



EVOLUTION ACADEMY TRUST
(A company limited by guarantee)

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

EVOLUTION ACADEMY TRUST
(A company limited by guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS

Members

S M Mitchell
R M Jeffries
T N G Bishop
S Bramble

Trustees

R M Jeffries, Chair of Trustees
R Jarvis
A Matthews
K Philpott
A Randall
D Whitehead
K Blakemore (appointed 17 March 2021)
M Hutchinson (appointed 1 December 2020)
A M Jordan (appointed 15 February 2021, resigned 16 June 2021)

Company registered number

08158619

Company name

Evolution Academy Trust

Principal and registered office

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

Chief Executive Officer

L Holzer

Independent auditors

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

Key management personnel

L Holzer
J Budge

EVOLUTION ACADEMY TRUST
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2021

The Trustees present their Annual Report together with the financial statements and auditors' report of the group and charitable company for the year 1 September 2020 to 31 August 2021. The annual report serves the purposes of both a Trustees' Report and a Directors' Report under company law.

The Trust operates 12 primary academies in Norfolk and Suffolk. The Trust had 3,614 pupils on roll in the January 2021 census.

Structure, governance and management

a. Constitution

The Trust is a charitable company limited by guarantee and an exempt charity. The charitable company's Memorandum of Association is the primary governing document of the Trust. The Trustees of Evolution Academy Trust are also the directors of the charitable company for the purposes of company law. Details of the Trustees who served during the year, and to the date these accounts are approved, are included in the Reference and administrative details on page 1.

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

b. Members' liability

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

c. Trustees' indemnities

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

d. Method of recruitment and appointment or election of Trustees

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

e. Policies adopted for the induction and training of Trustees

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

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Structure, governance and management (continued)

f. Trade union facility time

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

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

Our Trust Scheme of Delegation indicates that pay, conditions and contractual terms for the CEO are the responsibility of a panel of Trustees. Accordingly, the Panel meets to complete a performance management review for the CEO in terms of action against targets set for the 2020/21 academic year.

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

h. Employee engagement and employment of the disabled

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

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

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

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

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

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Structure, governance and management (continued)

i. Engagement with suppliers, customers and others in a business relationship with the trust such as beneficiaries, funders and the wider community

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

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

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

Our relationships with partners and suppliers are key to our effectiveness. The Trust actively seeks to engage in service reviews with all key suppliers. These reviews are focussed on a two-way relationship with an aim of helping one another to achieve an optimum service as efficiently as possible, and according to the best value for money. Where the Trust has procured outsourced services, we seek to ensure that staff and management from that contractor are supported as an equal member of the school community and stakeholders.

j. Organisational structure

The Board of Trustees meets once a month as a full board, with alternate meetings focused on specific topics according to need, such as strategic planning, budgets and Covid. The Board establishes an overall framework for the governance of the Trust and determines membership, terms of reference and procedures of committees and other groups. It ensures the solvency of the Trust, makes major decisions about the strategic direction of the Trust, capital expenditure and appointment or removal of senior staff. It monitors the activities of the committees through reports from the committee chairs, and their annual self-assessment reports.

Committees have been established for Finance, Risk and Audit, People, Standards, Infrastructure and Pay. During the year a Covid-19 sub-committee met regularly to oversee the Trust's response to the pandemic, risk assessments and actions to mitigate.

Senior Management Team

The Senior Management Team, which consists of the CEO, CFO and Heads of Estates, Procurement and HR, meets weekly to ensure delivery of the Trust's Strategic Improvement Plan, discuss topical issues, and agree action plans. From 1 September 2021 the team includes the new Director of Education role.

Headteachers' Group

Regular meetings are held with all Headteachers and the Senior Management Team to discuss the strategic direction of the Trust, disseminate information, share and resolve concerns and discuss policy.

Local Governing Bodies

Every school has a Local Governing Body that is responsible for the local oversight of the school operations, particularly for school improvement. The Local Governing Body reports to the Board of Trustees, and operates in accordance with the Scheme of Delegation. When local governance is vulnerable, a Transition Board is established as a short-term measure to increase the capacity of the Governing Body and leadership of the school.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Structure, governance and management (continued)

The CEO is the appointed Accounting Officer of the Academy Trust.

Objectives and activities

a. Objects and aims

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

b. Objectives, strategies and activities

Our **Purpose** as a Trust:

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

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

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

c. Public benefit

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

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Strategic report

Achievements and performance

a. Review of activities

This year the Trust has achieved the following:

Trust Structure and Capacity

- Appointed two new Trustees with specialist skills in education, strategy and estates management.
- Created new subcommittees focusing on Infrastructure, People and Pay.
- Rolled out a new framework for strategic planning and governance that will give structure and completeness to future planning work throughout the Trust.

Finance Activities

- Continuation of the Finance Transformation Programme to improve financial end-to-end processes.
- Implemented a new finance system to go live on 1 September 2021.
- Introduced new methodology to the financial planning process to enable increased accuracy, insight, benchmarking and reporting.

Estates

- Successfully rolled out the first year of a managed school conditions improvement programme funded by the Schools Condition Allocation.
- Established a centralised system to monitor and control property compliance measures.

School Improvement

- Invested in IT technology throughout the Trust to ensure that no child was disadvantaged during lockdowns when they needed to access online learning.
- Implemented the Seesaw learning platform in all the Trust's schools for a consistent approach to delivery of online learning.
- Continued to support and develop Leadership and Teacher expertise across the trust through an extensive programme of support and training.
- Recruited for the new Director of Education role (start date 1 September 2021), to allow for a strategic focus on School Improvement and Development.

b. Fundraising

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

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

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Strategic report (continued)

Achievements and performance (continued)

c. Covid-19 Pandemic

In September 2020 all schools reopened for all year groups, with year group and 'bubble' systems in place to contain any spread of infection, and limit the need for children to be sent home. In response to the escalating numbers of cases that autumn and winter, the Government announced that schools would not reopen after the Christmas and New Year holidays. Our schools remained open to vulnerable children, and children of key workers where a marked increase in demand was experienced. Schools opened fully again in March 2021, again containing any outbreaks within year groups and bubbles.

The varying requirements and regulations related to the pandemic, often at very short notice, have placed considerable pressure on schools. It is testament to the commitment, dedication and hard work of Headteachers and staff throughout the Trust that schools provided a full education, whether the children were in school or learning remotely at home.

In order to make online learning available for all children the Trust invested in an online learning platform available to all pupils to ensure continued education, as well as IT and Wi-Fi devices for all children who did not have adequate access at home. These devices continue to be invaluable in supporting classroom-based learning, improving the access and experience for all children. As the schools reopened, the online platform was used both in school and for remote learning to ensure a parallel and equal experience for pupils regardless of location.

