

**The Evolve Trust  
(A Company Limited by Guarantee)  
Annual Report and Financial Statements  
Year ended 31 August 2020**

Company Registration Number:  
07827747 (England and Wales)

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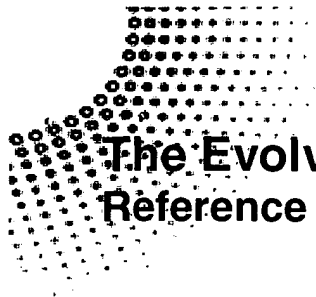
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# **The Evolve Trust**

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## **The Evolve Trust**

### **Reference and Administrative Details**

Members	P Watson R Fuller E Orridge M Rigley (resigned 18 September 2019) B Wheeler (appointed 13 August 2020) C Morledge (appointed 13 August 2020)
Trustees	D Swift (Chair) R Aitken J Dryden R Heyes (appointed 3 June 2020) J Horton I Jephson D Orr (appointed 3 June 2020) G O'Shea (appointed 3 June 2020) D Temple
Company Secretary	B A Sims
Senior Executive Team:	C Hebron, Chief Executive Officer and Accounting Officer C Atkin, Director of School Improvement D Pare, Operations and Marketing Lead B A Sims, Finance Director A O'Malley, Headteacher M Lucas, Headteacher
Company Name	The Evolve Trust
Principal and Registered Office	C/o The Beech Academy, Fairholme Drive, Mansfield, Nottinghamshire NG19 6DX
Company Registration Number	07827747 (England and Wales)
Independent Auditor	UHY Hacker Young 14 Park Row, Nottingham, NG1 6GR
Bankers	Lloyds Bank 1 Legg Street, Essex, CM1 1JS
Solicitors	Veale Wasborough Vizards Barnards Inn, 86 Fetter Lane, London, EC4A 1AD



## **The Evolve Trust Trustees' Report**

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year 1 September 2019 to 31 August 2020. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The Evolve Trust operates one primary, one secondary and one special academy in the Mansfield area. Its academies have combined pupil numbers for the year to 31 August 2020 of 1,701.

### **Structure, Governance and Management**

#### **Constitution**

The Evolve 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 Trust. The Trustees of The Evolve Trust are also the directors of the charitable company for the purposes of company law. The charitable company is known as the Evolve Trust.

Details of the Trustees 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.

#### **Trustees' Indemnities**

The Evolve Trust has in place relevant third-party indemnity provisions.

### **Method of Recruitment and Appointment or Election of Trustees**

The management of the Trust is the responsibility of the Trustees who are appointed under the terms of the articles of association.

The number of trustees shall be not less three and shall not be subject to a maximum. Trustees are appointed in accordance with the provisions detailed within the articles of association. Up to 9 trustees may be appointed by members of the trust. The Trustees may appoint co-opted trustees.

The term of office for any trustee will be 4 years. Subject to remaining eligible to be a particular type of trustee, any trustee can be re-appointed or re-elected.

The Evolve Trust uses a variety of sources to recruit new trustees including Academy Ambassadors, business contacts through the community work carried out by the trust and other business or educational contacts known to the senior leadership team or trustees. A skills assessment is undertaken prior to appointment and a thorough interview process is conducted by the Chair of Trustees and Chief Executive Officer.

New trustees all receive rigorous induction training to detail their legal obligations under Charity and Company Law and the content of the memorandum and articles of association.



## **The Evolve Trust Trustees' Report (continued)**

### **Policies and Procedures Adopted for the Induction and Training of Trustees**

New trustees are provided with an induction pack which provides guidance on their role as trustee. They also have meetings with the Chair of the Trustees and Chief Executive Officer to provide support as required.

All trustees are given the opportunity to attend training sessions and relevant courses. Each year all trustees are provided with updates on relevant issues and changes in legislation, the topics are regularly reviewed to ensure that the Trustees are kept up to date. There are monthly training and catch up sessions available to both the trust board and members.

### **Organisational Structure**

The members of the Evolve Trust are the subscribers to the memorandum of association, and any other individuals permitted under its charitable articles of association. Members have a limited financial liability to the Trust in the event it is wound up and have the power to appoint and remove trustees.

The Trustees, who are also directors of the charitable company, are responsible for the three core strategic governance functions:

- Ensuring clarity of vision, ethos and strategic direction
- Holding the principals to account for the educational performance of the academies and its pupils, and the performance management of staff
- Overseeing the financial performance of the academies and making sure its money is well spent

The Trustees are responsible for ensuring that the charitable company achieves its objectives as well as compliance with charity and company law and the Trust's funding agreement.

Governance functions are delegated to Scrutiny Boards according to an approved Scheme of Delegation.

The Trustees appoint the Chief Executive Officer who also acts as the Accounting Officer for the Trust. The Trustees delegate the day to day financial management of the Trust to the Chief Executive Officer. The Trust executive team supports the Chief Executive Officer and are delegated specific responsibilities.

The Trustees appoint a Principal at each academy who is responsible for managing their academy on a daily basis, supported by a senior leadership team.

The Trustees have also established committees to deal with specific areas of responsibility including an audit committee. The establishment, terms of reference, constitution and membership of any committee is reviewed annually by the Trustees. The Trust is responsible for appointing the Chair of each Scrutiny Board, who is also a trustee, and therefore has a direct reporting line back to the Board.

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

#### **Chief Executive Officer**

The Chair and Vice Chair of Trustees, in conjunction with an external adviser, set challenging and aspirational objectives for the Chief Executive Officer. These are monitored during the performance management cycle through review meetings and an external evaluation. A final review of the objectives is carried out during the Autumn Term, following verification of examination results and Ofsted outcomes. Pay recommendations are then put to the Trustees for their consideration.

#### **Principals**

The Chief Executive Officer set targets for the Principals in line with academy and Trust priorities. During the course of the performance management cycle, the Chief Executive Officer monitors and scrutinises progress towards these targets. A final review of the objectives is carried out during the Autumn Term and pay recommendations are then put to the Trustees for their consideration. Principals are awarded pay increments according to an ISR range.



## **The Evolve Trust Trustees' Report (continued)**

### **Arrangements for setting pay and remuneration of key management personnel (continued)**

#### **Other key management personnel**

Other key management personnel remuneration will be reviewed by the Trustees on the recommendations of the Chief Executive Officer with supporting documentation. Objectives are set according to the priorities set out in the strategic plan. All key management personnel are remunerated within a HAY range.

#### **Trade Union facility time**

Under the provisions of the Trade Union (Facility Time Publication Requirements) Regulations 2017, where an academy trust has more than 49 full time equivalent employees throughout any 7 months within the reporting period, it must include information included in Schedule 2 of the Regulations. The Trust does not employ union officials as buys into the Joint Consultative Negotiation Committee from Nottinghamshire County Council. The Committee consists of representative from the Trust Executive Team and appropriate Union representatives. The Committee meets on a termly basis and is a forum for negotiation and consultation on staff related matters.

### **Related Parties and other Connected Charities and Organisations**

The Trust has continued to collaborate with various organisations particularly through the development of the Evolve Alliance to enable schools to work together, across a locality, for greater good of young people

There were minimal transactions with connected or related parties during this reporting period. Details of these are provided in Notes 9 and 23.

### **Engagement with employees (including disabled persons)**

The Trust has had due regard to the Companies (Miscellaneous Reporting) Regulations 2018. The following arrangements are in place to ensure that employees are appropriately engaged in the activities of the Trust as required by this guidance:

- The Executive Team provide information to employees on a regular basis including: the Evolve Weekly newsletter; individual departmental meetings; 121 meetings held by line managers across the Trust; and senior leadership team meetings.
- The Trust is part of the Joint Consultative Negotiation Committee with Nottinghamshire County Council which includes termly meetings to obtain views from employees with regards to various matters that may impact on them.
- There are fair, open and transparent recruitment, training and development processes across the Trust to ensure that there is no discrimination, particularly regarding those individuals with disabilities.

The Trust's policy in respect of disabled persons is that their applications for employment are always fully and fairly considered bearing in mind the aptitudes and abilities of the applicant concerned and the requirements of the vacant post. In the event of a member of staff becoming disabled, the Trust will endeavour to ensure that employment within the Trust continues and where necessary, appropriate training is arranged. It is the Trust policy that training, career development and promotion of disabled persons should, as far as possible, be identical with that of other employees in a similar position.

During the financial year, the Trustees have been proactive to introduce, maintain and develop arrangements aimed at:

- Providing employees systematically with information on matters of concern to them as employees
- Consulting employees so that the views of employees can be taken into account in making decisions which are likely to affect their interests
- Encouraging the involvement of employees in the Trust's performance through giving them wider opportunities as the academies develop
- Achieving a common awareness on the part of all employees of the financial and economic factors affecting the performance of the Trust.

The term "employee" does not include a person employed to work wholly or mainly outside the United Kingdom. There has been no such person in the financial year.



## The Evolve Trust Trustees' Report (continued)

### Engagement with suppliers, customers and others in a business relationship with the trust

During the year, the Trust has ensured that they foster a good business relationship with suppliers, customers and others. This has been a challenging year and has been extremely important to maintain contact with key suppliers to maintain long term relationships and support each other during these difficult times. For example, the Executive Team had regular meetings with the Trust catering contractors to change the invoicing mechanism to support their business during the period of closure which enabled them to quickly re-start their service provision when the Department for Education widened the opening of schools. In addition, there was regular dialogue with supply agencies to support those individuals that were on long-term supply with the Trust and to interpret the guidance set out in Procurement Policy Note 02/20 to ensure compliance.

### Objectives and Activities

#### Objects and Aims

The Trust places students at the centre of everything it does. Our drive and focus is on creating and ensuring that a first class, innovative and creative education is provided for all. We aim to nurture, develop resilience and empower potential in every child, making it possible for them to lead productive and successful lives. We want our students to leave a positive mark on our and their communities as a whole.

