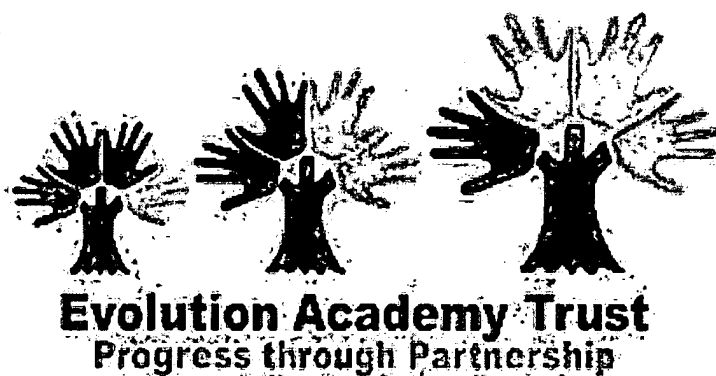


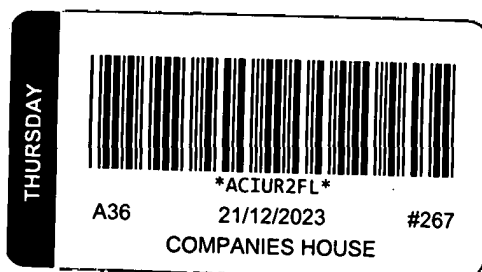
**EVOLUTION ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**YEAR ENDED 31 AUGUST 2023**



**Company Registration Number:**  
**08158619 (England and Wales)**



## **EVOLUTION ACADEMY TRUST**

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## **EVOLUTION ACADEMY TRUST**

### **Reference and Administrative Details**

<b>Members</b>	Tim Bishop Stevie Bramble (to 16 November 2022) Prof Helen Gillespie Mark Jeffries Sue Mitchell
<b>Directors (Trustees)</b>	Cathy Armor Sandra Bately (from 16 September 2022 to 20 October 2023) Kate Blakemore Stevie Bramble (from 20 October 2022) Steve Davidson Bruce Gordon (from 14 December 2022) Rhys Jarvis (to 16 October 2023) Keith Philpot Drew Whitehead, Chair of Trust Board
<b>Chief Executive Officer</b>	Lynsey Holzer (until 31 December 2022) Dr Craig Avieson (from 1 January 2023)
<b>Key Management Personnel</b>	Lynsey Holzer, Chief Executive Officer (until 31 December 2022) Dr Craig Avieson, Chief Executive Officer (from 1 January 2023) Jane Budge, Chief Financial Officer (until 5 May 2023) Jo Willgress, Head of Finance and Chief Financial Officer (from 11 May 2023)
<b>Governance Professional</b>	Andrea Ryan
<b>Company Name</b>	Evolution Academy Trust
<b>Principal and Registered Office</b>	Suite FF8 Mentmore Way Poringland Norwich England NR14 7XP
<b>Company Registration Number</b>	08158619 (England and Wales)
<b>Independent Auditor</b>	Lovewell Blake LLP Chartered Accountants and Statutory Auditor Bankside 300 Peachman Way Broadland Business Park Norwich NR7 0LB
<b>Bankers</b>	Lloyds Bank plc 16 Gentleman's Walk Norwich Norfolk NR2 1LZ

## **EVOLUTION ACADEMY TRUST**

### **TRUSTEES' REPORT (including Strategic Report) for the year ended 31 August 2023**

The Trustees present their annual report together with the financial statements and auditor's report of the Charitable Company for the year 1 September 2022 to 31 August 2023. The annual report serves the purposes of both a Trustees' report, and a Directors' report and strategic report under company law.

The academy trust operates 12 primary academies in Norfolk and Suffolk. Its academies have a combined pupil capacity of 4,238 and a roll of 4,233 and a pupil population of 3,505 in 2022/2023. On 31 August 2023 the schools, with their joining dates, were:

Costessey Primary School (1 September 2012)  
Filby Primary School (1 October 2014)  
Wensum Junior School (1 February 2015)  
Eaton Primary School (1 February 2015)  
Dell Primary school (1 November 2015)  
Elm Tree Primary School (1 March 2016)  
Poplars Community Primary School (1 March 2018)  
Nelson Infant School (1 September 2018)  
Coldfair Green Community Primary School (1 April 2019)  
Angel Road Infant School (1 September 2019)  
Angel Road Junior School (1 September 2019)  
Bignold Primary School and Nursery (1 September 2019)

### **Structure, governance and management**

#### **Constitution**

The Trust is a charitable company limited by guarantee and an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents of the academy 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 Trust also trades under the names of each of its schools, as listed above.

No other schools have joined the Trust in this academic year.

#### **Members' liability**

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

#### **Trustees' indemnities**

The Trust has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business, and provides cover up to £10,000,000 for any one loss in any one membership year.

## **EVOLUTION ACADEMY TRUST**

### **TRUSTEES' REPORT (including Strategic Report) for the year ended 31 August 2023**

#### **Structure, governance and management (continued)**

##### **Method of recruitment and appointment or election of trustees and members**

The Members should comprise a minimum of three people. No employee of the Trust can be a Member.

The number of Trustees must be at least three but is not subject to a maximum. Up to nine Trustees can be appointed by Members, by ordinary resolution. In addition, the Trustees may appoint Co-opted Trustees. Trustees are appointed for a fixed term of four years but may be re-appointed or re-elected.

Trustees are appointed based on the skills they can bring to the Board of Trustees, to ensure broad and varied skill set from a range of business and education backgrounds. Applicants are initially assessed by the Chair of Trustees, with a follow up interview with the Trust CEO and (optionally) an additional Trustee. Appointments are ratified by Members/Trustees as appropriate before the candidate is confirmed in post.

##### **Policies and procedures adopted for the induction and training of trustees**

Trustees undertake an induction program at the time of appointment, overseen by the Trust's Governance Manager. This includes an overview of the Trust's governance framework, including their specific responsibilities, and the completion of statutory training (including Safeguarding and Keeping Children Safe in Education).

Trustees are expected to sign the Trust's code of conduct before commencing their role.

The Trust is committed to providing ongoing quality training and development opportunities for Trustees and Governors, enabling them to perform their role effectively. The level and nature of this training will depend on their existing experience and specific role on the Board of Trustees. It includes accompanied visits with the 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 training resources and Trust-wide information such as policies, procedures, minutes, accounts, budgets, plans and other documents as applicable that they will need to undertake their role as Trustees.

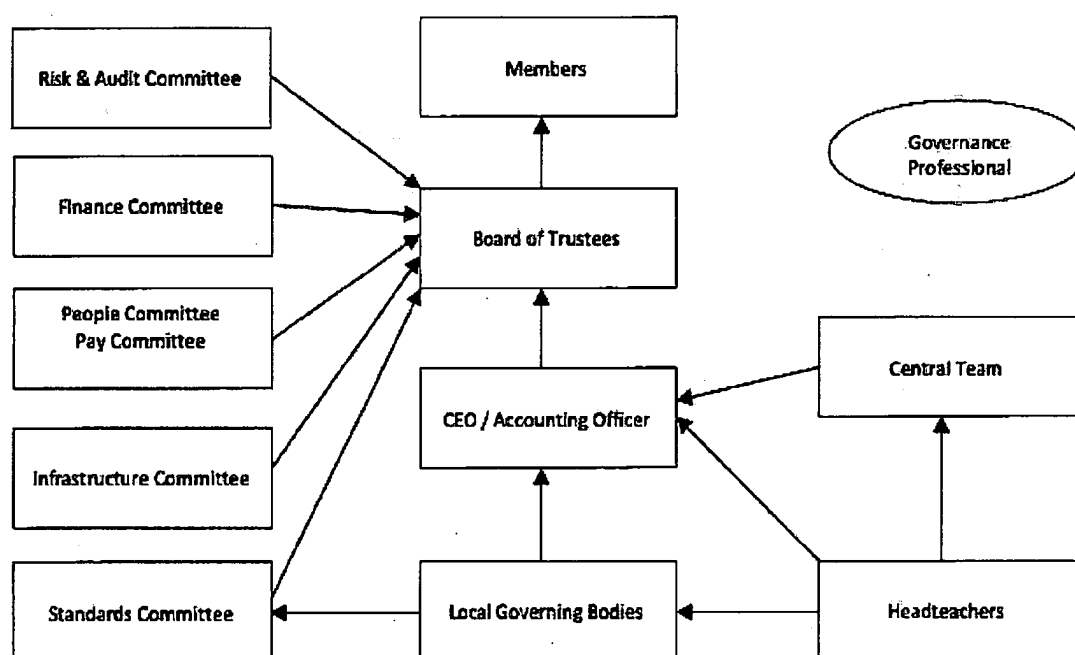
The Trustees undertake regular evaluation (self and committee-based) of skills and their impact within their areas of responsibility.

## EVOLUTION ACADEMY TRUST

### TRUSTEES' REPORT (including Strategic Report) for the year ended 31 August 2023

#### Structure, governance and management (continued)

##### Organisational structure



##### Board of Trustees

The Board of Trustees meets face-to-face at one of the Trust's schools at least once each half-term as a full board, with the facility for additional meetings for deep dives into areas of special interest.

The Board establishes an overall framework for the governance of the Trust and determines membership, terms of reference and procedures of committees and other groups. It operates at a strategic level and ensures the solvency of the Trust, makes major decisions about the strategic direction of the Trust, capital expenditure and appointment or removal of senior staff.

The Board has established committees to facilitate coverage of key areas of business capability at a more detailed level. It monitors the activities of the committees through reports from the committee chairs and minutes of meetings. The scope of the committees is as follows:

**Finance Committee:** meets termly to ensure that:

- The Trust's finance-related statutory are met (as defined by the ESFA).
- The Trust delivers professional financial services and mitigates finance-related risks.
- The Trust's strategic goals are underpinned by an aligned Finance Strategy and Roadmap.
- The Trust's budget is appropriately structured, aligned to strategy and effectively managed.
- The Trust's funds are used appropriately, efficiently and deliver value for money.

**Risk and Audit Committee:** meets termly to ensure that:

- The Trust's risk-related statutory obligations (as defined by the DfE) are met.
- The Trust has a robust (and regularly revised) framework for risk management.

## **EVOLUTION ACADEMY TRUST**

### **TRUSTEES' REPORT (including Strategic Report) for the year ended 31 August 2023**

#### **Structure, governance and management (continued)**

- The Trust sets its risk appetite and tolerance, and then manages its risks effectively against these.
- The Trust's risks are identified, evaluated and appropriate action is taken to manage them.
- The Trusts' strategic goals are underpinned by an aligned risk-aware Strategy and Roadmap.