The Trust provided additional daytime touchpoint cleaning at all schools, and also had to make special provision at Costessey Primary School where there was inadequate outdoor paved space for parents to collect children whilst maintaining social distancing.

The COVID sub-committee of Trustees set up in the previous year continued to meet regularly with the aim of supporting schools and ensuring best practice and compliance with guidelines throughout the process.

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

Angel Road Junior School

In July 2021 the Trustees took the decision to close the Angel Road Junior School building due to safety concerns. The school joined the Trust in September 2019, and is based in a complex Victorian building with a history of subsidence, movement of walls and roof issues. There were collapses of parts of the ceilings that were attributable to problems with the roofing.

The Trust's Senior Management Team, with the support of the Trustees, are working with various stakeholders including Norfolk County Council and the Department for Education to find a long-term solution for the school. In the meantime, the children have been accommodated in the Trust's neighbouring Angel Road Infant School, and in self-contained space in a new school with spare capacity in the Boudica Schools Trust.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Strategic report (continued)

Financial review

a. Reserves policy

The Trustees review the reserve levels annually. The review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Trustees have set a target reserve level of a fixed £50,000 per Academy and 2.5% of GAG. This equates to £1million in total. The aim of the reserves policy is to ensure salary costs can be covered in the event of critical incident and build a reserve for future buildings improvements. Actual free reserves as at 31 August 2021 were £1,618,149.

The Trustees and the Senior Management Team recognise that current reserves are greater than the target. It is anticipated that these will decrease over the next financial year as strategic projects are developed alongside school and Trust strategic plans with associated costs. Reserves in the region of £250k have also been used to fund the response to the Covid-19 pandemic. These costs cannot be claimed back from the Department for Education.

b. Investment policy

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

c. Principal risks and uncertainties

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

The Trustees review the risk register identifying major risks to which the Trust is exposed, in particular those relating to Covid-19, cyber-crime, provision of facilities including IT, and other operational areas of the Trust, and its finances. The risk register is reviewed in detail by the Risk and Audit Committee every term, and the Chair provides a report to the Board of Trustees. In addition, risks are escalated from all sub-committees to both the Risk and Audit Committee and to the Board.

The risks faced by the Trust and its schools during the current pandemic have been managed and overseen by a Covid-19 sub-committee that has met on a regular basis, both to give support to the schools in their response to the pandemic, and to satisfy the Board of Trustees that risks are being adequately identified and managed.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

d. Going concern

Covid-19 has again had an impact this year, and is expected to continue into the next financial year, resulting in additional costs and loss of some income. Notable costs are for deep and touchpoint cleaning, and as well as some structural changes to improve safe flow of pupils, staff and parents in buildings and grounds. Income has been reduced on lettings of premises and charges for school clubs. Budgets are being kept under review to ensure that any financial risks are appropriately mitigated.

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

e. Principal funding

Most of the Trust's income is obtained from the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the period ended 31 August 2021 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities. The Trust receives funding from other government bodies which are shown as restricted funds. There is also income from catering, lettings and energy supply which is shown as unrestricted funding in the financial statements.

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

Due to its size, the Trust is eligible to receive Schools Condition Allocations. A full condition survey has been completed for every Trust building, and forms the basis for a managed and prioritised programme of improvements.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Streamlined energy and carbon reporting

The information below has been calculated on the energy used from 1 September 2020 to 31 August 2021.

UK Greenhouse gas emissions and energy use data	Current Year	Previous Year
	2020/21	2019/20
Energy consumption used to calculate emissions (kWh)	5,194,044	4,726,671
Energy consumption break down (kWh)		
Gas	4,395,493	3,890,070
Electricity	790,277	813,726
Transport fuel	8,275	22,875
Scope 1 - emissions in metric tonnes CO₂e		
Gas consumption	815.86	721.31
Owned transport - mini-buses	0.00	0.31
Total scope 1	815.86	721.62
Scope 2 - emissions in metric tonnes CO₂e		
Purchased electricity	168.32	189.71
Scope 3 - emissions in metric tonnes CO₂e		
Business travel in employee owned vehicles	2.00	4.64
Total gross emissions in metric tonnes CO₂e	986.18	915.97
Intensity ratio Tonnes CO₂e per pupil	0.25	0.23

Quantification and reporting methodology

The 2019 HM Government Environmental Reporting Guidelines have been followed. Utilising the GHG Reporting Protocol – Corporate Standard and the 2021 UK Government's Conversion Factors for Company Reporting.

Intensity measurement

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

Measures taken to improve energy efficiency

- The Trust has a rolling five-year maintenance programme, which has as one of its principles the need to improve the energy efficiency of the Trust's estate whenever there is an opportunity. This includes installation of double-glazed windows, improvement of insulation, use of LED lighting and energy-efficient replacement of faulty boilers.
- Energy and water consumption in each building is monitored to ensure that any excessive consumption, or unexpected fluctuation, can be quickly investigated and remediated.
- All our schools have environmental awareness embedded in their curriculum to give the children an understanding of how they can personally make a difference.
- Video conferencing is now used extensively throughout the Trust, and has significantly reduced the need to travel between sites.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Plans for future periods

1. Revenue Growth: Increase income for the trust to improve education provision and outcomes for pupils.
2. Improve Performance: Improve the performance of all staff across the trust to raise the standards and outcomes of pupils.
3. Improve the EAT offer: Improve and extend the central services to deliver greater value to EAT schools.

Funds held as custodian on behalf of others

No such funds are held.

Disclosure of information to auditors

Insofar as the Trustees are aware:

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

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 9 December 2021 and signed on its behalf by:

.....
R M Jeffries
Chair of Trustees

EVOLUTION ACADEMY TRUST
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GOVERNANCE STATEMENT

Scope of responsibility

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

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

The Board of Trustees has delegated the day to day responsibility to the CEO, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Evolution Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

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GOVERNANCE STATEMENT (CONTINUED)

Governance

The information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees' responsibilities. The Board of Trustees has formally met 11 times during the year.

