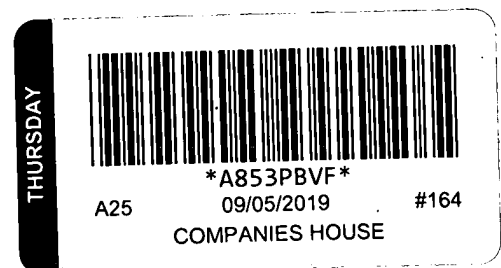




Company Registration No. 08569207 (England and Wales)

**EVOLVE CHURCH ACADEMY TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**





# EVOLVE CHURCH ACADEMY TRUST

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# EVOLVE CHURCH ACADEMY TRUST

## REFERENCE AND ADMINISTRATIVE DETAILS

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### Members

Mr P Hough Robinson  
Peterborough Diocese Church Schools Trust

### Trustees

R Hazelgrove (Resigned 30 June 2018)  
O Johnson  
S J Allen (Chair)  
G N Nunn  
A J Osborne  
J Moffitt  
B Gundle (Resigned 19 January 2018)  
P Deane (Resigned 24 August 2018)  
C Wade (Resigned 19 January 2018)  
A E Allen  
G Bruce (Appointed 26 January 2018)  
P Beswick (Appointed 26 January 2018)  
Peterborough Diocese Church Schools Trust

### Senior management team

- Headteacher at Chacombe CEVA Primary A Allen
- Headteacher at Culworth and Boddington O Johnson Primary
- Deputy Headteacher at Culworth Primary C Law
- Senior Manager at Boddington Primary J Bootman
- Senior Manager at Boddington Primary K Stephens
- Headteacher at St Loys C of E Primary R Hazelgrove (until August 2018)

### Company registration number

08569207 (England and Wales)

### Academies operated

Chacombe CEVA Primary Academy  
Boddington Primary Academy  
St Loys C of E Primary Academy  
Culworth Primary Academy

### Location

Chacombe  
Boddington  
Weedon Lois  
Culworth

### Principal

Alison Allen  
Oliver Johnson  
Alison Allen  
Oliver Johnson

### Independent auditor

Ellacotts LLP  
Countrywide House  
23 West Bar  
Banbury  
Oxfordshire  
OX16 9SA  
England



# EVOLVE CHURCH ACADEMY TRUST

## TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2018

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The Trustees present their annual report together with the audited financial statements of Evolve Church Academy Trust (formerly known as South Northamptonshire Church of England Multi Academy Trust) ('the Trust') for the period ending 31 August 2018.

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

#### Constitution

The Trust, which was incorporated on 14 June 2013 and opened as a Multi Academy Trust on 1 September 2013, is a company limited by guarantee and an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents of the Trust.

The Governors act as the Trustees for the charitable activities of the Trust and are also the directors of the charitable company for the purposes of company law.

Details of the Trustees who served throughout the period, except as noted, are included in the Reference and Administrative Details on page 1.

The charitable company is known as Evolve Church Academy Trust.

The Trust operates Primary Academies in South Northamptonshire. Its academies have a combined pupil capacity of 469 and had a roll of 355 in the school census on 2 November 2017.

The trustees of Evolve Church 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 financial statements are approved, are included in the Reference and Administrative Details on page 1.

#### Members' liability

Each member of the charitable company undertakes to contribute to the assets of the 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 Governors benefit from indemnity insurance purchased by the Academy to cover the liability of the Trustees arising from negligent acts, errors or commissions occurring whilst on Academy business. The limit of this indemnity is £10,000,000.

#### Principal activities

The principal activity of the Academy Trust is to advance for the public benefit by establishing, maintaining, carrying on managing and developing Primary Academies that offer a broad and balanced curriculum.

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

On 1st September 2013, the Trustees appointed all those Governors that served the predecessor school to be Governors of the newly formed Academies. These Governors were appointed on a term of office that would end when their original term at the predecessor school would have ended, thus ensuring a staggered re-election or replacement process.

The Trust shall have the following Trustees as set out in its Articles of Association and Funding Agreement:

- No fewer than 2 Members
- No fewer than 5 Trustees

The Board currently includes a Chair, Vice Chair and Head Teacher from each Academy.



# EVOLVE CHURCH ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

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Trustees are appointed for a 4 year period, except that this time limit does not apply to the Headteacher. Subject to remaining eligible to be a particular type of Governor, any Governors can be re-appointed or re elected.

When appointing new Trustees, the Board of Trustees will give consideration to the skills and experience mix of existing Trustees in order to ensure the Board of Trustees has the necessary skills to contribute fully to the Academy Trust's development.

### Policies and procedures adopted for the induction and training of Trustees

The training and induction provided for new Trustees will depend upon their existing experience but would always include a tour of the relevant Academy or Academies and a chance to meet staff and pupils. All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents they will need to undertake their role as Trustees. As there are normally only two or three new Trustees a year, induction tends to be done informally and is tailored specifically to the individual. Advantage is taken of specific courses offered by various other organisations as appropriate.

There Is a Trustee/Governors training day organised each year which Includes training sessions to keep the Trustees/Governors updated on relevant developments impacting on their roles and responsibilities.

### Organisational Structure

The Board of Trustees normally meets four times annually. The Board of Trustees establishes an overall framework for the governance of the Academy Trust and determines membership, terms of reference and procedures of Committees of the Board of Trustees and other groups. It receives reports including policies from its Committees for ratification. It monitors the activities of the Committees through the minutes of their meetings. The Board of Trustees may from time to time establish working groups to perform specific tasks over a limited timescale.

There is one Committee of the Board of Trustees responsible for Finance and Audit. This committee has its own terms of reference discharging to it.

The following decisions are reserved to the full Board of Trustees:

- to consider any proposals for changes to the status or constitution of the Academy Trust and its committee structure;
- to appoint or remove the Chair and/ or Vice Chair; and
- to appoint and/ or consider the performance management of the Headteacher to appoint the Company Secretary.

The Trustees are responsible for setting general policy, adopting an annual development plan and budget, approving the annual statutory accounts, monitoring the Academy Trust by the use of budgets and other data, and making the major decisions about the direction of the Academy Trust.

The Trustees have devolved the individual strategic management to each full Governing Body and day-to-day management of each Academy to the Head teacher and the Senior Leadership Team ('SLT'). The SLT comprises the Head teacher, Deputy Head teachers, Assistant Head teachers and senior teachers. Each Full Governing Body reviews annual Academy Trust plans and budgets, monitors progress against target and OFSTED standards and oversees parent and community liaison. Representatives from each FGB also sit on the main Board of Trustees. The Accounting Officer has overall responsibility for the day to day financial management of the Academy Trust.



# EVOLVE CHURCH ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

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### Risk management

The Trustees have implemented a system to assess risks that the Academy Trust faces, especially in the operational areas (such as in relation to teaching, health & safety and school trips) and in relation to the control of finances. They have introduced systems, including operational procedures and internal financial controls in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover.

The Academy Trust has an effective system of internal financial controls and this is explained in more detail in the Statement of Internal Control.

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

Setting the pay and remuneration of the Academy Trusts key management personnel is made with the support of an external advisor. Pay is benchmarked against the National Standards of Pay for Teachers and Support Staff at Academy Trust level.

### Trade union facility time

Facility Time is the provision of paid or unpaid time off from an employee's normal role to undertake trade union duties and activities as a trade union representative. The Trade Union (Facility Time Publication Requirements) Regulations 2017 requires the Academy Trust to publish data in relation to their employees who are trade union representative and the time spent as representatives.

During the period in question the Academy Trust had no employees who were relevant union officials and no union facility time was spent by the Academy Trusts staff.

### Related parties and other connected charities and organisations

There are no related parties which either control or significantly influence the decisions and operations of the Academy Trust. There are no sponsors or formal Parent Teacher Associations associated with the Academy.