#### **Standards Committee:** meets half-termly to ensure that:

- The Trust's educational-related statutory obligations are met.
- The Trust's Quality of Education delivers good educational outcomes for all children.
- The Trust sets high expectations for Behaviour & Attitudes and actively monitors and manages these.
- The Trust delivers broader Personal Development for its pupils beyond the academic curriculum.
- The Trust provides effective Safeguarding for its pupils, including support for looked-after children.
- The Trust's strategic goals are underpinned by an aligned Educational Strategy and Roadmap.

#### **People Committee:** meets termly to ensure that:

- The Trust is able to attract, develop and retain a professional, motivated and competent workforce.
- The Trust promotes quality & diversity in the workplace.
- The Trust proactively maintains and manages relationships with relevant Representative Bodies.
- The Trust's people-related statutory obligations are met.
- The Trust delivers professional HR services and mitigates people-related risks.
- The Trust's strategic goals are underpinned by an aligned People Strategy and Roadmap.

#### **Infrastructure Committee:** meets termly to ensure that:

- The Trust effectively manages its Information Technology (IT) functions & services.
- The Trust effectively manages its estate and relevant services.
- The Trust has effective health & safety for all staff, pupils and visitors.
- The Trust reviews opportunities for future IT systems and (estates) capital projects, making recommendations to the Trust's board as appropriate.
- The Trusts' infrastructure, estates and health & safety-related statutory obligations are met.
- The Trust's strategic goals are underpinned by an aligned Infrastructure & Estates Strategy and Roadmap.

#### **Pay Committee:** meets annually to ensure that:

- The Trust's pay-related statutory & contractual obligations are met.
- The Trust's staff performance reviews and salary awards are undertaken fairly & according to policy.
- Trustees approve pay awards for senior Trust staff (including CEO)
- The Trust's strategic goals are underpinned by an aligned Remuneration Strategy and Roadmap.

#### **Local governing bodies**

Every school has a Local Governing Body (LGB), accountable to Trustees and operating in accordance with the Scheme of Delegation. LGBs report directly to the Trustee Standards Committee (and attend on a rotational basis to provide face-to-face updates to Trustees). The LGB is responsible for:

- Ensuring the clarity of vision, ethos and strategic direction, and that this is being delivered within the school.
- Holding school leaders to account for the educational performance of the school and its pupils.
- Ensuring that money is well spent on improving the education, outcomes & welfare of the pupils.
- Ensuring all statutory duties required of the school are fulfilled.

All LGBs operate to a common agenda and receive standardised reporting from the Headteacher (LGB Academy Report, Safeguarding, SEND and Looked After Children (LAC)).

## EVOLUTION ACADEMY TRUST

### TRUSTEES' REPORT (including Strategic Report) for the year ended 31 August 2023

#### Structure, governance and management (continued)

Each LGB comprises a Chair, Parent & Community Governors and senior leader from another Trust school (who can guide governors in asking relevant education questions and acts as the safeguarding governor).

If local governance is vulnerable, a Transition Board is established as a short-term measure to increase the capacity and capability of the Governing Body and leadership of the school.

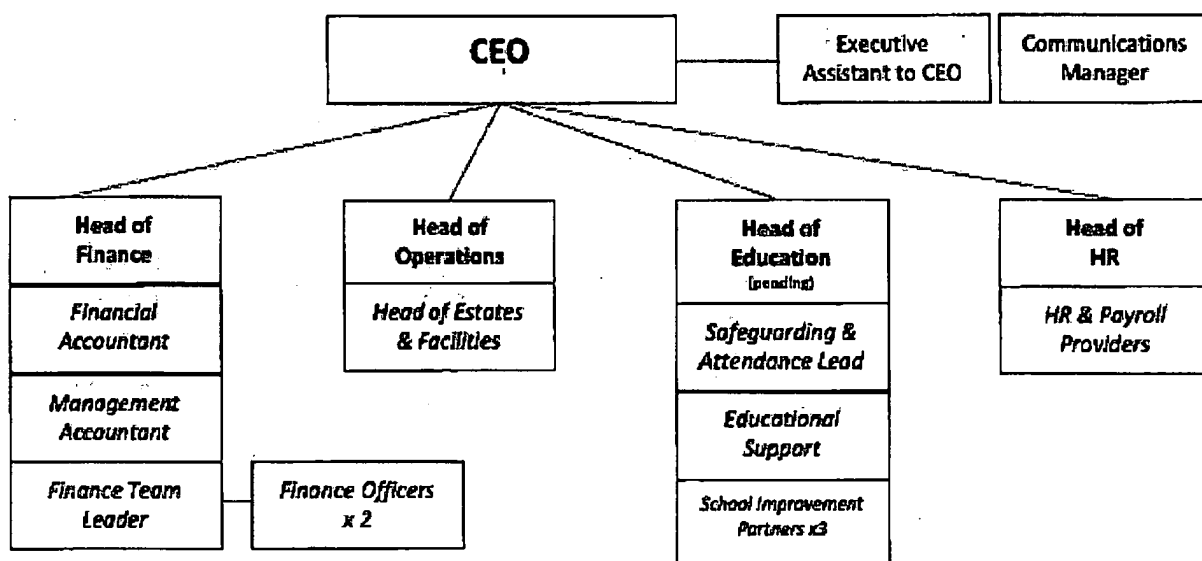
#### Communication between governance layers

The Trust has established communication mechanisms between the layers of governance to support good sharing of information and providing the ability to triangulate between the various stakeholder groups.

- **Link Trustees:** each school has a named 'Link Trustee' who establishes a relationship with the Chair of LGB and Headteacher. This ensures that the Board of Trustees has a direct understanding of each school and its context and can represent the school in Board discussions. Additionally, this provides an additional line of communication for Headteacher and Chair of LGB.
- **LGB Chairs forum:** The Trust CEO and Chair of Trustees meet with Chairs of LGBs on a termly basis to share key information about Trust activity and discuss governance effectiveness.
- **LGBs to Trustees:** LGBs report directly into the Standards Committee to allow for robust and triangulated governance. Chairs of LGBs attend the Trustee Standards Committee on a rotational basis to report directly on their schools, sharing updates on governance performance, delivery of statutory accountabilities and providing a more in-depth view to Trustees on school performance.

#### Trust Leadership team

The Trust's Executive Leadership Team (ELT) consists of the CEO, Head of Finance and Estates and Facilities Lead. Trustees have approved the appointment of two additional leadership roles from Autumn 2023, a Head of HR and a Head of Operations.





## **EVOLUTION ACADEMY TRUST**

### **TRUSTEES' REPORT (including Strategic Report) for the year ended 31 August 2023**

#### **Structure, governance and management (continued)**

The Executive Leadership Team and wider central team meet regularly to monitor operational activity throughout the Trust, agree action plans and ensure delivery of the Trust's Strategic Improvement Plan.

Headteachers are accountable to the CEO for the performance and operation of their individual schools. They annually develop and subsequently implement their School Improvement & Development Plans (SIDP) to continually improve school performance, ensuring these plans are in line with the Trust's strategic themes.

#### **Communication and collaboration across the Trust**

A 'One Trust' approach is promoted across the schools and central team with the aim of sharing knowledge and best practice across stakeholder groups and schools to derive the best possible outcomes for staff and pupils. This includes the establishment and operation of Headteachers' and Educational Network Groups (for English, Maths, EYFS, SEND and Early Careers Teachers).

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

The Trust's Scheme of Delegation states that pay, conditions and contractual terms for the CEO are the responsibility of a panel of Trustees. Accordingly, the Panel sets targets for the coming academic year (aligned to the Trust's strategic themes) and then meets termly with the CEO to review and discuss progress against these targets. The Panel meets in the Autumn term to complete a performance management and pay review for the CEO against targets set for the previous academic year.

The CEO is responsible for the performance management and pay and conditions for the senior staff across the Trust, including Headteachers and the Trust's central senior leadership team. The Trustee Pay Committee oversees and approves recommendations from the CEO for senior staff.

This approach ensures consistency across all elements of pay and performance management across the Trust. This method of working assists ongoing planning for sustainable leadership and ensures equality of opportunity across the Trust. Gender equality is monitored as part of the Gender Pay Gap annual reporting cycle, and initiatives to improve opportunities for all employees are monitored by the People Committee.

#### **Trade union facility time**

The Trust purchases trade union facilities time from both Norfolk and Suffolk County Councils, meaning that no classroom time is lost to official union activities.

##### **Percentage of pay bill spent on facility time**

Total cost of facility time	£8,468
Total pay bill	£16,872,555
The percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time / total pay bill) x 100	0.05%

## **EVOLUTION ACADEMY TRUST**

### **TRUSTEES' REPORT (including Strategic Report) for the year ended 31 August 2023**

#### **Structure, governance and management (continued)**

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

Employees have been consulted on issues of concern to them by means of regular consultative committees and staff meetings and have been kept informed on specific matters directly by management. The Trust carries out an annual Employee Engagement Survey to give all staff the opportunity to give feedback to senior management. This is shared with all Trust schools, and action plans are drawn up to address any areas highlighted.

The Trust has implemented detailed policies in relation to all aspects of personnel matters, based on latest employment best practice. In accordance with the Trust's equal opportunities policy, the Trust has long established fair employment practices in the recruitment, selection, retention, and training of disabled staff. Full details of all employment policies are available from the Trust's offices.

##### **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 (e.g. Parent Teacher Associations, Pupil Forums, Parents' Evenings) and on an ad-hoc basis. Parents are encouraged to join the schools' Local Governing Bodies.

The Trust has a strong sense of social responsibility. Engagement with local communities is well-developed 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.

Relationships with partners and suppliers are key to the Trust's effectiveness. The Trust holds regular service reviews with all key suppliers. These reviews are focussed on a two-way relationship with an aim of helping both Trust and supplier achieve a satisfactory business outcome. From the Trust's perspective, this focuses on securing a high-quality service, which meets SLAs and achieves value for money. Where the Trust has procured outsourced services, it seeks to ensure that staff and management from that contractor are supported as equal members of the Trust's community.

#### **Objectives and activities**

##### **Objects and aims**

The principal object of the Trust is to advance education in the United Kingdom, in particular by establishing, maintaining, carrying on, managing, and developing schools, offering a broad range of curriculum opportunities for pupils of all abilities.