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

Trustee	Meetings attended	Out of a possible
R M Jeffries, Chair of Trustees	11	11
R Jarvis	11	11
A Matthews	11	11
K Philpott	11	11
A Randall	3	11
D Whitehead	11	11
K Blakemore (from 17 Mar 2021)	7	7
Dr G Hutchinson (from 1 Dec 2020)	9	9
A Jordan (from 15 Feb 2021 to 16 June 2021)	2	4

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

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

Risk and audit Committee

Trustee	Meetings attended	Out of a possible
R Jarvis, Chair	3	3
A Matthews	3	3
K Philpott	2	3
K Blakemore	1	1

Finance Committee

Trustee	Meetings attended	Out of a possible
A Matthews, Chair	6	6
A Randall	3	6
M Jeffries	6	6
K Blakemore	0	2
A Jordan	1	2

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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

Standards Committee

Trustee	Meetings attended	Out of a possible
Dr G Hutchinson, Chair	3	3
M Jeffries	0	2
D Whitehead	4	4

Review of value for money

As Accounting Officer, the CEO has responsibility for ensuring that the Trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The Accounting Officer considers how the Trust's use of its resources has provided good value for money during each academic year, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer for the Trust has delivered improved value for money during the year by:

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

The Board of Trustees continues to hold the CEO and each school to account for pupils' progress, safeguarding and effective use of all resources. The Trustees receive detailed information, including potential risks, regarding each school on a half termly basis. If, for instance, the Trustees note potential difficulties in the budget setting by any school they quickly hold the school to account and provide support as required. Each School has a link Trustee. The Trustee is able to build relationships with the Head and the Chair of the LGB and allows an understanding of how the Board's decisions are enacted within the schools. This also allows the Trustee to undertake triangulation of the information that they receive at Board or through Board Committees.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on going process designed to identify and prioritise the risks to the achievement of Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Evolution Academy Trust for the year 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements.

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GOVERNANCE STATEMENT (CONTINUED)

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Trust's significant risks that has been in place for the year 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

The risk and control framework

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

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

The Board of Trustees has appointed Price Bailey LLP as internal auditors.

They have this year completed audits of GDPR compliance, procurement and risk management. Future audits will be directed by the Risk and Audit Committee based on the Trust's Risk Register. On a regular basis, the Internal Auditor reports to the Board of Trustees through the Risk and Audit Committee on the operation of the systems of control and on the discharge of the Trustees' financial and operational responsibilities.

On a quarterly basis, the reviewer reports to the Board of Trustees through the audit and risk committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities and annually prepares a short annual summary report to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress.

Review of effectiveness

As Accounting Officer, the CEO has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

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

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

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GOVERNANCE STATEMENT (CONTINUED)

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

.....
R M Jeffries
Chair of Trustees

.....
L Holzer
Accounting Officer

Date: 9 December 2021

EVOLUTION ACADEMY TRUST
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Evolution Academy Trust I have considered my responsibility to notify the Trust Board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Trust, under the funding agreement in place between the Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2020.

I confirm that I and the Trust Board of Trustees are able to identify any material irregular or improper use of all funds by the Trust, or material non-compliance with the terms and conditions of funding under the Trust's funding agreement and the Academies Financial Handbook 2020.

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

.....
L Holzer
Accounting Officer

Date: 9 December 2021

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STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2021

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

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

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

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

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

.....
R M Jeffries

Date: 9 December 2021

EVOLUTION ACADEMY TRUST
(A company limited by guarantee)

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

Opinion

We have audited the financial statements of Evolution Academy Trust (the 'parent Trust') and its subsidiaries (the 'Group') for the year ended 31 August 2021 which comprise the Consolidated Statement of Financial Activities, the Consolidated balance sheet, the Trust balance sheet, the Consolidated statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent Trust's affairs as at 31 August 2021 and of the Group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

EVOLUTION ACADEMY TRUST
(A company limited by guarantee)

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

Other information

The other information comprises the information included in the Annual report other than the financial statements and our Auditors' report thereon. The Trustees are responsible for the other information contained within the Annual report. 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. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

EVOLUTION ACADEMY TRUST
(A company limited by guarantee)

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

Responsibilities of trustees

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

In preparing the financial statements, the Trustees are responsible for assessing the Group's and the parent Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Group or the parent Trust or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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

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

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the company and considered that the most significant are the Academies Accounts Direction 2020 to 2021, the Academies Financial Handbook 2020, the Charities SORP 2019, the Companies Act 2006, the Charities Act 2011, and UK financial reporting standards as issued by the Financial Reporting Council.
- We obtained an understanding of how the company complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.

EVOLUTION ACADEMY TRUST
(A company limited by guarantee)

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

- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.

Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

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

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

Use of our report

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

Frank Shippam BSc FCA DChA (Senior statutory auditor)

for and on behalf of

MA Partners Audit LLP

Chartered Accountants

Statutory Auditor

7 The Close

Norwich

Norfolk

NR1 4DJ

Date:

EVOLUTION ACADEMY TRUST
(A company limited by guarantee)

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

In accordance with the terms of our engagement letter dated 25 October 2019 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Evolution Academy Trust during the year 1 September 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

The accounting officer is responsible, under the requirements of Evolution Academy Trust's funding agreement with the Secretary of State for Education dated 4 September 2012 and the Academies Financial Handbook, extant from 1 September 2020, 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 2020 to 2021. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2020 to 31 August 2021 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

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

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

EVOLUTION ACADEMY TRUST
(A company limited by guarantee)

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

- Sample testing of expenditure to ensure the Trust's lines of delegation and procurement policies have been adhered to, that employees have not personally benefited from any transaction and that goods and services have been procured in an open and transparent manner;
- Sample testing of restricted income to ensure it has been spent as the purposes intended;
- Reviewing transactions which may not fall within the delegated authority of the Trust and ensuring any such transactions have been authorised and disclosed as necessary;
- Reviewing compliance with Part 8: Schedule of requirements (the "musts") of the Academies Financial Handbook 2020.

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

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2020 to 31 August 2021 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

MA Partners Audit LLP

Chartered Accountants
Statutory Auditor
7 The Close
Norwich
Norfolk
NR1 4DJ

Date:

EVOLUTION ACADEMY TRUST
(A company limited by guarantee)

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND
EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2021**

		Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	Total funds 2020 £
	Note					
Income from:						
Donations and capital grants:	3					
Assets transferred		-	-	-	-	8,174,023
Other donations and capital grants		62,144	124,307	895,895	1,082,346	1,383,308
Other trading activities	5	126,179	-	-	126,179	116,041
Investments	6	486	-	-	486	3,546
Charitable activities	4	302,136	19,830,816	-	20,132,952	20,221,717
Total income		490,945	19,955,123	895,895	21,341,963	29,898,635
Expenditure on:						
Raising funds		31	-	-	31	30
Charitable activities	9	60,185	22,451,557	744,377	23,256,119	22,917,048
Exceptional items	8	-	-	6,918,303	6,918,303	-
Total expenditure		60,216	22,451,557	7,662,680	30,174,453	22,917,078
Net income/(expenditure)		430,729	(2,496,434)	(6,766,785)	(8,832,490)	6,981,557
Transfers between funds	19	-	25,835	(25,835)	-	-
Net movement in funds before other recognised gains/(losses)		430,729	(2,470,599)	(6,792,620)	(8,832,490)	6,981,557
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	26	-	(3,196,000)	-	(3,196,000)	(1,234,000)
Net movement in funds		430,729	(5,666,599)	(6,792,620)	(12,028,490)	5,747,557

EVOLUTION ACADEMY TRUST
(A company limited by guarantee)

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND
EXPENDITURE ACCOUNT) (CONTINUED)**
FOR THE YEAR ENDED 31 AUGUST 2021

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Note					
Reconciliation of funds:					
Total funds brought forward	1,187,420	(8,709,003)	41,502,029	33,980,446	28,232,889
Net movement in funds	430,729	(5,666,599)	(6,792,620)	(12,028,490)	5,747,557
Total funds carried forward	<u>1,618,149</u>	<u>(14,375,602)</u>	<u>34,709,409</u>	<u>21,951,956</u>	<u>33,980,446</u>

The Consolidated Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 32 to 70 form part of these financial statements.