### **Objectives and activities**

#### Objects and aims

The principal objects of the Academy Trust, as set out in its Articles of Association, are to:

- advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school, offering a broad and balanced curriculum; and
- promote for the benefit of the inhabitants of the South Northamptonshire Area and the surrounding area the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity, disablement, financial hardship or social and economic circumstances for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants.

The aims of the Academy Trust during the period ended 31 August 2018 are summarised below:

- to extend the breadth of joint policies to ensure consistency across the MAT
- to provide a curriculum that promotes enjoyment and love of learning
- to evaluate the performance of the Academies and identify areas for improvement, specific to each Academy in relation to attainment and progress
- to develop and maintain effective leadership and Governance, including support for new governors/trustees and Board members
- to continue to ensure premises and facilities are well maintained and support learning To continue to ensure our Christian ethos is evident in all areas of work within the schools
- to maintain extended schools that provide services to children and families outside of the school day.



# EVOLVE CHURCH ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

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### Objectives, strategies and activities

The key priorities for the period are contained in the Academy Trusts Development Plan which is available from the Chair of the Trustees.

The main activities of the Academy Trust for the period ended 31 August 2018 were as follows:

### Leadership and Management

- Decision to not join with the South Northants Village school academy trust and progress
- Directors appointed a new chair for the MAT and a new school improvement person.
- Directors appointed a GDPR officer and director to oversee GDPR implementation
- To newly develop a robust Board of Trustees with clear lines of accountability
- To adequately challenge the leadership of the Academies to ensure continuous school improvement. To ensure that all Academies benefit from the sharing a good practice.
- Actively begin exploring other church schools who would wish to join our academy trust
- Worked on a new name and branding for the trust

### Student Achievement

Where weaknesses in subject results were found internal and external support is in place for all Academies within the MAT to achieve at least in line with National standards

### Teaching and Learning

To continue to use existing criteria for the moderation of standards in maths, reading and writing Build capacity to provide rigorous internal MAT moderation of the above curriculum areas.

To use the expertise within the MAT staff to develop subject knowledge of all staff to ensure best quality teaching and learning.

To ensure groups of learners are making progress that is at least in line with ARE:- SEND, PP, Dis, EAL.

### Behaviour and Safety

To ensure that key policies and procedures are regularly reviewed and agreed. Plumsun to carry out Health and Safety review inspections of the schools.

To assign a Director responsible for safeguarding across the MAT.

### Public benefit

The Trustees confirm that they have complied with the requirement in the Charities Act 2011 to have due regard to the Charity Commission general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the Academy Trusts aims and objectives and in planning its future activities.

The Academy Trust aims to advance for the public benefit education in South Northamptonshire and the surrounding area, offering a broad curriculum.

The Academy Trust also allows use of its facilities for recreational and other leisure time occupation for the community at large in the interests of social welfare and with the interest of improving the life of that community.



# **EVOLVE CHURCH ACADEMY TRUST**

## **TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018**

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### **Strategic report**

#### **Achievements and performance**

The Academy is in its fifth period of operation since conversion on 1 September 2013.

The total number of pupils in the period ended 31 August 2016 was 363 but this has decreased to 355 at the October 2017 census date due to the falling demand for places at the Academies within the Trust.

The Trust is committed to continual improvement which is achieved in a number of ways, including improvement planning, review meetings, continual professional development, lesson observations, performance management, self-evaluation, data analysis and action planning.



# EVOLVE CHURCH ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

End of year progress:

		<b>Boddington</b>			<b>Chacombe</b>		
		Below expected	Expected or Above	Above expected	Below expected	Expected or Above	Above expected
<b>Year 2</b>	Reading	1 (25%)	3 (75%)	1 (25%)	1(7%)	14(93%)	6(40%)
	Writing	1 (25%)	3 (75%)	1 (25%)	-	15(100%)	6(40%)
	Maths	1 (25%)	3 (75%)	2 (50%)	-	15(100%)	6(40%)
	<b>Pupil Numbers</b>	4			15		
<b>Year 4</b>	Reading	1 (12.5%)	7 (87.5%)	3 (37.5%)	2(13%)	13(87%)	2(13%)
	Writing	-	8 (100%)	6 (75%)	3(20%)	12(80%)	6(40%)
	Maths	1 (12.5%)	7 (87.5%)	4 (50%)	2(13%)	13(87%)	3(20%)
	<b>Pupil Numbers</b>	8			15		
<b>Year 6</b>	Reading	-	10 (76%)	-	-	12(100%)	6(50%)
	Writing	-	10 (76%)	-	3(25%)	9(75%)	5(42%)
	Maths	-	11 (84%)	-	-	12(100%)	7(58%)
	<b>Pupil Numbers</b>	13			12		
<b>Year 6 DfE KS1-KS2 progress Pupil Numbers</b>	Reading	-2.9 (-6.3 to 0.5 – confidence interval)			-1.1(-4.5 to 2.3 confidence level)		
	Writing	-1.3 (-4.5 to 1.9 – confidence interval)			-0.9(-4.1 to 2.3 confidence level)		
	Maths	-2.3 (-5.4 to 0.8 – confidence interval)			-2.4(-5.5 to 0.7 confidence level)		
	<b>Pupil Numbers</b>	13			12		

		<b>Culworth</b>			<b>St Loys</b>		
		Below expected	Expected	Above expected	Below expected	Expected or above	Above expected
<b>Year 2</b>	Reading	2 (9%)	20 (91%)	-	1(10%)	9(90%)	6(60%)
	Writing	-	22 (100%)	2 (9%)	1(10%)	9(90%)	6(60%)
	Maths	3 (13%)	19 (86%)	4 (18%)	-	10(100%)	6(60%)
	<b>Pupil Numbers</b>	22			10		
<b>Year 4</b>	Reading	4 (18%)	19 (82%)	1 (4%)	1(13%)	7(88%)	3(38%)
	Writing	3 (13%)	20 (86%)	5 (21%)	2(25%)	6(75%)	2(25%)
	Maths	1 (4%)	22 (95%)	4 (17%)	2(25%)	6(75%)	2(25%)
	<b>Pupil Numbers</b>	23			8		
<b>Year 6</b>	Reading	-	15 (78%)	-	-	10(100%)	5(50%)
	Writing	-	16 (84%)	-	-	10(100%)	9(90%)
	Maths	-	15 (78%)	-	-	10(100%)	7(70%)
	<b>Pupil Numbers</b>	19			10		
<b>Year 6 DfE KS1-KS2 progress Pupil Numbers</b>	Reading	-1.1 (-3.9 to 1.7 confidence interval)			1.6 (-2.1 to 5.3 confidence interval)		
	Writing	1.1 (-1.6 to 3.8 confidence interval)			0.0 (-3.6 to 3.6 confidence interval)		
	Maths	0.1 (-2.4 to 2.6 confidence interval)			0.6 (-2.8 to 4.0 confidence interval)		
	<b>Pupil Numbers</b>	19			10		



## EVOLVE CHURCH ACADEMY TRUST

### TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

End of year attainment:

		<b>Boddington</b>			<b>Chacombe</b>		
		<b>Working Towards</b>	<b>Working At or Above</b>	<b>Working Above</b>	<b>Working Towards</b>	<b>Working At or Above</b>	<b>Working Above</b>
		Bel/Em/Dev/Within	Secure	Exceeding	Bel/Em/Dev/Within	Secure	Exceeding
<b>Year 2</b>	Reading	2 (50%)	2 (50%)	-	3(20%)	12(80%)	3(20%)
	Writing	2 (50%)	2 (50%)	-	6(40%)	9(60%)	2(13%)
	Maths	1 (25%)	3 (75%)	-	2(13%)	13(86%)	2(13%)
	<b>Pupil Numbers</b>	<b>4</b>			<b>15</b>		
<b>Year 4</b>	Reading	-	8 (100%)	2 (25%)	5(33%)	10(67%)	3(20%)
	Writing	-	8 (100%)	2 (25%)	7(46%)	8(53%)	1(7%)
	Maths	-	7 (100%)	1 (12.5%)	8(53%)	7(47%)	1(7%)
	<b>Pupil Numbers</b>	<b>8</b>			<b>15</b>		
<b>Year 6</b>	Reading	3 (23%)	10 (76%)	3 (23%)	2(17%)	10(83%)	3(25%)
	Writing	1 (7%)	12 (92%)	3 (23%)	3(25%)	9(75%)	-
	Maths	2 (16%)	11 (100%)	4 (30%)	2(16%)	10(84%)	2(17%)
	<b>Pupil Numbers</b>	<b>13</b>			<b>12</b>		

<b>Early Years GLD Pupil Numbers</b>	<b>4 (66%)</b>	<b>11 (73%)</b>
	<b>6</b>	<b>15</b>
<b>Phonics Pupil Numbers</b>	<b>2 (66%)</b>	<b>14 (93%)</b>
	<b>3</b>	<b>15</b>



## EVOLVE CHURCH ACADEMY TRUST

### TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

		<b>Culworth</b>			<b>St Loys</b>		
		<b>Working Towards</b>	<b>Working At or Above</b>	<b>Working Above</b>	<b>Working Towards</b>	<b>Working At or Above</b>	<b>Working Above</b>
		Bel/Em/Dev/Within	Secure	Exceeding	Bel/Em/Dev/Within	Secure	Exceeding
<b>Year 2</b>	Reading	6 (27%)	16 (73%)	5 (23%)	3(30%)	7(70%)	5(50%)
	Writing	8 (37%)	14 (63%)	2 (9%)	5(50%)	5(50%)	4(40%)
	Maths	3 (13%)	19 (86%)	3 (14%)	3(30%)	7(70%)	4(40%)
	<b>Pupil Numbers</b>	22			10		
<b>Year 4</b>	Reading	3 (13%)	20 (86%)	6 (26%)	1(13%)	7(88%)	3(38%)
	Writing	6 (27%)	17 (73%)	2 (8%)	2(25%)	6(75%)	2(25%)
	Maths	2 (9%)	20 (91%)	4 (17%)	2(25%)	6(75%)	2(25%)
	<b>Pupil Numbers</b>	23			8		
<b>Year 6</b>	Reading	4 (21%)	15 (79%)	2 (11%)	1(10%)	9(90%)	2(20%)
	Writing	1 (5%)	18 (95%)	2 (11%)	1(10%)	9(90%)	2(20%)
	Maths	4 (21%)	15 (79%)	3 (16%)	1(10%)	9(90%)	1(10%)
	<b>Pupil Numbers</b>	19			10		

<b>Early Years GLD Pupil Numbers</b>	10 (76%)	12 (86%)
	13	14
<b>Phonics Pupil Numbers</b>	5 (71%)	11 (92%)
	7	12

#### Strategic report

The Academies within the Trust have continued to work on the priorities set out in their own and in the MAT Strategic Plan, approved by the Board of Trustees.

The Academy Trust faces a number of principal risks as set out in the 'Principal Risks and Uncertainties' section.

The Academy Trust uses various financial Instruments including cash and items such as trade debtors and trade creditors that arise directly from its operations.

The existence of these financial instruments exposes the school to a number of financial risks which are described in more detail below.

The main risks arising from the financial statements are cash flow, interest rate risk and credit risk. The Academy Trust seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. The Academy Trust seeks to manage its cash reserves to ensure liabilities are settled as they fall due.



# EVOLVE CHURCH ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

### Key performance indicators

Although the Academy's Funding Agreement is not subject to a specific carry forward limit on the amount of GAG funding, the main financial performance indicator is the level of reserves held at the balance sheet date and, in particular, the amount of GAG funding carried forward at the balance sheet date. At 31 August 2018, the balance of the GAG Restricted Fund was £nil, which is after a transfer of £94,716 from the Unrestricted Fund.

As the majority of the Academy's funding is based on pupil numbers, pupil numbers is also a key performance indicator. As noted above, pupil numbers at the most recent census were 355 which is a decrease of 8 students from the previous census.

As a result, the ratio of GAG funding per pupil was £4,528 for the period.

Staffing costs are another key performance indicator for the Academy Trust and the percentage of total staff costs to GAG funding for the period was 95.0%, while the percentage of staff costs to total costs was 77.5%.

### Going concern

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

### Financial review

The majority of the Academy Trust's income is received from the DfE via the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the period ended 31 August 2018 and the associated expenditure of these grants are shown as Restricted Funds in the Statement of Financial Activities.

The Academy also receives grants for fixed assets from the DfE and other organisations and funders and these are shown as Restricted Fixed Asset Funds in the Statement of Financial Activities. The balance of the Restricted Fixed Asset fund is reduced by the depreciation charges on the assets acquired using these funds.

During the period ended 31 August 2018, the total expenditure of £2,141,969 was covered by the recurrent grant funding from the DfE, together with other incoming resources (excluding the net assets transferred on conversion from the Local Authority). The excess of expenditure over Incoming resources for the period was £162,445.

The net book value of fixed assets at 31 August 2018 were £78,227. The fixed assets held by the Academy are used exclusively for providing education and associated support services to the pupils of the Academy.

The balance of total funds held at 31 August 2018 were in deficit by £138,453 which comprised of the following:

Restricted Funds excluding pension liabilities	£10,606
Restricted Pension Liability Fund	(£375,000)
Restricted Fixed Asset Fund	£83,228
Unrestricted Funds	£142,713

The key financial policies reviewed and adopted during the period included the Financial Procedures Policies and Manual, which lays out the framework for the Academy Trusts financial management, including financial responsibilities of the Governing Body, Headteacher, managers, budget holders and other staff, as well as the delegated authorities for spending. The other financial policies reviewed and adopted during the period included Charges and Lettings, Asset Management and Insurance.



# **EVOLVE CHURCH ACADEMY TRUST**

## **TRUSTEES' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2018**

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### Reserves policy

The Trustees' review the reserve levels of the Academy Trust annually. This review encompasses the nature of the income and expenditure streams, the need to match income with commitments and the nature of reserves. The Trustees also take into consideration the future plans of the Academy, the uncertainty over future income streams and other key risks identified during the risk review.

The Trustees have determined that the appropriate level of free cash reserves should be approximately 10% of total incoming resources. The reason for this is to provide sufficient working capital to cover delays between spending and receipts of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance.

The Academy Trust's current level of reserves (defined as restricted general funds, excluding pension reserve, plus the balance on unrestricted funds) is £153,319.

The current level of reserves is above our target level of free cash reserves. Appropriate steps have been taken to decrease the free cash reserves. The steps include monitoring individual academies key priority plans to ensure expenditure is detailed, reasonable and adhered to and that excess funds are being used to fully support pupil's future learning.

### Investment policy

All funds surplus to immediate requirements are invested to optimal effect by the Academy with the objective of ensuring maximum return on assets invested but with minimal risk.

### Financial and risk management objectives and policies

The Trustees have implemented a system to assess risks that the Academy Trust faces, especially in the operational areas (such as in relation to teaching, health & safety and school trips) and in relation to the control of finances. They have introduced systems, including operational procedures and internal financial controls in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover.

The Academy Trust has an effective system of internal financial controls and this is explained in more detail in the Statement of Internal Control.



# **EVOLVE CHURCH ACADEMY TRUST**

## **TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018**

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The Academy Trust has agreed a Risk Management Strategy, a Risk Register and a Risk Management Plan. These have been discussed by the Trustees and include the financial risks to the Academy Trust. The Risk Register and Risk Management Plan are constantly reviewed in light of any new information and formally reviewed annually.