Our vision is for every child in our care to leave our schools having developed their skills and knowledge to their fullest potential through **exceptional** teaching and a strong curriculum. Through the highest aspirations and exceptional teaching and leadership, our children will thrive and be confident in their own abilities and know that they are capable of achieving anything to which they aspire. Trustees have agreed that in autumn 2023, the vision, mission and values will be re-evaluated.

## **EVOLUTION ACADEMY TRUST**

### **TRUSTEES' REPORT (Including Strategic Report) for the year ended 31 August 2023**

#### **Objectives and activities (continued)**

##### **Objectives, strategies and activities**

**Strategic intent to remain 'Primary specialists' with an incremental growth agenda:** In the first half of the academic year Trustees spent time reviewing the Trust's strategic direction, considering the longer-term viability of the Trust, and where and how it would add most value to the education of pupils in the region. At the conclusion of this work Trustees unanimously agreed to maintain Evolution Academy Trust as a primary-focused MAT and seek options for incremental growth (new schools / federations) or growth through merger over the following 2-3 years.

**Appointment of a new CEO:** In January 2023 Trustees appointed Dr. Craig Avieson as CEO to replace departing CEO Lynsey Holzer, who had been with the Trust since 2019. Previously the Trust's Director of Education, Dr. Avieson's appointment reflected Trustee's commitment to accelerating improvements in education outcomes for pupils and continuing to build on the 'One Trust' ethos and way of working initiated by Dr. Avieson in his prior role.

In light of these changes, Trustees refined the three strategic themes for the Trust, to focus on:

- Educational Performance - to improve leadership and the quality of education, leading to better educational outcomes for all our pupils.
- Growth - to increase the amount of money to spend on pupils' education either directly within schools or through centrally provided services.
- 'One Trust' and value of central services – to collaborate and work as 'One Trust' to create an improved working environment, improve efficiency and make the Trust more attractive to joining staff, schools and MATs. Improve and extend central services to provide value to our schools and staff.

##### **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)'.

#### **Strategic Report**

##### **Achievements and Performance**

**Under Governance :** a revised operating model across all layers of governance was implemented from September 2022, after collaborative development across the Trust and its schools in 2022-23. The focus areas of this work were:

- Standardising the governance approach across governance committees (centrally and in schools) – for efficiency. To make volunteers' time as effective as possible.
- Updating documentation and improving the quality of information to LGBs – for clarification and improved understanding/challenge.
- Undertaking skills assessments for Trustees and governors – for skills coverage & future planning. To have the right skills at the table and know where to recruit.
- Adding a Trust Headteacher onto each LGB, bring additional education and safeguarding expertise, to improve questioning and help Governor development.

## **EVOLUTION ACADEMY TRUST**

### **TRUSTEES' REPORT (Including Strategic Report) for the year ended 31 August 2023**

#### **Achievements and Performance (continued)**

**External review of Governance:** Trustees commissioned an external review of governance, undertaken in Spring term of 2023 by CST (Confederation of School Trusts), against the revision framework implemented in September 2022. Examining governance at all levels, including Members, Trustees, LGBs and Trust Executive, it gave a good and positive reflection on the work undertaken in the previous academic year. Key findings mentioned "robust governance and strategic oversight", "good communication ...between levels", and "Trustees ensured the Trust is in a strong financial position". A series of recommendations were made by CST to further improve. These will form part of Trustees change activity in 2023-24.

**Under strategic theme: Educational Performance** - to improve leadership and the quality of education, leading to better educational outcomes for all our pupils.

**School Improvement Partners (SIPs)** – experienced headteachers assigned to 'partner' schools, to provide support and expertise to other school leaders and ensure strong partnership and collaboration.

**Headteachers' Group:** Regular meetings and professional training are held with all Headteachers and the Trust ELT, to discuss the strategic direction of the Trust, disseminate information, resolve queries and discuss policy. This forum is also used to share knowledge and best practice across the Headteacher community.

**Educational Network Groups:** Termly meetings are held for network groups in English, Maths, EYFS and SEND. There are also established network groups for ECTs and DSLs. These are attended by representatives from each of the Trust schools and personnel from the central team. The meetings are used for continuous professional development (CPD) and for sharing knowledge and best practice across these stakeholder groups.

**Regular school reviews** are carried out by central team members, SIPs and other headteachers, to focus on quality assurance across the Trust. All Ofsted inspections during the year were consistent with the Trust's own view of the evaluation and standards at each school.

**Education Outcomes** have improved overall across the trust in 2022-23:

- Standards in EYFS have improved across the Trust to 72% for EYFS (GLD) against a 2022 national average of 65%.
- A continued focus on embedding early reading across all Trust schools through one recognised phonics programme has resulted in standards in Year 1 phonics increasing in 2022 – 2023 to 77%, in line with national average.
- Reading, writing and maths outcomes at KS1 have improved across the Trust and in-line with national averages.
- Year 6 outcomes have improved across the Trust for 2022 – 2023 (Reading by 6%, Writing by 6% and Maths by 5%).

**External evaluation:** The Trust had 7 of its schools inspected by Ofsted in 2022-23, all judged Good for Leadership and Management, and one with Outstanding for Personal Development. As of 31 August 2023, the Trust has 10 schools judged Good overall and 2 as Requires Improvement.

**Growth** - to increase the amount of money to spend on pupils' education either directly within schools or through centrally provided services.

Driving efficiencies across central trust and schools to ensure we maximise the amount spent on pupils' education and care.

## **EVOLUTION ACADEMY TRUST**

### **TRUSTEES' REPORT (Including Strategic Report) for the year ended 31 August 2023**

#### **Achievements and Performance (continued)**

To provide additional support to all schools, to benefit more communities across Norfolk and Suffolk.

Growth strategy developed in Spring 2023 and approved by the Board of Trustees, identifying the enablers for growth. Reputation (communications), capacity (Head of Operations, SIPs, Head of HR) and performance (SATs and Ofsted outcomes).

**One Trust' and value of central services** – to collaborate and work as 'One Trust' to create an improved working environment, improve efficiency and make the Trust more attractive to joining staff, schools and MATs. Improve and extend central services to provide value to our schools and staff.

- Focused on the DfE well-being Charter and supporting our workforce to thrive, we have worked closely with unions and the Trust has established training of mental health first aiders in all schools and a well-being group across our Trust,
- Improved HR support and provision for all new and existing employees, from staff inductions, appraisals, Occupational Health referrals and other relevant policies.
- Refinements to the HR provision and movement to managed service provider EPM has delivered additional support for staff well-being and case work in schools.
- Our largest ever staff survey was completed in summer 2023 with 84% of staff recommending EAT as a valued employer to friends and families.
- Estates: Reviews of services and contracts has started to ensure best value and service is achieved. Condition surveys have also been contracted to enable the continuation of the estate condition and improvement work.
- IT: Our IT management company has been working to improve IT infrastructure and hardware in all schools, WI-FI renewal in eight schools will be completed by spring 2024.
- Finance: Development of new finance system, improved reporting and ability to direct costs to appropriate funds. Continual roll out of 'one Trust' support to enhance budget setting and general practices throughout our schools.
- Catering services: Existing provision reviewed and re-tendered leading to an improved provision to schools, The Pantry were appointed and they replaced the existing catering supplier on 30th October 2023.
- Health and Safety Audits and associated systems across all schools show an effective level of compliance.

#### **Financial Review**

The vast majority of the Trust's income comes from the Education and Skills Funding Agency (ESFA). These grants and the associated expenditure are shown as restricted funds in the consolidated statement of financial activities.

## **EVOLUTION ACADEMY TRUST**

### **TRUSTEES' REPORT (Including Strategic Report) for the year ended 31 August 2023**

#### **Financial Review (continued)**

Actual revenue funds (excluding Pension Reserves) as at 31 August 2023 were £2,730k (2022: £2,540k), an increase of £191k. Planned spend from these reserves over the next three years includes further improvements to school buildings, sustainability investments and modernisation of IT infrastructure.

During the year ended 31 August 2023, the Trust received total revenue income of £21,253k, of which £18,650k (88%) is DfE / ESFA grants. Total operational expenditure incurred was £21,243k, which gives rise to the operational surplus of £10k (2022: £490k surplus).

The DfE awarded capital grants totalling £825k (2022: £694k). During the year a total of £386k was spent on fixed assets, mostly on improvements to buildings.

The net book value of fixed assets on 31 August 2023 was £30,808k (2021: £31,981k). These assets were used exclusively for providing education to the Trust's pupils and related support services.

In accordance with FRS102 the accounts reflect an actuarial assessment of the Trust's assets and liabilities for the Local Government Pension Scheme. The deficit balance of £122k (2022: £1,916k deficit) on the Balance Sheet includes actuarial gains in the year of £2,049k.

Though the pension scheme represents a significant and volatile liability on the Balance Sheet, it does not present an issue for the Trust in respect of cash flow, as it will not crystallise at once. Contributions for the coming year are the primary factor for the Trust when considering the impact that the liability has on cash flow. These are appropriately reflected within forecasts and will be settled on a timely basis. Contributions are being re-assessed as part of the triennial actuarial valuation exercise.

#### **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 minimum target reserve level of a fixed 8.5% of GAG. This equates to £1.3 million in total. 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 2023 were £2,525k (2022: £2,540k). In addition the Trust holds £206k in designated funds (2022: £nil). Excess reserves are earmarked for capital investment in 23-24.

The Trust pools its reserves, rather than holding them at school level. The exception to this is funds that have been specifically given to a school for a particular purpose. This approach brings the Trust's financial reporting in line with the legal position that the Trust is a single financial entity and enables focused investment in schools that need it.

#### **Investment Policy**

The Trust is aware that cash balances have to be held to match the reserves policy, for continued improvement of the estate and infrastructure, and for investment in future sustainability. The Trust ensures value for money by holding money in appropriate notice and fixed term accounts with the bank, and the Head of Finance monitors the level of investments on a routine basis.

#### **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.

## **EVOLUTION ACADEMY TRUST**

### **TRUSTEES' REPORT (including Strategic Report) for the year ended 31 August 2023**

#### **Financial Review (continued)**

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.

#### **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 which the Trust is exposed, in particular those relating to cyber-crime, finance, governance, people, procurement and other operational areas of the Trust. The risk register is reviewed in detail by the Risk and Audit Committee every term, and the Chair provides a report to the Board of Trustees. In addition, risks are escalated from all committees to both the Risk and Audit Committee and to the Trust Board.

#### **Going Concern**

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, 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.

