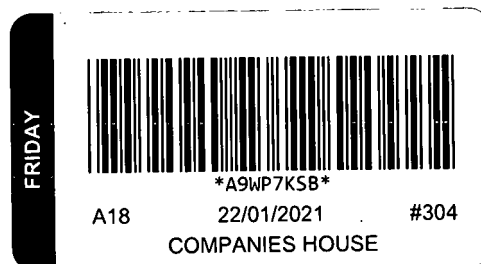




EVOLUTION ACADEMY TRUST
(A company limited by guarantee)

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**



EVOLUTION ACADEMY TRUST
(A company limited by guarantee)

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EVOLUTION ACADEMY TRUST
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REFERENCE AND ADMINISTRATIVE DETAILS

Members

S M Mitchell
N R Watson (resigned 16 July 2020)
R M Jeffries
T N G Bishop
S Bramble

Trustees

R M Jeffries, Chair of Trustees
S Bramble (resigned 1 September 2019)
R Jarvis (appointed 1 September 2019)
A Matthews (appointed 1 September 2019)
K Philpott
A Randall (appointed 1 September 2019)
D Rich (resigned 21 July 2020)
D Whitehead

Company registered number

08158619

Company name

Evolution Academy Trust

Principal and registered office

Suite 1, Keswick Hall, Norwich, Norfolk, NR4 6TJ

Chief Executive Officer

L Holzer

Independent auditors

MA Partners Audit LLP, 7 The Close, Norwich, Norfolk, NR1 4DJ

Key management personnel

L Holzer
J Budge

EVOLUTION ACADEMY TRUST
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2020

The Trustees present their Annual Report together with the financial statements and auditors' report of the group and 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.

Structure, governance and management

a. Constitution

The Trust is a charitable company limited by guarantee and an exempt charity.

The charitable company's Memorandum of Association is the primary governing document of the Trust.

The Trustees of Evolution Academy Trust are also the directors of the charitable company for the purposes of company law.

Details of the Trustees who served during the year, and to the date these accounts are approved, are included in the Reference and administrative details on page 1.

The principal objects of the Trust are to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing schools offering a broad and balanced curriculum, with a strong emphasis on primary education.

b. 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.

c. Trustees' indemnities

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 Academy business, and provides cover up to £10,000,000.

d. Method of recruitment and appointment or election of Trustees

The management of the group and the Trust is the responsibility of the Trustees who are elected and co-opted under the terms of the Articles of Association.

e. Policies adopted for the induction and training of Trustees

The training and induction provided for new Trustees depends on their existing experience and includes accompanied visits with the Chief Executive Officer (CEO) to Trust schools to view strengths and potential risks at first hand and meet senior leaders and business leaders across the Trust. Additionally, Trustees have access to online resources and are introduced to policies, procedures, minutes, accounts, budgets, plans and other documents as applicable that they will need to undertake their role as Trustees. As there are expected to be only two or three new Trustees a year, induction will be tailored specifically to the individual.

EVOLUTION ACADEMY TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Structure, governance and management (continued)

f. Arrangements for setting pay and remuneration of key management personnel

Our Trust Scheme of Delegation indicates that pay, conditions and contractual terms for the CEO are the responsibility of a panel of Trustees. Accordingly, the Panel meets to complete a performance management review for the CEO in terms of action against targets set for the 2019/20 academic year.

The CEO is responsible for the performance management and pay and conditions for the Executive Principals, Principals and Headteachers in the Trust, to ensure rigour and consistency and ensure all elements of pay and performance management are dealt with by a common format across the Trust. The CEO is also responsible for the performance management and pay and conditions of Central Senior Leaders including Chief Finance Officer, Head of Estates, Head of School Improvement and Head of Procurement. This method of working also assists ongoing planning for sustainable leadership and ensures equality across the Trust.

g. Trade union facility time

The Trust purchases Trade Union facilities time from both Norfolk and Suffolk County Councils. The agencies negotiate with Trade Unions on the Trust's behalf.

h. Engagement with employees (including disabled persons)

Employees have been consulted on issues of concern to them by means of regular consultative committee and staff meetings and have been kept informed on specific matters directly by management. The Group and the Trust carry out exit interviews for all staff leaving the organisation and have adopted a procedure of upward feedback for senior management and the Trustees.

The Group and the Trust have implemented a number of detailed policies in relation to all aspects of personnel matters including:

- Equal opportunities policy
- Volunteers' policy
- Health & safety policy

In accordance with the Group and the Trust's equal opportunities policy, the Group and the Trust have long-established fair employment practices in the recruitment, selection, retention and training of disabled staff.

Full details of these policies are available from the Trust's offices.

EVOLUTION ACADEMY TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Structure, governance and management (continued)

i. Engagement with suppliers, customers and others in a business relationship with the Trust

The Trust maintains strong relationships with parents and pupils via a number of forums, both regular (eg PTAs, Pupil Forums, Parents' Evenings) and on an ad-hoc basis such as proposed changes to schools or Covid-19 arrangements. Parents are also strongly encouraged to join the schools' Local Governing Bodies.

The Trust has a strong sense of social responsibility. Engagement with local communities is strong and varied, from provision of food banks by schools, to use of school facilities for community activities.

Regular dialogue is maintained with funders and regulators, such as DfE, ESFA, OFSTED and local authorities, both via direct dialogue and involvement in networks. Staff in the Trust take advantage of many opportunities to be involved in consultative roles, helping to shape the future direction of the many services, policies and guidance.

Objectives and activities

a. Objects and aims

Our Vision is for our Trust to be the trust of choice for pupils, parents and staff in the Eastern Region.

b. Objectives, strategies and activities

Our Purpose as a Trust:

- We are **respectful** of the identity and character of individual Academies and of an Academy's strengths, as well as understanding where it needs to make improvement.
- We are **resourceful** in that we do whatever it takes and mobilise the support needed to bring about improvement.
- We are **responsive** to the context of each Academy and its particular needs and adapt our strategies as circumstances change.
- We are **relentless** in our pursuit of improvement and adopt a 'no excuses' approach – believing that every child can achieve.
- We are **resilient** in persevering with improvement despite challenges and setbacks.

Our Key Values which every member of our Trust supports are:

- An understanding that we have the ability to profoundly change children's lives.
- An understanding that everyone is accountable to ensure that aspirations and expectations are high for every unique child in our care. Everyone has a responsibility to positively and passionately advocate for every child in our care.
- A personal commitment to self-evaluation and self-improvement for ourselves and others.

c. Public benefit

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

EVOLUTION ACADEMY TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Strategic report

Achievements and performance

a. Review of activities

This year the Trust has achieved the following:

Trust Structure and Capacity

- In September 2019, we successfully integrated Diversa Academy Trust into the Trust, adding three Schools to our group with associated talent and capacity.
- Strengthened and formalised the structure of the central team by appointing a CFO, Procurement Specialist, Head of School Improvement, Head of Estates and Health and Safety Officer in addition to strengthening the finance and property teams.
- Tightened our work in strategic planning to ensure that activities are considered, regulated and tracked for impact and risk.
- Developed a risk strategy to work alongside our activities and proactively identify and mitigate risk.
- Strengthened our Trustee Board ensuring greater accountability.
- Established a separate Risk and Audit Committee, separating its responsibilities from the Finance Committee.
- Appointed Price Bailey as Internal Auditors, rolling out a three-year programme of internal scrutiny throughout the Trust.

Finance Activities

- Strengthened the systems and processes of finance and budget monitoring.
- Strengthened the team responsible for financial processing including the work undertaken in schools.

Estates

- Developed a clear Estates Strategy and Asset Management Plan
- Undertaken audit work across the trust allowing a clear maintenance strategy to be produced and actioned in line with new SCA funding.
- Successfully bid for CIF work to be completed
- Completed the building work and opened a new Primary School (in September 2019) completing the merger of Costessey Infant and Costessey Junior Schools.