The Trustees have assessed the major risks to which the Academy Trust is exposed, in particular those relating to its finances, teaching, facilities and other operational areas. The Trustees have implemented a number of systems to assess and minimise those risks, including internal controls. Where significant financial risk still remains. The Trustees have ensured the Academy Trust has adequate insurance cover.

There are risks to revenue funding from a falling roll as pupil numbers can vary in small schools year on year. However, the current freeze on the Governments overall education budget, changes in funding arrangements for special educational needs and the increasing employment and premises costs mean that budgets will be increasingly tight in coming years.

The Trustees examine the financial health of the Academy Trust formally every term, reviewing performance against budgets and overall expenditure by means of regular update reports at all full Governors and Finance and Resources Committee meetings.

At the balance sheet date, the Academy Trust had no significant liabilities arising from trade creditors or debtors where there would be a significant effect on the Academy's liquidity.

The Trustees recognised that the Local Government Pension Scheme deficit represents a significant potential liability to the Academy. However, as the Trustees consider the Academy Trust is able to meet its known annual contribution commitments for the foreseeable future, the risk from this liability is minimised.



# EVOLVE CHURCH ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

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### Principal risks and uncertainties

The principal risks and uncertainties facing the Academy Trust are as follows:

#### Financial

The Academy has considerable reliance on continued Government funding through the ESFA. In the period, approximately 90% of the Academy's incoming resources (excluding amounts transferred on conversion from the Local Authority) was ultimately Government funded and whilst this level is expected to continue, there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

#### Failures in governance and/or management

The risk in this area arises from the potential failure to effectively manage the Academy Trust's finances, internal controls, compliance with regulations and legislation, statutory returns etc. The Trustees continue to review and ensure appropriate measures are in place to mitigate these risks.

#### Reputational

The continuing success of the Academy Trust is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk, the Trustees ensure that pupil success and achievement are closely monitored and reviewed.

#### Safeguarding and child protection

The Trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline.

#### Staffing

The success of the Academy Trust is reliant upon the quality of its staff, so the Governors monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning.

#### Fraud and mismanagement of funds

The Academy Trust has engaged its external auditors to perform a program of work aimed at checking and reviewing the financial systems and records as required by the Academies Financial Handbook. All finance staff receive training to keep them up to date with financial practice requirements and to develop their skills in this area.

The Academy has continued to strengthen its risk management process throughout the period by improving the process and ensuring staff awareness. A Risk Register is maintained and reviewed and updated on a regular basis.

#### Fundraising

The Academy does not operate a regulated fundraising scheme and does not use the services of a professional fundraiser. However the Academy does work with its Parent and Teacher Association who carry out excellent work to raise funds for the school. The Academy also supports its stakeholders in raising money for local, national and international charities throughout the year. This includes cake sales and non-school uniform days.



# EVOLVE CHURCH ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

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### Plans for future periods

The Academy Trust strives to continually improve levels of attainment for all pupils, equipping them with the qualifications, skills and character to follow their chosen pathway, whether it be into further and higher education or employment, as well as promoting the continued professional development of its staff.

The Academy's plans for future periods are:

- to develop shared policies across the academy trust
- to improve the quality of teaching and learning to achieve a higher percentage of pupils attaining greater depth
- to explore options of other Church Schools joining our trust
- to develop leadership across the academy trust ensuring succession of leaders for the future
- to establish a greater level of challenge for standards via the procurement of external advisors to continue to ensure premises and facilities are well maintained and support future learning To continue to ensure our Christian ethos is evident in all areas of work within the Academies
- to maintain extended schools that provide services to children and families outside of the school day.

### Funds held as custodian trustee on behalf of others

The Academy Trust and its Trustees do not act as Custodian Trustees of any other charity.

### Auditor

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 the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information

A resolution proposing that Ellacotts LLP be reappointed as auditor of the charitable company will be put to the members.

The Trustees' report, incorporating a strategic report, was approved by order of the board of Trustees, as the company directors, on 14th Dec 2018 and signed on its behalf by:

S J Allen  
Chair



# EVOLVE CHURCH ACADEMY TRUST

## GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2018

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### Scope of responsibility

As Trustees we acknowledge we have overall responsibility for ensuring that Evolve Church 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.

The board of Trustees has delegated the day-to-day responsibility to the principal, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Evolve Church 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 6 times during the year. Attendance during the year at meetings of the board of Trustees was as follows:

Trustees	Meetings attended	Out of possible
R Hazelgrove (Resigned 30 June 2018)	4	5
O Johnson	6	6
S J Allen (Chair)	6	6
G N Nunn	6	6
A J Osborne	3	6
J Moffitt	5	6
B Gundle (Resigned 19 January 2018)	2	2
P Deane (Resigned 24 August 2018)	1	6
C Wade (Resigned 19 January 2018)	2	2
A E Allen	6	6
G Bruce (Appointed 26 January 2018)	5	6
P Beswick (Appointed 26 January 2018)	4	5
Peterborough Diocese Church Schools Trust	5	6

During the year the academy trust has carried out a review of its governance arrangements and procedures.

The outcomes are presented below:

The finance committee is a sub-committee of the main board of Trustees. Its purpose is to provide guidance and assistance to the Board of Trustees on all matters related to finance, resources, premises and Health & Safety of the Academy Trust. This includes preparing and approving annual budgets, monitoring financial performance against that budget, reviewing delegated authorities, ensuring all transactions are conducted in accordance with good practice as directed by the ESFA, to ensure best value is achieved in all financial transactions and to receive and (where relevant) respond to period audit reports on the Academy and of public funds. This committee also acts as the Academy's Audit Committee.

Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
G N Nunn	4	4
P Deane (Resigned 24 August 2018)	2	4
A E Allen	4	4
P Beswick (Appointed 26 January 2018)	1	1

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# EVOLVE CHURCH ACADEMY TRUST

## GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

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### Review of value for money

The accounting officer has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The accounting officer considers how the academy trust's use of its resources has provided good value for money during each academic year, and reports to the board of Trustees where value for money can be improved, including the use of benchmarking data where available. The accounting officer for the academy trust has delivered improved value for money during the year by:

- **Procurement of joint training across the Academies**

Schools in the MAT have continued to work together for training. This has provided consistency of approach across the MAT whilst reducing cost to each Academy. This communication has continued to uniform assessment and marking within the curriculum also.

- **Procurement of shared Service Level Agreements**

The schools in the MAT continue to work with the local village MAT to procure payroll and HR. Accountancy and Audit services continue to be carried out under one roof with the same company. Broadband and sports support from the local secondary school also still exist, enabling greater buying power, reducing cost to each Academy.

- **Procurement of a Standards Consultant**

The schools in the MAT have procured a curriculum standards consultant to provide greater rigor in the analysis of these standards. This has saved individual costs across the Academies.

### Areas for improvement

Assessment procedures are continuing to be uniformed across the Trust to ensure more comparable data when moderating curriculum attainment.

Training opportunities within the individual schools are beginning to be disseminated across the MAT. This needs to be actively planned into a yearly rolling program.

Marketing of the MAT and individual schools to improve upon decreasing rolls in a majority of the academies.

### The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Evolve Church Academy Trust for the period 1 September 2017 to 31 August 2018 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 academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of Trustees.



# EVOLVE CHURCH ACADEMY TRUST

## GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

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### The risk and control framework

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

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

The Board of Trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Trustees have appointed Ellacotts LLP, the external auditor, to perform additional checks.

The accountant's role includes giving advice on financial matters and performing a range of checks on the Academy Trusts financial systems. On an annual basis, the accountant reports to the Board of Trustees on the operation of the systems of control and on the discharge of the Board of Trustees', including all Committees', financial responsibilities.