Our vision is clear:

*"To open minds, creating opportunities for all to believe in themselves, achieve their potential and develop the skills needed to succeed and enjoy life."*

Our values:

**AMBITION:** Striving for the highest personal achievement

**INTEGRITY:** The moral courage to be sincere, reliable and trustworthy at all times

**INCLUSIVITY:** Together we create a stronger community

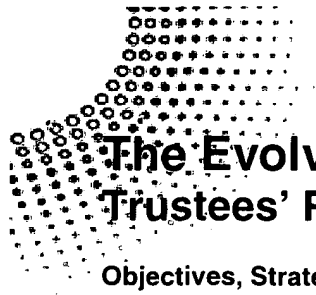
**ENDEAVOUR:** The best preparation for tomorrow is doing the best today

**RESILIENCE:** Take on challenges, learn and thrive

#### Objectives, Strategies and Activities

The Trust is a values-driven organisation with an unwavering vision "to open minds, creating opportunities for all to believe in themselves, achieve their potential and develop the skills needed to succeed and enjoy life". The Trust is committed to establishing first class primary, secondary and special academies that are centres of innovation and excellence in leadership and teaching. The Trust has a strong moral purpose and it is deeply committed to social mobility and is uncompromising in its ambition for students to leave a positive mark on their academies and their communities as a whole.

The Trust is led by Claire-Marie Cuthbert (C Hebron), who has a strong record of accomplishment in securing improvement for schools in challenging circumstances across a range of phases and contexts. Claire-Marie is supported at the trust by a chief finance officer, director of school improvement, HR support as well as a community lead. The Trust contains a combination of mainstream and special schools, enabling staff to benefit greatly from collaborative learning, professional development, challenge and support. The Trust is ambitious and inclusive, and we are proud of what we have already achieved, gaining national recognition for our work. We have a proven success in delivering rapid and sustained improvement across all phases of education through our model of collaborative convergence and we believe that there is genuine strength in partnership. It is often said that each child gets one chance of education and here at Evolve we ensure that our children are given every possible opportunity to "believe in themselves, achieve their potential and develop the skills needed to succeed and enjoy life".



# The Evolve Trust

## Trustees' Report (continued)

### Objectives, Strategies and Activities (continued)

The Trust has developed four key strategic priorities:

**1. To raise attainment and continually improve pupil progress through increasing the quality of provision in all our schools.**

*Our vision for Trust school improvement is clear: Enabling our academy leaders to take the improvement of our academies into their own hands. Our academies are part of a self-improving partnership of schools, of different levels, phases and sizes. The wider Trust will do all it can to ensure that we are enabling and investing in rapid, effective and sustainable school improvement in all our schools.*

All academies across the trust have now been inspected- two have been judged to be at least good and the Bramble Academy was removed from "special measures" and secured a "requires improvement" judgement with "good" for early years. The Trust has also undergone a successful MAT review

### The Brunts Academy

#### **A-Level:**

- Overall pass rate 2020 is 100%. Above the national average pass rate of 97.5%.
- There is a further increase in the % of students gaining grades A\*-A (+11.59%), A\*-C (+14.64%), A\*-D (+2.9%) compared to 2019.
- The Brunts Academy is above the provisional national averages for attainment against all grade indicators.
- For the A Level indicator, the average grade achieved was a B, an increase from a grade C in 2019.
- For the Applied General indicator, the average grade achieved was a Dist+
- Once again, there will be no students categorised as NEETs with all students wanting to go on to either university (85%) or higher education. There was also an increase in the % securing top university places, including redbrick universities and Oxford.

#### **GCSE:**

- The Brunts Academy Attainment 8 score for 2020 is 46.9.
- The progress 8 score for 2020 is +0.21.
- The progress 8 score 2020 for English was +0.04 and for Maths was +0.49.
- 9-4 in English and Mathematics outcome is 73%
- 9-5 in English and Mathematics outcome is provisionally 46%
- EBACC (standard pass) is 35%, a 4% increase on 2019

### The Beech Academy

- 92% achieved 5 qualifications including English and Maths, an increase of 5% from 2019
- 100% achieved 5 qualifications including English and Maths within the main site (excluding the specialist provision)

### The Bramble Academy

- 53.33% achieve reading, writing and mathematics. This is a significant increase of 25.33% on 2019.



# The Evolve Trust

## Trustees' Report (continued)

### Objectives, Strategies and Activities (continued)

#### **2. Staff engage in professional development activities that enable them to flourish and demonstrate impact on teaching and learning.**

The Trust is resolutely committed to the professional learning and development of its entire staff body - teachers and associate staff alike. A new staff development policy has been created which gives staff a very clear route of opportunities that are available across the Trust. Associate staff pathways are being developed that are in line with the highly acclaimed PLD pathways of teachers, all of these pathways have gained national recognition through CPLD kite marks and Leading Aspect Award. The Trust continues to work in partnership with the National College and utilises all of its apprenticeship levy to develop the existing workforce. The Headship Institute remains the Trust flagship programme and leaders across the Trust have worked with Dr Ben Laker, Neil Carmichael, Edward Wild and Jonathan Newport. An annual study tour is also undertaken with the Principals to engage with high performing schools nationally.

We are redefining what it means to have a "successful career" through The Evolve Teacher Journey – "Your ambition, their journey". This highly individualised and award winning professional development that is available to all our staff and includes bespoke, accredited training, personal coaching, mentoring as well as exceptional shadowing, and deployment opportunities across our Trust. This exciting development nurtures talent and ensures excellent succession planning across our family of schools.

The research library strategy continues to flourish and there has been a new appointment of research lead practitioner. At Evolve, we know it is vital that we understand how education evidence can underpin school improvement. We are committed to ensuring that all schools have access to the resources, training and support they need to improve teaching practice. Our expanded Research Library supports this effort. The Trust acts as a training hub to support our academies in understanding the evidence in key areas - and how it can be used effectively as part of our programme of professional development for teachers and leaders. The Evolve Trust Library is constantly growing with new and exciting titles added on a weekly basis! Books old and new can be found and used to develop new thinking, ideas and pedagogy. Staff across our Trust have already accessed this extensive collection and have since documented their thoughts following mini action research projects.

The Trust has been awarded the highly prestigious international GESS Award in recognition for its professional learning and development.

#### **3. Develop new partnerships and embed collaboration across the Trust.**

*As we mature, developing new "critical" partnerships is essential if we are to succeed in the delivery of the rest of our strategic objectives. New partnerships developments include more schools joining the trust, developing high trust relationships with stakeholders, and the Evolve Alliance. Our key driver will always be improving pupils' life chances and that of the local communities we serve, allowing for genuine social mobility.*

The Evolve Alliance is an emerging and exciting partnership between local schools that are keen to work together for improvement and mutual support. As our schools face some key common challenges on areas such as funding, recruitment and retention, managing the pace of educational change, and the need to prepare children and young people for an ever-changing world. We believe it is time for schools, academies and practitioners from across the local area to work together to shape a vision and a plan for how we work in collaboration and partnership. The Evolve Alliance inspires collaboration and supports partnership. We are delighted to be working with a number of schools across the area in putting together termly journals, which celebrate best practice and innovation in both leadership and teaching and learning. We also host a number of Leadership events and conferences to support the local area in driving up standards and outcomes for pupils. However our annual thought leadership conference had to be cancelled due to Covid19 restrictions but the research journal remained in termly circulation.



# The Evolve Trust

## Trustees' Report (continued)

### Objectives, Strategies and Activities (continued)

#### **4. To build a strong infrastructure which is financially viable and sustainable.**

*Trustees and Members have a legal duty to manage the Trust's finances responsibly. Beyond this, we have a moral responsibility to ensure that every penny we spend is in the pursuit of better services for the children we work with and the wider public we serve. We will meet all our legal and moral obligations and be an open and transparent Trust at all times, taking the hard decisions to ensure value for money, regularity and propriety are self-evident at all times.*

The funding structure for Education Sector remains static yet the cost base continues to increase each year. In order to ensure sufficient resources available to the academies within the Trust we need to review our internal structure to maximise efficiencies and to identify economies of scale. The current structure also needs to be reviewed to ensure scalability for the future to allow for potential growth. The Trust undertakes rigorous ICFP every year to ensure our curriculum model and structures remain best value for money.

The Trust has worked hard to ensure financial stability and has reviewed its processes at system level including governance. The Trust has been awarded the prestigious NGA Award for outstanding governance in a multi academy trust.

#### **Public Benefit**

The primary purpose of the Trust is the advancement of education within the local area. To this end, the Trust continues to develop strong links with the local Primary and Special Schools, which in turn leads to a smooth transition from Primary to Secondary education for the majority of students and in turn, this contributes to the community ethos upheld by the Trust and underpinned by its Admissions Policy.

The Trust continues to give high priority to providing public benefit to a cross section of the community regardless of family backgrounds. The greatest benefit that the Trust can offer is the provision of an education that maximises each student's potential to develop principled, informed, open minded and confident citizens who respect the beliefs of others and who are determined to make a positive contribution to society.

The Trust has complied with the duty in Section 17(5) of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit.

## **Strategic Report**

### **Achievements and Performance**

#### **Key Performance Indicators**

##### **The Brunts Academy**

The Brunts Academy was inspected in April 2017 and remains a "good" school. Standards have been at least maintained since this time and this is reflected in examination outcomes. The Brunts Academy remains Mansfield's largest, most popular academy with over 650 parents selecting the academy as a preference and just 285 securing a place.

85% of students progressed to university this year including university destinations such as Oxford, Manchester, Nottingham, Durham and Sheffield with students studying a variety of courses including Medicine, Veterinary Medicine, Politics, Biology, Law and Aerospace Engineering to name but a few. In addition, some students have secured employment as a financial advisor and through a self-employed business start-up. All students progressed to education, employment or training.