#### **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 2023, and the associated expenditure, are shown as restricted funds in the Statement of Financial Activities. The Trust receives funding from other government bodies which are shown as restricted funds. There is also income for nurseries, after-school clubs, and lettings which is shown as unrestricted funding in the financial statements.

The Trust also receives grants for fixed assets from the ESFA and other 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.

Due to its size, the Trust is eligible to receive Schools Condition Allocations. 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

### TRUSTEES' REPORT (including Strategic Report) for the year ended 31 August 2023

#### Streamlined Energy and Carbon Reporting

UK Greenhouse gas emissions and energy use data for the period:	1 September 2022 to 31 August 2023	1 September 2021 to 31 August 2022
Energy consumption used to calculate emissions (kWh)	3,134,847	4,291,019
Energy consumption breakdown (kWh) (optional)		
• Gas	2,367,103	3,335,596
• Electricity	758,544	947,289
• Transport fuel	9,200	8,134
<u>Scope 1 emissions in metric tonnes CO2e</u>		
Gas consumption	432.13	609.91
<b>Total scope 1</b>	<b>432.13</b>	<b>609.91</b>
<u>Scope 2 emissions in metric tonnes CO2e</u>		
Purchased electricity	157.07	183.19
<u>Scope 3 emissions in metric tonnes CO2e</u>		
Business travel in employee-owned vehicles	2.41	2.04
<b>Total gross emissions in metric tonnes CO2e</b>	<b>591.61</b>	<b>795.14</b>
<u>Intensity ratio</u>		
Tonnes CO2e per pupil	0.17	0.22

#### Quantification and reporting methodology

We have followed the 2021 HM Government Environmental Reporting Guidelines.  
We have also used the GHG Reporting Protocol – Corporate Standard  
We have used the 2023 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

- Continued roll out of LED lighting and other energy saving infrastructure
- Boilers have had BMS systems introduced
- Window and door improvements to reduce heat loss
- Old Boilers replaced with new energy efficient Boilers as required



## **EVOLUTION ACADEMY TRUST**

### **TRUSTEES' REPORT (including Strategic Report) for the year ended 31 August 2023**

#### **Plans for Future Periods**

The Trustees and Executive Leadership Team revise the Trust's strategy annually, based on an assessment using a clearly defined Business Capability Model.

In support of the 'One Trust' strategic theme and decision to remain Primary specialists, it has been decided to revise the Trust's Vision, Mission and Values in Autumn 2023 in partnership with our schools with aim of relaunching these from January 2024.

This will in turn drive the strategic agenda for 2023-24 and beyond, but retaining the core existing themes in the process:

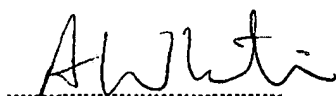
- Educational Performance - to improve leadership and the quality of education, leading to better educational outcomes for all our pupils.
- Growth - to increase the amount of money to spend on pupils' education either directly within schools or through centrally provided services.
- 'One Trust' and value of central services – to collaborate and work as 'One Trust' to create an improved working environment, improve efficiency and make the Trust more attractive to joining staff, schools and MATs. Improve and extend central services to provide value to our schools and staff.

#### **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 *14<sup>th</sup> December 2023* and signed on its behalf by:



**D Whitehead**  
Chair of Trustees

## **EVOLUTION ACADEMY TRUST**

### **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 guidelines in DfE's Governance Handbook and competency framework for governance.

The Board of Trustees has delegated the day-to-day responsibility to the CEO, 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.

#### **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 7 times during the year.

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

<b>Trustee</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
C Amor	6	7
S Bately (from 16 September 2022 to 20 October 2023)	7	7
K Blakemore	5	7
S Bramble (from 20 October 2022)	5	6
S Davidson	7	7
B Gordon (from 14 December 2022)	4	4
R Jarvis (to 16 October 2023)	5	7
K Philpot	7	7
D Whitehead, Chair	6	7

#### **Conflicts of Interest**

The Trust maintains a Register of Interests for all members, Trustees, Directors, local governors, senior management and anyone in a position to influence the choice of suppliers. This is formally refreshed every year. The standing agenda for all member and Trustee meetings includes an opportunity to declare any conflict of interest relevant to the business of the meeting. Any attendees with a conflict of interest are required to leave the meeting when relevant items are discussed. All decision papers for supplier tenders specifically request confirmation from decision-makers that they have no conflict of interest. The Trust has one small subsidiary, Diversa Trading Limited, with four Directors one of whom is independent of the Trust.

**External review of Governance:** Trustees commissioned an external review of governance, undertaken in Spring term of 2023 by CST (Confederation of School Trusts), against the revision framework implemented in September 2022. Examining governance at all levels, including Members, Trustees, LGBs and Trust Executive, it gave a good and positive reflection on the work undertaken in the previous academic year. Key findings mentioned "robust governance and strategic oversight", "good communication ...between levels", and "Trustees ensured the Trust is in a strong financial position". A series of recommendations were made by CST to further improve. These will form part of Trustees change activity in 2023-24.

## **EVOLUTION ACADEMY TRUST**

### **GOVERNANCE STATEMENT (continued)**

The Board of Trustees has established separate committees for Risk and Audit, Finance, Standards, People and Infrastructure. Attendance at the Risk and Audit Committee during the year was as follows:

#### **Risk and Audit Committee**

The purpose of the Risk and Audit Committee is to provide oversight of Evolution Academy Trust's financial reporting process and use of public funds, audit process, system of internal controls, identification and management of significant risks, and compliance with laws and regulations.

Attendance during the year at meetings was as follows:

<i><b>Trustee</b></i>	<i><b>Meetings attended</b></i>	<i><b>Out of a possible</b></i>
S Davidson	3	3
R Jarvis (to 16 October 2023)	3	3
K Philpot	2	2

#### **Review of Value for Money**

As Accounting Officer, the CEO 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, as well as estates safety and management 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 or by using a framework 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.
- Maintaining a database of all services and contracts in its schools and working towards consolidating contracts for several services across the schools. This aids efficiency and has created cost savings in many contracts.
- Creating a rolling review of compliance and estates improvement through capital funding using procured suppliers to achieve a well-maintained, safe environment for our children and staff.

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 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.

## **EVOLUTION ACADEMY TRUST**

### **GOVERNANCE STATEMENT (continued)**

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 2022 to 31 August 2023 and up to the date of approval of the annual report and financial statements.

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

The Board of Trustees has reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal on-going process for identifying, evaluating, and managing the Trust's significant risks that has been in place for the year 1 September 2022 to 31 August 2023 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 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 guidelines.
- Scheme of Delegation and segregation of duties
- Identification and management of risks.

The Board of Trustees appointed Price Bailey LLP as internal auditors in 2020. They have this year completed audits of Key Financial Controls, Budgeting and Estates Management. 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. On an annual basis the internal auditors prepare a summary report to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress. There were no significant findings raised through the internal audit process. The current level of confidence in the effectiveness of internal control overall was graded as strong.

#### **Review of Effectiveness**

As Accounting Officer, the CEO 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 auditor;
- the work of the executive managers within the Trust who have responsibility for the development and maintenance of the internal control framework;
- the financial management and governance self-assessment process or the school resource management self-assessment tool;
- correspondence from ESFA e.g. 'minded to' letters.

## **EVOLUTION ACADEMY TRUST**

### **GOVERNANCE STATEMENT (continued)**

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 members of the Board of Trustees on 14 December 2023 and signed on its behalf by:



**D Whitehead**  
Chair of Trustees  
Date:



**Dr C Avleson**  
Accounting Officer


## **EVOLUTION ACADEMY TRUST**

### **STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

As Accounting Officer of Evolution Academy Trust, I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding, including for estates safety and management, under the funding agreement between the Academy Trust and the Secretary of State for Education. As part of my consideration, I have had due regard to the requirements of the Academy Trust Handbook 2022, including responsibilities for estates safety and management.

I confirm that I and the Academy Trust Board of Trustees are able to identify any material irregular or improper use of all funds by the Academy Trust; or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academy Trust Handbook 2022.

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.



**Dr C Avieson**  
Accounting Officer

Date: 14/12/2023

## **EVOLUTION ACADEMY TRUST**

### **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

The trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report (including the Strategic Report and Directors' 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 year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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

The trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls which conform to the requirements both of propriety and good financial management. They are also responsible for ensuring that grants received from the Education and Skills Funding Agency and Department for Education have been applied for the purposes intended.

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

Approved by order of the members of the board of trustees on 14/12/23 and signed on its behalf by:



**D Whitehead**  
Chair of Trustees

Date:

## **EVOLUTION ACADEMY TRUST**

### **INDEPENDENT AUDITOR'S 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 academy trust') and its subsidiary (the 'group') for the year ended 31 August 2023 which comprise the consolidated statement of financial activities, the consolidated balance sheet, the Trust balance sheet, the consolidated statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023 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 parent academy trust's affairs as at 31 August 2023, 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 2022 to 2023 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 auditor responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group and parent academy trust's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

#### **Other information**

The other information comprises the information included in the Trustees' Report, other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information. 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.



## **EVOLUTION ACADEMY TRUST**

### **INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF EVOLUTION ACADEMY TRUST (continued)**

#### **Other Information (continued)**

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### **Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the trustees' report, which includes the strategic report and the directors' report prepared for the purposes of company law for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

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

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

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

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

#### **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the parent academy 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 and parent academy trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or parent academy trust or to cease operations, or have no realistic alternative but to do so.

## EVOLUTION ACADEMY TRUST

### INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF EVOLUTION ACADEMY TRUST (continued)

#### Auditor 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Enquiry of management and those charged with governance;
- Enquiry of entity staff compliance functions to identify any instances of non-compliance with laws and regulations;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the rationale of significant transactions outside the normal course of activities and reviewing accounting estimates for bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the FRC's website at: <https://www.frc.org.uk/auditors/audit-assurance/auditor-s-responsibilities-for-the-audit-of-the-fi/description-of-the-auditor%E2%80%99s-responsibilities-for>. This description forms part of our auditor's report.