School Improvement Work

- Successfully appointed new Headteachers and senior leaders to the Trust.
- Developed an extensive training and support service to all schools.
- Tracked and identified significant improvements across schools.
- Successfully completed a programme of training and development to develop curriculum.
- Held a whole Trust conference to develop trust coherence and collaboration.

For all our sponsored schools the Trust is aware that much improvement is still required and has planned for this in the current academic year. The data, as available from Ofsted and the DfE for each school, is available on our schools' page on the Trust website.

<https://www.evolutionacademytrust.co.uk/topic/our-schools>

EVOLUTION ACADEMY TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Strategic report (continued)

Achievements and performance (continued)

b. Fundraising

The Trust takes a passive approach to fundraising. Fundraising takes place within individual schools and each Headteacher has oversight of all fundraising carried out at their school. The Trust does not work with any commercial participators or professional fundraisers.

All fundraising conforms to recognised standards and the Trust has not received any fundraising complaints. The Trust does not undertake any unreasonably intrusive or persistent fundraising approaches. No member of the public is placed under undue pressure to donate.

c. Covid-19 Pandemic

In line with the UK Government's directive on 18 March 2020, as part of the country's response to Covid-19, all our schools closed from the end of the school day on Friday 20 March 2020, except for children of key workers and vulnerable children.

Measures were put in place to ensure continuity of learning including a significant investment across the Trust in a learning platform and associated hardware.

All schools were partially reopened on 1 June for Early Years and Year 6 pupils including coherent and considered risk assessments in every school supported by our central team.

An additional Covid sub-committee of Trustees was set up in March and has continued to meet weekly since that time with the aim of supporting schools and ensuring best practice and compliance to guidelines throughout the process.

The Trust's schools all participated in the national free school meals voucher scheme, supporting families in accessing the scheme. Where it has not been possible for certain families to use the scheme they have been provided with vouchers purchased by the school.

All the Trust's schools reopened to all pupils from early September 2020 following Government guidance. Where positive Covid-19 cases are notified the schools are following local authority and DfE advice. The Trustees have approved an extensive IT programme to ensure that effective teaching and learning can be continued even under full or partial school closures.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Strategic report (continued)

Financial review

a. Reserves policy

The Trustees review the reserve levels annually. The review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Trustees have set a target reserve level of a fixed £50,000 per Academy and 2.5% of GAG to total circa £990,000 across the Schools. The aim of the reserves policy is to ensure salary costs can be covered in the event of critical incident and build a reserve for future buildings improvements. Actual free reserves as at 31 August 2020 were £1,187,420.

The Trustees and the individual school management teams recognise that current reserves are greater than the target. It is anticipated that these will decrease over the next financial year as strategic projects are developed alongside school and Trust strategic plans with associated costs.

b. Investment policy

The Trust is aware that cash balances have to be held to match our reserves policy and for future buildings programmes. The Trust ensures value for money by holding money in 32-day notice accounts and the CFO monitors the level of investments on a routine basis.

c. Principal risks and uncertainties

The Trustees have assessed the major risks to which the Trust is exposed, in particular those related to the operations and finances of the Trust, and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks.

The Trustees review the risk register identifying major risks to which the Trust is exposed, in particular those relating to teaching, provision of facilities including IT, and other operational areas of the Trust, and its finances. A risk register is completed for overall risks for each Board meeting which is then submitted to Trust members so the members may be satisfied that directors are fulfilling their duties effectively.

The risks faced by the Trust and its schools have been managed and overseen by a Covid sub-committee that has met on a weekly basis, both to give support to the schools in their response to the pandemic, and to satisfy the Board of Trustees that risks are being adequately mitigated.

d. Going concern

Covid-19 has inevitably had an impact this year, and is expected to continue into the next financial year, resulting in additional costs and loss of some income. Notable costs are for deep and touchpoint cleaning and PPE for all schools, as well as some structural changes to improve safe flow of pupils, staff and parents in buildings and grounds. Income has been reduced on lettings of premises and charges for school clubs. The Trust is taking advantage of any funding provided by the Government but this does not cover all costs, and budgets are being kept under review to ensure that any financial risks are appropriately mitigated.

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, they continue 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 accounting policies.

EVOLUTION ACADEMY TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

e. Principal funding

Most of the Trust's income is obtained from the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the period ended 31 August 2020 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities. The Trust also receives funding from other government bodies which are shown as restricted funds. There is also income from catering, lettings and energy supply which is shown as unrestricted funding in the financial statements.

The Trust also receives grants for fixed assets from the ESFA and other government bodies. In accordance with applicable accounting standards, such grants are shown in the Statement of Financial Activities as restricted income (in the fixed asset fund). The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

From April 2020 the Trust has qualified to receive Schools Condition Allowance. A full condition survey has been completed for every Trust building, and forms the basis for a managed and prioritised programme of improvements.

EVOLUTION ACADEMY TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Streamlined energy and carbon reporting

The information below has been calculated on the energy used from 1 September 2019 to 31 August 2020.

<i>UK Greenhouse gas emissions and energy use data</i>	<i>2019/20</i>
Energy consumption used to calculate emissions (kWh)	4,726,671
Energy consumption break down (kWh)	
Gas	3,890,070
Electricity	813,726
Transport fuel	22,875
<i>Scope 1 - emissions in metric tonnes CO2e</i>	
Gas consumption	721.31
Owned transport - mini-buses	0.31
Total scope 1	721.62
<i>Scope 2 - emissions in metric tonnes CO2e</i>	
Purchased electricity	189.71
<i>Scope 3 - emissions in metric tonnes CO2e</i>	
Business travel in employee owned vehicles	4.64
<i>Total gross emissions in metric tonnes CO2e</i>	915.97
Intensity ratio Tonnes CO2e per pupil	0.23

Quantification and reporting methodology

The 2019 HM Government Environmental Reporting Guidelines have been followed. Utilising the GHG Reporting Protocol – Corporate Standard and 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

Video conferencing is now used extensively throughout the Trust, and has significantly reduced the need to travel between sites. In addition, environmental awareness is increasingly woven through the curriculum in our schools to give the children an understanding of how they can personally make a difference.

EVOLUTION ACADEMY TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Plans for future periods

1. To ensure that the offer to schools in support, development and training and business services allows schools to accelerate their progress towards improvement aims rapidly.
2. To effectively grow the Evolution Academy Trust in order to best achieve outstanding outcomes for all pupils in all schools in the Trust and to sponsor schools requiring development.

Funds held as custodian on behalf of others

No such funds are held.

Disclosure of information to auditors

Insofar as the Trustees are aware:

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

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 9 December 2020 and signed on its behalf by:


R M Jeffries
Chair of Trustees

EVOLUTION ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT

Scope of responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that Evolution Academy 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 Evolution Academy 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.

EVOLUTION ACADEMY TRUST
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GOVERNANCE STATEMENT (CONTINUED)

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 9 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 M Jeffries, Chair of Trustees	9	9
R Jarvis	7	9
A Matthews	8	9
K Philpott	8	9
A Randall	6	9
D Rich	7	8
D Whitehead	9	9

The performance of the Board is monitored by the Members who receive updated KPIs after each Board meeting. These KPIs risk rank each school and the Trust in terms of indicators for standards, resources, governance, staffing and site issues.

The Trust's Board has established separate sub-committees for Risk and Audit and Finance. Attendance during the year at meetings was as follows:

Risk and audit Committee

Trustee	Meetings attended	Out of a possible
R Jarvis, Chair of Risk and Audit Committee	3	3
A Matthews	3	3
K Philpott	2	3

Finance Committee

Trustee	Meetings attended	Out of a possible
A Matthews, Chair of Finance Committee	7	7
A Randall	7	7
D Rich	4	6

EVOLUTION ACADEMY TRUST
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GOVERNANCE STATEMENT (CONTINUED)

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:

- Employing a Head of Procurement to lead on ensuring the Trust obtains best value for money on every contract.
- Ensuring that staff expertise is shared across the Trust's schools to impact on improved outcomes in each one.
- The Trust has maintained a database of all services and contracts in its schools and is working towards consolidating contracts for most services in all schools. This aids efficiency and has created cost savings in many contracts. By operating in this manner it also ensures no school can take a contract that would be outside ESFA regulations.