### Review of effectiveness

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

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

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

Approved by order of the board of Trustees on 14th Dec 2018 and signed on its behalf by:

S J Allen  
Chair



## EVOLVE CHURCH ACADEMY TRUST

### STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE FOR THE YEAR ENDED 31 AUGUST 2018

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As accounting officer of Evolve Church Academy Trust I have considered my responsibility to notify the academy trust board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2017.

I confirm that I and the academy trust's board of Trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2017.

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.

*A E Allen*

A E Allen  
Accounting Officer

14.12.18



# EVOLVE CHURCH ACADEMY TRUST

## STATEMENT OF TRUSTEES' RESPONSIBILITIES

### FOR THE YEAR ENDED 31 AUGUST 2018

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

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of Trustees on 14th Dec 2018 and signed on its behalf by:

S J Allen  
Chair



## **EVOLVE CHURCH ACADEMY TRUST**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EVOLVE CHURCH ACADEMY TRUST**

**FOR THE YEAR ENDED 31 AUGUST 2018**

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#### **Opinion**

We have audited the financial statements of Evolve Church Academy Trust for the year ended 31 August 2018 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2018 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & 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's responsibilities for the audit of the financial statements' section of our report. We are independent of the academy trust in accordance with the ethical requirements that are relevant to our audit of the 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**

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

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

#### **Other information**

The other information comprises the information included in the annual 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.

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

We have nothing to report in this regard.



## **EVOLVE CHURCH ACADEMY TRUST**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EVOLVE CHURCH ACADEMY TRUST (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2018**

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

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

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

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

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

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

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

#### **Responsibilities of Trustees**

As explained more fully in the statement of Trustees' responsibilities, the Trustees 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 academy trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the 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.

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



## EVOLVE CHURCH ACADEMY TRUST

### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EVOLVE CHURCH ACADEMY TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

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#### 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.

*Ellacotts UP*

**Charlotte Toemaes BSc ACA**  
**for and on behalf of Ellacotts LLP**  
**Chartered Accountants**  
**Statutory Auditor**

Countrywide House  
23 West Bar  
Banbury  
Oxfordshire  
England  
OX16 9SA

Date: **14.12.18**



## **EVOLVE CHURCH ACADEMY TRUST**

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

**FOR THE YEAR ENDED 31 AUGUST 2018**

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In accordance with the terms of our engagement letter dated 25 April 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Evolve Church Academy Trust during the period 1 September 2017 to 31 August 2018 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 Evolve Church Academy Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Evolve Church 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 Evolve Church Academy Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

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

The accounting officer is responsible, under the requirements of Evolve Church Academy Trust's funding agreement with the Secretary of State for Education dated 24 January 2013 and the Academies Financial Handbook, extant from 1 September 2017, 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 2017 to 2018. 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 2017 to 31 August 2018 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

#### **Approach**

We conducted our engagement in accordance with the Academies Accounts Direction 2017 to 2018 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

- reviewing the minutes of the meetings of the Board of Governors and other evidence made available to us relevant to our consideration of regularity;
- a review of the objectives and activities of the academy, with reference to the income streams and other information available to us as auditors of the academy;
- testing a sample of payroll payments to staff;
- testing a sample of payments to suppliers and other third parties;
- testing a sample of grants received and other income streams
- evaluation the internal control procedures and reporting lines, and testing as appropriate.



## EVOLVE CHURCH ACADEMY TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2018

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#### 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 2017 to 31 August 2018 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

*Ellacotts LLP*

#### Chartered Accountants and Business Advisers

Ellacotts LLP  
Countrywide House  
23 West Bar  
Banbury  
Oxfordshire  
OX16 9SA  
England

Dated: 14.12.18



# EVOLVE CHURCH ACADEMY TRUST

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2018

	Notes	Unrestricted Funds £	Restricted funds: General Fixed asset £ £	Total 2018 £	Total 2017 £
<b>Income and endowments from:</b>					
Donations and capital grants	3	38,051	-	20,084	58,135
Charitable activities:					
- Funding for educational operations	4	-	1,906,046	-	1,906,046
Other trading activities	5	12,716	2,593	-	15,309
Investments	6	33	-	-	33
<b>Total</b>		<u>50,800</u>	<u>1,908,639</u>	<u>20,084</u>	<u>1,979,523</u>
<b>Expenditure on:</b>					
Charitable activities:					
- Educational operations	8	-	2,116,195	25,773	2,141,968
<b>Total</b>	7	<u>-</u>	<u>2,116,195</u>	<u>25,773</u>	<u>2,141,968</u>
<b>Net income/(expenditure)</b>		50,800	(207,556)	(5,689)	(162,445)
Transfers between funds	16	(94,716)	94,716	-	-
<b>Other recognised gains/(losses)</b>					
Actuarial gains on defined benefit pension schemes	18	-	92,000	-	92,000
<b>Net movement in funds</b>		(43,916)	(20,840)	(5,689)	(70,445)
<b>Reconciliation of funds</b>					
Total funds brought forward		186,629	(343,554)	88,917	(68,008)
Total funds carried forward		<u>142,713</u>	<u>(364,394)</u>	<u>83,228</u>	<u>(138,453)</u>



# EVOLVE CHURCH ACADEMY TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2018

<b>Comparative year information</b>		<b>Unrestricted</b>	<b>Restricted funds:</b>		<b>Total</b>
<b>Year ended 31 August 2017</b>		<b>Funds</b>	<b>General</b>	<b>Fixed asset</b>	<b>2017</b>
	<b>Notes</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Income and endowments from:</b>					
Donations and capital grants	3	48,203	-	33,730	81,933
<b>Charitable activities:</b>					
- Funding for educational operations	4	102,354	1,755,183	-	1,857,537
Other trading activities	5	12,558	-	-	12,558
Investments	6	98	-	-	98
<b>Total</b>		<b>163,213</b>	<b>1,755,183</b>	<b>33,730</b>	<b>1,952,126</b>
<b>Expenditure on:</b>					
<b>Charitable activities:</b>					
- Educational operations	8	95,709	1,992,538	52,200	2,140,447
<b>Total</b>	7	<b>95,709</b>	<b>1,992,538</b>	<b>52,200</b>	<b>2,140,447</b>
<b>Net income/(expenditure)</b>		<b>67,504</b>	<b>(237,355)</b>	<b>(18,470)</b>	<b>(188,321)</b>
Transfers between funds	16	(192,306)	190,355	1,951	-
<b>Other recognised gains/(losses)</b>					
Actuarial gains on defined benefit pension schemes	18	-	178,000	-	178,000
<b>Net movement in funds</b>		<b>(124,802)</b>	<b>131,000</b>	<b>(16,519)</b>	<b>(10,321)</b>
<b>Reconciliation of funds</b>					
Total funds brought forward		311,431	(474,554)	105,436	(57,687)
Total funds carried forward		186,629	(343,554)	88,917	(68,008)



# EVOLVE CHURCH ACADEMY TRUST

## BALANCE SHEET AS AT 31 AUGUST 2018

	Notes	2018 £	£	2017 £	£
<b>Fixed assets</b>					
Tangible assets	12		78,227		88,917
<b>Current assets</b>					
Debtors	13	17,809		27,145	
Cash at bank and in hand		217,023		297,682	
		<u>234,832</u>		<u>324,827</u>	
<b>Current liabilities</b>					
Creditors: amounts falling due within one year	14	<u>(76,512)</u>		<u>(81,752)</u>	
<b>Net current assets</b>			<u>158,320</u>		<u>243,075</u>
<b>Net assets excluding pension liability</b>			<u>236,547</u>		<u>331,992</u>
Defined benefit pension scheme liability	18		<u>(375,000)</u>		<u>(400,000)</u>
<b>Net assets</b>			<u><u>(138,453)</u></u>		<u><u>(68,008)</u></u>
<b>Funds of the academy trust:</b>					
<b>Restricted funds</b>	16				
- Fixed asset funds			83,228		88,917
- Restricted income funds			10,606		56,446
- Pension reserve			<u>(375,000)</u>		<u>(400,000)</u>
<b>Total restricted funds</b>			<u>(281,166)</u>		<u>(254,637)</u>
<b>Unrestricted income funds</b>	16		<u>142,713</u>		<u>186,629</u>
<b>Total funds</b>			<u><u>(138,453)</u></u>		<u><u>(68,008)</u></u>