#### Use of our report

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

*Lovewell Blake LLP*

MARK PROCTOR FCA DChA (Senior Statutory Auditor)  
For and on behalf of LOVEWELL BLAKE LLP, Statutory Auditor

Date: 20/12/2023

Bankside 300  
Peachman Way  
Broadland Business Park  
Norwich  
NR7 0LB

## **EVOLUTION ACADEMY TRUST**

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

In accordance with the terms of our engagement letter dated 18 September 2023 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2022 to 2023, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Evolution Academy Trust during the period 1 September 2022 to 31 August 2023 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 Academy Trust Handbook, extant from 1 September 2022, 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 2022 to 2023. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2022 to 31 August 2023 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 Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

## EVOLUTION ACADEMY TRUST

### INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO EVOLUTION ACADEMY TRUST AND THE ACADEMY AND SKILLS FUNDING AGENCY (continued)

The work undertaken to draw our conclusions includes:

**Delegated authorities:** Carrying out the suggested procedures detailed in the Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts Part 4 section 4.60-4.65 in order to obtain evidence that the academy trust has followed its own internal processes and complied with the Academy Trust Handbook 2022 regarding write-offs, property transactions, leases, novel and contentious payments, special payments to staff, borrowings, and if the terms of an Ntl have been complied with;

**Transactions with connected parties:** Carrying out the suggested procedures in the Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts Part 4 section 4.66 in order to obtain evidence that the academy trust has followed its own internal processes and complied with the Academy Trust Handbook 2022 regarding declarations of interest and contracts with connected parties, including governors, and employees providing external consultancy;

**Governance:** Carrying out the suggested procedures in the Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts Part 4 section 4.67 in considering whether the academy trust has followed its own internal processes and complied with the Academy Trust Handbook 2022 regarding its governance arrangements;

**Internal controls:** Identifying the policies, reviewing their effectiveness and testing the operation of controls, through carrying out the suggested procedures in the Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts Part 4 section 4.68 in order to consider whether the academy trust has followed its own internal processes and complied with the Academy Trust Handbook 2022 regarding its internal controls;

**Procurement:** Identifying the policies, reviewing their effectiveness and testing their operation, through carrying out the suggested procedures in the Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts Part 4 section 4.69 in order to obtain evidence that the academy trust has followed its own internal processes and complied with the Academy Trust Handbook 2022 regarding its procurement procedures; and

**Income:** Considering the conditions associated with specialist grant income and whether it has been spent as the purposes intended.

#### Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2022 to 31 August 2023 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

*Lovewell Blake LLP*

MARK PROCTOR FCA DChA (Reporting Accountant)

LOVEWELL BLAKE LLP

Date: 20/12/2023

Bankside 300  
Peachman Way  
Broadland Business Park  
Norwich  
NR7 0LB

**EVOLUTION ACADEMY TRUST**

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES for the year ended 31 August 2023**  
(Including Income and Expenditure Account)

	Note	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Restricted Pension Funds	Total 2023	Total 2022
		£	£	£	£	£	£
<b>Income and endowments from:</b>							
Donations and capital grants	3	13,663	-	824,814	-	838,477	795,056
Other trading activities	5	472,766	-	-	-	472,766	126,944
Investments	6	6,019	-	-	-	6,019	528
Charitable activities	4	386,193	20,374,666	-	-	20,760,859	20,989,595
<b>Total income:</b>		<b>878,641</b>	<b>20,374,666</b>	<b>824,814</b>	<b>-</b>	<b>22,078,121</b>	<b>21,912,123</b>
<b>Expenditure on:</b>							
Raising funds		-	-	-	-	-	990
Charitable activities	9	636,354	19,550,739	1,559,434	1,311,000	23,057,527	23,982,378
Exceptional items	8	-	-	-	-	-	1,390,680
<b>Total expenditure:</b>		<b>636,354</b>	<b>19,550,739</b>	<b>1,559,434</b>	<b>1,311,000</b>	<b>23,057,527</b>	<b>25,374,048</b>
<b>Net income / (expenditure)</b>		<b>242,287</b>	<b>823,927</b>	<b>(734,620)</b>	<b>(1,311,000)</b>	<b>(979,406)</b>	<b>(3,461,925)</b>
<b>Transfers between funds</b>	19	211,011	(1,086,018)	(180,993)	1,056,000	-	-
<b>Net income / (expenditure) after transfers and before gains</b>		<b>453,298</b>	<b>(262,091)</b>	<b>(915,613)</b>	<b>(255,000)</b>	<b>(979,406)</b>	<b>(3,461,925)</b>
<b>Other recognised gains / (losses)</b>							
Actuarial gains on defined benefit pension schemes	26	-	-	-	2,049,000	2,049,000	14,871,000
<b>Net movement in funds</b>		<b>453,298</b>	<b>(262,091)</b>	<b>(915,613)</b>	<b>1,794,000</b>	<b>1,069,594</b>	<b>11,409,075</b>
<b>Reconciliation of funds</b>	19						
Total funds brought forward		2,256,744	282,822	32,737,465	(1,916,000)	33,361,031	21,951,956
<b>Total funds carried forward</b>		<b>2,710,042</b>	<b>20,731</b>	<b>31,821,852</b>	<b>(122,000)</b>	<b>34,430,625</b>	<b>33,361,031</b>

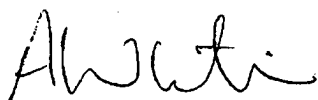
All of the Trust's activities derive from continuing operations during the above two financial periods.

The notes on pages 31 to 55 form part of these financial statements.

**EVOLUTION ACADEMY TRUST****CONSOLIDATED BALANCE SHEET as at 31 August 2023**

	Note	2023	2022
		£	£
<b>Fixed assets</b>			
Tangible assets	15	30,808,186	31,981,914
<b>Current assets</b>			
Debtors	17	477,570	527,665
Cash at bank and in hand		<u>5,684,945</u>	<u>5,401,734</u>
		6,162,515	5,929,399
<b>Liabilities</b>			
Creditors: Amounts falling due within one year	18	<u>(2,418,076)</u>	<u>(2,634,282)</u>
<b>Net current assets</b>		<u>3,744,439</u>	<u>3,295,117</u>
<b>Total assets less current liabilities</b>		<u>34,552,625</u>	<u>35,277,031</u>
<b>Net assets excluding pension liability</b>		34,552,625	35,277,031
Defined benefit pension scheme liability	26	<u>(122,000)</u>	<u>(1,916,000)</u>
<b>Total net assets</b>		<u>34,430,625</u>	<u>33,361,031</u>
<b>Funds of the Trust:</b>			
<b>Restricted funds</b>			
Fixed asset fund	19	31,821,852	32,737,465
Restricted income fund	19	20,731	282,822
Pension reserve	19	<u>(122,000)</u>	<u>(1,916,000)</u>
<b>Total restricted funds</b>		<u>31,720,583</u>	<u>31,104,287</u>
<b>Unrestricted income funds</b>	19	<u>2,710,042</u>	<u>2,256,744</u>
<b>Total funds</b>		<u>34,430,625</u>	<u>33,361,031</u>

The financial statements on pages 27 to 55 were approved by the Trustees and authorised for issue on 14<sup>th</sup> December 2023 and are signed on their behalf by:



**D Whitehead**  
Chair of Trustees

The notes on pages 31 to 55 form part of these financial statements.

## EVOLUTION ACADEMY TRUST

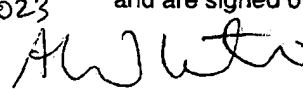
## TRUST BALANCE SHEET as at 31 August 2023

	Note	2023	2022
		£	£
<b>Fixed assets</b>			
Tangible assets	15	30,808,186	31,981,914
Investments	16	1	1
<b>Current assets</b>			
Debtors	17	531,255	521,035
Cash at bank and in hand		5,622,324	5,350,503
		6,153,579	5,871,538
<b>Liabilities</b>			
Creditors: Amounts falling due within one year	18	(2,409,141)	(2,577,877)
<b>Net current assets</b>		3,744,438	3,293,661
<b>Total assets less current liabilities</b>		34,552,625	35,275,576
<b>Net assets excluding pension liability</b>		34,552,625	35,275,576
Defined benefit pension scheme liability	26	(122,000)	(1,916,000)
<b>Total net assets</b>		34,430,625	33,359,576
<b>Funds of the Trust:</b>			
<b>Restricted funds</b>			
Fixed asset fund	19	31,821,852	32,616,611
Restricted income fund	19	20,731	351,069
Pension reserve	19	(122,000)	(1,916,000)
<b>Total restricted funds</b>		31,720,583	31,051,680
<b>Unrestricted Income funds</b>	19	2,710,042	2,307,896
<b>Total funds</b>		34,430,625	33,359,576

During the year, the Trust made a surplus of £1,071,049 including gift aid from subsidiary of £61,427.

The financial statements on pages 27 to 55 were approved by the Trustees and authorised for issue on 14<sup>th</sup> December 2023 and are signed on their behalf by:

D Whitehead  
Chair of Trustees



The notes on pages 31 to 55 form part of these financial statements.

**EVOLUTION ACADEMY TRUST**

**CONSOLIDATED STATEMENT OF CASH FLOWS for the year ended 31 August 2023**

	Notes	2023	2022
		£	£
<b>Cash flows from operating activities</b>			
Net cash (used in) / provided by operating activities	21	(161,926)	487,860
<b>Cash flows from investing activities</b>	22	<u>445,137</u>	<u>201,510</u>
<b>Change in cash and cash equivalents in the reporting period</b>		<u>283,211</u>	<u>689,370</u>
<b>Reconciliation of net cash flow to movement in net funds</b>			
Cash and cash equivalents at 1 September 2022		<u>5,401,734</u>	<u>4,712,364</u>
<b>Cash and cash equivalents at 31 August 2023</b>	23, 24	<u>5,684,945</u>	<u>5,401,734</u>

The notes on pages 31 to 55 form part of these financial statements.



## **EVOLUTION ACADEMY TRUST**

### **NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2023**

#### **1. Statement of accounting policies**

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

##### **a) Basis of Preparation**

The financial statements of the Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (Charities SORP (FRS 102)), the Academies Accounts Direction 2022 to 2023 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.

##### **b) Going Concern**

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern.

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

##### **c) Income**

All income is recognised when the Trust has entitlement to the funds, the receipt is probable, and the amount can be measured reliably.

##### **Grants**

Grants are included in the 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 period is deducted from income and recognised as a liability.

## **EVOLUTION ACADEMY TRUST**

### **NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2023**

#### **1. Statement of accounting policies (continued)**

##### **c) Income (continued)**

Capital grants are recognised in full when there is an unconditional entitlement to the grant. Unspent amounts of capital grant 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 trading income***

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

##### ***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.

##### **d) 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 asset's use.

Termination payments are payable when employment is terminated before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Trust recognises termination payments when it is demonstrably committed to either (i) terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or (ii) providing termination of payments as a result of an offer made to encourage voluntary redundancy.

##### ***Charitable activities***

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

All resources expended are inclusive of irrecoverable VAT.