# The Evolve Trust

## Trustees' Report (continued)

### Strategic Report

#### Achievements and Performance

#### Key Performance Indicators (continued)

##### The Brunts Academy (continued)

##### *At Key Stage 5*

KPI	Measure	2018/19	2019/20
General Information	<ul style="list-style-type: none"> <li>- 1457 on roll, of which: <ul style="list-style-type: none"> <li>• 115 are in 6<sup>th</sup> Form</li> <li>• 394 PP students</li> <li>• 79 SEN students</li> <li>• 131 EAL students</li> <li>• 14 LAC students</li> </ul> </li> </ul>		
Progress: KS4	- Progress 8	- +0.13	- +0.21
	- Maths P8	- +0.43	- +0.49
	- English P8	- 0	- +0.04
	- EBacc P8	- 0	- +0.22
	- PP Progress 8	- -0.51	- -0.28
Attainment: KS4	- Attainment 8	- 44.94	- 46.9
	- Grade 5 or above in English and maths	- 45.5%	- 46%
	- Grade 4 or above in English and maths	- 68%	- 73%
	- EBacc 4 and above	- 29%	- 35%
	- EBacc 5 and above	- 20%	- 26%
	- PP Attainment 8	- 31.2	- 35.37
KS5:	- A*-A	- 19.48%	- 31.07%
	- A*-B	- 45.45%	- 55.93%
	- A*-C	- 75.76%	- 90.4%
	- A*-D	- 96.54%	- 99.44%
	- A*-E	- 99.57%	- 100%
	- A level VA	- +0.04	- +0.42
	- A Level average grade	- C	- B
	- Applied VA	- +0.31	- +0.66
	- Applied General average grade	- Distinction	- Distinction +
	- Pass rate	- 99.59% (1 U)	- 100%
Other key points: <ul style="list-style-type: none"> <li>• No NEETS</li> <li>• 85% secured university destinations following P16 – all others went onto employment.</li> <li>• Highest ever progress 8 score the school has ever secured.</li> <li>• Significant increase in % of students achieving A*-A, A*-B, A*-C and A*-D in Post 16 compared to last year.</li> <li>• PP progress 8 significantly improved on previous years.</li> </ul>			

## The Evolve Trust Trustees' Report (continued)

### Strategic Report Achievements and Performance

#### Key Performance Indicators (continued)

##### The Beech Academy

The Beech Academy remains one of the highest performing special schools in the country with students leaving with a suite of formal qualifications including GCSE Maths and English. The local authority recognise the strength of provision at The Beech Academy and are keen for this to expand in the very near future. The authority has provided the funding to ensure that this can take place and continues to work closely with The Evolve Trust to appropriately place students accordingly.

A brand new leadership team have established a very clear vision as well as new routines and expectations which is evident throughout the school. The Trust values of ambition, integrity, inclusivity, resilience and endeavour underpin all that leaders and staff do. The Trust have worked very effectively with leaders to continue to support the school's rapid improvement.

Number of pupils achieving 5+ Qualifications including English and Maths

5+ inc EnMa	Whole Cohort			Main Beech			Westfield		
Cohort	2018	2019	2020	2018	2019	2020	2018	2019	2020
Percentage	100%	87%	92%	100%	100%	100%		60%	80%

##### The Bramble Academy

The Bramble Academy has undergone rapid transformational change following a significant change in both leadership and staffing. Parental engagement and feedback is now extremely positive and the introduction of a highly bespoke and progressive curriculum has impacted exponentially on the progress that pupils make. This work has been showcased on a number of good practice visits from other multi-academy trusts as well as from the local MP. Additionally, this has provided the basis of case studies which have been shared nationally and through social media platforms. The academy is looking forward to its next inspection having secured significantly improved outcomes for young people during the summer.

KPI	Measure	2018/19	2019/20
General Information	- 168 children including Nursery		
Attainment KS2	- Reading	- 61%	- 53.33%
	- Writing	- 72%	- 53.33%
	- Mathematics	- 39%	- 53.33%
	- Combined	- 28%	- 53.33%

#### Going Concern

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.



## **The Evolve Trust Trustees' Report (continued)**

### **Promoting the success of the company**

In accordance with Section 172 of the Companies Act 2006, each of the Trustees, Members, Scrutiny Board Members and Executive Team acts in the way he or she considers, in good faith, for the benefit of our pupils and the community we serve when making any decisions.

The Trustees have regard, amongst other matters, to the:

- Impact from any long-term decisions;
- Interests of the Trust's employees;
- Need to foster the business relationships with suppliers, customers and others;
- Impact of the Trust's operations on the community and environment;
- Desirability of the Trust maintaining a reputation for high standards of business conduct; and
- Need to act fairly as between members of the Trust.

During the year the Trustees received relevant and timely information to enable them to consider the impact of decisions on its key stakeholders. This was distributed through the various scrutiny boards which have a focus on a particular area, for example educational standards, the financial position of the Trust and compliance with health and safety regulations. This information was also communicated with the Board of Trustees at the termly Full Board Meetings. It is acknowledged that every decision made will not necessarily result in a positive outcome for all of our stakeholders and the Board frequently has to make difficult decisions based on competing priorities. By considering the Trust's vision and values, together with its strategic priorities and having a process in place for decision-making, the Trustees aim to balance those different perspectives.

Employees are a focus of the organisation with a variety of initiatives in place to develop and grow our staff. The Trust has developed an innovative learning pathway for employees to ensure that all individuals have a personalised development plan and are engaged in various initiatives such as "today's leaders, tomorrow's heads" and "headship institute", providing the opportunity for all our staff to learn and develop. The Trust prides itself on being a research driven organisation with our pathways being linked to local universities to earn master's credits. The Trust engages in the apprenticeship programme and utilises the apprenticeship levy with the appointment of new apprentices and the development of current employees who are given the opportunity to work towards all types of qualification.

As already set out in the Strategic Report, the Trust has worked closely with suppliers and others during the year. In a particularly challenging year, it has been important to ensure that engagement and regular dialogue was maintained. This ensured that in September, activities were recommenced when academies fully re-opened with little disruption.

The Trust is a value driven organisation with the local community at the heart of all decisions to ensure that the very best opportunities are created for our young people. Wherever possible, the Trust will engage with the local community and support wherever possible. For example, during the coronavirus pandemic, food parcels and Easter eggs were delivered to our most vulnerable children; and our academies were kept open during the period of lockdown to ensure that vulnerable children and those who had key worker parents had support during this difficult time.

As set out above, decisions taken by the Trustees consider the interests of our key stakeholders and the impacts of these decisions. The following sets out some of the ways in which we achieve this:

- The Trust has developed the Evolve Alliance which aims to work together with other educational establishments for a positive impact on the future generation
- Each academy has a parent panel that meet termly to receive updates on events within the academy and also the opportunity to voice any concerns
- The Trust uses a parental communication app which is regularly updated with good news stories, information and advice for parents
- The Trust attends local events such as Mansfield 2020 to engage with local businesses
- There is a specific scrutiny board that is in development, and met for the first time in September 2020. The focus for this board is community engagement. This scrutiny board will feed into the Board of Trustees to ensure that all stakeholders are considered as part of the decision-making process.



## **The Evolve Trust Trustees' Report (continued)**

### **Promoting the success of the company (continued)**

There is strong governance structure in place to ensure that everyone is appropriately engaged in the activities of the Trust, from members to trustees to scrutiny board members. The Trustees delegate authority for day-to-day management of the Trust to the Executive Team and then engage management in setting, approving and overseeing the execution of the strategy and related policies. There is a scheme of delegation that sets out a clear level of accountability and responsibility.

### **Financial Review**

The Trust generated an in-year surplus change in the balance of restricted general funds (excluding pension reserve) plus unrestricted reserves of £991k. During the year the Trust received income of £11,515k in government and local authority grants most of it in the form of recurrent grants, the use of which has been restricted. All grant and recurrent grant income has been spent on providing quality education to students and purchasing resources, maintaining facilities to support their learning and maximise outcomes. In addition to this, the Trust has income of £233k from other sources, £124k being unrestricted and therefore able to be utilised for general purposes of the Trust. The Trust also received £43k of capital grant in the year. The Trust signed a 25 year lease with Nottinghamshire County Council for the use of the Westfield site as an anxious learner provision to support the Beech Academy, this was valued during the year at £1,644k and has been included as a donated fixed asset.

Overall the Trust has generated a surplus of £1,607k for the year (before transfers). The coronavirus pandemic and national lockdown during the Spring/Summer term has impacted positively on the surplus for the year. This is as a result of the following: use of only part of the buildings across the Trust to provide support for the community during the lockdown, this has resulted in savings such as electricity and water; unfilled staffing vacancies across the Trust that were not recruited until the new academic year as not required during this period; and unspent funding relating to pupil premium, PE & Sports Premium and Year 7 Catch Up Premium as there was no requirement to spend this funding during this period. The latter of these will be carried forward in reserves and spent in the new academic year to support our pupils.

In line with normal practice, an actuarial valuation for the Local Government Pension Scheme deficit was obtained as at 31 August 2020. The impact of changes to assumptions in particular the discount rate, has resulted in a £2,487k increase in the year end deficit to a total of £9,120k. The Trust received their triannual valuation during the year which resulted in an increase of pension contribution to 20.8%. This increase is unfunded by the government and moving forwards will impact on the overall staffing budget.

At 31 August 2020 the net book value of fixed assets was £19,165k, all assets were used exclusively for providing education and the associated support services to students. Additions in the year totalled £1,776k with the majority £1,644k relating to the donated building from Nottinghamshire County Council as mentioned above. The capital funding provided by the Government during the year has not all been spent and is included in reserves to be spent on capital improvements in the new academic year.

The Trust is in a positive position moving forwards into the new academic year as reserves carried forward total £13,203k. These consist of £19,258k restricted fixed asset funds; £1,569k unrestricted reserves; (£9,120k) deficit relating to the pension deficit; and £1,496k restricted reserves. As mentioned above, restricted funds include unspent government funding which will be spent during the new academic year.

### **Reserves Policy**

The Trustees have agreed that reserves should have a minimum target equivalent to one month's average payroll costs. The reason for this is to provide sufficient working capital to cover delays between spending and receipts of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. This reserve will be held in the Trust bank account.

It should be noted that this is the minimum target. The level of capital income available to academy trusts is minimal and therefore future projects will more than likely need to be financed by the Trust's reserves. The Trust is therefore looking to accumulate reserves above this level that can be used for trust wide capital projects that are approved by the Trustees annually.

The balance on restricted general funds (excluding pension reserve) plus balance on unrestricted funds at 31 August 2020 was £3,065k (2019: £2,074k).



## **The Evolve Trust Trustees' Report (continued)**

### **Reserves Policy (continued)**

The Trustees will review the reserve levels annually. The review will encompass the nature of the income and expenditure streams, the need to match income with commitments and the nature of reserves.

As at 31 August 2020 the Trust has "free" reserves i.e. those reserves that are freely available for general purposes of the Trust total £1,569k. This is therefore sufficient to cover the minimum target plus an accumulated amount to use for future capital projects.

The restricted fixed asset fund totals £19,258k which can only be realised by disposing of tangible fixed assets. Restricted reserves total (£7,624k) of which (£9,120k) relates to the Local Government Pension Fund deficit which is due to be repaid in line with the agreed terms of the Fund. The remainder of the restricted reserves must only be spent as intended, the majority of which relates to grant funding from government sources to support delivery of education across the Trust.

### **Investment Policy**

The Trust currently holds surplus funds which are held in current accounts to earn interest. Despite our best efforts to manage budgets there is continued pressures from external sources. Although a surplus has been generated this year, we are aware that these pressures will continue into at least the next academic year. The Trust does not therefore currently have an investment policy with regards to long term investments.