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

CONSOLIDATED BALANCE SHEET
AS AT 31 AUGUST 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	15	33,533,253	40,225,927
		33,533,253	40,225,927
Current assets			
Debtors	17	493,260	874,811
Cash at bank and in hand		4,712,364	4,558,494
		5,205,624	5,433,305
Creditors: amounts falling due within one year	18	(1,979,921)	(1,485,786)
Net current assets		3,225,703	3,947,519
Total assets less current liabilities		36,758,956	44,173,446
Net assets excluding pension liability		36,758,956	44,173,446
Defined benefit pension scheme liability	26	(14,807,000)	(10,193,000)
Total net assets		21,951,956	33,980,446
Funds of the Trust			
Restricted funds:			
Fixed asset funds	19	34,709,409	41,502,029
Restricted income funds	19	431,398	1,483,997
Restricted funds excluding pension asset	19	35,140,807	42,986,026
Pension reserve	19	(14,807,000)	(10,193,000)
Total restricted funds	19	20,333,807	32,793,026
Unrestricted income funds	19	1,618,149	1,187,420
Total funds		21,951,956	33,980,446

The financial statements on pages 25 to 70 were approved and authorised for issue by the Trustees and are signed on their behalf, by:

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

CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2021

.....
R M Jeffries

Chair of Trustees

Date: 9 December 2021

The notes on pages 32 to 70 form part of these financial statements.

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

TRUST BALANCE SHEET
AS AT 31 AUGUST 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	15	33,533,253	40,225,927
Investments	16	1	1
		<u>33,533,254</u>	<u>40,225,928</u>
Current assets			
Debtors	17	493,260	874,470
Cash at bank and in hand		4,711,308	4,557,532
		<u>5,204,568</u>	<u>5,432,002</u>
Creditors: amounts falling due within one year	18	(1,979,921)	(1,485,786)
Net current assets		<u>3,224,647</u>	<u>3,946,216</u>
Total assets less current liabilities		<u>36,757,901</u>	<u>44,172,144</u>
Net assets excluding pension liability		<u>36,757,901</u>	<u>44,172,144</u>
Defined benefit pension scheme liability	26	(14,807,000)	(10,193,000)
Total net assets		<u><u>21,950,901</u></u>	<u><u>33,979,144</u></u>
Funds of the Trust			
Restricted funds:			
Fixed asset funds	19	34,709,409	41,502,029
Restricted income funds	19	431,398	1,483,997
		<u>35,140,807</u>	<u>42,986,026</u>
Restricted funds excluding pension liability	19	35,140,807	42,986,026
Pension reserve	19	(14,807,000)	(10,193,000)
Total restricted funds	19	<u>20,333,807</u>	<u>32,793,026</u>
Unrestricted income funds	19	1,617,094	1,186,118
Total funds		<u><u>21,950,901</u></u>	<u><u>33,979,144</u></u>

The financial statements on pages 25 to 70 were approved and authorised for issue by the Trustees and are signed on their behalf, by:

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

TRUST BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2021

.....
R M Jeffries
Chair of Trustees

Date: 9 December 2021

The notes on pages 32 to 70 form part of these financial statements.

EVOLUTION ACADEMY TRUST
(A company limited by guarantee)

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	21	(366,525)	341,922
Cash flows from investing activities	22	520,395	541,293
Change in cash and cash equivalents in the year		153,870	883,215
Cash and cash equivalents at the beginning of the year		4,558,494	3,675,279
Cash and cash equivalents at the end of the year	23, 24	<u>4,712,364</u>	<u>4,558,494</u>

The notes on pages 32 to 70 from part of these financial statements

EVOLUTION ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. Accounting policies

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

1.1 Basis of preparation of financial statements

The financial statements of the Trust, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2020 to 2021 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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

The Consolidated statement of financial activities (SOFA) and Consolidated balance sheet consolidate the financial statements of the Trust and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

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

1.2 Going concern

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

EVOLUTION ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. Accounting policies (continued)

1.3 Income

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

- **Grants**

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

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

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

- **Donations**

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

- **Other income**

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

EVOLUTION ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. Accounting policies (continued)

1.4 Expenditure

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

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

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

1.5 Interest receivable

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

1.6 Tangible fixed assets

Assets costing £5,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Consolidated statement of financial activities and carried forward in the Balance sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Consolidated statement of financial activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

EVOLUTION ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. Accounting policies (continued)

1.6 Tangible fixed assets (continued)

Depreciation is provided on the following bases:

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

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

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

1.7 Investments

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

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

1.8 Debtors

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

1.9 Cash at bank and in hand

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

1.10 Liabilities

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

EVOLUTION ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. Accounting policies (continued)

1.11 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 17. Prepayments are not financial instruments. Amounts due to the Trust's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 18. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to the Trust's wholly owned subsidiary are held at face value less any impairment.

1.12 Pensions

Retirement benefits to employees of the Group are provided by the Teachers' Pension Scheme ("TPS") and the Local Government Pension Scheme ("LGPS"). These are defined benefit schemes.

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

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

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

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NOTES TO THE FINANCIAL STATEMENTS
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1. Accounting policies (continued)

1.13 Fund accounting

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

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

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

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

2. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 26, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

In assessing the carrying values of tangible fixed assets the Trustees estimate the anticipated useful lives and residual values of the assets. There have been no significant revisions to these estimations in the current financial year. However, following desktop valuations undertaken on behalf of the Department for Education as at 31 August 2020, an impairment charge against land and buildings has been made as disclosed in note 8.