The Board of Trustees continues to hold the CEO and each school to account for pupils' progress, safeguarding and effective use of all resources. The Trustees receive detailed information, including potential risks, regarding each school on a half termly basis. If, for instance, the Trustees note potential difficulties in the budget setting by any school they quickly hold the school to account and provide support as required.

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 Evolution Academy Trust for the year 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 ongoing process for identifying, evaluating and managing the Trust's significant risks that has been in place for the year 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 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

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GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework (continued)

- which are reviewed and agreed by the Board of Trustees
- regular reviews by the Board of Trustees 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 decided to buy-in an internal audit service from Price Bailey LLP.

This year they have completed an audit of the Trust's governance and compliance with the ESFA 'Musts'. Future audits will be directed by the Risk and Audit Committee based on the Trust's Risk Register. On a regular basis, the Internal Auditor reports to the Board of Trustees through the Risk and Audit Committee on the operation of the systems of control and on the discharge of the Trustees' financial and operational responsibilities.

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 internal auditor;
- the work of the external auditors;
- 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 Risk and Audit committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 9 December 2020 and signed on their behalf by:


.....
R M Jeffries
Chair of Trustees


.....
L Holzer
Accounting Officer

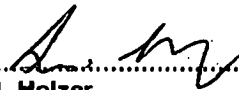
EVOLUTION ACADEMY TRUST
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Evolution Academy Trust I have considered my responsibility to notify the Trust Board of Trustees and the Education & 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.


.....
L Holzer
Accounting Officer
Date: 9 December 2020

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STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2020

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 Academies 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 . 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 Group and the charitable company and of their incoming resources and application of resources, including their 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 of the Charities SORP 2019 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 group will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and 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 Group and 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 their conduct and operation the Group and the charitable company apply 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 group'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 and signed on its behalf by:


.....
R M Jeffries

Date: 9 December 2020

EVOLUTION ACADEMY TRUST
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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
EVOLUTION ACADEMY TRUST**

Opinion

We have audited the financial statements of Evolution Academy Trust (the 'parent Trust') and its subsidiaries (the 'Group') for the year ended 31 August 2020 which comprise the Consolidated Statement of Financial Activities, the Consolidated balance sheet, the Trust balance sheet, the Consolidated statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent Trust's affairs as at 31 August 2020 and of the Group's 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group's or the parent Trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
EVOLUTION ACADEMY TRUST (CONTINUED)**

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditors' report thereon. Other information includes the Reference and administrative details, the Trustees' report including the Strategic report, and the Governance statement. Our opinion on the financial statements 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements 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.

Opinion 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 Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the Group and the parent Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report including the 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:

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

EVOLUTION ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
EVOLUTION ACADEMY TRUST (CONTINUED)**

Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the Trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Group's and the parent 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 Group or the parent Trust or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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

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

Use of our report

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



Frank Shippam BSc FCA DChA (Senior statutory auditor)

for and on behalf of

MA Partners Audit LLP

Chartered Accountants

Statutory Auditor

7 The Close

Norwich

Norfolk

NR1 4DJ

18 December 2020

EVOLUTION ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO
EVOLUTION ACADEMY TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 25 October 2019 and further to the requirements of the Education and 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 Evolution Academy Trust during the year 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 Evolution Academy Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Evolution Academy 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 Evolution Academy Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Evolution Academy Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Evolution Academy Trust's funding agreement with the Secretary of State for Education dated 4 September 2012 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 year 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 Trust's income and expenditure.

Our procedures included, but were not limited to, the following:

- Reviewing the processes for identifying and declaring business interests, related parties and transactions with connected parties;
- Reviewing minutes of meetings and making enquiries of Trustees and management;
- Performing an evaluation of the general control environment;

EVOLUTION ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO
EVOLUTION ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)**

- Sample testing of expenditure to ensure the Trust's lines of delegation and procurement policies have been adhered to, that employees have not personally benefited from any transaction and that goods and services have been procured in an open and transparent manner;
- Sample testing of restricted income to ensure it has been spent as the purposes intended;
- Reviewing transactions which may not fall within the delegated authority of the Trust and ensuring any such transactions have been authorised and disclosed as necessary;
- Reviewing compliance with *Part 8: Schedule of requirements (the "musts")* of the Academies Financial Handbook 2019.

Where applicable, this work was integrated with our audit on the financial statements to the extent evidence from the conduct of the audit supports the regularity conclusion.

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 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.

MA Partners Audit LLP

MA Partners Audit LLP
Chartered Accountants
Statutory Auditor
7 The Close
Norwich
Norfolk
NR1 4DJ

Date: 18 December 2020

EVOLUTION ACADEMY TRUST
(A company limited by guarantee)

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND
EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2020**

	Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
Income from:						
Donations and capital grants:	3					
Assets transferred on conversion		-	-	-	-	4,571,000
Assets transferred on acquisition		154,370	(3,021,052)	11,040,705	8,174,023	-
Donation in kind		-	-	-	-	2,832,276
Other donations and capital grants		126,321	-	1,256,987	1,383,308	498,490
Charitable activities	4	403,454	19,818,263	-	20,221,717	14,118,624
Other trading activities	5	116,041	-	-	116,041	102,610
Investments	6	3,546	-	-	3,546	3,392
Total income		803,732	16,797,211	12,297,692	29,898,635	22,126,392
Expenditure on:						
Raising funds		30	-	-	30	-
Charitable activities		84,141	22,038,332	794,575	22,917,048	15,513,536
Total expenditure		84,171	22,038,332	794,575	22,917,078	15,513,536
Net income/(expenditure)		719,561	(5,241,121)	11,503,117	6,981,557	6,612,856
Transfers between funds	18	(1,102,682)	936,057	166,625	-	-
Net movement in funds before other recognised gains/(losses)		(383,121)	(4,305,064)	11,669,742	6,981,557	6,612,856
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	25	-	(1,234,000)	-	(1,234,000)	(1,564,000)
Net movement in funds		(383,121)	(5,539,064)	11,669,742	5,747,557	5,048,856

EVOLUTION ACADEMY TRUST
(A company limited by guarantee)

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND
EXPENDITURE ACCOUNT) (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020**

Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
Reconciliation of funds:					
Total funds brought forward	1,570,541	(3,169,939)	29,832,287	28,232,889	23,184,033
Net movement in funds	(383,121)	(5,539,064)	11,669,742	5,747,557	5,048,856
Total funds carried forward	1,187,420	(8,709,003)	41,502,029	33,980,446	28,232,889

EVOLUTION ACADEMY TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 08158619

CONSOLIDATED BALANCE SHEET
AS AT 31 AUGUST 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	14	40,225,927	29,813,092
		<u>40,225,927</u>	<u>29,813,092</u>
Current assets			
Debtors	16	874,811	880,449
Cash at bank and in hand		4,558,494	3,675,279
		<u>5,433,305</u>	<u>4,555,728</u>
Creditors: amounts falling due within one year	17	(1,485,786)	(1,648,931)
Net current assets		<u>3,947,519</u>	<u>2,906,797</u>
Total assets less current liabilities		<u>44,173,446</u>	<u>32,719,889</u>
Net assets excluding pension liability		<u>44,173,446</u>	<u>32,719,889</u>
Defined benefit pension scheme liability	25	(10,193,000)	(4,487,000)
Total net assets		<u><u>33,980,446</u></u>	<u><u>28,232,889</u></u>
Funds of the Trust			
Restricted funds:			
Fixed asset funds	18	41,502,029	29,832,287
Restricted income funds	18	1,483,997	1,317,061
		<u>42,986,026</u>	<u>31,149,348</u>
Restricted funds excluding pension asset	18	42,986,026	31,149,348
Pension reserve	18	(10,193,000)	(4,487,000)
Total restricted funds	18	<u>32,793,026</u>	<u>26,662,348</u>
Unrestricted income funds	18	1,187,420	1,570,541
Total funds		<u><u>33,980,446</u></u>	<u><u>28,232,889</u></u>

The financial statements on pages 22 to 66 were approved by the Trustees, and authorised for issue on 09 December 2020 and are signed on their behalf, by:

EVOLUTION ACADEMY TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 08158619

CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2020



R M Jeffries
Chair of Trustees

The notes on pages 29 to 66 form part of these financial statements.