### **Principal Risks and Uncertainties**

As an organisation we are driven by the drive for continual improvement. We seek to ensure that every student in the Trust secures the best possible opportunity for an outstanding education, coupled with the highest quality careers guidance and advice that will enable them to be self-determinant over their future prosperity and life chances. Our journey is to ensure that all of our academies deliver this aspiration.

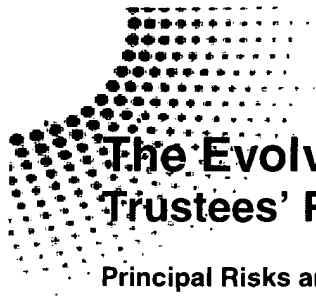
There are key risks and uncertainties that are pivotal to our success and are identified as our key priorities, these are as follows:

#### ***Ensuring effective leadership across the Trust***

It is important that our structures of Governance remain robust and appropriate in the context of public accountability and corporate growth. We believe that our Board should reflect the skills needed to lead a complex organisation in the academies context, drawing on experienced individuals from within the public and private sector, to ensure the best possible arrangements for corporate and local governance. We will continue to review our Board structure to ensure that this is fit for purpose and reflects our needs. Our newly reinvigorated structure has received national recognition by the prestigious NGA award and a national case study has been produced on our governance structures.

We also believe that the key to a successful education lies in the wider offer beyond measurable targets and performance tables. To this end we seek to give academies the capacity to promote a wide educational experience that empowers learners to develop additional social and emotional skills in a sustainable, relevant and meaningful way. We are committed to providing exceptional learning opportunities and outstanding educational outcomes for all our pupils in the Mansfield locality and beyond. Our aim is for every child and young person to benefit from a world-class education, one which inspires our schools' communities to achieve more than they thought possible. Our commitment to these aims is evident through our working practices, which focus on making the difference to the life chances of all our pupils and students.

Academy staff and students work and learn together as our practice is continuously improved to bring about the changes required to deliver on our ambitious aims. As a Trust, we prioritise achievement and inclusion by valuing individuals. We meet these priorities by excelling in putting in place, for both students and staff, personalised learning pathways and pastoral care that seeks to address barriers to learning experienced by anyone.



## **The Evolve Trust Trustees' Report (continued)**

### **Principal Risks and Uncertainties (continued)**

#### ***Financial sustainability***

A key risk is the future financial viability of the Trust, particularly with the changes to the funding regime. This risk is not specific to the Trust but is a sector wide consideration. The key to success is ensuring that there are rigorous systems and procedures in place to: monitor financial performance; identify areas of risk and implementing procedures to mitigate or manage these; forecasting future budgets scenarios and developing pathways to ensure the Trust continues to be viable. The Trust will ensure that there is careful consideration of budgets for current and future years, and where possible identify other sources of funding for example Condition Improvement Funding.

#### ***Ensuring quality teaching and learning across the Trust***

The Trust must recruit, retain, train and develop our workforce to ensure an expert team of highly committed professionals is maintained within the Trust, who are supportive of a system leadership approach and shared best practice. This is most important against the national backdrop of teacher supply against demand. Our challenge is to embrace and develop our success in the training and recruitment of staff and ensure that the programme of development is accessible and of the highest quality to all employees.

The Trust will continue to develop the professional learning pathways and collaborate with Nottingham Trent University to develop Masters qualifications to embed across the Trust workforce. The Director of School Improvement will continue to support and develop the teaching staff through workshops and engagement in the research fellowship programme. A new performance management system is being developed and will be used across the Trust.

#### ***Partnerships and collaboration across the Trust***

The Trust commissioned a research paper in 2017 to examine local partnership across the Mansfield area which identified a significant fragmentation of the system. In addition to this, the National Schools Commissioner has urged MATs – through alliances (including teaching school alliances) – to build a culture of collaboration. The Trust has developed the Evolve Alliance to take a lead in overcoming a shift towards isolationism and competition between fractured groups of schools. This alliance seeks to bring together like-minded academies and trusts to collaborate for the good of Mansfield's children.

#### **Financial Risk Management Objectives and Policies**

The Trust Board delegate to the Audit Committee risk management for the Trust. The strategy includes rigorous challenge and discussion around the risk register that is produced and monitored by the Trust senior leadership team.

The Trust's exposure to risk is largely bank balances, cash and trade creditors with limited levels of trade debtors. The Trust inherited the Local Government Defined Benefit Pension Scheme deficit for associate staff across the Trust which has (following an actuary report as at 31 August 2020) increased by £2,487k.

#### **Fundraising**

During the year, each academy has carried out small fundraising activities such as summer fairs and tuck shops. These activities are part of the normal activities of the Trust and were carried out internally and did not involve the assistance of any external fundraisers. The monitoring of fundraising is by the finance team of each respective academy with oversight by the Finance Director. The Trust has not received any complaints with regards to fundraising activities carried out during the year, but would deal with any received in a professional and efficient manner. None of the activities carried out during the year are considered to be intrusive, persistent or involve putting undue pressure on parents, pupils or the local community.

## The Evolve Trust Trustees' Report (continued)

### Streamlined Energy and Carbon Reporting

Energy consumption used to calculate emissions (kWh)	2,571,509
Energy consumption break down (kWh) (optional)	
• gas,	1,740,626
• electricity,	807,520
• transport fuel	23,363
<u>Scope 1 emissions in metric tonnes CO2e</u>	
Gas consumption	405.81
Owned transport – mini-buses	4.11
<u>Total scope 1</u>	409.92
<u>Scope 2 emissions in metric tonnes CO2e</u>	
Purchased electricity	148.48
<u>Scope 3 emissions in metric tonnes CO2e</u>	
Business travel in employee owned vehicles	1.74
Total gross emissions in metric tonnes CO2e	560.14
<u>Intensity ratio</u>	
Tonnes CO2e per pupil	0.35

#### Quantification and Reporting Methodology:

We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard and have used the 2020 UK Government's Conversion Factors for Company Reporting.

#### Intensity measurement

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO2e per pupil, the recommended ratio for the sector.

#### Measures taken to improve energy efficiency

As part of the measures introduced during the coronavirus pandemic, the Trust commenced the use of virtual meetings for all board and staff meetings. There have been no face to face meetings since March for trustees, members and scrutiny board members therefore resulting in no travel to academy premises. These measures have also reduced the level of travel for staff between sites where virtual staff meetings are held instead.

As a result of the partial site closures due to the coronavirus pandemic, the Trust utilised the buildings to their optimum and closed any buildings where possible. This resulted in a significant reduction in energy usage during the period March to August 2020.

## **The Evolve Trust Trustees' Report (continued)**

### **Plans for Future Periods**

As the educational landscape is changing at an unprecedented pace, leading in particular to a marked reduction in the role and capacity of local authorities, the Trust aims to provide a supportive and collaborative context in which our academies can continue to thrive into the future. Schools are first for education, so it is right that at the heart of The Trust is a focus on school improvement, staff development and enabling young people to excel.

The Trust's expansion will be based on a continued commitment to growing and developing expertise and capacity within the central team and within our schools; a commitment to continued innovation and best practice development around teaching and learning – driven by our best teachers and leaders; and a commitment to delivering successful school improvement strategies to more schools across the locality. The Trust has a robust growth plan in place and is underpinned by the following principles:

- The Trust recognises that the educational landscape can change suddenly. We would look to respond positively if the right opportunity for growth presented itself, or to accommodate a request from a relevant body such as the RSC.
- As we grow, we will consider geographical and phase clusters within the Trust. However, we will also endeavour to maintain a boundary on the geographical range of growth i.e. no more than 50 minutes' drive from the Trust.
- We will maintain an effective balance between school improvement capacity (good/outstanding schools) and vulnerable schools and will undertake the 1:3 ratios as outlined in latest best practice guidance.

### **Funds Held as Custodian Trustee on Behalf of Others**

The Trust does not hold any funds as custodian trustee on behalf of others.

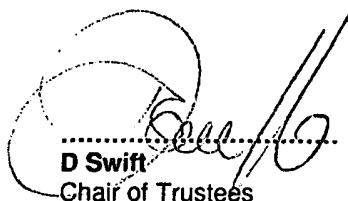
### **Auditor**

Insofar as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware
- 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 auditor is aware of that information.

The trustees appointed UHY Hacker Young as auditors for the current year and they will be considered for reappointment.

Trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 9 October 2020 and signed on the board's behalf by:

  
**D Swift**  
Chair of Trustees

# The Evolve Trust

## Governance Statement

### Scope of Responsibility

As Trustees we acknowledge we have overall responsibility for ensuring that The 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.

As Trustees, we have reviewed and taken account of the guidance in DfE's Governance Handbook and competency framework for governance.

The Board of Trustees has delegated the day-to-day responsibility to the Chief Executive Officer, 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 the 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.

### Governance

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 5 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings Attended	Out of a possible
R Aitken	4	5
J Dryden	4	5
R Heyes	2	3
J Horton	3	5
I Jephson	4	5
D Orr	3	3
G O'Shea	2	3
D Swift	5	5
D Temple	4	5

There have been no key changes to the governance structure during the year or any key changes in the composition of the Trust Board. The most notable challenge that the Board has had to deal with is the impact of the coronavirus pandemic. The Board appointed a Covid Working Group who met with the Executive Team regularly to provide advice and support throughout this period of challenge. The Board has continued to fulfil its responsibilities as set out in the Scheme of Delegation and as required by Company and Charity Law.

The Board have continued to be effective in their responsibilities as highlighted by the review set out in the Trustees Report. Fulfilment of their responsibilities has been achieved by the quality of data that has been provided to the Board by the Trust senior leadership team, this has included student, academy and financial data.

The Trust's annual governance review was completed to ensure that there is sufficient skills and expertise on the Trustee Board and all supporting committees. The Trust has a full complement of trustees and has appointed additional trustees during the year to ensure that there is an appropriate mixture of skills and expertise. The Trust has in place Scrutiny Board's which ensure that the individuals with the appropriate skills and knowledge are providing support and challenge in all areas across the Trust.

The audit committee is a sub-committee of the main board of trustees. Its purpose is to advise the Board of Trustees on matters relating to the Trust's audit arrangements and systems of internal control as set out in the approved terms of reference.