## **EVOLUTION ACADEMY TRUST**

## **NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2023**

### **1. Statement of accounting policies (continued)**

#### **e) Tangible Fixed Assets**

Assets costing £5,000 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.

#### **f) Depreciation**

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 over its expected useful life, as follows:

Long leasehold property	2% straight line
Long leasehold land	125 years straight line, 15% and 20% straight line
Plant and machinery	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. The Trust has recognised the value of the property occupied by it, under a lease of 125 years from the date of joining the Trust, as prepared on behalf of the Academy and Skills Agency, for all academies joining the Trust since 1 September 2016 as listed on page 2.

#### **g) 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 investment' in the Consolidated Statement of Financial Activities.

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

#### **h) 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**

## **NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2023**

### **1. Statement of accounting policies (continued)**

#### **l) Operating leases**

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

#### **j) 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 basis are as follows:

*Financial assets* – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 17. 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.

*Financial liabilities* – trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 18. 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 Trust's wholly owned subsidiary are held at face value less any impairment.

#### **k) 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.

##### *Teachers' Pension Scheme*

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.

## **EVOLUTION ACADEMY TRUST**

### **NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2023**

#### **1. Statement of accounting policies (continued)**

##### **k) Pensions (continued)**

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

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 net income/(expenditure) are the current service costs and the costs of the 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.

##### **l) 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 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 judgement**

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

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

The Group 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 (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 26, 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 2022 has been used by the actuary in valuing the pensions liability at 31 August 2023.

# EVOLUTION ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2023

### 1. Statement of accounting policies (continued)

### 2. Critical accounting estimates and areas of judgement (continued)

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 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. However, following the desktop valuations undertaken on behalf of the Department for Education as at 31 August 2021, an impairment charge against land and buildings was made.

### 3. DONATIONS AND CAPITAL GRANTS

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Assets Funds	Total	Total
	2023	2023	2023	2023	2022
	£	£	£	£	£
Donations	13,663	-	-	13,663	101,438
Capital Grants	-	-	824,814	824,814	693,618
	<u>13,663</u>	<u>-</u>	<u>824,814</u>	<u>838,477</u>	<u>795,056</u>
<i>Total 2022</i>	<i>39,683</i>	<i>61,755</i>	<i>693,618</i>	<i>795,056</i>	

# EVOLUTION ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2023

### 4. FUNDING FOR THE TRUST'S EDUCATIONAL OPERATIONS

	Unrestricted Funds £	Restricted Funds £	Total 2023 £	Total 2022 £
<b>Educational operations</b>				
DfE/ESFA grants				
• General Annual Grant (GAG)	-	15,494,692	15,494,692	16,108,297
Other DfE/ESFA Grants				
• PE and Sports Grant	-	221,730	221,730	223,140
• Rate Relief	-	76,629	76,629	72,942
• Universal Infant Free School Meals	-	383,268	383,268	370,030
• Teachers Pension Grant	-	16,597	16,597	17,139
• Pupil Premium	-	1,488,864	1,488,864	1,497,502
• Other DfE/ESFA Grants	3,000	117,479	120,479	129,031
• Supplementary Grants	-	463,202	463,202	193,002
• Teachers Pay Grants	-	5,874	5,874	19,827
• Maintained Schools Additional Grant	-	228,688	228,688	-
• Recovery Premium	-	149,516	149,516	156,031
	3,000	18,646,539	18,649,539	18,786,941
Other Government grants				
• Special Education Needs	-	953,358	953,358	606,717
• Early Years	-	559,855	559,855	594,809
• Other	-	45,824	45,824	272,669
• Norwich Opportunity Area	-	-	-	44,638
	-	1,559,037	1,559,037	1,518,833
Other income from the Trust's educational activities	383,193	169,090	552,283	683,821
<b>Total</b>	<b>386,193</b>	<b>20,374,666</b>	<b>20,760,859</b>	<b>20,989,595</b>
<i>Total 2022</i>	<i>683,821</i>	<i>20,305,774</i>	<i>20,989,595</i>	

# EVOLUTION ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2023

<b>5. OTHER TRADING ACTIVITIES</b>	<b>Unrestricted Funds £</b>	<b>Restricted Funds £</b>	<b>Total 2023 £</b>	<b>Total 2022 £</b>
Insurance reclaims	34,849	-	34,849	(1,180)
Lettings	104,897	-	104,897	35,110
School fund	-	-	-	2,112
Solar panels	19,296	-	19,296	39,515
Ancillary trading activities	57,825	-	57,825	51,387
Before and After School Club	255,899	-	255,899	-
	<u>472,766</u>	<u>-</u>	<u>472,766</u>	<u>126,944</u>
<i>Total 2022</i>	<u>126,944</u>	<u>-</u>	<u>126,944</u>	

<b>6. INVESTMENT INCOME</b>	<b>Unrestricted Funds £</b>	<b>Restricted Funds £</b>	<b>Total 2023 £</b>	<b>Total 2022 £</b>
Investment Income	6,019	-	6,019	528
	<u>6,019</u>	<u>-</u>	<u>6,019</u>	<u>528</u>
<i>Total 2022</i>	<u>528</u>	<u>-</u>	<u>528</u>	



# EVOLUTION ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2023

### 7. EXPENDITURE

	Staff Costs £	Premises £	Other £	Total 2023 £	Total 2022 £
Fundraising operations					
• Direct costs	-	-	-	-	990
	-	-	-	-	990
Educational operations					
• Direct costs	9,978,160	-	1,236,899	11,215,059	11,155,872
• Support costs	6,488,973	3,070,590	2,282,905	11,842,468	12,826,506
• Exceptional items	-	-	-	-	1,390,680
	16,467,133	3,070,590	3,519,804	23,057,527	25,373,058
	16,467,133	3,070,590	3,519,804	23,057,527	25,374,048
<i>Total 2022</i>	<i>18,213,589</i>	<i>3,969,001</i>	<i>3,191,458</i>	<i>25,374,048</i>	

### 8. EXCEPTIONAL ITEMS

	Restricted Funds £	Total 2023 £	Total 2022 £
Impairment of property	-	-	1,390,680
<i>Total 2022</i>	<i>1,390,680</i>	<i>1,390,680</i>	

#### Impairment of property

During the year ended 31 August 2022 the Department for Education (DfE) commissioned professionally qualified valuers to revalue the land and buildings at three of the schools within the Trust. The valuations were undertaken to enable the DfE to consolidate academies into the Sector Annual Report and Accounts (SARA). The valuations are 'desktop' valuations without any on site measurement. Where applicable, the Trustees have adopted these valuations and impaired the property, despite the inherent limitations in the valuation methodology. The impairment charge arising was £1,390,680.

# EVOLUTION ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2023

### 9. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Activities undertaken directly £	Support Costs £	Total funds 2023 £	Total funds 2022 £
Educational Operations	11,215,059	11,842,468	23,057,527	23,982,378
<i>Total 2022</i>	<i>11,155,872</i>	<i>12,826,506</i>	<i>23,982,378</i>	

Analysis of direct costs	Total 2023 £	Total 2022 £
Staff costs	9,586,593	10,073,012
Depreciation	94,873	103,955
Staff development	87,659	87,827
Teaching resources	396,210	228,540
Other direct costs	483,588	282,540
Educational visits	174,569	160,567
Agency staff	391,567	219,431
	<u>11,215,059</u>	<u>11,155,872</u>

Analysis of support costs	Total 2023 £	Total 2022 £
Pension finance costs	255,000	258,000
Staff costs	6,488,973	7,921,146
Depreciation	1,464,561	1,211,468
Computer maintenance	218,136	438,515
Maintenance of property and equipment	881,351	541,941
Professional fees	344,541	310,494
Postage, stationery, printing and telephone	177,476	213,381
Insurance	72,785	70,835
Occupancy	844,936	835,984
Catering	977,156	915,962
Licenses	81,660	74,820
Audit and assurance	35,893	33,960
<b>Total support costs</b>	<u><b>11,842,468</b></u>	<u><b>12,826,506</b></u>

# EVOLUTION ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2023

### 10. NET INCOME/(EXPENDITURE)

	2023 £	2022 £
Operating lease rentals	36,206	84,718
Depreciation of tangible fixed assets	1,559,434	1,315,423
Fees paid to auditors for:		
- Audit	28,103	21,650
- Other services	<u>7,790</u>	<u>5,600</u>

### 11. STAFF COSTS

Staff costs during the year were as follows:

	2023 £	2022 £
Wages and salaries	12,282,052	12,322,783
Social security costs	1,119,768	1,091,440
Pension costs	2,641,968	4,441,382
	<u>16,043,788</u>	<u>17,855,605</u>
Agency staff costs	391,567	219,431
Staff restructuring costs	31,778	138,553
	<u>16,467,133</u>	<u>18,213,589</u>

Staff restructuring costs comprise:

	2023 £	2022 £
Redundancy payments	31,778	120,305
Severance payments	-	18,248
	<u>31,778</u>	<u>138,553</u>

#### b. Special staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £Nil (2022: £18,248). Individually, the payments were £Nil (2022: £12,383 and £5,865).

#### c. Staff numbers

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

	2023	2022
Teachers	177	168
Administration and support	352	375
Management	<u>13</u>	<u>36</u>
	<u>542</u>	<u>579</u>

## EVOLUTION ACADEMY TRUST

### NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2023

#### 11. STAFF (continued)

##### d. Higher paid staff

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

	2023 No.	2022 No.
£60,001 - £70,000	5	2
£70,001 - £80,000	3	1
£80,001 - £90,000	1	1
£90,001 - £100,000	-	1
£100,001 - £110,000	-	2
£110,001 - £120,000	1	-

##### e. Key management personnel

The key management personnel of the Group comprise the Trustees and the senior management team as listed on page 1. The total amount of key management personnel benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Group was £373,449 (2022: £407,044).

#### 12. CENTRAL SERVICES

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

- Central senior management support (including CEO, CFO and Director of Education)
- School improvement, including training, development and coaching of senior staff, curriculum development and monitoring
- Centralised Finance function, coordinating all financial activities including budgeting, reporting, accounts payable and 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

## EVOLUTION ACADEMY TRUST

### NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2023

#### 12. CENTRAL SERVICES (continued)

The Group charges for these services on the following bases:

For the year ended 31 August 2023, the Trust made a charge of 6% of GAG to cover the cost of these services.