The financial statements on pages 25 to 48 were approved by the Trustees and authorised for issue on 14th Dec 2018 and are signed on their behalf by:

S J Allen  
Chair

Company Number 08569207



# EVOLVE CHURCH ACADEMY TRUST

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 AUGUST 2018

	Notes	2018 £	£	2017 £	£
<b>Cash flows from operating activities</b>					
Net cash used in operating activities	19		(85,694)		(136,466)
<b>Cash flows from investing activities</b>					
Interest from investments		33		98	
Capital grants from DfE Group		20,084		20,230	
Capital donations		-		13,500	
Purchase of tangible fixed assets		(15,082)		(35,681)	
<b>Net cash provided by/(used in) investing activities</b>			5,035		(1,853)
<b>Net decrease in cash and cash equivalents in the reporting period</b>			(80,659)		(138,319)
Cash and cash equivalents at beginning of the year			297,682		436,001
<b>Cash and cash equivalents at end of the year</b>			217,023		297,682



# EVOLVE CHURCH ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018

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### 1 Accounting policies

Evolve Church Academy Trust is a charitable company. The address of its principal place of business is given on page 1 and the nature of its operations are set out in the Trustees' report.

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

#### 1.1 Basis of preparation

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Evolve Church Academy Trust meets the definition of a public benefit entity under FRS 102.

#### 1.2 Going concern

The Trustees assess whether the use of going concern is appropriate, ie whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable company to continue as a going concern. The 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 academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

The Academy Trust is showing a deficit on the balance sheet, due to a significant pension fund deficit from the Local Government Pension Scheme. This does not mean that an immediate liability crystallises and a pension deficit generally only results in a cash flow effect in the form of increased employer contributions over a number of years. The pension deficit has no direct impact on the free reserves of the Academy Trust and therefore the Board of Governors have a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason the Academy Trust continues to adopt the going concern basis in preparing the financial statements.

#### 1.3 Income

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

##### Grants

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

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



# EVOLVE CHURCH ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

### 1 Accounting policies

(Continued)

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

#### Sponsorship income

Sponsorship income provided to the academy trust which amounts to a donation is recognised in the statement of financial activities in the period in which it is receivable (where there are no performance-related conditions), where the receipt is probable and it can be measured reliably.

#### Donations

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

#### Other income

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

#### Donated goods, facilities and services

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

### 1.4 Expenditure

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

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

All resources expended are inclusive of irrecoverable VAT.

#### Expenditure on raising funds

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

#### Charitable activities

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



# EVOLVE CHURCH ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

### 1 Accounting policies

(Continued)

#### 1.5 Tangible fixed assets and depreciation

Assets costing £500 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 that require the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the statement of financial activities and carried forward in the balance sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the statement of financial activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset, less their estimated residual value, over their expected useful life, as follows:

Improvements to property	10% straight line
Computer equipment	33% straight line
Fixtures & fittings	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 statement of financial activities.

#### 1.6 Liabilities

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

#### 1.7 Leased assets

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

#### 1.8 Financial instruments

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

##### Financial assets

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

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

##### Financial liabilities

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

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



# EVOLVE CHURCH ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

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### 1 Accounting policies

(Continued)

#### 1.9 Taxation

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

#### 1.10 Pensions benefits

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

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

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

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

#### 1.11 Fund accounting

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



# EVOLVE CHURCH ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

### 2 Critical accounting estimates and areas of judgement

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

#### Critical accounting estimates and assumptions

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

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 18, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. 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.

#### **Depreciation**

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the asset and residual values are assessed annually and may vary depending on a number of factors. Residual value assessments consider issues such as the remaining life of the asset and projected disposal values.

### 3 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
Capital grants	-	20,084	20,084	20,230
Other donations	38,051	-	38,051	61,703
	<u>38,051</u>	<u>20,084</u>	<u>58,135</u>	<u>81,933</u>



# EVOLVE CHURCH ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

### 4 Funding for the academy trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
<b>DfE / ESFA grants</b>				
General annual grant (GAG)	-	1,615,682	1,615,682	1,607,730
Other DfE group grants	-	17,966	17,966	88,670
	-	1,633,648	1,633,648	1,696,400
<b>Other government grants</b>				
Local authority grants	-	67,945	67,945	47,873
<b>Other funding</b>				
Other incoming resources	-	204,453	204,453	113,264
<b>Total funding</b>	-	1,906,046	1,906,046	1,857,537

### 5 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
Hire of facilities	12,716	-	12,716	12,558
Other income	-	2,593	2,593	-
	12,716	2,593	15,309	12,558

### 6 Investment income

	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
Short term deposits	33	-	33	98

### 7 Expenditure

	Staff costs £	Non Pay Expenditure Premises £	Other £	Total 2018 £	Total 2017 £
Academy's educational operations					
- Direct costs	1,098,195	-	149,614	1,247,809	1,252,500
- Allocated support costs	561,657	132,154	200,348	894,159	887,947
	1,659,852	132,154	349,962	2,141,968	2,140,447



# EVOLVE CHURCH ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

7 Expenditure		(Continued)	
Net income/(expenditure) for the year includes:		2018	2017
		£	£
Fees payable to auditor for:			
- Audit		7,500	5,970
- Other services		2,700	6,340
Depreciation of tangible fixed assets		25,375	52,200
Loss on disposal of fixed assets		397	-
Net interest on defined benefit pension liability		11,000	11,000
8 Charitable activities		2018	2017
All from restricted funds:		£	£
<b>Direct costs</b>			
Educational operations		1,247,809	1,252,500
<b>Support costs</b>			
Educational operations		894,159	887,947
		2,141,968	2,140,447
		2018	2017
		£	£
<b>Analysis of support costs</b>			
Support staff costs		561,657	494,694
Depreciation		25,773	52,200
Technology costs		27,758	31,272
Premises costs		106,381	138,224
Other support costs		157,515	158,082
Governance costs		15,075	13,475
		894,159	887,947



# EVOLVE CHURCH ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

### 9 Staff

#### Staff costs

Staff costs during the year were:

	2018 £	2017 £
Wages and salaries	1,262,067	1,182,331
Social security costs	87,976	88,562
Pension costs	270,678	237,920
Staff costs	1,620,721	1,508,813
Agency staff costs	24,069	17,835
Staff development and other staff costs	15,062	-
Total staff expenditure	1,659,852	1,526,648

#### Staff numbers

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

	2018 Number	2017 Number
Teachers	21	21
Administration and support	51	48
Management	7	7
	79	76

#### Higher paid staff

There were no employees whose annual remuneration was £60,000 or more in either year.

#### Key management personnel

The key management personnel of the academy trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £224,239 (2017: £323,599).



# EVOLVE CHURCH ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

### 10 Trustees' remuneration and expenses

One or more of the Trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment, and not in respect of their services as Trustees.