## The Evolve Trust Governance Statement (continued)

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
R Aitken	2	3
J Horton	2	3
I Jephson	3	3
D Swift	2	3

### Review of Value for Money

As accounting officer the Chief Executive Officer has responsibility for ensuring that the Trust delivers good value 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 its 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, including the use of benchmarking data where appropriate. The accounting officer for the Trust has delivered improved value for money during the year by:

1. Staffing savings: The Trust had vacancies across the Trust during the academic year that were initially filled by supply staff. When the lockdown measures were implemented in March 2020, a decision was made to recruit into these vacancies from September 2020 as the current staffing structure were able to effectively support pupils during the interim period. As a result, the Trust made savings equivalent to these salaries from March to August 2020.
2. Optimum utilisation of estate: During the period of lockdown, a strategic decision was made to utilise only part of the Trust estate to provide the educational provision for vulnerable and key worker children. As a result, the other buildings were unused for the period from March to August 2020 resulting in significant savings were made on electricity, gas and water.

### 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 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 the Trust for the period 1 September 2019 to 31 August 2020 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 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 Trust's significant risks that has been in place for the period 1 September 2019 to 31 August 2020 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 Evolve Trust Governance Statement (continued)

### 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 Board 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 appointed UHY Hacker Young, the external auditors, to perform additional checks, this scope of work was carried out by a team separate from the external audit team. The reviewer's role includes giving advice on financial matters and performing a range of checks on the Trust's financial systems. In particular the checks carried out in the current period included:

- testing of the payroll system
- testing of purchase systems
- testing of income / cash systems

The reviewers report to the Board of Trustees, through the audit committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

The reviewers have delivered their schedule of work as planned. No material control issues arose from the reviewer's work. The last visit by the internal auditors was in July 2020 which was conducted remotely, no further visit took place as a result of the school closures. As a result of the revised FRC Ethical Standard for auditors, the Trust is in the process of reviewing the internal audit function as UHY can no longer provide both internal and external audit services.

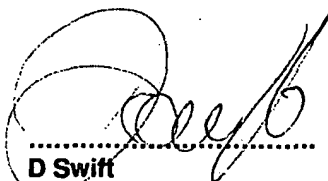
### Review of Effectiveness

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

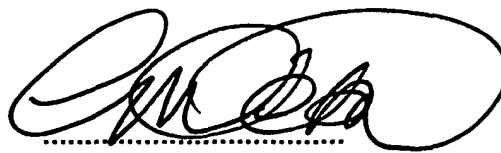
- the work of the reviewer
- the work of the external auditor
- the work of the executive managers within the Trust who have responsibility for the development and maintenance of the internal control framework

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

Approved by order of the members of the Board of Trustees on 9 DEC 2020 and signed on its behalf by:



.....  
**D Swift**  
Chair of Trustees



.....  
**C Hebron**  
Accounting Officer

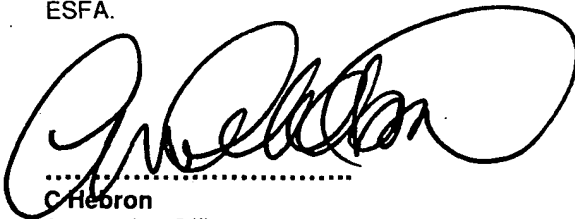
## The Evolve Trust

### Statement of Regularity, Propriety and Compliance

As accounting officer of The Evolve Trust I have considered my responsibility to notify the Trust Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Trust, under the funding agreement in place between the 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 2019.

I confirm that I and the Trust Board of Trustees are able to identify any material irregular or improper use of all funds by the Trust, or material non-compliance with the terms and conditions of funding under the Trust's funding agreement and the Academies Financial Handbook 2019.

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 ESFA.



.....  
C Hebron  
Accounting Officer

Date: 9 DECEMBER 2020

## **The Evolve Trust**

### **Statement of Trustees' Responsibilities**

The Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Annual Accounts Direction published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the 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 its incoming resources and application of resources, including its income and expenditure, for that period.

In preparing these financial statements, the Trustees are required to:

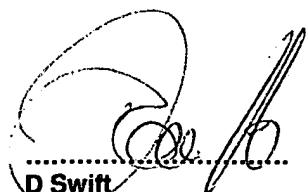
- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2019 to 2020
- make judgments and accounting estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- 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 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 ESFA/DfE have been applied for the purposes intended.

The Trustees 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 financial statements may differ from legislation in other jurisdictions.

Approved by order of the members of the Board of Trustees on 9 DECEMBER 2020 and signed on its behalf by:



**D Swift**  
Chair of Trustees

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE EVOLVE TRUST FOR THE YEAR ENDED 31 AUGUST 2020**

### **Opinion**

We have audited the accounts of The Evolve Trust for the year ended 31 August 2020 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 2019 to 2020 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 2020 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 2019 to 2020.

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

### **Other information**

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

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

We have nothing to report in this regard.

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

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE EVOLVE TRUST FOR THE YEAR ENDED 31 AUGUST 2020 (continued)

### 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 trustees' 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 trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

### Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees 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 trustees 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 trustees 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 trustees either intend to liquidate the charitable company, or have no realistic alternative but to do so.

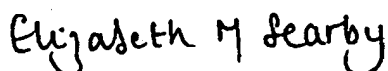
### Auditor's responsibilities for the audit of the accounts

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.

### 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.



.....  
**Elizabeth Searby BSc FCA (Senior Statutory Auditor)**  
for and on behalf of UHY Hacker Young  
Chartered Accountants  
Statutory Auditor  
Date: 9 December 2020

# **INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE EVOLVE TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY**

## **FOR THE YEAR ENDED 31 AUGUST 2020**

In accordance with the terms of our engagement letter and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Evolve Trust during the period 1 September 2019 to 31 August 2020 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 The Evolve Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the The Evolve 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 The Evolve Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

### **Respective responsibilities of The Evolve Trust's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of The Evolve Trust's funding agreement with the Secretary of State for Education dated 1 June 2014 and the Academies Financial Handbook, extant from 1 September 2019, 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 2019 to 2020. 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 2019 to 31 August 2020 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 2019 to 2020 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:

- An assessment of the risk of material irregularity and impropriety within the trust.
- Testing of those areas identified through risk assessment, including reviewing internal controls, analytical review and enquiries of management.
- Consideration of the evidence and concluding on the work carried out.

# **INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE EVOLVE TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY**

**FOR THE YEAR ENDED 31 AUGUST 2020 (continued)**

**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 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

*UHY Hacker Young*

**Reporting Accountant**

UHY Hacker Young  
14 Park Row  
Nottingham  
NG1 6GR

Dated: 9 December 2020

# The Evolve Trust

## Statement of Financial Activities

for the year ended 31 August 2020

(including Income and Expenditure Account)

	Note	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total 2020 £000	Total 2019 £000
<b>Income and endowments from:</b>						
Donations and capital grants	2	0	0	1,687	1,687	459
<i>Charitable activities:</i>						
Funding for the academy trust's educational operations	3	0	11,515	0	11,515	10,781
Other trading activities	4	124	109	0	233	482
Investments	5	2	0	0	2	2
<b>Total</b>		<b>126</b>	<b>11,624</b>	<b>1,687</b>	<b>13,437</b>	<b>11,724</b>
<b>Expenditure on:</b>						
Raising funds	6	29	109	0	138	450
<i>Charitable activities:</i>						
Academy trust educational operations	6,7	32	11,011	649	11,692	11,635
<b>Total</b>		<b>61</b>	<b>11,120</b>	<b>649</b>	<b>11,830</b>	<b>12,085</b>
Net income / (expenditure)		65	504	1,038	1,607	(361)
Transfers between funds	17	8	(92)	84	0	0
<b>Other recognised gains / (losses):</b>						
Actuarial gains / (losses) on defined benefit pension schemes	17,22	0	(1,981)	0	(1,981)	(1,185)
Net movement in funds		73	(1,569)	1,122	(374)	(1,546)
<b>Reconciliation of funds</b>						
Total funds brought forward		1,496	(6,055)	18,136	13,577	15,123
Total funds carried forward		1,569	(7,624)	19,258	13,203	13,577

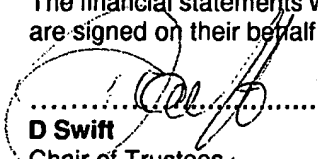
# The Evolve Trust

## Balance Sheet

as at 31 August 2020 Company Number 07827747

	Notes	2020 £000	2020 £000	2019 £000	2019 £000
<b>Fixed assets</b>					
Intangible assets	12		15		35
Tangible assets	13		19,150		18,002
<b>Current assets</b>					
Debtors	14	270		318	
Cash at bank and in hand		3,674		2,473	
		<u>3,944</u>		<u>2,791</u>	
<b>Liabilities</b>					
Creditors: Amounts falling due within one year	15	(786)		(618)	
<b>Net current assets</b>			<u>3,158</u>		<u>2,173</u>
<b>Total assets less current liabilities</b>			<u>22,323</u>		<u>20,210</u>
Creditors: Amounts falling due after more than one year	16		0		0
<b>Net assets excluding pension liability</b>			<u>22,323</u>		<u>20,210</u>
Defined benefit pension scheme liability	22		(9,120)		(6,633)
<b>Total net assets</b>			<u>13,203</u>		<u>13,577</u>
<b>Funds of the academy trust:</b>					
<b>Restricted funds</b>					
. Fixed asset fund	17	19,258		18,136	
. Restricted income fund	17	1,496		578	
. Pension reserve	17	(9,120)		(6,633)	
<b>Total restricted funds</b>			<u>11,634</u>		<u>12,081</u>
<b>Unrestricted income funds</b>	17		1,569		1,496
<b>Total funds</b>			<u>13,203</u>		<u>13,577</u>

The financial statements were approved by the trustees and authorised for issue on 9 DEC 2020 and are signed on their behalf by

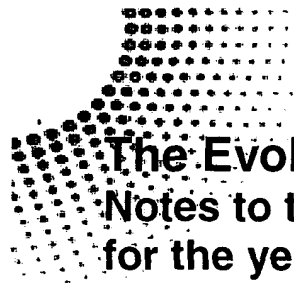
  
D Swift  
Chair of Trustees  
Date: 09/12/2020

# The Evolve Trust

## Statement of Cash Flows

### for the year ended 31 August 2020

	Notes	2020 £000	2019 £000
<b>Cash flows from operating activities</b>			
Net cash provided by (used in) operating activities	20	<b>1,288</b>	(124)
<b>Cash flows from investing activities</b>	20	<b>(87)</b>	(162)
<b>Cash flows from financing activities</b>	20	<b>0</b>	0
<b>Change in cash and cash equivalents in the reporting period</b>		<b>1,201</b>	<b>(286)</b>
<b>Cash and cash equivalents at 1 September</b>		<b>2,473</b>	<b>2,759</b>
<b>Cash and cash equivalents at 31 August</b>	20	<b>3,674</b>	<b>2,473</b>



# The Evolve Trust

## Notes to the Financial Statements

### for the year ended 31 August 2020

#### 1. Statement of 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.

##### **Basis of Preparation**

The financial statements of the 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 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006. The Evolve Trust meets the definition of a public benefit entity under FRS 102.