	2023 £	2022 £
Costessey Primary School	157,508	159,624
Eaton Primary School	104,112	100,473
Filby Primary School	36,512	28,509
Wensum Junior School	68,232	55,943
Dell Primary School	93,144	93,016
Elm Tree Primary School	85,752	85,495
Poplars Primary School	110,208	117,599
Nelson Infant School	48,944	51,742
Coldfair Green Primary School	41,196	38,136
Angel Road Infant School	52,008	57,553
Angel Road Junior School	81,348	88,814
Bignold Primary School	<u>110,052</u>	<u>101,198</u>
Total	<u>989,016</u>	<u>978,102</u>

#### 13. TRUSTEES' REMUNERATION AND EXPENSES

During the year ended 31 August 2023, no trustee received any remuneration or other benefits (2022: £Nil). Expenses of £206 were reimbursed to one Trustee (2022: £46 to one Trustee).

#### 14. TRUSTEES AND OFFICERS INSURANCE

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

# EVOLUTION ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2023

### 15. TANGIBLE FIXED ASSETS

#### Group and Trust

	Long-term leasehold property £	Plant and machinery £	Computer equipment £	Total 2023 £
<b>Cost</b>				
At 1 September 2022	42,382,705	394,978	662,291	43,439,974
Additions	333,802	5,548	46,346	385,696
At 31 August 2023	42,716,507	400,526	708,637	43,825,670
<b>Depreciation</b>				
At 1 September 2022	10,702,651	274,360	481,049	11,458,060
Charged in year	1,426,679	37,872	94,873	1,559,434
Disposals	-	-	-	-
At 31 August 2023	12,129,330	312,232	575,922	13,017,494
<b>Net book value</b>				
At 31 August 2022	31,680,054	120,618	181,242	31,981,914
At 31 August 2023	30,587,177	88,294	132,715	30,808,186

### 16. FIXED ASSET INVESTMENTS

	Investments in subsidiary companies £
<b>Trust</b>	
At 1 September 2022	1
At 31 August 2023	1
<b>Net book value</b>	
At 31 August 2023	1
At 31 August 2022	1

The following was a subsidiary undertaking of the Trust:

Name	Company Number	Registered office or principal place of business	Principal activity
Diversa Trading Limited	11144243	Suite Ff8 Roxburgh House, Roseberry Business Park, Mentmore Way, Norwich, NR14 7XP	Car park letting
Class of shares	Holding	Included in consolidation	
Ordinary	100%	Yes	

# EVOLUTION ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2023

### 16. FIXED ASSET INVESTMENTS (continued)

The financial results of the subsidiary for the year were:

Name	Income	Expenditure	Profit for the year	Gift aid to parent	Net assets
	£	£	£	£	£
Diversa Trading Limited	<u>63,133</u>	<u>(3,161)</u>	<u>59,972</u>	<u>61,427</u>	<u>1</u>

### 17. DEBTORS

	Group 2023 £	Group 2022 £	Trust 2023 £	Trust 2022 £
Trade debtors	5,938	18,531	5,938	17,751
VAT repayable	60,640	159,799	60,640	159,799
Prepayments and accrued income	384,724	349,335	438,409	343,485
Other debtors	26,268	-	26,268	-
	<u>477,570</u>	<u>527,665</u>	<u>531,255</u>	<u>521,035</u>

### 18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2023 £	Group 2022 £	Trust 2023 £	Trust 2022 £
Trade creditors	181,649	93,397	175,844	93,397
Other taxation and social security	239,883	264,309	239,883	264,309
Other creditors	372,562	578,345	372,562	578,345
Accruals and deferred income	1,623,982	1,698,231	1,620,852	1,641,826
	<u>2,418,076</u>	<u>2,634,282</u>	<u>2,409,141</u>	<u>2,577,877</u>

	Group 2023 £	Group 2022 £	Trust 2023 £	Trust 2022 £
Deferred income at 1 September 2022	344,223	422,348	344,223	422,348
Resources deferred during the year	697,497	344,223	697,497	344,223
Amounts released from previous periods	(344,223)	(422,348)	(344,223)	(422,348)
Deferred income at 31 August 2023	<u>697,497</u>	<u>344,223</u>	<u>697,497</u>	<u>344,223</u>

At the balance sheet date the Group was holding funds of £697,497 for grant and other income received in advance.

# EVOLUTION ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2023

### 19. STATEMENT OF FUNDS

	Balance at 1 September 2022	Income	Expenditure	Transfers in/(out)	Gains/ (Losses)	Balance at 31 August 2023
	£	£	£	£	£	£
<b>Unrestricted funds</b>						
General funds	2,255,289	815,508	(633,193)	66,523	-	2,504,127
Diversa Trading Limited	1,455	63,133	(3,161)	(61,427)	-	-
	2,256,744	878,641	(636,354)	5,096	-	2,504,127
<b>Designated fund</b>						
IT Levy	-	-	-	205,915	-	205,915
<b>Total Unrestricted Funds</b>	2,256,744	878,641	(636,354)	211,011	-	2,710,042
<b>Restricted general funds</b>						
General Annual Grant (GAG)	282,822	15,494,692	(14,691,496)	(1,086,018)	-	-
Pupil Premium	-	1,488,864	(1,488,864)	-	-	-
Special Educational Needs	-	953,358	(953,358)	-	-	-
PE and Sport Premium	-	221,730	(200,999)	-	-	20,731
Universal Infant Free School Meals	-	383,268	(383,268)	-	-	-
Early Years Funding	-	559,855	(559,855)	-	-	-
Other Grants	-	1,272,899	(1,272,899)	-	-	-
Pension reserve	(1,916,000)	-	(1,311,000)	1,056,000	2,049,000	(122,000)
	(1,633,178)	20,374,666	(20,861,739)	(30,018)	2,049,000	(101,269)
<b>Restricted fixed asset funds</b>						
Fixed assets transferred on conversion	24,999,953	-	(483,265)	-	-	24,516,688
Devolved Formula Capital	229,151	282,036	(20,615)	(87,281)	-	403,291
Capital Expenditure from GAG	1,109,384	-	(231,272)	-	-	878,112
Condition Improvement Fund	2,154,809	-	(368,219)	-	-	1,786,590
Other capital grants and donations	417,056	-	(115,729)	-	-	301,327
NCC donation in kind – merger of CJS and CIS	1,685,870	-	(56,646)	-	-	1,629,224
School Condition Allocation	2,141,242	542,778	(283,688)	(93,712)	-	2,306,620
	32,737,465	824,814	(1,559,434)	(180,993)	-	31,821,852
<b>Total Restricted Funds</b>	31,104,287	21,199,480	(22,421,173)	(211,011)	2,049,000	31,720,583
<b>Total Funds</b>	33,361,031	22,078,121	(23,057,527)	-	2,049,000	34,430,625



## **EVOLUTION ACADEMY TRUST**

### **NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2023**

#### **19. 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 GAG, £1,056,000 to restricted pension reserve representing the cost of employer contributions towards the Local Government Pension Scheme, £180,993 representing fixed asset additions from GAG funding and £85,081 representing IT levy costs charged from GAG.

**School Condition Allocation** is received to fund the maintenance of school buildings. Funds are transferred from the restricted asset fund to the restricted general fund to match expenditure charged to the Consolidated Statement of Financial Activities.

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

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

**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** is received by schools to spend on capital projects. Funds are transferred from the restricted fixed asset fund to match expenditure charged to the Consolidated Statement of Financial Activities.

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

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 2023.

# EVOLUTION ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2023

### 19. STATEMENT OF FUNDS (continued)

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

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/(out) £	Gains/ (Losses) £	Balance at 31 August 2022 £
<b>Unrestricted funds</b>						
General funds	1,617,094	799,586	(211,391)	50,000	-	2,255,289
Diversa Trading Limited	1,055	51,390	(990)	(50,000)	-	1,455
	1,618,149	850,976	(212,381)	-	-	2,256,744
<b>Restricted general funds</b>						
General Annual Grant (GAG)	365,029	16,108,297	(15,021,906)	(1,168,598)	-	282,822
School Condition Allocation	-	-	(104,370)	104,370	-	-
Pupil Premium	-	1,497,502	(1,497,502)	-	-	-
Special Educational Needs	-	606,717	(606,717)	-	-	-
PE and Sport Premium	66,369	223,140	(289,509)	-	-	-
Universal Infant Free School Meals	-	370,030	(370,030)	-	-	-
Early Years Funding	-	594,809	(594,809)	-	-	-
Devolved Formula Capital	-	-	(6,687)	6,687	-	-
Other Grants	-	905,279	(905,279)	-	-	-
Donations	-	61,755	(61,755)	-	-	-
Pension reserve	(14,807,000)	-	(2,997,000)	1,017,000	14,871,000	(1,916,000)
	(14,375,602)	20,367,529	(22,455,564)	(40,541)	14,871,000	(1,633,178)
<b>Restricted fixed asset funds</b>						
Fixed assets transferred on conversion	25,644,565	-	(644,612)	-	-	24,999,953
Devolved Formula Capital	166,637	89,747	(20,546)	(6,687)	-	229,151
Capital Expenditure from GAG	1,163,549	-	(226,059)	171,894	-	1,109,384
Condition Improvement Fund	2,685,393	-	(510,288)	(20,296)	-	2,154,809
Other capital grants and donations	532,786	-	(115,730)	-	-	417,056
NCC donation in kind - merger of CJS and CIS	2,832,276	-	(1,146,406)	-	-	1,685,870
School Condition Allocation	1,684,203	603,871	(42,462)	(104,370)	-	2,141,242
	34,709,409	693,618	(2,706,103)	40,541	-	32,737,465
Total Restricted Funds	20,333,807	21,061,147	(25,161,667)	-	14,871,000	31,104,287
Total Funds	21,951,956	21,912,123	(25,374,048)	-	14,871,000	33,361,031

# EVOLUTION ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2023

### 19. STATEMENT OF FUNDS (continued)

#### Total funds analysis by academy

Fund balances for each academy at 31 August 2022 and at 31 August 2023 were zero, hence a breakdown by academy is not included in these accounts.