EVOLUTION ACADEMY TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 08158619

TRUST BALANCE SHEET
AS AT 31 AUGUST 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	14	40,225,934	29,813,092
Investments	15	1	-
		<u>40,225,935</u>	<u>29,813,092</u>
Current assets			
Debtors	16	874,468	880,449
Cash at bank and in hand		4,557,532	3,675,279
		<u>5,432,000</u>	<u>4,555,728</u>
Creditors: amounts falling due within one year	17	(1,485,787)	(1,648,931)
Net current assets		<u>3,946,213</u>	<u>2,906,797</u>
Total assets less current liabilities		<u>44,172,148</u>	<u>32,719,889</u>
Net assets excluding pension liability		<u>44,172,148</u>	<u>32,719,889</u>
Defined benefit pension scheme liability	25	(10,193,000)	(4,487,000)
Total net assets		<u><u>33,979,148</u></u>	<u><u>28,232,889</u></u>
Funds of the Trust			
Restricted funds:			
Fixed asset funds	18	41,443,481	29,832,287
Restricted income funds	18	441,059	1,317,061
		<u>41,884,540</u>	<u>31,149,348</u>
Restricted funds excluding pension liability	18	41,884,540	31,149,348
Pension reserve	18	(10,193,000)	(4,487,000)
Total restricted funds	18	<u>31,691,540</u>	<u>26,662,348</u>
Unrestricted income funds	18	<u>2,287,608</u>	<u>1,570,541</u>
Total funds		<u><u>33,979,148</u></u>	<u><u>28,232,889</u></u>

The financial statements on pages 22 to 66 were approved by the Trustees, and authorised for issue on 09 December 2020 and are signed on their behalf, by:

EVOLUTION ACADEMY TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 08158619

TRUST BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2020



R M Jeffries

The notes on pages 29 to 66 form part of these financial statements.

EVOLUTION ACADEMY TRUST
(A company limited by guarantee)

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2020

	Note	2020 £	2019 £
Cash flows from operating activities			
Net cash provided by operating activities	20	341,922	260,126
Cash flows from investing activities	21	541,293	(876,832)
Change in cash and cash equivalents in the year		883,215	(616,706)
Cash and cash equivalents at the beginning of the year		3,675,279	4,291,985
Cash and cash equivalents at the end of the year	22, 23	<u>4,558,494</u>	<u>3,675,279</u>

The notes on pages 29 to 66 form part of these financial statements

EVOLUTION ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies

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

1.1 Basis of preparation of financial statements

The financial statements of the Trust, which is a public benefit entity under FRS 102, have been prepared under the historic 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 Consolidated statement of financial activities (SOFA) and Consolidated balance sheet consolidate the financial statements of the Trust and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

The Trust has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of financial activities in these financial statements.

1.2 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 Trust 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.

EVOLUTION ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.3 Income

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

- **Grants**

Grants are included in the Consolidated 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 Consolidated statement of financial activities in the year for which it is receivable and any abatement in respect of the year is deducted from income and recognised as a liability.

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

- **Donations**

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

- **Other income**

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

- **Transfer of existing academies into the Group**

Where assets and liabilities are received on the transfer of an existing academy into the Group, the transferred assets are measured at fair value and recognised in the Balance sheet at the point when the risks and rewards of ownership pass to the Group. An equal amount of income is recognised for the transfer of an existing academy into the Group within 'Income from Donations and Capital Grants' to the net assets acquired.

EVOLUTION ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

1.5 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Group; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

1.6 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 Consolidated 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 Consolidated statement of financial activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation is provided on all tangible fixed assets other than freehold land and assets under construction, at rates calculated to write off the cost of each asset on a basis over its expected useful life.

EVOLUTION ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

1. Accounting policies (continued)

1.6 Tangible fixed assets (continued)

Depreciation is provided on the following bases:

Long leasehold buildings	- 2% straight line.
Leasehold land	- over duration of the lease
Furniture and equipment	- 15% straight line
Computer equipment	- 25% straight line

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

The Trust is party to lease agreements with Norfolk County Council and Suffolk County Council for the school properties.

1.7 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Consolidated statement of financial activities.

Investments in subsidiaries are valued at cost less provision for impairment.

1.8 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.9 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.10 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 Group 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.

EVOLUTION ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.11 Financial instruments

The Group only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Group and their measurement bases 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 16. Prepayments are not financial instruments. Amounts due to the Trust's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

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 note 17. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to the Trust's wholly owned subsidiary are held at face value less any impairment.

1.12 Pensions

Retirement benefits to employees of the Group 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 Group 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 funded multi-employer scheme and the assets are held separately from those of the Group 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 Consolidated 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.

EVOLUTION ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

1. Accounting policies (continued)

1.13 Fund accounting

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

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

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

Investment income, gains and losses are allocated to the appropriate fund.

2. Critical accounting estimates and areas of judgment

Estimates and judgments 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 present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 25, 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.

In assessing the carrying values of tangible fixed assets the Trustees estimate the anticipated useful lives and residual values of the assets. There have been no significant revisions to these estimations in the current financial year.

EVOLUTION ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

3. Income from donations and capital grants

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
Donations					
Assets transferred on conversion	-	-	-	-	4,571,000
Donation in kind	-	-	-	-	2,832,276
Assets transferred on acquisition - note 29	154,370	(3,021,052)	11,040,705	8,174,023	-
Subtotal	<u>154,370</u>	<u>(3,021,052)</u>	<u>11,040,705</u>	<u>8,174,023</u>	<u>7,403,276</u>
Donations	126,321	-	-	126,321	92,437
Capital Grants	-	-	1,256,987	1,256,987	406,053
Subtotal	<u>126,321</u>	<u>-</u>	<u>1,256,987</u>	<u>1,383,308</u>	<u>498,490</u>
Total 2020	<u><u>280,691</u></u>	<u><u>(3,021,052)</u></u>	<u><u>12,297,692</u></u>	<u><u>9,557,331</u></u>	<u><u>7,901,766</u></u>
Total 2019	<u><u>151,839</u></u>	<u><u>(244,250)</u></u>	<u><u>7,994,177</u></u>	<u><u>7,901,766</u></u>	

A creditor has been recognised for a potential clawback of Condition Improvement Funding totalling £14,747. Income from capital grants above is shown net of clawback adjustments.

EVOLUTION ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

4. Funding for the Trust's educational operations

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
DfE/ESFA grants				
General Annual Grant	-	15,536,417	15,536,417	11,110,487
Pupil Premium	-	1,454,054	1,454,054	1,056,195
Teachers Pension Grant	-	524,850	524,850	-
Universal Infant Free School Meals	-	444,432	444,432	316,098
PE and Sport Premium	-	241,570	241,570	174,946
Teachers Pay Grant	-	185,749	185,749	87,866
Rates	-	60,668	60,668	41,038
Free School Meals Supplementary grant	-	25,080	25,080	36,960
MAT Development and Improvement	-	-	-	97,800
	-	18,472,820	18,472,820	12,921,390
Other Government grants				
Special Educational Needs	-	932,407	932,407	487,210
Early Years Funding	-	151,073	151,073	113,177
Norwich Opportunity Area	-	141,686	141,686	57,421
Other Grants	-	83,187	83,187	6,248
Pupil Premium - LA	-	10,929	10,929	19,315
	-	1,319,282	1,319,282	683,371
Exceptional Government funding				
Coronavirus Job Retention Scheme grant	-	10,018	10,018	-
Other Coronavirus funding	-	16,143	16,143	-
	-	26,161	26,161	-
Other income from educational operations				
Clubs	199,941	-	199,941	175,822
Catering	108,961	-	108,961	162,180
Trips	70,070	-	70,070	145,288
Services Provided to Other Schools	23,327	-	23,327	28,532
Uniforms	1,155	-	1,155	2,041
	403,454	-	403,454	513,863
	403,454	19,818,263	20,221,717	14,118,624

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

4. Funding for the Trust's educational operations (continued)

The Trust has been eligible to claim additional funding in year from government support schemes in response to the coronavirus outbreak. The funding received is shown above under "exceptional government funding".