##### **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 at least one year from the date of authorisation for issue of the financial statements and have concluded that the Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

##### **Income**

All incoming resources are recognised when the 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 year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

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

##### Sponsorship Income

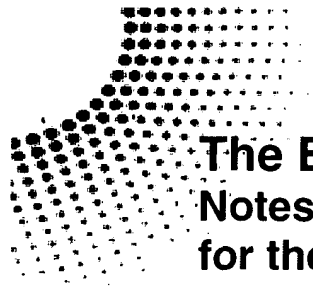
Sponsorship income provided to the Trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable (where there are no performance-related conditions), where the receipt is probable and it can be measured reliably.

##### 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 Trust has provided the goods or services.



## **The Evolve Trust**

### **Notes to the Financial Statements (continued)**

### **for the year ended 31 August 2020**

#### Donated goods, facilities and services

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

#### Donated fixed assets

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be 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.

#### **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 allocated on the portion of the asset's use.

#### Expenditure on Raising Funds

This includes all expenditure incurred by the Trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

#### Charitable Activities

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

All resources expended are inclusive of irrecoverable VAT.

#### **Intangible Fixed Assets**

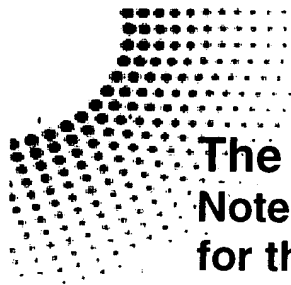
Intangible assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment. Amortisation is provided on intangible fixed assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

- Purchased computer software: 3 years

#### **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. Where there are specific conditions attached to the funding requiring the continued use of the asset, 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 the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.



# The Evolve Trust

## Notes to the Financial Statements (continued)

### for the year ended 31 August 2020

#### **Tangible Fixed Assets (continued)**

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

- Long leasehold buildings: 2% or term of lease (whichever is shorter)
- Improvements to property: 4-10%
- Fixtures, fittings and equipment: 12.5%
- Computer hardware: 33.3%
- Motor vehicles: 25%

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.

#### **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 Trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

#### **Provisions**

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

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

#### **Leased Assets**

Rentals under operating leases are charged on a straight line basis over the lease term.

#### **Financial Instruments**

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

##### Financial assets

Trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in Note 14. 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 as detailed in Notes 15 and 16. 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.

#### **Agency arrangements**

The Trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the Statement of Financial Activities as the Trust does not have control over the charitable application of the funds. The funds received and paid and any balances held are disclosed in Note 24.



# The Evolve Trust

## Notes to the Financial Statements (continued)

### for the year ended 31 August 2020

#### **Taxation**

The 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 Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by part 11, chapter 3 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.

#### **Pensions Benefits**

Retirement benefits to employees of the Trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes. The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the 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. 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 recognised in the period to which they relate.

The LGPS is a multi-employer funded scheme and the assets are held separately from those of the Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

Actuarial gains and losses are recognised immediately in other recognised gains and losses.

#### **Fund Accounting**

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

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.

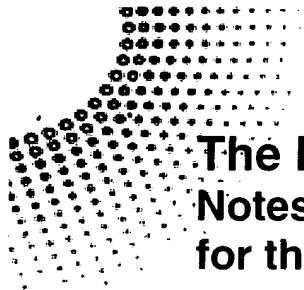
Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the Education and Skills Funding Agency.

#### **Critical accounting estimates and areas of judgement**

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

#### **Critical accounting estimates and assumptions**

The 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 Evolve Trust

### Notes to the Financial Statements (continued) for the year ended 31 August 2020

#### **Critical accounting estimates and areas of judgement (continued)**

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 (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in Note 22, 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 2019 has been used by the actuary in valuing the pensions liability at 31 August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

#### Critical areas of judgement

The Trustees do not consider there to be any critical areas of judgement other than those items set out above.

# The Evolve Trust

## Notes to the Financial Statements (continued)

### for the year ended 31 August 2020

#### 2. Donations and capital grants

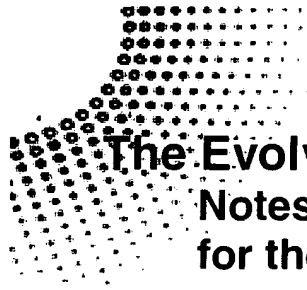
	Unrestricted Funds £000	Restricted Funds £000	Total 2020 £000	Total 2019 £000
Capital grants	0	43	43	451
Other donations	0	0	0	8
Donated fixed assets	0	1,644	1,644	0
	0	1,687	1,687	459

In 2019, of the total income from donations and legacies, all related to restricted funds.

#### 3. Funding for the Trust's educational operations

	Unrestricted £000	Restricted £000	Total £000 2020	Total £000 2019
<b>DfE / ESFA grants</b>				
General Annual Grant (GAG)	0	8,903	8,903	8,868
Other DfE/ESFA grants	0	1,061	1,061	698
National College grants	0	5	5	12
	0	9,969	9,969	9,578
<b>Other Government grants</b>				
Local authority grants	0	1,546	1,546	1,202
<b>Other income from the academy trust's educational operations</b>				
	0	0	0	1
<b>Total</b>	0	11,515	11,515	10,781

In 2019, of the total funding for the Trust's educational operations, all related to restricted funds.



## The Evolve Trust

### Notes to the Financial Statements (continued) for the year ended 31 August 2020

#### 4. Other trading activities

	Unrestricted Funds £000	Restricted Funds £000	Total 2020 £000	Total 2019 £000
Hire of facilities	16	0	16	42
Academy trips and other events	0	109	109	62
Sundry (incl. catering, music tuition)	108	0	108	378
	124	109	233	482

In 2019, of the total other trading activities, £420,000 related to unrestricted funds and £62,000 related to restricted funds.

#### 5. Investment income

	Unrestricted Funds £000	Restricted Funds £000	Total 2020 £000	Total 2019 £000
Short term deposits	2	0	2	2
	2	0	2	2

In 2019, of the total investment income, all related to unrestricted funds.

# The Evolve Trust

## Notes to the Financial Statements (continued)

### for the year ended 31 August 2020

#### 6. Expenditure

	Staff Costs £000	Non Pay Expenditure Premises £000	Other £000	Total 2020 £000	Total 2019 £000
<i>Expenditure on raising funds</i>					
Direct costs	0	0	120	120	376
Allocated support costs	0	0	18	18	74
<i>Academy's educational operations:</i>					
Direct costs	8,040	507	1,682	10,229	9,696
Allocated support costs	1,199	75	189	1,463	1,939
	<b>9,239</b>	<b>582</b>	<b>2,009</b>	<b>11,830</b>	<b>12,085</b>

In 2019, of the total expenditure, £396,000 related to unrestricted funds and £11,689,000 related to restricted funds.

Net income/(expenditure) for the period includes:	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Operating lease rentals	34	38
Depreciation	628	555
(Gain)/loss on disposal of fixed assets	0	0
Amortisation of intangible fixed assets	20	21
Fees payable to auditor for:		
- audit	15	15
- other services	5	5

# The Evolve Trust

## Notes to the Financial Statements (continued)

### for the year ended 31 August 2020

#### 7. Charitable activities

	Total 2020 £000	Total 2019 £000
Direct costs – educational operations	10,229	9,696
Support costs – educational operations	1,463	1,939
	<b>11,692</b>	<b>11,635</b>

Analysis of support costs	Educational operations	Total 2020 £000	Total 2019 £000
Support staff costs	1,199	1,199	1,625
Depreciation	84	84	101
Technology costs	18	18	20
Premises costs	75	75	99
Legal costs	9	9	21
Other support costs	57	57	44
Governance costs	20	20	29
<b>Total support costs</b>	<b>1,463</b>	<b>1,463</b>	<b>1,939</b>

# The Evolve Trust

## Notes to the Financial Statements (continued)

### for the year ended 31 August 2020

#### 8. Staff

##### a. Staff costs

Staff costs during the period were:

	Total 2020 £000	Total 2019 £000
Wages and salaries	6,265	6,357
Social security costs	622	632
Operating costs of defined benefit pension schemes	1,811	1,515
	<b>8,698</b>	<b>8,504</b>
Supply staff costs	541	788
Staff restructuring costs	0	0
	<b>9,239</b>	<b>9,292</b>
Staff restructuring costs comprise:		
Redundancy payments	0	16
Severance payments	0	0
Other restructuring costs	0	0
	<b>0</b>	<b>16</b>

##### b. Non statutory/non-contractual staff severance payments

None

##### c. Staff numbers

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

	2020 No.	2019 No.
Teachers	110	113
Administration and support	133	134
Management	5	7
	<b>248</b>	<b>254</b>

# The Evolve Trust

## Notes to the Financial Statements (continued) for the year ended 31 August 2020

### 8. Staff (continued)

#### d. Higher paid staff

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

	2020	2019
	No.	No.
£60,001 - £70,000	3	4
£70,001 - £80,000	2	3
£80,001 - £90,000	1	2
£90,001 - £100,000	1	0
£130,001 - £140,000	0	1
£140,001 - £150,000	1	0

#### e. Key management personnel

The key management personnel of the Trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employers national insurance) received by key management personnel for their services to the Trust was £689,649 (2019: £732,356).

### 9. Related Party Transactions – Trustees' remuneration and expenses

Since the resignation of C Hebron as trustee on 23 July 2018, in the current or prior year no trustee has been paid remuneration or has received other benefits from employment with the Trust. Staff trustees only receive remuneration in respect of services they provide undertaking the roles under their contracts of employment.

For completeness, the value of the CEO's remuneration and other benefits was as follows:

C Hebron:

- Remuneration £140,000 - £150,000 (2019: £130,000 - £140,000)
- Employer's pension contributions paid £30,000 - £35,000 (2019: £20,000 - £25,000)

During the year ended 31 August 2020, travel and subsistence expenses totalling £215 were reimbursed or paid directly to trustees (2019: £Nil).

Other related party transactions involving the trustees are set out in Note 23.