The value of Trustees' remuneration and other benefits was as follows:

Mrs A Allen (Head Teacher and Trustee):

Remuneration £50,000 - £55,000 (2017: £50,000 - £55,000)

Employers pension contributions £5,000 - £10,000 (2017: £5,000 - £10,000)

Mr O Johnson (Head Teacher and Trustee):

Remuneration £55,000 - £60,000 (2017: £60,000 - £65,000)

Employers pension contributions £5,000 - £10,000 (2017: £5,000 - £10,000)

Mr R Hazelgrove (Head Teacher and Trustee) (until June 2018)

Remuneration £35,000 - £40,000 (2017: £35,000 - £40,000)

Employers pension contributions £5,000 - £10,000 (2017: £5,000 - £10,000)

### 11 Trustees and officers insurance

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

### 12 Tangible fixed assets

	Improvements to property	Computer equipment	Fixtures & fittings	Total
	£	£	£	£
<b>Cost</b>				
At 1 September 2017	38,153	127,583	106,283	272,019
Additions	-	8,877	6,204	15,081
Disposals	-	(6,125)	-	(6,125)
At 31 August 2018	38,153	130,335	112,487	280,975
<b>Depreciation</b>				
At 1 September 2017	11,567	99,051	72,484	183,102
On disposals	-	(5,729)	-	(5,729)
Charge for the year	3,568	9,948	11,859	25,375
At 31 August 2018	15,135	103,270	84,343	202,748
<b>Net book value</b>				
At 31 August 2018	23,018	27,065	28,144	78,227
At 31 August 2017	26,586	28,532	33,799	88,917



# EVOLVE CHURCH ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

### 12 Tangible fixed assets

(Continued)

The Trust occupied land and buildings which are owned by the Peterborough Diocesan Board of Education. The Board of Education are the providers of the Academies on the same basis as when the Academies were maintained schools. The Trust occupies the land and buildings of the Academies under the terms of Supplemental Agreements between the Peterborough Diocesan Board of Education, the land and buildings for the Academies for an infinite period, subject to a 2 year termination notice period, which amounts to a mere licence. This continuing permission of the Board of Education is pursuant to, and subject to, the Board of Education's charitable objects, and is part of the Church's continuing contribution to provide State funded education in partnership with the State. The licence delegates aspects of the management of the land and buildings to the Trust for the time being, but does not vest any rights over the land in the Trust. The Board of Education have given an undertaking to the Secretary of State that they will not give the Trust less than two years notice to terminate the occupation of the land and buildings. Having considered the factual matrix under which the Trust is occupying the land and buildings, the Directors have concluded that the value of the land and buildings occupied by the Trust will not be recognised on the balance sheet of the Trust.

Leasehold property includes the playing fields for Chacombe CEVA Primary Academy and Culworth CofE Primary Academy, which the Trust occupies under a 125 year lease from Northamptonshire County Council. Due to the restrictions contained in the lease agreement, the Trustees are of the view that the land has no value and so have not included any value for this land in the financial statements.

13 Debtors	2018 £	2017 £
Trade debtors	60	2,015
VAT recoverable	17,749	18,534
Prepayments and accrued income	-	6,596
	<u>17,809</u>	<u>27,145</u>
	<u><u>17,809</u></u>	<u><u>27,145</u></u>
14 Creditors: amounts falling due within one year	2018 £	2017 £
Trade creditors	2,481	8,217
Other taxation and social security	22,591	20,958
Other creditors	-	1,520
Accruals and deferred income	51,440	51,057
	<u>76,512</u>	<u>81,752</u>
	<u><u>76,512</u></u>	<u><u>81,752</u></u>



# EVOLVE CHURCH ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

<b>15</b>	<b>Deferred income</b>				<b>2018</b>	<b>2017</b>
					<b>£</b>	<b>£</b>
	Deferred income is included within:					
	Creditors due within one year				38,210	29,462
	Deferred income at 1 September 2017				29,462	31,485
	Released from previous years				(29,462)	(31,485)
	Resources deferred in the year				38,210	29,462
	<b>Deferred income at 31 August 2018</b>				<b>38,210</b>	<b>29,462</b>
<b>16</b>	<b>Funds</b>					
		<b>Balance at</b>			<b>Gains,</b>	<b>Balance at</b>
		<b>1 September</b>	<b>Income</b>	<b>Expenditure</b>	<b>losses and</b>	<b>31 August</b>
		<b>2017</b>	<b>£</b>	<b>£</b>	<b>transfers</b>	<b>2018</b>
		<b>£</b>			<b>£</b>	<b>£</b>
	<b>Restricted general funds</b>					
	General Annual Grant (GAG)	-	1,615,682	(1,710,398)	38,270	(56,446)
	Other DfE / ESFA grants	-	17,966	(17,966)	-	-
	Other government grants	-	67,945	(67,945)	-	-
	St Loys appeal fund	56,446	-	(56,446)	-	-
	Mini Meadows fund	-	41,262	(30,656)	-	10,606
	Other restricted funds	-	165,784	(165,784)	-	-
	Pension reserve	(400,000)	-	(67,000)	92,000	(375,000)
		(343,554)	1,908,639	(2,116,195)	130,270	(420,840)
	<b>Restricted fixed asset funds</b>					
	Inherited funds/DfE group capital grants	88,917	20,084	(25,773)	-	83,228
	<b>Total restricted funds</b>	<b>(254,637)</b>	<b>1,928,723</b>	<b>(2,141,968)</b>	<b>130,270</b>	<b>(337,612)</b>
	<b>Unrestricted funds</b>					
	General funds	186,629	50,800	-	(38,270)	199,159
	<b>Total funds</b>	<b>(68,008)</b>	<b>1,979,523</b>	<b>(2,141,968)</b>	<b>92,000</b>	<b>(138,453)</b>



# EVOLVE CHURCH ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

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### 16 Funds

(Continued)

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

#### **Restricted funds**

The General Annual Grant (GAG) represents funding received from the Education & Skills Funding Agency during the period in order to fund the continuing activities of the schools. Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2018.

Other DfE/ESFA grants are used to provide additional support and resources in specific areas across the Academy's schools in line with the terms and conditions of the respective grants.

The St Loys Appeal Fund is for the advancement of the education of pupils at St Loys Church of England Primary Academy.

The Mini Meadows fund is for the funds received and expenditure spent relating the the nursery that is now part of Culworth Primary School.

The pension reserve represents the Local Government Pension Scheme deficit.

#### **Fixed asset funds**

Fixed assets transferred on conversion represent the assets transferred to the Trust from the predecessor schools and Northamptonshire County Council.

The capital funds transferred to the Trust on conversion and the devolved formula grant received during the period were used to fund the capital expenditure during the period.

Transfers from the GAG fund were used to fund capital expenditure in the period.



# EVOLVE CHURCH ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

### 16 Funds

(Continued)

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

	Balance at 1 September 2016 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2017 £
<b>Restricted general funds</b>					
General Annual Grant (GAG)	-	1,607,730	(1,798,085)	190,355	-
Other DfE / ESFA grants	-	88,670	(88,670)	-	-
Other government grants	-	47,873	(47,873)	-	-
St Loys appeal fund	56,446	-	-	-	56,446
Other restricted funds	-	10,910	(10,910)	-	-
Pension reserve	(531,000)	-	(47,000)	178,000	(400,000)
	<u>(474,554)</u>	<u>1,755,183</u>	<u>(1,992,538)</u>	<u>368,355</u>	<u>(343,554)</u>
<b>Restricted fixed asset funds</b>					
Inherited funds/DfE group capital grants	<u>105,436</u>	<u>33,730</u>	<u>(52,200)</u>	<u>1,951</u>	<u>88,917</u>
<b>Total restricted funds</b>	<u>(369,118)</u>	<u>1,788,913</u>	<u>(2,044,738)</u>	<u>370,306</u>	<u>(254,637)</u>
<b>Unrestricted funds</b>					
General funds	<u>311,431</u>	<u>163,213</u>	<u>(95,709)</u>	<u>(192,306)</u>	<u>186,629</u>
<b>Total funds</b>	<u>(57,687)</u>	<u>1,952,126</u>	<u>(2,140,447)</u>	<u>178,000</u>	<u>(68,008)</u>