- The Trust furloughed some of its Nursery staff under the government's CJRS and claimed funding of £10,018 toward staff costs.
- In line with DfE guidance, the Trust claimed £16,143 in relation to exceptional costs associated with the Coronavirus, however total costs incurred for additional cleaning, PPE and hygiene were in excess of £75,000..

5. Income from other trading activities

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Diversa Trading Limited fundraising	40,324	40,324	-
Insurance reclaims	11,296	11,296	394
Lettings	60,816	60,816	82,024
School fund	(4,144)	(4,144)	8,441
Solar panels	7,749	7,749	11,751
	<u>116,041</u>	<u>116,041</u>	<u>102,610</u>
<i>Total 2019</i>	<u>102,610</u>	<u>102,610</u>	

6. Investment income

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Investment income	3,546	3,546	3,392
	<u>3,392</u>	<u>3,392</u>	
<i>Total 2019</i>	<u>3,392</u>	<u>3,392</u>	

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

7. Expenditure

	Staff Costs 2020 £	Premises 2020 £	Other 2020 £	Total 2020 £	Total 2019 £
Expenditure on fundraising trading activities:					
Direct costs	-	-	30	30	-
Educational operations:					
Direct costs	10,413,940	-	878,007	11,291,947	7,642,384
Support costs	7,564,605	1,867,638	2,192,858	11,625,101	7,871,152
	<u>17,978,545</u>	<u>1,867,638</u>	<u>3,070,895</u>	<u>22,917,078</u>	<u>15,513,536</u>
Total 2019	<u>11,402,144</u>	<u>1,445,181</u>	<u>2,666,211</u>	<u>15,513,536</u>	

8. Analysis of expenditure by activities

	Activities undertaken directly 2020 £	Support costs 2020 £	Total funds 2020 £	Total funds 2019 £
Educational operations	<u>11,291,947</u>	<u>11,625,101</u>	<u>22,917,048</u>	<u>15,513,536</u>
Total 2019	<u>7,642,384</u>	<u>7,871,152</u>	<u>15,513,536</u>	

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

8. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Total funds 2020 £	Total funds 2019 £
Staff costs	10,164,231	6,553,224
Depreciation	59,869	59,118
Staff development	141,427	84,401
Teaching resources	366,882	272,387
Other direct costs	190,397	285,769
Educational visits	119,432	185,572
Agency staff	249,709	201,913
	11,291,947	7,642,384

Analysis of support costs

	Total funds 2020 £	Total funds 2019 £
Pension finance costs	150,000	73,000
Staff costs	7,564,605	4,647,007
Depreciation	734,706	546,932
Computer maintenance	419,503	290,686
Maintenance of property and equipment	462,858	352,742
Professional fees	418,715	321,754
Postage, stationery, printing and telephone	282,492	221,073
Insurance	75,513	56,795
Occupancy	669,747	545,511
Catering	756,925	611,378
Licenses	63,643	173,678
Audit and assurance	26,394	30,596
	11,625,101	7,871,152

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NOTES TO THE FINANCIAL STATEMENTS
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9. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2020 £	2019 £
Operating lease rentals	203,581	230,350
Depreciation of tangible fixed assets	794,575	606,050
Fees paid to auditors for:		
- audit	21,000	20,000
- other services	6,600	6,500
	<u> </u>	<u> </u>

EVOLUTION ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

10. Staff

a. Staff costs

Staff costs during the year were as follows:

	Group 2020 £	Group 2019 £	Trust 2020 £	Trust 2019 £
Wages and salaries	12,633,975	8,526,345	12,633,981	8,526,345
Social security costs	1,016,815	678,963	1,016,812	678,963
Pension costs	3,995,583	1,934,821	3,995,587	1,934,821
	17,646,373	11,140,129	17,646,380	11,140,129
Agency staff costs	249,709	201,913	249,709	201,913
Staff restructuring costs	82,463	60,102	82,463	60,102
	17,978,545	11,402,144	17,978,552	11,402,144

Staff restructuring costs comprise:

	Group 2020 £	Group 2019 £	Trust 2020 £	Trust 2019 £
Redundancy payments	48,847	49,767	48,847	49,767
Severance payments	33,616	10,335	33,616	10,335
	82,463	60,102	82,463	60,102

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

Included in staff restructuring costs are non-statutory severance payments of **£33,616** (2019: £10,335). Individually, the payments were £17,500, £11,939 and £4,177.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

10. Staff (continued)

c. Staff numbers

The average number of persons employed by the Group and the Trust during the year was as follows:

	Group 2020 No.	Group 2019 No.	Trust 2020 No.	Trust 2019 No.
Teachers	205	146	205	146
Administration and support	436	303	436	303
Management	36	30	36	30
	<u>677</u>	<u>479</u>	<u>677</u>	<u>479</u>

d. Higher paid staff

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

	Group 2020 No.	Group 2019 No.
In the band £60,001 - £70,000	1	2
In the band £70,001 - £80,000	4	3
In the band £80,001 - £90,000	1	-
In the band £90,001 - £100,000	1	1
In the band £100,001 - £110,000	1	-
	<u>1</u>	<u>6</u>

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 employer national insurance contributions) received by key management personnel for their services to the Trust was £194,625 (2019 £169,172).

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

11. Central services

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

- Central senior management support (including CEO and CFO)
- School improvement, including training, development and coaching of senior staff, curriculum development and monitoring
- Centralised Finance function, coordinating all financial activities including budgeting, reporting, audits (internal and external)
- Specialised Procurement to support with contract management, tenders, complex purchases and ensuring Value For Money
- Estates and facilities management
- Health and Safety expertise

For the year ended 31 August 2020, the Trust made a charge of 5% of GAG to cover the cost of these services.

The actual amounts charged during the year were as follows:

	2020 £	2019 £
Costessey Primary School	120,451	100,664
Eaton Primary School	71,810	60,515
Filby Primary School	19,295	13,755
Wensum Junior School	46,465	36,379
Dell Primary School	75,528	51,717
Elm Tree Primary School	70,509	44,004
Poplars Primary School	98,475	68,521
Nelson Infant School	39,059	32,143
Coldfair Green Primary School	27,230	9,106
Angel Road Infant School	55,274	-
Angel Road Junior School	70,308	-
Bignold Primary School	82,277	-
Total	776,681	416,804

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NOTES TO THE FINANCIAL STATEMENTS
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12. Trustees' remuneration and expenses

One or more Trustees has been paid remuneration or has received other benefits from an employment with the Trust. The principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment. The value of Trustees' remuneration and other benefits was as follows:

		2020	2019
		£	£
Mark Adamson (former CEO and Trustee)	Remuneration	0	40,000 - 45,000
	Pension contributions paid	0	5,000 - 10,000

During the year ended 31 August 2020, no expenses were reimbursed or paid directly to Trustees (2019: £118 to 1 Trustee).