### 10. Trustees and Officers Insurance

The Trust has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business, and provides cover up to £10,000,000. It is not possible to quantify the trustees and officers indemnity element from the overall cost of the RPA scheme membership.

# The Evolve Trust

## Notes to the Financial Statements (continued) for the year ended 31 August 2020

### 11. Central services

The Trust has provided the following central services to its academies during the year:

- School Improvement
- Governance
- Finance
- Human Resources
- Estates and Health & Safety
- ICT Infrastructure
- Marketing and Community Engagement

From 1 September 2019, the Trust has implemented GAG pooling across all academies and has therefore dispensed with the requirement for top slicing.

In the previous year, the trust charged each academy 5% of income, the total charged per academy was:

	<b>Total</b>
	<b>2019</b>
	<b>£'000</b>
The Brunts Academy	383
The Beech Academy	79
The Bramble Academy	49
	<b>511</b>

### 12. Intangible fixed assets

	Computer Software	<b>Total</b>
	£000	£000
<b>Cost</b>		
At 1 September 2019	72	<b>72</b>
Additions	0	<b>0</b>
At 31 August 2020	<b>72</b>	<b>72</b>
<b>Amortisation</b>		
At 1 September 2019	37	<b>37</b>
Charged in year	20	<b>20</b>
At 31 August 2020	<b>57</b>	<b>57</b>
<b>Carrying amount</b>		
At 31 August 2019	35	<b>35</b>
At 31 August 2020	<b>15</b>	<b>15</b>

# The Evolve Trust

## Notes to the Financial Statements (continued)

### for the year ended 31 August 2020

#### 13. Tangible fixed assets

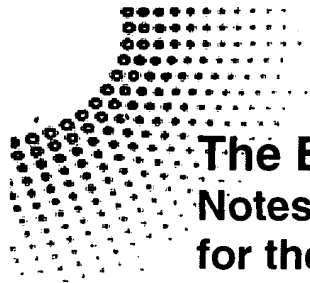
	Leasehold Land and Buildings £000	Improvements to leasehold £000	Furniture and Equipment £000	Computer Hardware £000	Motor Vehicles £000	Assets under construction £000	Total £000
<b>Cost</b>							
At 1 September 2019	17,395	2,564	503	663	25	0	21,150
Transfer	725	(725)	0	0	0	0	0
Additions	1,644	52	24	56	0	0	1,776
Disposals	0	0	(2)	(2)	0	0	(4)
At 31 August 2020	19,764	1,891	525	717	25	0	22,922
<b>Depreciation</b>							
At 1 September 2019	1,752	425	332	614	25	0	3,148
Transfer	0	0	0	0	0	0	0
Charged in year	328	194	63	43	0	0	628
Disposals	0	0	(2)	(2)	0	0	(4)
At 31 August 2020	2,080	619	393	655	25	0	3,772
<b>Net book values</b>							
At 31 August 2019	15,643	2,139	171	49	0	0	18,002
At 31 August 2020	17,684	1,272	132	62	0	0	19,150

At 31 August 2020 the Trust held long leasehold land and buildings under both 25 and 125 year leases from Nottinghamshire County Council. Included in leasehold land and buildings is land of £5,193,000 (2019: £4,713,500) which has not been depreciated.

The Trust's transactions relating to land and buildings during the year included the taking up of a leasehold for 25 years on the Oakdale Learning Centre from Nottinghamshire County Council for £Nil consideration. The land and buildings were valued by an external chartered surveyor during the year. The value, based on depreciated replacement cost, totals £1,644,000 and has been included above as an addition in the year.

#### 14. Debtors

	Total 2020 £000	Total 2019 £000
Trade debtors	5	52
VAT recoverable	22	24
Other debtors	2	0
Prepayments and accrued income	241	242
	<b>270</b>	<b>318</b>



## The Evolve Trust

### Notes to the Financial Statements (continued)

### for the year ended 31 August 2020

#### 15. Creditors: amounts falling due within one year

	2020	2019
	£000	£000
Trade creditors	271	286
Corporation tax	3	1
Other creditors	17	0
Accruals and deferred income	495	331
	<b>786</b>	<b>618</b>

Deferred income	2020	2019
	£000	£000
Deferred income at 1 September 2019	59	284
Released from previous years	-59	-284
Resources deferred in the year	183	59
Deferred Income at 31 August 2020	<b>183</b>	<b>59</b>

Included in the above is £29,463 (2019: £27,334) relating to deferred school trip income, £120,705 (2019: £15,086) SEN funding, £11,282 (2019: £9,815) relating to Universal Infant Free School Meals, £20,160 (2019: £7,227) relating to deferred grants and donations and £1,112 relating to deferred music tuition income (2019: £nil).

#### 16. Creditors: amounts falling due greater than one year

	2020	2019
	£000	£000
Other creditors	0	0
	<b>0</b>	<b>0</b>

# The Evolve Trust

## Notes to the Financial Statements (continued) for the year ended 31 August 2020

### 17. Funds

	Balance at 1 September 2019 £000	Income £000	Expenditure £000	Gains, losses and transfers £000	Balance at 31 August 2020 £000
<b>Restricted general funds</b>					
General Annual Grant (GAG)	507	8,903	(8,105)	(92)	1,213
Pupil Premium	18	469	(303)	0	184
Pension reserve	(6,633)	0	(506)	(1,981)	(9,120)
Other restricted	48	109	(109)	0	48
Other grants	5	2,143	(2,097)	0	51
	(6,055)	11,624	(11,120)	(2,073)	(7,624)
<b>Restricted fixed asset funds</b>					
Transfer on conversion	15,550	1,644	(313)	0	16,881
DfE/ESFA capital grants	1,089	43	(166)	0	966
Capital expenditure from GAG	1,497	0	(170)	84	1,411
	18,136	1,687	(649)	84	19,258
<b>Total restricted funds</b>	<b>12,081</b>	<b>13,311</b>	<b>(11,769)</b>	<b>(1,989)</b>	<b>11,634</b>
<b>Total unrestricted funds</b>	<b>1,496</b>	<b>126</b>	<b>(61)</b>	<b>8</b>	<b>1,569</b>
<b>Total funds</b>	<b>13,577</b>	<b>13,437</b>	<b>(11,830)</b>	<b>(1,981)</b>	<b>13,203</b>

The specific purposes for which the funds are to be applied are as follows:

- Unrestricted funds represent those resources which may be used towards meeting any of the charitable objects of the trust at the discretion of the Trustees;
- Restricted funds (excluding pension and other restricted reserves) represent funds received from the Department for Education and are specifically spent on the running of the trust;
- Pension reserve represents the movements on the Local Government Pension Scheme Liability;
- Other restricted reserve represents funds which are restricted by the donor including school trip income;
- Restricted fixed asset funds represent resources which are applied to specific capital purposes imposed by the Department for Education where the asset acquired or created is held for a specific purpose.

The Pension Reserve is a fund in deficit as this relates to the Local Government Pension Scheme, the Trustees review the deficit and are advised by an external actuary.

Transfers from the restricted fund to restricted fixed asset fund have been made to reflect funds allocated from General Annual Grant to purchase fixed assets. Transfers from the restricted fund to the unrestricted fund represents the cost of free school meals that are funded out of restricted funds.

Restricted fixed asset funds includes income of £1,644k assigned to transfers on conversion. This relates to a property controlled by the Trust but legally donated by way of a 25 year lease from Nottinghamshire County Council on 10 December 2019.

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 2020.

# The Evolve Trust

## Notes to the Financial Statements (continued) for the year ended 31 August 2020

### 17. Funds (continued)

#### Analysis of net assets between funds

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total Funds
	£000	£000	£000	£000
<i>Fund balances at 31 August 2020 are represented by:</i>				
Intangible fixed assets	0	0	15	15
Tangible fixed assets	0	0	19,150	19,150
Current assets	1,569	2,282	93	3,944
Current liabilities	0	(786)	0	(786)
Non-current liabilities	0	0	0	0
Pension scheme liability	0	(9,120)	0	(9,120)
<b>Total net assets</b>	<b>1,569</b>	<b>(7,624)</b>	<b>19,258</b>	<b>13,203</b>

Following the implementation of GAG pooling from 1 September 2019, all funds are now held centrally.

Fund balances at 31 August 2020 were allocated as follows:

	2020 £000	2019 £000
The Brunts Academy	0	955
The Beech Academy	0	917
The Bramble Academy	0	22
Central Services	3,065	180
Total before fixed assets and pension reserve	3,065	2,074
Restricted fixed asset fund	19,258	18,136
Pension reserve	(9,120)	(6,633)
<b>Total</b>	<b>13,203</b>	<b>13,577</b>

#### Total cost analysis by academy

Expenditure incurred by each academy during the year was as follows:

	Teaching and educational support staff costs £000	Other support staff costs £000	Educational supplies £000	Other costs (excluding depreciation) £000	2020 £000	2019 £000
The Brunts Academy	5,687	783	128	346	6,944	8,483
The Beech Academy	1,438	72	48	3	1,561	1,738
The Bramble Academy	573	114	54	0	741	1,165
Central Services	319	229	10	1,378	1,936	638
<b>Total</b>	<b>8,017</b>	<b>1,198</b>	<b>240</b>	<b>1,727</b>	<b>11,182</b>	<b>12,024</b>

# The Evolve Trust

## Notes to the Financial Statements (continued) for the year ended 31 August 2020

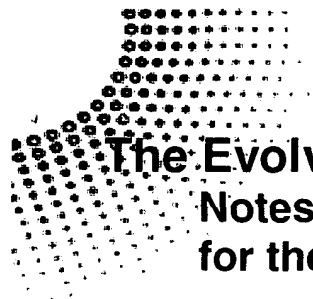
### 17. Funds (continued)

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

	Balance at 1 September 2018	Income	Expenditure	Gains, losses and transfers	Balance at 31 August 2019
	£000	£000	£000	£000	£000
<b>Restricted general funds</b>					
General Annual Grant (GAG)	636	8,867	(8,605)	(391)	507
Pupil Premium	0	482	(464)	0	18
Pension reserve	(4,894)	0	(554)	(1,185)	(6,633)
Other restricted	40	62	(54)	0	48
Other grants	0	1,440	(1,435)	0	5
	(4,218)	10,851	(11,112)	(1,576)	(6,055)
<b>Restricted fixed asset funds</b>					
Transfer on conversion	15,820	0	(270)	0	15,550
DfE/ESFA capital grants	793	451	(155)	0	1,089
Capital expenditure from GAG	1385	0	(152)	264	1,497
	17,998	451	(577)	264	18,136
<b>Total restricted funds</b>	<b>13,780</b>	<b>11,302</b>	<b>(11,689)</b>	<b>(1,312)</b>	<b>12,081</b>
<b>Total unrestricted funds</b>	<b>1,343</b>	<b>422</b>	<b>(396)</b>	<b>127</b>	<b>1,496</b>
<b>Total funds</b>	<b>15,123</b>	<b>11,724</b>	<b>(12,085)</b>	<b>(1,185)</b>	<b>13,577</b>