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**NOTES TO THE FINANCIAL STATEMENTS
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3. Income from donations and capital grants

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Donations					
Assets transferred on acquisition	-	-	-	-	8,174,023
Donations	62,144	124,307	-	186,451	126,322
Capital Grants	-	-	895,895	895,895	1,256,987
Total 2021	<u>62,144</u>	<u>124,307</u>	<u>895,895</u>	<u>1,082,346</u>	<u>9,557,332</u>
<i>Total 2020</i>	<u>280,692</u>	<u>(3,021,052)</u>	<u>12,297,692</u>	<u>9,557,332</u>	

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**NOTES TO THE FINANCIAL STATEMENTS
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4. Funding for the Trust's educational operations

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
DfE/ESFA grants				
General Annual Grant (GAG)	-	15,505,039	15,505,039	15,536,417
Other DfE/ESFA grants				
PE and Sports Grant	-	224,420	224,420	241,570
Rate Relief	-	86,378	86,378	60,668
Universal Infant Free School Meals	-	395,917	395,917	444,432
Teachers Pension Grant	-	511,480	511,480	524,850
Pupil Premium	-	1,482,497	1,482,497	1,454,054
Free School Meal Supplementary Grant	-	131,500	131,500	25,080
Teachers Pay Grant	-	181,016	181,016	185,749
Others	-	600	600	-
	-	-	18,518,847	18,472,820
Other Government grants				
Special Education Needs	-	457,517	457,517	673,664
Early Years	-	506,570	506,570	409,816
Other	-	(2,057)	(2,057)	83,187
Norwich Opportunity Area	-	42,193	42,193	141,686
Local Authority Pupil Premium	-	-	-	10,929
	-	1,004,223	1,004,223	1,319,282
Other income from the Trust's educational operations	302,136	-	302,136	403,454
COVID-19 additional funding (DfE/ESFA)				
Catch-up Premium	-	294,375	294,375	16,143
Coronavirus Job Retention Scheme grant	-	13,371	13,371	10,018
	-	307,746	307,746	26,161
	302,136	19,830,816	20,132,952	20,221,717

The academy received, and fully spent, £294,375 of funding for catch-up premium in the year.

The academy furloughed some of its Nursery staff under the government's CJRS. The funding received of £13,371 relates to costs in respect of Nursery staff which are included within note 9 below.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

5. Income from other trading activities

	Unrestricted funds 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Diversa Trading Limited fundraising	25,259	25,259	40,324
Insurance reclaims	45,436	45,436	11,296
Lettings	55,270	55,270	60,816
School fund	214	214	(4,144)
Solar panels	-	-	7,749
	<u>126,179</u>	<u>126,179</u>	<u>116,041</u>
<i>Total 2020</i>	<u>116,041</u>	<u>116,041</u>	

6. Investment income

	Unrestricted funds 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Investment income	486	486	3,546
	<u>486</u>	<u>486</u>	<u>3,546</u>
<i>Total 2020</i>	<u>3,546</u>	<u>3,546</u>	

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

7. Expenditure

	Staff Costs 2021 £	Premises 2021 £	Other 2021 £	Total 2021 £	<i>Total 2020 £</i>
Expenditure on fundraising trading activities:					
Direct costs	-	-	31	31	30
Educational operations:					
Direct costs	10,883,871	-	640,866	11,524,737	11,291,947
Support costs	7,307,141	1,501,591	2,922,650	11,731,382	11,625,101
Exceptional items (note 8)	-	6,918,303	-	6,918,303	-
	<u>18,191,012</u>	<u>8,419,894</u>	<u>3,563,547</u>	<u>30,174,453</u>	<u>22,917,078</u>
<i>Total 2020</i>	<u><u>17,978,544</u></u>	<u><u>1,867,638</u></u>	<u><u>3,070,896</u></u>	<u><u>22,917,078</u></u>	

8. Exceptional items

	Restricted funds 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Impairment of property	5,437,535	5,437,535	-
Loss on disposal of property	1,480,768	1,480,768	-
Total 2021	<u><u>6,918,303</u></u>	<u><u>6,918,303</u></u>	<u><u>-</u></u>

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FOR THE YEAR ENDED 31 AUGUST 2021

8. Exceptional items (continued)

Impairment of property

During the year the Department for Education (DfE) commissioned professionally-qualified valuers to revalue the land and buildings at three of the schools within the Trust. The valuations were undertaken to enable the DfE to consolidate academies into the Sector Annual Report and Accounts (SARA). The valuations are 'desktop' valuations without any on-site measurement. Where applicable, the Trustees have adopted these valuations and impaired the property, despite the inherent limitations in the valuation methodology. The impairment charge arising was £618,676.

In addition, another school site was deemed unsafe during the year and closed. The Trustees have fully impaired the book value of the land and buildings on this site, giving rise to an impairment charge of £4,818,859.

Loss on disposal of property

Following the merger of Costessey Junior school and Costessey Infant school, the Trust surrendered the lease on the site previously occupied by Costessey Infant, giving rise to a loss on disposal of £1,480,768.

9. Analysis of expenditure by activities

	Activities undertaken directly 2021 £	Support costs 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Educational operations	11,524,737	11,731,382	23,256,119	22,917,048
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Total 2020</i>	11,291,947	11,625,101	22,917,048	
	<hr/>	<hr/>	<hr/>	

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

9. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Total funds 2021 £	<i>Total funds 2020 £</i>
Staff costs	10,839,215	10,164,231
Teaching resources	293,451	366,882
Other direct costs	145,671	190,397
Depreciation	112,386	59,869
Staff development	80,769	141,427
Agency staff	44,656	249,709
Educational visits	8,589	119,432
	11,524,737	11,291,947

Analysis of support costs

	Total funds 2021 £	<i>Total funds 2020 £</i>
Staff costs	7,307,141	7,564,605
Maintenance of property and equipment	882,887	462,858
Catering	827,714	756,925
Finance Costs	763,534	669,747
Depreciation	631,991	734,706
Computer maintenance	352,851	419,503
Professional fees	370,834	418,715
Postage, stationery, printing and telephone	249,226	282,492
Pension finance costs	184,000	150,000
Licenses	71,273	63,643
Insurance	54,242	75,513
Audit and assurance	35,689	26,394
	11,731,382	11,625,101

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

Net income/(expenditure) for the year includes:

	2021	<i>2020</i>
	£	£
Operating lease rentals	83,902	<i>203,581</i>
Depreciation of tangible fixed assets	744,377	<i>794,575</i>
Loss on disposal of fixed assets	1,480,768	<i>-</i>
Fees paid to auditors for:		
- audit	20,500	<i>21,000</i>
- other services	5,500	<i>6,600</i>
	=====	=====

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

11. Staff

a. Staff costs

Staff costs during the year were as follows:

	Group 2021 £	<i>Group 2020 £</i>	Trust 2021 £	<i>Trust 2020 £</i>
Wages and salaries	12,910,113	12,633,973	12,910,113	12,633,973
Social security costs	1,063,436	1,016,812	1,063,436	1,016,812
Pension costs	4,076,432	3,995,587	4,076,432	3,995,587
	18,049,981	17,646,372	18,049,981	17,646,372
Agency staff costs	44,656	249,709	44,656	249,709
Staff restructuring costs	96,375	82,463	96,375	82,463
	18,191,012	17,978,544	18,191,012	17,978,544