13. Trustees' and Officers' insurance

The Group has opted into the Department of 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 academy 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.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

14. Tangible fixed assets

Group and Trust

	Long-term leasehold property £	Plant and machinery £	Computer equipment £	Total £
Cost or valuation				
At 1 September 2019	31,174,127	329,126	304,626	31,807,879
Additions	355,935	28,024	51,289	435,248
On acquisition of subsidiaries	10,739,126	16,434	16,602	10,772,162
At 31 August 2020	<u>42,269,188</u>	<u>373,584</u>	<u>372,517</u>	<u>43,015,289</u>
Depreciation				
At 1 September 2019	1,631,463	158,485	204,839	1,994,787
Charge for the year	692,241	42,465	59,869	794,575
At 31 August 2020	<u>2,323,704</u>	<u>200,950</u>	<u>264,708</u>	<u>2,789,362</u>
Net book value				
At 31 August 2020	<u>39,945,484</u>	<u>172,634</u>	<u>107,809</u>	<u>40,225,927</u>
At 31 August 2019	<u>29,542,664</u>	<u>170,641</u>	<u>99,787</u>	<u>29,813,092</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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15. Fixed asset investments

Trust	Investments in subsidiary companies £
Cost or valuation	
Additions	1
At 31 August 2020	<u>1</u>
Net book value	
At 31 August 2020	<u>1</u>

Principal subsidiaries

The following was a subsidiary undertaking of the Trust:

Name	Company number	Included in consolidation
Diversa Trading Limited	11144243	Yes

The financial results of the subsidiary for the year were:

Name	Income £	Expenditure £	Profit/(Loss)/ Surplus/ (Deficit) for the year £	Net assets £
Diversa Trading Limited	40,342	(59,736)	(19,394)	1,303

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**NOTES TO THE FINANCIAL STATEMENTS
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16. Debtors

	Group 2020 £	Group 2019 £	Trust 2020 £	Trust 2019 £
Due within one year				
Trade debtors	63,950	7,769	63,607	7,769
VAT repayable	129,944	280,137	129,944	280,137
Prepayments and accrued income	680,917	592,543	680,917	592,543
	<u>874,811</u>	<u>880,449</u>	<u>874,468</u>	<u>880,449</u>

17. Creditors: Amounts falling due within one year

	Group 2020 £	Group 2019 £	Trust 2020 £	Trust 2019 £
Trade creditors	399,417	892,393	399,417	892,393
Other taxation and social security	244,424	165,566	244,424	165,566
Other creditors	364,565	230,257	364,565	230,257
Accruals and deferred income	477,380	360,715	477,381	360,715
	<u>1,485,786</u>	<u>1,648,931</u>	<u>1,485,787</u>	<u>1,648,931</u>

	Group 2020 £	Group 2019 £	Trust 2020 £	Trust 2019 £
Deferred income at 1 September 2019	217,814	186,491	217,814	186,491
Resources deferred during the year	301,770	217,814	301,770	217,814
Amounts released from previous periods	(217,814)	(186,491)	(217,814)	(186,491)
Deferred income at 31 August 2020	<u>301,770</u>	<u>217,814</u>	<u>301,770</u>	<u>217,814</u>

At the balance sheet date, deferred income included £263,764 Universal Infant Free School Meals grants, rates grants of £1,239 and local authority funding of £36,767

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

18. Statement of funds

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
Unrestricted funds						
General Funds	1,570,541	742,694	(84,141)	(1,042,976)	-	1,186,118
Diversa Trading Limited	-	61,038	(30)	(59,706)	-	1,302
	<u>1,570,541</u>	<u>803,732</u>	<u>(84,171)</u>	<u>(1,102,682)</u>	<u>-</u>	<u>1,187,420</u>
Restricted general funds						
General Annual Grant (GAG)	904,777	15,402,211	(15,169,538)	(193,976)	-	943,474
Pupil Premium	185,742	1,567,727	(1,456,420)	-	-	297,049
Special Educational Needs	-	936,244	(936,244)	-	-	-
PE and Sport premium	-	279,228	(136,276)	-	-	142,952
Universal Infant Free School Meals	-	462,633	(444,432)	-	-	18,201
Conversion grants	83,036	-	(25,061)	(54,505)	-	3,470
School improvement grant	39,693	-	(11,400)	-	-	28,293
Sponsor Capacity grant	45,000	-	-	-	-	45,000
Early years funding	-	215,801	(215,801)	-	-	-
Devolved Formula Capital	-	-	(111,538)	111,538	-	-
Teachers Pension Grant	-	524,850	(524,850)	-	-	-
Other grants and donations	6,000	109,674	(113,114)	-	-	2,560
Rates	-	73,328	(73,328)	-	-	-
Teachers Pay Grant	-	185,749	(185,749)	-	-	-

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**NOTES TO THE FINANCIAL STATEMENTS
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18. Statement of funds (continued)

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
MAT Development and Improvement	25,867	-	(22,869)	-	-	2,998
FSM Supplementary Grant	-	25,080	(25,080)	-	-	-
Norwich Opportunity Area	26,946	151,686	(178,632)	-	-	-
Pension reserve	(4,487,000)	(3,137,000)	(2,408,000)	1,073,000	(1,234,000)	(10,193,000)
	<u>(3,169,939)</u>	<u>16,797,211</u>	<u>(22,038,332)</u>	<u>936,057</u>	<u>(1,234,000)</u>	<u>(8,709,003)</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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18. Statement of funds (continued)

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
Restricted fixed asset funds						
Fixed assets transferred on conversion	23,276,014	10,360,918	(627,431)	-	-	33,009,501
Devolved Formula Capital	29,266	182,669	(5,031)	(111,538)	-	95,366
Capital expenditure from GAG	1,178,602	1,050	(95,776)	220,751	-	1,304,627
NCC capital grant	3,718	202,744	(7,487)	(124)	-	198,851
Condition Improvement Fund	2,407,435	371,218	(49,932)	3,031	-	2,731,752
Academies Capital Maintenance	47,139	-	(1,039)	-	-	46,100
Other capital grants and donations	57,837	-	(7,879)	54,505	-	104,463
NCC donation in kind - merger of CJS and CIS	2,832,276	-	-	-	-	2,832,276
School Condition Allocation	-	1,179,093	-	-	-	1,179,093
	<u>29,832,287</u>	<u>12,297,692</u>	<u>(794,575)</u>	<u>166,625</u>	<u>-</u>	<u>41,502,029</u>
Total Restricted funds	<u>26,662,348</u>	<u>29,094,903</u>	<u>(22,832,907)</u>	<u>1,102,682</u>	<u>(1,234,000)</u>	<u>32,793,026</u>
Total funds	<u>28,232,889</u>	<u>29,898,635</u>	<u>(22,917,078)</u>	<u>-</u>	<u>(1,234,000)</u>	<u>33,980,446</u>

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NOTES TO THE FINANCIAL STATEMENTS
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18. Statement of funds (continued)

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

The **General Annual Grant (GAG)** has been provided by the ESFA in order to fund the normal running costs of the Trust. The following transfers have been made from the GAG: £1,073,000 to restricted pension reserve representing the cost of employer contributions towards the Local Government Pension Scheme, £220,633 representing fixed asset additions from GAG funding. £1,102,684 has been transferred from unrestricted funds in respect of amounts overspent on GAG and £3,031 has been transferred to the Condition Improvement Fund (CIF) in respect of amounts overspent on that funding.

Fixed Assets transferred on conversion represent the carrying value of fixed assets on joining the Trust. The expenditure against this fund represents depreciation charged on these fixed assets.

The **Devolved Formula Capital** restricted fixed asset fund relates to funding for the cost of minor capital works and ICT replacement. The expenditure against this fund represents depreciation charged on these fixed assets.

The **NCC capital grant** represents a grant from Norfolk County Council toward the cost of play equipment. The expenditure against this fund represents depreciation charged on the fixed asset.

The **Condition Improvement Fund** has been provided by the ESFA toward the cost of building improvements.

The **Academies Capital Maintenance** fund has been provided by the ESFA toward the cost of improvements to the kitchen at Costessey Junior School. The expenditure against this fund represents depreciation charge on the capitalised improvement costs.

The **NCC donation in kind** represents the value of works funded by Norfolk County Council for the merger of Costessey Junior and Infant school.

The **Pupil Premium** funding has been provided by the ESFA to help raise the attainment of disadvantaged pupils.

The **Special Educational Needs** funding has been provided by the Local Authority to fund those pupils that require additional educational support.

The **PE and Sport Premium** funding has been provided by the ESFA to help improve the quality of PE and sport activities offered to pupils.