### Analysis of net assets between funds

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total Funds
	£000	£000	£000	£000
<i>Fund balances at 31 August 2019 are represented by:</i>				
Intangible fixed assets	0	0	35	35
Tangible fixed assets	0	0	18,002	18,002
Current assets	1,496	1,196	99	2,791
Current liabilities	0	(618)	0	(618)
Non-current liabilities	0	0	0	0
Pension scheme liability	0	(6,633)	0	(6,633)
<b>Total net assets</b>	<b>1,496</b>	<b>(6,055)</b>	<b>18,136</b>	<b>13,577</b>



## The Evolve Trust

### Notes to the Financial Statements (continued) for the year ended 31 August 2020

#### 18. Capital commitments

	2020 £000	2019 £000
Contracted for, but not provided in the financial statements	0	0

#### 19. Commitments under operating leases

At 31 August 2020 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2020 £000	2019 £000
Amounts due within one year	17	33
Amounts due between one and five years	12	28
Amounts due after five years	0	0
	<u>29</u>	<u>61</u>

# The Evolve Trust

## Notes to the Financial Statements (continued) for the year ended 31 August 2020

### 20. Reconciliation of net income / (expenditure) to net cash flow from operating activities

	2020 £000	2019 £000
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	1,607	(361)
Adjusted for:		
Amortisation [note 12]	20	21
Depreciation [note 13]	628	555
Capital grants from DfE and other capital income	(1,687)	(451)
Loss on disposal of tangible fixed assets	0	0
Interest receivable [note 5]	(2)	(2)
Defined benefit pension scheme cost less contributions payable (note 22)	382	427
Defined benefit pension scheme finance cost (note 22)	124	127
(Increase)/decrease in debtors	48	(53)
Increase/(decrease) in creditors	168	(387)
<b>Net cash provided by / (used in) Operating Activities</b>	<b>1,288</b>	<b>(124)</b>

#### 1. Cash flows from financing activities

	2020 £000	2019 £000
Repayments of borrowing	0	0
Cash inflows from new borrowing	0	0
<b>Net cash provided by / (used in) financing activities</b>	<b>0</b>	<b>0</b>

#### 2. Cash flows from investing activities

	2020 £000	2019 £000
Dividends, interest and rents from investments	2	2
Proceeds from sale of tangible fixed assets	0	0
Purchase of intangible fixed assets	0	(11)
Purchase of tangible fixed assets	(1,776)	(604)
Capital grants from DfE/ESFA	43	451
Capital funding received from sponsors and others	1,644	0
<b>Net cash provided by / (used in) investing activities</b>	<b>(87)</b>	<b>(162)</b>

#### 3. Analysis of cash and cash equivalents

	2020 £000	2019 £000
Cash in hand and at bank	3,674	2,473
Notice deposits (less than 3 months)	0	0
<b>Total cash and cash equivalents</b>	<b>3,674</b>	<b>2,473</b>

# The Evolve Trust

## Notes to the Financial Statements (continued)

### for the year ended 31 August 2020

#### 20. Reconciliation of net income / (expenditure) to net cash flow from operating activities (continued)

	At 1 September 2019 £000	Cash flows £000	Other non- cash changes £000	At 31 August 2020 £000
Cash	2,473	1,288	(87)	3,674
Cash equivalents	0	0	0	0
Overdraft	0	0	0	0
Loans falling due within one year	0	0	0	0
Loans falling due after more than one year	0	0	0	0
Finance lease obligations	0	0	0	0
<b>Total</b>	<b>2,473</b>	<b>1,288</b>	<b>(87)</b>	<b>3,674</b>

#### 21. 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.

#### 22. Pension and similar obligations

The 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 Nottinghamshire County Council. Both are multi-employer defined benefit schemes

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 March 2019.

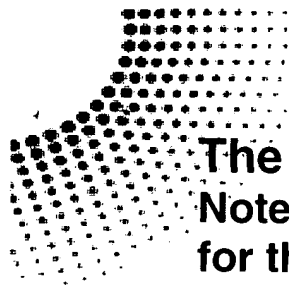
There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

##### Teachers' Pension Scheme

##### Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations 2014. Membership is automatic for teachers in academies. All teachers have the option to opt-out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary - these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.



## **The Evolve Trust**

### **Notes to the Financial Statements (continued)**

### **for the year ended 31 August 2020**

#### **22. Pension and similar obligations (continued)**

##### **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 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

- Employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy)
- Total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million giving a notional past service deficit of £22,000 million
- The SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI. assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%

The next valuation result is due to be implemented from 1 April 2023.

The employer's pension costs paid to TPS in the period amounted to £977,818 (2019: £656,449). 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 a multi-employer pension scheme. The Trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Trust has set out above the information available on the scheme.

##### **Local Government Pension Scheme**

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2020 was £418,000 (2019: £402,000), of which employer's contributions totalled £317,000 (2019: £300,000) and employees' contributions totalled £101,000 (2019: £102,000). The agreed contribution rates for future years are 20.8 per cent for employers and 5.5-12.5 per cent 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.

# The Evolve Trust

## Notes to the Financial Statements (continued)

### for the year ended 31 August 2020

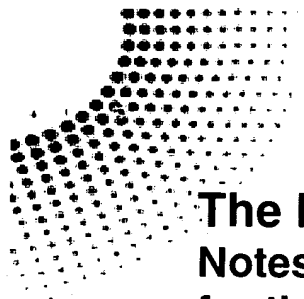
#### 22. Pension and similar obligations (continued)

Principal actuarial assumptions	At 31 August 2020	At 31 August 2019
Rate of increase in salaries	3.25%	3.70%
Rate of increase for pensions in payment/inflation	2.25%	2.20%
Discount rate for scheme liabilities	1.60% - 1.65%	1.90%
Inflation assumption (CPI)	2.25%	2.20%
Commutation of pensions to lump sums	50.00%	50.00%

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

	At 31 August 2020	At 31 August 2019
<i>Retiring today</i>		
Males	21.8	21.7
Females	24.4	24.4
<i>Retiring in 20 years</i>		
Males	23.2	23.3
Females	25.9	26.2

Sensitivity analysis	At 31 August 2020	At 31 August 2019
	£'000	£'000
Discount rate +0.1%	411	329
Discount rate -0.1%	(422)	(337)
Mortality assumption – 1 year increase	(565)	(473)
Mortality assumption – 1 year decrease	545	456
Adjustment to long term salary +0.1%	(19)	(41)
Adjustment to long term salary -0.1%	19	41
Adjustment to pension increases +0.1%	(401)	(295)
Adjustment to pension increases -0.1%	391	287



## The Evolve Trust

### Notes to the Financial Statements (continued)

### for the year ended 31 August 2020

#### 22. Pension and similar obligations (continued)

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

	Fair value at 31 August 2020	Fair value at 31 August 2019
	£'000	£'000
Equities	3,772	3,841
Gilts	246	202
Other bonds	541	531
Property	831	814
Cash and other liquid assets	248	180
Inflation-linked pooled fund	238	221
Infrastructure	371	307
Unit trust	67	62
<b>Total market value of assets</b>	<b>6,314</b>	<b>6,158</b>

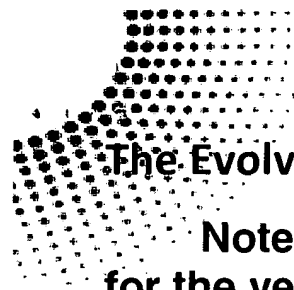
The actual return on scheme assets was £220,000 (2019: £269,000)

#### Amount recognised in the statement of financial activities

	2020 £'000	2019 £'000
Current and past service cost	(699)	(727)
Interest cost	(242)	(279)
Interest income	120	153
Admin expenses	(2)	(1)
<b>Total amount recognised in the SOFA</b>	<b>(823)</b>	<b>(854)</b>

#### Changes in the present value of defined benefit obligations were as follows:

	2020 £'000	2019 £'000
<b>At 1 September</b>	<b>12,791</b>	<b>10,517</b>
Current and past service cost	699	727
Interest cost	242	279
Employee contributions	101	102
Change in financial assumptions	921	1,301
Experience loss / (gain) on defined benefit obligation	809	0
Benefits paid	(129)	(135)
<b>At 31 August</b>	<b>15,434</b>	<b>12,791</b>



## The Evolve Trust

### Notes to the Financial Statements (continued) for the year ended 31 August 2020

#### 22. Pension and similar obligations (continued)

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

	2020	2019
	£'000	£'000
At 1 September	6,158	5,623
Interest income	120	153
Return on assets	100	116
Employer contributions	317	300
Employee contributions	101	102
Other actuarial gains / (losses)	(351)	0
Benefits paid	(129)	(135)
Administration expenses	(2)	(1)
At 31 August	6,314	6,158

#### 23. Related party transactions

Owing to the nature of the academy trust 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 the trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academies Financial Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions. The following related party transactions took place in the financial period.

##### Expenditure Related Party Transaction

D Temple, a trustee, is a partner in Orchard Health who supplied occupational health services to the trust to the value of £Nil (2019: £3,810). No amounts were outstanding on the purchase at the end of the year. The Trust made the purchase at arms' length in line with the financial regulations which D Temple did not participate in. This does not fall within the definition of a connected party transaction as set out in the Academies Financial Handbook and therefore was not required to follow the "at cost" requirements.

I Jephson, a trustee, is owner of Jephson Shopfitters Ltd. During the year, I Jephson provided cleaning items to the value of £74.90 (2019: £Nil) required to ensure compliance with the coronavirus guidance, which could not be obtained by the Trust through their normal suppliers as stocks were diminished. These items were provided at cost as a reimbursement for items purchased on our behalf and evidence has been provided to confirm this. This amount is outstanding at the end of the year.

#### 24. Agency arrangements

The Trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2020 the Trust received £16,253 (2019: £17,917) and disbursed £12,756 (2019: £14,191) from the fund. An amount of £13,408 (2019: £9,910) is included in other creditors relating to undistributed funds that is repayable to ESFA.