Staff restructuring costs comprise:

	Group 2021 £	<i>Group 2020 £</i>	Trust 2021 £	<i>Trust 2020 £</i>
Redundancy payments	62,956	48,847	62,956	48,847
Severance payments	33,419	33,616	33,419	33,616
	96,375	82,463	96,375	82,463

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

Included in staff restructuring costs are non-statutory severance payments of **£33,419** (2020: £33,616). Individually, the payments were £12,227, £11,120 and £10,072.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

11. Staff (continued)

c. Staff numbers

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

	Group 2021 No.	<i>Group 2020 No.</i>	Trust 2021 No.	<i>Trust 2020 No.</i>
Teachers	198	205	198	205
Administration and support	409	436	409	436
Management	32	36	32	36
	639	677	639	677

d. Higher paid staff

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

	Group 2021 No.	<i>Group 2020 No.</i>
In the band £60,001 - £70,000	3	1
In the band £70,001 - £80,000	3	4
In the band £80,001 - £90,000	3	1
In the band £90,001 - £100,000	-	1
In the band £100,001 - £110,000	1	1

e. Key management personnel

The key management personnel of the Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Trust was £255,992 (2020 £194,625).

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NOTES TO THE FINANCIAL STATEMENTS
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12. Central services

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

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

The Group charges for these services on the following basis:

For the year ended 31 August 2021, the Trust made a charge of 6% of GAG to cover the cost of these services.

The actual amounts charged during the year were as follows:

	2021 £	2020 £
Costessey Primary School	144,389	120,451
Eaton Primary School	90,417	71,810
Filby Primary School	24,751	19,295
Wensum Junior School	50,025	46,465
Dell Primary School	89,546	75,528
Elm Tree Primary School	87,668	70,509
Poplars Primary School	113,472	98,475
Nelson Infant School	48,506	39,059
Coldfair Green Primary School	32,848	27,230
Angel Road Infant School	58,491	55,274
Angel Road Junior School	89,311	70,308
Bignold Primary School	100,760	82,277
Total	930,184	776,681

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

13. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2020 - £NIL).

During the year ended 31 August 2021, £22 was reimbursed or paid directly to 1 Trustees (2020: £nil to *Trustee*).

14. Trustees' and Officers' insurance

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

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

15. Tangible fixed assets

Group and Trust

	Long-term leasehold property £	Plant and machinery £	Computer equipment £	Total £
Cost or valuation				
At 1 September 2020	42,269,188	373,584	372,517	43,015,289
Additions	669,981	10,251	289,774	970,006
Disposals	(1,693,990)	(6,095)	-	(1,700,085)
At 31 August 2021	41,245,179	377,740	662,291	42,285,210
Depreciation				
At 1 September 2020	2,323,704	200,950	264,708	2,789,362
Charge for the year	592,048	39,943	112,386	744,377
On disposals	(213,222)	(6,095)	-	(219,317)
Impairment charge	5,437,535	-	-	5,437,535
At 31 August 2021	8,140,065	234,798	377,094	8,751,957
Net book value				
At 31 August 2021	33,105,114	142,942	285,197	33,533,253
At 31 August 2020	39,945,484	172,634	107,809	40,225,927

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

Trust	Investments in subsidiary companies £
Cost or valuation	
At 1 September 2020	1
At 31 August 2021	1
Net book value	
At 31 August 2021	1
At 31 August 2020	1

Principal subsidiaries

The following was a subsidiary undertaking of the Trust:

Name	Company number	Included in consolidation
Diversa Trading Limited	11144243	Yes

The financial results of the subsidiary for the year were:

Name	Income £	Expenditure £	Profit/(Loss) / Surplus/ (Deficit) for the year £	Net assets £
Diversa Trading Limited	25,265	(25,512)	(253)	1,056

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**NOTES TO THE FINANCIAL STATEMENTS
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17. Debtors

	Group 2021 £	<i>Group 2020 £</i>	Trust 2021 £	<i>Trust 2020 £</i>
Due within one year				
Trade debtors	17,592	63,950	17,592	63,609
VAT repayable	100,651	129,944	100,651	129,944
Prepayments and accrued income	375,017	680,917	375,017	680,917
	493,260	874,811	493,260	874,470

18. Creditors: Amounts falling due within one year

	Group 2021 £	<i>Group 2020 £</i>	Trust 2021 £	<i>Trust 2020 £</i>
Trade creditors	603,617	399,416	603,617	399,416
Other taxation and social security	255,851	244,424	255,851	244,424
Other creditors	348,948	364,565	348,948	364,565
Accruals and deferred income	771,505	477,381	771,505	477,381
	1,979,921	1,485,786	1,979,921	1,485,786

	Group 2021 £	<i>Group 2020 £</i>	Trust 2021 £	<i>Trust 2020 £</i>
Deferred income at 1 September 2020	301,770	217,814	301,770	217,814
Resources deferred during the year	422,348	301,770	422,348	301,770
Amounts released from previous periods	(301,770)	(217,814)	(301,770)	(217,814)
Deferred income at 31 August 2021	422,348	301,770	422,348	301,770

At the balance sheet date, deferred income included £230,962 Universal Infant Free School Meals grants, rates grants of £42,394, local authority funding of £121,363 and club income and other of £27,629.

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**NOTES TO THE FINANCIAL STATEMENTS
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19. Statement of funds

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/(out) £	Gains/ (Losses) £	Balance at 31 August 2021 £
Unrestricted funds						
General Funds	1,186,118	465,680	(60,185)	25,481	-	1,617,094
Diversa Trading Limited	1,302	25,265	(31)	(25,481)	-	1,055
	<u>1,187,420</u>	<u>490,945</u>	<u>(60,216)</u>	<u>-</u>	<u>-</u>	<u>1,618,149</u>
Restricted general funds						
General Annual Grant (GAG)	943,474	15,629,289	(15,158,276)	(1,049,458)	-	365,029
School Condition Allocation	-	-	(287,188)	287,188	-	-
Pupil Premium	297,049	1,482,495	(1,779,544)	-	-	-
Special Educational Needs	-	956,680	(956,680)	-	-	-
Covid catch-up premium	-	294,375	(68,810)	(225,565)	-	-
PE and Sport premium	142,952	224,420	(301,003)	-	-	66,369
Universal Infant Free School Meals	18,201	395,917	(414,118)	-	-	-
Conversion grants	3,470	-	(3,470)	-	-	-
School improvement grant	28,293	-	(28,293)	-	-	-
Sponsor Capacity grant	45,000	-	-	(45,000)	-	-
Early years funding	-	8,007	(8,007)	-	-	-
Devolved Formula Capital	-	-	(6,670)	6,670	-	-
Teachers Pension Grant	-	181,016	(181,016)	-	-	-