Funding was received from the ESFA to assist with the provision of infant free school meals, consisting of **Universal Infant Free School Meals** grants and **Free School Meals Supplementary grants**.

The **Conversion grants** were provided by the ESFA toward conversion costs for the new academies.

The **School Improvement grants** were provided by the ESFA for school improvement work. This work had not started at the year end date.

The **Sponsor Capacity grant** was provided by the ESFA to build capacity in all areas at Costessey Junior School in order to sponsor the new academies.

The **Early Years** funding has been received from the local authority to provide early years provision.

The **Devolved Formula Capital** restricted fund relates to the amount of this funding used for general

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

18. Statement of funds (continued)

profit and loss maintenance costs. A transfer of £111,538 was made from the restricted fixed asset fund to the restricted fund to reallocate the amount of this funding used for profit and loss account expenditure.

Rates relief is received from the ESFA towards the cost of rates for the Trust.

The **Teachers Pay** and **Teachers Pension** grants were received from the ESFA as a contribution toward the Trust's payroll costs.

The **MAT Development and Improvement Fund (MDIF)** was provided to the Trust toward taking on and improving new schools within the Trust.

The **Norwich Opportunity Area** was launched by the government to raise education standards locally, providing every child and young person in the area with the chance to reach their full potential in life.

The **Pension Reserve** has been treated as a restricted fund in accordance with ESFA guidance.

Under the funding agreement with the Secretary of State, the Trust was not subject to a limit on the amount of GAG it could carry forward at 31 August 2020.

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**NOTES TO THE FINANCIAL STATEMENTS
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18. Statement of funds (continued)

Total funds analysis by academy

Fund balances at 31 August 2020 were allocated as follows:

	2020 £	2019 £
Costessey Primary School	1,475,799	1,664,492
Eaton Primary School	134,803	248,113
Filby Primary School	135,009	132,230
Wensum Junior School	150,580	184,926
Dell Primary School	114,322	158,744
Elm Tree Primary School	118,730	121,664
Poplars Primary School	567,275	350,516
Nelson Infant School	(14,668)	(11,780)
Coldfair Green Primary School	(37,453)	2,530
Angel Road Infant School	124,323	-
Angel Road Junior School	114,143	-
Bignold Primary School	20,461	-
Central Services	(231,907)	36,167
	<hr/>	<hr/>
Total before fixed asset funds and pension reserve	2,671,417	2,887,602
Restricted fixed asset fund	41,502,029	29,832,287
Pension reserve	(10,193,000)	(4,487,000)
	<hr/>	<hr/>
Total	33,980,446	28,232,889
	<hr/>	<hr/>

The following academies are carrying a net deficit on their portion of the funds as follows:

	Deficit £
Nelson Infant School	(14,668)
Coldfair Green Primary School	(37,453)
	<hr/>

The Trust is taking the following action to return the academies to surplus:

Nelson Infant School joined Evolution Academy Trust on 1 September 2018 and Coldfair Green Primary School on 1 April 2019, with a modest surplus on conversion. Since joining, a thorough and robust review of the schools have been undertaken to identify areas requiring improvement. Several areas requiring action were identified and one-off costs were incurred making the necessary improvements.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

18. Statement of funds (continued)

Total cost analysis by academy

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2020 £	Total 2019 £
Costessey Primary School	1,557,063	913,339	21,455	355,918	2,847,775	2,672,451
Eaton Primary School	1,000,965	445,924	29,746	356,295	1,832,930	1,737,875
Filby Primary School	280,164	108,251	4,903	73,795	467,113	430,818
Wensum Junior School	662,589	322,486	28,707	206,853	1,220,635	1,160,348
Dell Primary School	1,000,064	637,054	50,238	308,592	1,995,948	1,828,252
Elm Tree Primary School	864,510	552,567	18,351	321,711	1,757,139	1,693,057
Poplars Primary School	1,154,220	629,363	49,558	449,598	2,282,739	2,310,301
Nelson Infant School	511,879	287,654	34,646	217,132	1,051,311	1,028,090
Coldfair Green Primary School	406,067	170,696	4,876	95,213	676,852	273,501
Angel Road Infant School	752,005	418,705	46,904	209,647	1,427,261	-
Angel Road Junior School	956,078	419,994	30,021	186,701	1,592,794	-
Bignold Primary School	1,185,642	769,969	45,933	346,169	2,347,713	-
Central Services	82,694	1,888,610	1,544	649,445	2,622,293	1,772,793
Trust	10,413,940	7,564,612	366,882	3,777,069	22,122,503	14,907,486

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FOR THE YEAR ENDED 31 AUGUST 2020**

18. Statement of funds (continued)

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

	<i>Balance at 1 September 2018 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2019 £</i>
Unrestricted funds						
General Funds	1,716,247	771,704	(110,556)	(806,854)	-	1,570,541
Restricted general funds						
General Annual Grant (GAG)	1,155,585	11,110,487	(10,930,406)	(430,889)	-	904,777
Pupil Premium	151,328	1,075,510	(1,071,701)	30,605	-	185,742
Special Educational Needs	-	487,210	(487,210)	-	-	-
PE and Sport premium	9,768	174,946	(171,441)	(13,273)	-	-
Universal Infant Free School Meals	-	316,098	(316,098)	-	-	-
Conversion grants	104,159	-	(21,123)	-	-	83,036
School improvement grant	62,800	-	(23,107)	-	-	39,693
Sponsor Capacity grant	45,000	-	-	-	-	45,000
Early years funding	-	113,177	(113,177)	-	-	-
Devolved Formula Capital	-	-	(190,070)	190,070	-	-
Other grants and donations	7,202	30,998	(28,325)	(3,875)	-	6,000
Rates	-	41,038	(41,038)	-	-	-
Teachers Pay Grant	-	87,866	(87,866)	-	-	-
MAT Development and Improvement	-	97,800	(71,933)	-	-	25,867

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18. Statement of funds (continued)

	<i>Balance at 1 September 2018 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2019 £</i>
FSM Supplementary Grant	-	36,960	(36,960)	-	-	-
Norwich Opportunity Area	-	57,421	(30,475)	-	-	26,946
Pension reserve	(2,168,000)	(269,000)	(1,176,000)	690,000	(1,564,000)	(4,487,000)
	<u>(632,158)</u>	<u>13,360,511</u>	<u>(14,796,930)</u>	<u>462,638</u>	<u>(1,564,000)</u>	<u>(3,169,939)</u>

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18. Statement of funds (continued)

	<i>Balance at 1 September 2018 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2019 £</i>
Restricted fixed asset funds						
Fixed assets transferred on conversion	18,992,833	4,748,415	(465,234)	-	-	23,276,014
Devolved Formula Capital	29,916	190,070	(650)	(190,070)	-	29,266
Capital expenditure from GAG	707,328	-	(86,828)	558,102	-	1,178,602
NCC capital grant	6,196	-	(2,478)	-	-	3,718
Condition Improvement Fund	2,275,450	215,983	(43,034)	(40,964)	-	2,407,435
Academies Capital Maintenance	48,175	-	(1,036)	-	-	47,139
Other capital grants and donations	40,046	7,433	(6,790)	17,148	-	57,837
NCC donation in kind - merger of CJS and CIS	-	2,832,276	-	-	-	2,832,276
	<u>22,099,944</u>	<u>7,994,177</u>	<u>(606,050)</u>	<u>344,216</u>	<u>-</u>	<u>29,832,287</u>
Total Restricted funds	<u>21,467,786</u>	<u>21,354,688</u>	<u>(15,402,980)</u>	<u>806,854</u>	<u>(1,564,000)</u>	<u>26,662,348</u>
Total funds	<u><u>23,184,033</u></u>	<u><u>22,126,392</u></u>	<u><u>(15,513,536)</u></u>	<u><u>-</u></u>	<u><u>(1,564,000)</u></u>	<u><u>28,232,889</u></u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

19. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Tangible fixed assets	-	-	40,225,927	40,225,927
Current assets	1,187,420	2,916,185	1,329,700	5,433,305
Creditors due within one year	-	(1,432,188)	(53,598)	(1,485,786)
Provisions for liabilities and charges	-	(10,193,000)	-	(10,193,000)
Total	<u>1,187,420</u>	<u>(8,709,003)</u>	<u>41,502,029</u>	<u>33,980,446</u>

Analysis of net assets between funds - prior period

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	-	29,813,092	29,813,092
Current assets	1,575,737	2,921,949	58,042	4,555,728
Creditors due within one year	(5,196)	(1,604,888)	(38,847)	(1,648,931)
Provisions for liabilities and charges	-	(4,487,000)	-	(4,487,000)
Total	<u>1,570,541</u>	<u>(3,169,939)</u>	<u>29,832,287</u>	<u>28,232,889</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

20. Reconciliation of net income to net cash flow from operating activities

	2020 £	2019 £
Net income for the period (as per Statement of financial activities)	6,981,557	6,612,856
Adjustments for:		
Capital grants from DfE and other capital income	(401,896)	(215,983)
Depreciation charges	794,575	606,050
Dividends, interest and rents from investments	(3,546)	(3,392)
Net (gain) on assets and liabilities from local authority on conversion	(8,206,261)	(4,571,000)
Defined benefit pension scheme cost less contributions payable	1,185,000	413,000
Defined benefit pension scheme finance cost	150,000	73,000
Decrease in debtors	5,638	31,143
(Decrease)/increase in creditors	(163,145)	146,728
Donation in kind	-	(2,832,276)
Net cash provided by operating activities	341,922	260,126

21. Cash flows from investing activities

	Group 2020 £	Group 2019 £
Dividends, interest and rents from investments	3,546	3,392
Purchase of tangible fixed assets	(435,248)	(1,013,835)
Capital grants from DfE Group	401,896	42,026
Cash transferred on conversion to an academy trust	571,099	91,585
Net cash provided by/(used in) investing activities	541,293	(876,832)

22. Analysis of cash and cash equivalents

	Group 2020 £	Group 2019 £
Cash in hand	4,406,284	3,523,752
Notice deposits (less than 3 months)	152,210	151,527
Total cash and cash equivalents	4,558,494	3,675,279

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

23. Analysis of changes in net debt

	At 1 September 2019 £	Cash flows £	Acquisition and disposal of subsidiaries £	At 31 August 2020 £
Cash at bank and in hand	3,675,279	312,116	571,099	4,558,494
	<u>3,675,279</u>	<u>312,116</u>	<u>571,099</u>	<u>4,558,494</u>

24. Capital commitments

	Group 2020 £	Group 2019 £	Trust 2020 £	Trust 2019 £
Contracted for but not provided in these financial statements				
Acquisition of tangible fixed assets	<u>83,301</u>	<u>-</u>	<u>83,301</u>	<u>-</u>

25. Pension commitments

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 Norfolk Pension Fund and Suffolk Pension Fund. 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.

Contributions amounting to £310,971 were payable to the schemes at 31 August 2020 (2019 - £186,840) and are included within creditors.

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies. 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.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

25. Pension commitments (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 every 4 years. 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 year amounted to £1,726,049 (2019 - £836,000).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>).

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The Group has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Group 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 £1,341,000 (2019 - £855,000), of which employer's contributions totalled £1,073,000 (2019 - £690,000) and employees' contributions totalled £268,000 (2019 - £165,000). The agreed contribution rates for future years are 19.1 - 26.6 per cent for employers and 5.5 - 12.5 per cent for employees.

As described in note the LGPS obligation relates to the employees of the Trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Trust at the balance sheet date.

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.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

25. Pension commitments (continued)

Principal actuarial assumptions

	2020 %	2019 %
Rate of increase in salaries (Norfolk)	2.90	2.60
Rate of increase for pensions in payment/inflation (Norfolk)	2.20	2.30
Discount rate for scheme liabilities (Norfolk)	1.70	1.90
Rate of increase in salaries (Suffolk)	2.90	2.60
Rate of increase for pensions in payment/inflation (Suffolk)	2.20	2.30
Discount rate for scheme liabilities (Suffolk)	1.70	1.90

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

	2020 Years	2019 Years
<i>Retiring today</i>		
Males (Norfolk, Suffolk)	21.7, 21.9	21.1, 21.3
Females (Norfolk, Suffolk)	23.9, 24.1	23.5, 23.5
<i>Retiring in 20 years</i>		
Males (Norfolk, Suffolk)	22.8, 22.7	22.4, 22.3
Females (Norfolk, Suffolk)	25.5, 25.6	25.0, 24.9

Sensitivity analysis

	2020 £000	2019 £000
Real discount rate -0.5%	2,784	1,458
Salary increase rate +0.5%	189	249
Pension increase rate +0.5%	2,548	1,179

Share of scheme assets

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**NOTES TO THE FINANCIAL STATEMENTS
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25. Pension commitments (continued)

The Group's share of the assets in the scheme was:

	2020 £	2019 £
Equities	5,294,000	3,010,000
Corporate bonds	3,247,000	1,964,000
Property	1,045,000	984,000
Cash and other liquid assets	462,000	132,000
Total market value of assets	10,048,000	6,090,000

The actual return on scheme assets was £255,000 (2019 - £285,000).

The amounts recognised in the Consolidated Statement of Financial Activities are as follows:

	2020 £	2019 £
Current service cost	(2,255,000)	(1,063,000)
Past service cost	(3,000)	(40,000)
Interest income	174,000	149,000
Interest cost	(324,000)	(222,000)
Total amount recognised in the Consolidated Statement of Financial Activities	(2,408,000)	(1,176,000)

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

	2020 £	2019 £
At 1 September	10,577,000	6,769,000
Current service cost	2,258,000	1,103,000
Interest cost	324,000	222,000
Employee contributions	268,000	165,000
Actuarial losses	1,315,000	1,700,000
Benefits paid	(75,000)	(43,000)
Transfer in of scheme obligations	5,573,000	661,000
At 31 August	20,240,000	10,577,000

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

25. Pension commitments (continued)

Changes in the fair value of the Group's share of scheme assets were as follows:

	2020 £	2019 £
At 1 September	6,090,000	4,601,000
Benefits paid	(75,000)	(43,000)
Transfer in of scheme assets	2,436,000	392,000
Interest income	174,000	149,000
Actuarial gains	81,000	136,000
Employer contributions	1,073,000	690,000
Employee contributions	268,000	165,000
At 31 August	10,047,000	6,090,000

26. Operating lease commitments

At 31 August 2020 the Group and the Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group 2020 £	Group 2019 £	Trust 2020 £	Trust 2019 £
Not later than 1 year	68,059	201,753	68,059	201,753
Later than 1 year and not later than 5 years	24,461	61,448	24,461	61,448
	92,520	263,201	92,520	263,201

27. 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.

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**NOTES TO THE FINANCIAL STATEMENTS
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28. Related party transactions

Owing to the nature of the 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 Trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

Expenditure related party transactions

Mrs K Rich, a close family member of a Trustee, Mr D Rich, is employed by the academy trust in an educational support staff role. Mrs K Rich's appointment was made in open competition and Mr D Rich was not involved in the decision making process regarding appointment. Mrs K Rich is paid within the normal pay scale for her role and receives no special treatment as a result of her relationship with a Trustee.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

29. Transfer of existing academies into the trust

Diversa Multi Academy Trust Limited

	Value reported by transferring trust £	Transfer in recognised £
Tangible fixed assets		
Long-term leasehold property	10,739,126	10,739,126
Furniture and equipment	16,434	16,434
Computer equipment	16,602	16,602
Current assets		
Debtors due within one year	479,063	479,063
Cash at bank and in hand	571,099	571,099
Liabilities		
Creditors due within one year	(502,616)	(502,616)
Creditors due after one year	(8,685)	(8,685)
Pensions		
Pensions - pension scheme liabilities	(3,137,000)	(3,137,000)
Net assets	<u>8,174,023</u>	<u>8,174,023</u>