#### Total cost analysis by academy

Expenditure is 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 2023 £	Total 2022 £
Costessey Primary School	2,271,779	362,547	38,386	423,276	3,095,988	4,206,804
Eaton Primary School	1,317,017	242,284	18,405	483,881	2,061,587	2,034,644
Filby Primary School	419,088	121,269	9,164	109,850	659,371	670,428
Wensum Junior School	919,226	257,045	32,629	225,377	1,434,277	1,477,421
Dell Primary School	1,281,759	207,054	78,403	349,964	1,917,180	2,461,176
Elm Tree Primary School	1,184,737	145,724	29,447	360,557	1,720,465	1,786,655
Poplars Primary School	1,407,842	219,252	68,137	540,692	2,235,923	2,332,927
Nelson Infant School	656,290	142,188	29,140	226,283	1,053,901	1,115,516
Coldfair Green Primary School	493,252	54,844	23,334	197,681	769,111	717,565
Angel Road Infant School	772,278	301,620	46,731	294,084	1,414,713	1,565,129
Angel Road Junior School	991,347	193,243	40,742	208,914	1,434,246	1,722,018
Bignold Primary School	1,343,372	558,948	30,605	430,038	2,362,963	2,432,238
Central Services	249,474	587,896	-	241,871	1,079,241	1,545,019
<b>Trust</b>	<b>13,307,461</b>	<b>3,393,914</b>	<b>445,123</b>	<b>4,092,468</b>	<b>21,238,966</b>	<b>24,067,540</b>

# EVOLUTION ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2023

### 20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

Fund balances at 31 August 2023 are represented by:

	Unrestricted funds	Restricted general funds	Restricted fixed asset funds	Total funds
	£	£	£	£
Tangible fixed assets	-	-	30,808,186	30,808,186
Current assets	2,710,042	2,135,281	1,317,192	6,162,515
Creditors: amounts falling due within one year	-	(2,114,550)	(303,526)	(2,418,076)
Provisions for liabilities and charges	-	(122,000)	-	(122,000)
<b>Total net assets</b>	<b>2,710,042</b>	<b>(101,269)</b>	<b>31,821,852</b>	<b>34,430,625</b>

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

	Unrestricted funds	Restricted general funds	Restricted fixed asset funds	Total Funds 2022
	£	£	£	£
Tangible fixed assets	-	-	31,981,914	31,981,914
Current assets	2,256,744	2,195,833	1,476,822	5,929,399
Creditors: amounts falling due within one year	-	(1,913,011)	(721,271)	(2,634,282)
Provisions for liabilities and charges	-	(1,916,000)	-	(1,916,000)
<b>Total net assets</b>	<b>2,256,744</b>	<b>(1,633,178)</b>	<b>32,737,465</b>	<b>33,361,031</b>

### 21. RECONCILIATION OF NET INCOME / (EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2023	2022
	£	£
Net income / (expenditure) for the reporting period (as per the SOFA)	<b>(979,406)</b>	<b>(3,461,925)</b>
<b>Adjusted for:</b>		
Capital grants from DfE and other capital income	(824,814)	(693,618)
Depreciation charges	1,559,424	1,315,423
Dividends, interest and rents from investments	(6,019)	(528)
Defined benefit pension scheme cost less contributions payable	171,000	1,722,000
Defined benefit pension scheme finance cost	84,000	258,000
(Increase)/decrease in debtors	50,095	(34,405)
(Decrease)/increase in creditors	(216,206)	(7,767)
Impairment of property	-	1,390,680
<b>Net cash (used in) / provided by operating activities</b>	<b>(161,926)</b>	<b>487,860</b>

# **EVOLUTION ACADEMY TRUST**

## **NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2023**

### **22. CASH FLOWS FROM INVESTING ACTIVITIES**

	Group 2023 £	Group 2022 £
Dividends, interest and rents received from investments	6,019	528
Purchase of tangible fixed assets	(385,696)	(492,636)
Capital grants from DfE Group	<u>824,814</u>	<u>693,618</u>
<b>Net cash provided by investing activities</b>	<u><b>445,137</b></u>	<u><b>201,510</b></u>

### **23. ANALYSIS OF CASH AND CASH EQUIVALENTS**

	Group 2023 £	Group 2022 £
Cash in hand and at bank	<u>5,684,945</u>	<u>5,401,734</u>
<b>Total cash and cash equivalents</b>	<u><b>5,684,945</b></u>	<u><b>5,401,734</b></u>

### **24. ANALYSIS OF CHANGES IN NET DEBT**

	As at 1 September 2022 £	Movement £	As at 31 August 2023 £
Cash	<u>5,401,734</u>	<u>283,211</u>	<u>5,684,945</u>
<b>Total</b>	<u><b>5,401,734</b></u>	<u><b>283,211</b></u>	<u><b>5,684,945</b></u>

### **25. CAPITAL COMMITMENTS**

	Group 2023 £	Group 2022 £	Trust 2023 £	Trust 2022 £
<b>Contracted for but not provided in these financial statements</b>				
Acquisition of tangible fixed assets	<u>-</u>	<u>90,874</u>	<u>-</u>	<u>90,874</u>

## **EVOLUTION ACADEMY TRUST**

### **NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2023**

#### **26. PENSION COMMITMENTS**

The Group'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 2020 and of the LGPS 31 March 2022.

Contributions amounting to £293,281 were payable to the schemes at 31 August 2023 (2022: £485,886) 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 teachers in academy trusts. 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.

#### **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 2020. The valuation report was published by the Department for Education on 30 October 2023. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 28.68% 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 £262,000 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £222,200 million, giving a notional past service deficit of £39,800 million.
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 1.7% above the rate of CPI, and is based on the Office for Budget Responsibility's forecast for long-term GDP growth.

The next valuation result is due to be implemented from 1 April 2027.

The employer's pension costs paid to TPS in the year amounted to £1,649,905 (2022: £1,717,044).

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

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The 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.

## EVOLUTION ACADEMY TRUST

### NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2023

#### 26. PENSION COMMITMENTS (continued)

##### 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 2023 was £1,348,000 (2022: £1,279,000), of which employer's contributions totalled £1,056,000 (2022: £1,017,000) and employees' contributions totalled £292,000 (2022: £262,000). The agreed contribution rates for future years are 18.3% - 25.6% for employers and 5.5% - 12.5% for employees.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of an trust closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013, and on 21 July 2023, the Department for Education reaffirmed its commitment to the guarantee, with a parliamentary minute published on Gov.uk.

Principal actuarial assumptions	2023	2023	2022	2022
	Norfolk	Suffolk	Norfolk	Suffolk
	%	%	%	%
Pension increase rate	2.95	2.95	3.05	3.05
Salary increase rate	3.65	3.95	3.75	3.75
Discount rate for scheme liabilities	5.20	5.20	4.25	4.25
Inflation assumption	3.00	3.00	3.05	3.05
Commutations of pensions to lump sums	45.00	55.00	25-63	25-63

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

	2023 Years	2022 Years
<b>Retiring today</b>		
Males (Norfolk, Suffolk)	19.8, 20.5	21.7, 21.9
Females (Norfolk, Suffolk)	23.8, 24.1	24.1, 24.3
<b>Retiring in 20 years</b>		
Males (Norfolk, Suffolk)	20.5, 20.8	22.9, 22.9
Females (Norfolk, Suffolk)	25.4, 25.4	26.0, 26.1

##### Sensitivity analysis

	Norfolk 2023 £	Suffolk 2023 £	Total 2023 £
0.1% decrease in real discount rate	277,000	105,000	382,000
1 year increase in member life expectancy	444,000	168,000	612,000
0.1% increase in salary increase rate	17,000	6,000	23,000
0.1% increase in pension increase rate	266,000	101,000	367,000

# EVOLUTION ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2023

### 26. PENSION COMMITMENTS (continued)

#### Share of scheme assets:

Group share of assets	2023 Norfolk £	2023 Suffolk £	2023 Total £	2022 Total £
Equities	5,486,000	3,109,000	8,595,000	7,913,000
Corporate Bonds	3,840,000	1,177,000	5,017,000	4,729,000
Property	1,316,000	377,000	1,693,000	1,655,000
Cash	329,000	47,000	376,000	205,000
	<u>10,971,000</u>	<u>4,710,000</u>	<u>15,681,000</u>	<u>14,502,000</u>

The actual return on scheme assets was £13,000 (2022: £76,000)

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

	2023 Norfolk £	2023 Suffolk £	2023 Total £	2022 Total £
Current service cost	(909,000)	(317,000)	(1,226,000)	(2,692,000)
Past service cost	(1,000)	-	(1,000)	(47,000)
Interest income	454,000	187,000	641,000	228,000
Interest cost	(523,000)	(202,000)	(725,000)	(486,000)
<b>Total</b>	<u>(979,000)</u>	<u>(332,000)</u>	<u>(1,311,000)</u>	<u>(2,997,000)</u>

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

	2023 Norfolk	2023 Suffolk	2023 Total	2022 Total
<b>As at September</b>	11,829,000	4,589,000	16,418,000	28,041,000
Current service cost	909,000	317,000	1,226,000	2,739,000
Past service cost	1,000	-	1,000	-
Interest cost	523,000	202,000	725,000	486,000
Employee contribution	218,000	74,000	292,000	262,000
Actuarial (gains)	(2,253,000)	(922,000)	(3,175,000)	(15,023,000)
Estimated benefits paid	(134,000)	(48,000)	(182,000)	(87,000)
<b>As at 31 August</b>	<u>11,093,000</u>	<u>4,212,000</u>	<u>15,305,000</u>	<u>16,418,000</u>



## EVOLUTION ACADEMY TRUST

### NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2023

#### 26. PENSION COMMITMENTS (continued)

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

	2023 Norfolk	2023 Suffolk	2023 Total	2022 Total
<b>As at September</b>	10,254,000	4,248,000	<b>14,502,000</b>	13,234,000
Benefits paid	(134,000)	(48,000)	<b>(182,000)</b>	(87,000)
Interest income	454,000	187,000	<b>641,000</b>	228,000
Actuarial (losses)/gains	(595,000)	(33,000)	<b>(628,000)</b>	(152,000)
Employer contributions	774,000	282,000	<b>1,056,000</b>	1,017,000
Employee contributions	218,000	74,000	<b>292,000</b>	262,000
<b>As at 31 August</b>	<b>10,971,000</b>	<b>4,710,000</b>	<b>15,681,000</b>	<b>14,502,000</b>

#### 26. OPERATING LEASE COMMITMENTS

At 31 August 2023 the Group and the Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	<b>Group 2023 £</b>	<i>Group 2022 £</i>	<b>Trust 2023 £</b>	<i>Trust 2022 £</i>
Amounts due within 1 year	<b>13,635</b>	<i>35,229</i>	<b>13,635</b>	<i>35,229</i>
Amounts due between 1 year and 5 years	<b>7,457</b>	<i>1,630</i>	<b>7,457</b>	<i>1,630</i>
	<b><u>21,092</u></b>	<i><u>36,859</u></i>	<b><u>21,092</u></b>	<i><u>36,859</u></i>

#### 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.

#### 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 Academy Trust 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.

There were no related party transactions during the year or the previous year.