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

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
Other grants and donations	2,560	11,373	(13,933)	-	-	-
Rates	-	86,378	(86,378)	-	-	-
Teachers Pay Grant	-	511,480	(511,480)	-	-	-
MAT Development and Improvement	2,998	-	(2,998)	-	-	-
FSM Supplementary Grant	-	131,500	(131,500)	-	-	-
Norwich Opportunity Area	-	42,193	(42,193)	-	-	-
Pension reserve	(10,193,000)	-	(2,470,000)	1,052,000	(3,196,000)	(14,807,000)
	<u>(8,709,003)</u>	<u>19,955,123</u>	<u>(22,451,557)</u>	<u>25,835</u>	<u>(3,196,000)</u>	<u>(14,375,602)</u>

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

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/(out) £	Gains/ (Losses) £	Balance at 31 August 2021 £
Restricted fixed asset funds						
Fixed assets transferred on conversion	33,009,501	-	(7,364,936)	-	-	25,644,565
Devolved Formula Capital	95,366	90,734	(12,793)	(6,670)	-	166,637
Capital expenditure from GAG	1,304,627	-	(168,536)	27,458	-	1,163,549
NCC capital grant	198,851	-	(500)	-	-	198,351
Condition Improvement Fund	2,731,752	-	(46,359)	-	-	2,685,393
Academies Capital Maintenance	46,100	-	(1,036)	-	-	45,064
Other capital grants and donations	104,463	-	(7,880)	-	-	96,583
NCC donation in kind - merger of CJS and CIS	2,832,276	-	-	-	-	2,832,276
School Condition Allocation	1,179,093	805,161	(12,863)	(287,188)	-	1,684,203
S106	-	-	(300)	15,000	-	14,700
Covid catch-up premium	-	-	(47,477)	225,565	-	178,088
	41,502,029	895,895	(7,662,680)	(25,835)	-	34,709,409
Total Restricted funds	32,793,026	20,851,018	(30,114,237)	-	(3,196,000)	20,333,807
Total funds	33,980,446	21,341,963	(30,174,453)	-	(3,196,000)	21,951,956

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

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

The **General Annual Grant (GAG)** has been provided by the ESFA in order to fund the normal running costs of the Trust. The following transfers have been made from the GAG: £1,052,000 to restricted pension reserve representing the cost of employer contributions towards the Local Government Pension Scheme, £27,458 representing fixed asset additions from GAG funding.

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

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

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

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

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

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

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

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

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

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

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

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

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

The **Devolved Formula Capital** restricted fund relates to the amount of this funding used for general profit and loss maintenance costs. A transfer of £6,670 was made from the restricted fixed asset fund to the restricted fund to reallocate the amount of this funding used for profit and loss account expenditure.

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

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

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

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

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

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

The **Covid catch up premium** was provided by ESFA to support children and young people to catch up on missed learning due to coronavirus. The Trust used the majority of these funds to provide new and effective IT equipment for pupils.

FSM Supplementary grant was provided by ESFA to provide schools with additional funding to help them meet the costs of providing more pupils with free meals, before the lagged funding system caught up.

Under the funding agreement with the Secretary of State, the Trust was not subject to a limit on the amount of GAG it could carry forward at 31 August 2021.

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

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

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

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19. Statement of funds (continued)

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

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

**Restricted fixed
asset funds**

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

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

Total funds analysis by academy

Fund balances at 31 August 2021 were allocated as follows:

	2021 £	2020 £
Costessey Primary School	1,410,802	1,475,799
Eaton Primary School	69,032	134,803
Filby Primary School	136,678	135,009
Wensum Junior School	2,416	150,580
Dell Primary School	(81,971)	114,322
Elm Tree Primary School	44,564	118,730
Poplars Primary School	805,284	567,275
Nelson Infant School	(97,937)	(14,668)
Coldfair Green Primary School	(51,667)	(37,453)
Angel Road Infant School	146,333	124,323
Angel Road Junior School	168,840	114,143
Bignold Primary School	16,590	20,461
Central Services	(519,417)	(231,907)
	<hr/>	<hr/>
Total before fixed asset funds and pension reserve	2,049,547	2,671,417
Restricted fixed asset fund	34,709,409	41,502,029
Pension reserve	(14,807,000)	(10,193,000)
	<hr/>	<hr/>
Total	21,951,956	33,980,446
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

19. Statement of funds (continued)

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

	Deficit £
Nelson Infant School	(97,937)
Coldfair Green Primary School	(51,667)
Dell Primary	(81,971)
	<hr/> <hr/>

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

Nelson - High level of staff long-term sickness that has now been addressed, and this position should start to reverse.

Coldfair Green - Increased costs necessitated by the pandemic made it difficult for this small school to reverse the deficit. However, with stable pupil numbers this should reverse over the next three years.

Dell - The school has been investing in various essential initiatives to improve educational provision and school environment in addition to specific staffing requirements during the year due to absence. Action has now been taken to reduce staffing levels and to build reserves back as soon as possible as part of a long term plan for this school.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

19. Statement of funds (continued)

Total cost analysis by academy

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2021 £	Total 2020 £
Costessey Primary School	1,571,628	1,042,289	41,812	1,868,977	4,524,706	2,847,775
Eaton Primary School	1,042,406	519,713	47,424	857,173	2,466,716	1,832,930
Filby Primary School	286,627	139,272	10,534	176,671	613,104	467,113
Wensum Junior School	632,692	408,458	32,774	153,151	1,227,075	1,220,635
Dell Primary School	1,071,325	826,558	24,290	322,990	2,245,163	1,995,948
Elm Tree Primary School	958,148	667,463	13,613	340,719	1,979,943	1,757,139
Poplars Primary School	1,129,762	691,379	23,960	444,860	2,289,961	2,282,739
Nelson Infant School	593,983	350,591	9,389	179,436	1,133,399	1,051,311
Coldfair Green Primary School	377,026	185,788	12,091	111,367	686,272	676,852
Angel Road Infant School	793,449	435,994	15,123	327,844	1,572,410	1,427,261
Angel Road Junior School	1,034,448	505,039	21,178	5,030,084	6,590,749	1,592,794
Bignold Primary School	1,332,216	668,721	21,493	308,876	2,331,306	2,347,713
Central Services	60,161	865,876	19,770	823,465	1,769,272	2,622,293
Trust	10,883,871	7,307,141	293,451	10,945,613	29,430,076	22,122,503

