u>353,000</u>
At 31 August 2019	<u>353,000</u>

Changes in the fair value of the academy trust's share of scheme assets

	2019 £
At 1 September 2018	110,000
Interest income	2,000
Actuarial gain	3,000
Employer contributions	22,000
Employee contributions	20,000
Benefits paid	(1,000)
	<u>156,000</u>
At 31 August 2019	<u>156,000</u>

19 Reconciliation of net expenditure to net cash flow from operating activities

	2019 £	2018 £
Net expenditure for the reporting period (as per the statement of financial activities)	(260,055)	(65,482)
Adjusted for:		
Capital grants from DfE and other capital income	(16,262)	(6,430)
Investment income receivable	(602)	-
Defined benefit pension costs less contributions payable	68,000	91,000
Defined benefit pension scheme finance cost	4,000	2,000
Depreciation of tangible fixed assets	138,093	126,218
Decrease/(increase) in debtors	117,339	(172,353)
Increase/(decrease) in creditors	33,225	(22,242)
	<u>83,738</u>	<u>(47,289)</u>
Net cash provided by/(used in) operating activities	<u>83,738</u>	<u>(47,289)</u>

EVERTON IN THE COMMUNITY FREE SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

20 Commitments under operating leases

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

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

21 Related party transactions

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

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

Everton Football Club incurred operating costs amounting to £82,689 (2018: £105,340). These costs are included as donations and support costs.

22 Members' liability

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