# EVOLVE CHURCH ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

### 16 Funds

(Continued)

A current year 12 months and prior year 12 months combined position is as follows:

	Balance at 1 September 2016 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2018 £
<b>Restricted general funds</b>					
General Annual Grant (GAG)	-	3,223,412	(3,508,483)	228,625	(56,446)
Other DfE / ESFA grants	-	106,636	(106,636)	-	-
Other government grants	-	115,818	(115,818)	-	-
St Loys appeal fund	56,446	-	(56,446)	-	-
Mini Meadows fund	-	41,262	(30,656)	-	10,606
Other restricted funds	-	176,694	(176,694)	-	-
Pension reserve	(531,000)	-	(114,000)	270,000	(375,000)
	<u>(474,554)</u>	<u>3,663,822</u>	<u>(4,108,733)</u>	<u>498,625</u>	<u>(420,840)</u>
<b>Restricted fixed asset funds</b>					
Inherited funds/DfE group capital grants	105,436	53,814	(77,973)	1,951	83,228
	<u>105,436</u>	<u>53,814</u>	<u>(77,973)</u>	<u>1,951</u>	<u>83,228</u>
<b>Total restricted funds</b>	<u>(369,118)</u>	<u>3,717,636</u>	<u>(4,186,706)</u>	<u>500,576</u>	<u>(337,612)</u>
<b>Unrestricted funds</b>					
General funds	311,431	214,013	(95,709)	(230,576)	199,159
	<u>311,431</u>	<u>214,013</u>	<u>(95,709)</u>	<u>(230,576)</u>	<u>199,159</u>
<b>Total funds</b>	<u>(57,687)</u>	<u>3,931,649</u>	<u>(4,282,415)</u>	<u>270,000</u>	<u>(138,453)</u>

### Total funds analysis by academy

	2018 £	2017 £
Fund balances at 31 August 2018 were allocated as follows:		
Chacombe CEVA Primary Academy	47,256	48,446
Boddington Primary Academy	26,246	70,849
St Loys C of E Primary Academy	25,513	87,572
Culworth Primary Academy	54,304	36,208
	<u>153,319</u>	<u>243,075</u>
Total before fixed assets fund and pension reserve	153,319	243,075
Restricted fixed asset fund	83,228	88,917
Pension reserve	(375,000)	(400,000)
	<u>(138,453)</u>	<u>(68,008)</u>
Total funds	<u>(138,453)</u>	<u>(68,008)</u>



# EVOLVE CHURCH ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

### 16 Funds

(Continued)

#### Total cost analysis by academy

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

	Teaching and educational support staff	Other support staff costs	Educational supplies	Other costs excluding depreciation	Total
	£	£	£	£	£
Chacombe CEVA Primary Academy	237,769	49,602	32,312	149,390	469,073
Boddington Primary Academy	165,349	71,154	18,377	119,443	374,323
St Loys C of E Primary Academy	316,294	96,807	34,540	117,845	565,486
Culworth Primary Academy	322,681	104,761	36,483	176,476	640,401
	<u>1,042,093</u>	<u>322,324</u>	<u>121,712</u>	<u>563,154</u>	<u>2,049,283</u>

### 17 Analysis of net assets between funds

	Unrestricted Funds	Restricted funds: General	Fixed asset	Total Funds
	£	£	£	£
<b>Fund balances at 31 August 2018 are represented by:</b>				
Tangible fixed assets	-	-	78,227	78,227
Current assets	229,831	-	5,001	234,832
Creditors falling due within one year	(80,025)	3,513	-	(76,512)
Defined benefit pension liability	-	(375,000)	-	(375,000)
<b>Total net assets</b>	<u>149,806</u>	<u>(371,487)</u>	<u>83,228</u>	<u>(138,453)</u>

	Unrestricted Funds	Restricted funds: General	Fixed asset	Total Funds
	£	£	£	£
<b>Fund balances at 31 August 2017 are represented by:</b>				
Tangible fixed assets	-	-	88,917	88,917
Current assets	324,827	-	-	324,827
Creditors falling due within one year	(138,198)	56,446	-	(81,752)
Defined benefit pension liability	-	(400,000)	-	(400,000)
<b>Total net assets</b>	<u>186,629</u>	<u>(343,554)</u>	<u>88,917</u>	<u>(68,008)</u>



# EVOLVE CHURCH ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

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### 18 Pension and similar obligations

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

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

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

#### Teachers' Pension Scheme

##### Introduction

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

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

##### Valuation of the Teachers' Pension Scheme

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

The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to the TPS in the period amounted to £134,825 (2017: £124,615).

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



# EVOLVE CHURCH ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

### 18 Pension and similar obligations

(Continued)

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

#### Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 22.6% for employers and 5.5% for employees.

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

Total contributions made	2018 £	2017 £
Employer's contributions	79,000	77,000
Employees' contributions	18,000	17,000
Total contributions	97,000	94,000

Principal actuarial assumptions	2018 %	2017 %
Rate of increase in salaries	2.7	2.7
Rate of increase for pensions in payment/inflation	2.4	2.4
Discount rate for scheme liabilities	2.8	2.5

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

	2018 Years	2017 Years
Retiring today		
- Males	22.1	22.1
- Females	24.2	24.2
Retiring in 20 years		
- Males	23.9	23.9
- Females	26.1	26.1

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



# EVOLVE CHURCH ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

### 18 Pension and similar obligations

(Continued)

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

	2018 Fair value £	2017 Fair value £
Equities	512,080	424,020
Bonds	103,800	91,680
Property	55,360	40,110
Other assets	20,760	17,190
Total market value of assets	<u>692,000</u>	<u>573,000</u>

The actual return on scheme assets was £33,000 (2017: £54,000).

#### Amount recognised in the Statement of Financial Activities

	2018 £	2017 £
Current service cost	135,000	113,000
Interest income	(15,000)	(9,000)
Interest cost	26,000	20,000
Total operating charge	<u>146,000</u>	<u>124,000</u>

#### Changes in the present value of defined benefit obligations

	2018 £
At 1 September 2017	973,000
Current service cost	135,000
Interest cost	26,000
Employee contributions	18,000
Actuarial gain	(74,000)
Benefits paid	(11,000)
At 31 August 2018	<u>1,067,000</u>



# EVOLVE CHURCH ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

### 18 Pension and similar obligations

(Continued)

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

	2018 £
At 1 September 2017	573,000
Interest income	15,000
Actuarial gain	18,000
Employer contributions	79,000
Employee contributions	18,000
Benefits paid	(11,000)
At 31 August 2018	692,000

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

	2018 £	2017 £
Net expenditure for the reporting period (as per the Statement of Financial Activities)	(162,445)	(188,321)
Adjusted for:		
Capital grants from DfE/ESFA and other capital income	(20,084)	(33,730)
Investment income receivable	(33)	(98)
Defined benefit pension costs less contributions payable	56,000	36,000
Defined benefit pension net finance cost	11,000	11,000
Depreciation of tangible fixed assets	25,375	52,200
Loss on disposal of fixed assets	397	-
Decrease/(increase) in debtors	9,336	(7,823)
(Decrease) in creditors	(5,240)	(5,694)
<b>Net cash used in operating activities</b>	<b>(85,694)</b>	<b>(136,466)</b>

### 20 Commitments under operating leases

At 31 August 2018 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2018 £	2017 £
Amounts due within one year	2,353	2,670
Amounts due in two and five years	2,116	1,604
	<b>4,469</b>	<b>4,274</b>



# EVOLVE CHURCH ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

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### **21 Related party transactions**

No related party transactions took place in the period of account other than certain Trustees' remuneration and expenses already disclosed in note 11.

### **22 Members' liability**

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