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**NOTES TO THE FINANCIAL STATEMENTS
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20. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £
Tangible fixed assets	-	-	33,533,253	33,533,253
Current assets	1,618,149	1,888,432	1,699,043	5,205,624
Creditors due within one year	-	(1,457,034)	(522,887)	(1,979,921)
Provisions for liabilities and charges	-	(14,807,000)	-	(14,807,000)
Total	1,618,149	(14,375,602)	34,709,409	21,951,956

Analysis of net assets between funds - prior year

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

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

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

	2021 £	2020 £
Net (expenditure)/income for the year (as per Statement of financial activities)	(8,832,490)	6,981,557
Adjustments for:		
Capital grants from DfE and other capital income	(895,895)	(401,896)
Depreciation charges	744,377	794,575
Dividends, interest and rents from investments	(486)	(3,546)
Net (gain) on assets and liabilities from local authority on conversion	-	(8,206,261)
Defined benefit pension scheme cost less contributions payable	1,234,000	1,185,000
Defined benefit pension scheme finance cost	184,000	150,000
Decrease in debtors	256,828	5,638
Increase/(decrease) in creditors	24,838	(163,145)
Impairment on property	5,437,535	-
Loss on disposal of property	1,480,768	-
Net cash (used in)/provided by operating activities	(366,525)	341,922

22. Cash flows from investing activities

	Group 2021 £	Group 2020 £
Dividends, interest and rents from investments	486	3,546
Purchase of tangible fixed assets	(485,966)	(435,248)
Capital grants from DfE Group	1,005,875	401,896
Cash transferred on conversion to an academy trust	-	571,099
Net cash provided by investing activities	520,395	541,293

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

23. Analysis of cash and cash equivalents

	Group 2021 £	<i>Group 2020 £</i>
Cash in hand and at bank	4,712,364	4,406,284
Notice deposits (less than 3 months)	-	152,210
Total cash and cash equivalents	4,712,364	4,558,494

24. Analysis of changes in net debt

	At 1 September 2020 £	Cash flows £	At 31 August 2021 £
Cash at bank and in hand	4,558,492	153,872	4,712,364
	4,558,492	153,872	4,712,364

25. Capital commitments

	Group 2021 £	<i>Group 2020 £</i>	Trust 2021 £	<i>Trust 2020 £</i>
Contracted for but not provided in these financial statements				
Acquisition of tangible fixed assets	-	83,301	-	83,301

26. Pension commitments

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

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

Contributions amounting to £310,101 were payable to the schemes at 31 August 2021 (2020 - £310,971) and are included within creditors.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

26. Pension commitments (continued)

Teachers' Pension Scheme

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

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

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

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

The next valuation result is due to be implemented from 1 April 2024.

The employer's pension costs paid to TPS in the year amounted to £1,865,526 (2020 - £1,726,049).

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

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

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

26. Pension commitments (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2021 was £1,341,000 (2020 - £1,341,000), of which employer's contributions totalled £1,052,000 (2020 - £1,073,000) and employees' contributions totalled £289,000 (2020 - £268,000). The agreed contribution rates for future years are 18.3 - 25.6 per cent for employers and 5.5 - 12.5 per cent for employees.

As described in note 1.12 the LGPS obligation relates to the employees of the Trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Trust at the balance sheet date.

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

Principal actuarial assumptions

	2021	2020
	%	%
Rate of increase in salaries (Norfolk)	3.60	2.90
Rate of increase for pensions in payment/inflation (Norfolk)	2.90	2.20
Discount rate for scheme liabilities (Norfolk)	1.65	1.70
Rate of increase in salaries (Suffolk)	3.60	2.90
Rate of increase for pensions in payment/inflation (Suffolk)	2.90	2.20
Discount rate for scheme liabilities (Suffolk)	1.65	1.70

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

	2021	2020
	Years	Years
<i>Retiring today</i>		
Males (Norfolk, Suffolk)	21.9, 22.1	21.7, 21.9
Females (Norfolk, Suffolk)	24.3, 24.5	23.9, 24.1
<i>Retiring in 20 years</i>		
Males (Norfolk, Suffolk)	23.2, 23.2	22.8, 22.7
Females (Norfolk, Suffolk)	26.2, 26.4	25.5, 25.6

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

Sensitivity analysis

	2021	<i>2020</i>
	£000	<i>£000</i>
Real discount rate -0.5%	3,705	<i>2,784</i>
Salary increase rate +0.5%	220	<i>189</i>
Pension increase rate +0.5%	3,435	<i>2,548</i>
	=====	<i>=====</i>

Share of scheme assets

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

	2021	<i>2020</i>
	£	<i>£</i>
Equities	7,342,000	<i>5,294,000</i>
Corporate bonds	4,145,000	<i>3,247,000</i>
Property	1,298,000	<i>1,045,000</i>
Cash and other liquid assets	451,000	<i>462,000</i>
	=====	<i>=====</i>
Total market value of assets	13,236,000	<i>10,048,000</i>
	=====	<i>=====</i>

The actual return on scheme assets was £1,935,000 (2020 - £255,000).

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

	2021	<i>2020</i>
	£	<i>£</i>
Current service cost	(2,286,000)	<i>(2,255,000)</i>
Past service cost	-	<i>(3,000)</i>
Interest income	181,000	<i>174,000</i>
Interest cost	(365,000)	<i>(324,000)</i>
Total amount recognised in the Consolidated Statement of Financial Activities	===== (2,470,000)	<i>=====</i> <i>(2,408,000)</i>
	=====	<i>=====</i>

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

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

	2021 £	2020 £
At 1 September	20,240,000	10,577,000
Current service cost	2,286,000	2,258,000
Interest cost	365,000	324,000
Employee contributions	289,000	268,000
Actuarial losses	4,950,000	1,315,000
Benefits paid	(89,000)	(75,000)
Transfer in of scheme obligations	-	5,573,000
At 31 August	28,041,000	20,240,000

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

	2021 £	2020 £
At 1 September	10,047,000	6,090,000
Benefits paid	(89,000)	(75,000)
Transfer in of scheme assets	-	2,436,000
Interest income	181,000	174,000
Actuarial gains	1,754,000	81,000
Employer contributions	1,052,000	1,073,000
Employee contributions	289,000	268,000
At 31 August	13,234,000	10,047,000

27. Operating lease commitments

At 31 August 2021 the Group and the Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group 2021 £	Group 2020 £	Trust 2021 £	Trust 2020 £
Not later than 1 year	38,471	68,059	38,471	68,059
Later than 1 year and not later than 5 years	16,831	24,461	16,831	24,461
	55,302	92,520	55,302	92,520

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NOTES TO THE FINANCIAL STATEMENTS
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28. Members' liability

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

29. Related party transactions

Owing to the nature of the Trust and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academies Financial Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the Trust's financial regulations and normal procurement procedures relating to connected and related party transactions.