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**EVOLUTION ACADEMY TRUST**  
(A company limited by guarantee)

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**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2014**

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**EVOLUTION ACADEMY TRUST**  
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS  
FOR THE YEAR ENDED 31 AUGUST 2014**

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**Trustees**

M McCormack<sup>1,4</sup>  
G Creissen<sup>1,5</sup>  
A Hull<sup>1,3</sup>  
D Woodley<sup>1</sup>  
K Lawson<sup>1,2</sup>  
R Marston (resigned 1 May 2014)<sup>1</sup>  
S South<sup>1</sup>  
A Long<sup>1</sup>  
E Colk<sup>1</sup>  
N Parry<sup>1</sup>  
R Brewster<sup>2</sup>  
T Smith<sup>6</sup>  
N Saunders<sup>1</sup>

- <sup>1</sup> Member  
<sup>2</sup> Staff Trustee  
<sup>3</sup> Principal  
<sup>4</sup> Chair of Trustees  
<sup>5</sup> Chair of Finance & Audit Committee  
<sup>6</sup> Responsible Officer

**Company registered number**

08158619

**Principal and registered office**

Three Mile Lane, Norwich, Norfolk, NR5 0RR

**Finance Officers**

M Girdlestone  
L Auber

**Chief executive officer**

A Hull

**Independent auditors**

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

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**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2014**

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The trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements of Evolution Academy Trust (the trust) for the ended 31 August 2014. The governors confirm that the Annual report and financial statements of the trust comply with the current statutory requirements, the requirements of the trust's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005.

**Structure, governance and management**

**a. CONSTITUTION**

The trust is a company limited by guarantee and an exempt charity. The trust's memorandum and articles of association are the primary governing documents. The trustees of Evolution Academy Trust are also the directors of the charitable company for the purposes of company law.

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 a school offering a broad curriculum with a strong emphasis on, but in no way limited to, environmental science and engineering.

**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. METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF TRUSTEES**

The management of the trust is the responsibility of the trustees who are elected and co-opted under the terms of the Articles of Association.

**d. POLICIES AND PROCEDURES ADOPTED FOR THE INDUCTION AND TRAINING OF TRUSTEES**

The training and induction provided for new trustees will depend on their existing experience.

All new trustees will be given a tour of the schools and the chance to meet with staff and pupils. All trustees are introduced to policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as trustees. As there is expected to be only two or three new trustees a year, induction will be carried out informally and will be tailored specifically to the individual.

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2014**

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**e. ORGANISATIONAL STRUCTURE**

The trust was set up with a management structure to support the Education Brief. The current structure consists of two levels: the Trustees and the Senior Leadership Team who are responsible for the day to day running of the schools.

The trustees are responsible for setting general policy, adopting an annual plan and budget, monitoring the trust by the use of budgets and making major decisions about the direction of the trust, capital expenditure and senior staff appointments.

The Senior Leadership Team (SLT) currently comprises a Principal or Headteacher responsible for both schools, a Vice Principal or Deputy who leads each school on a daily basis and other senior teachers in each school.

These managers control the trust at an executive level implementing the policies laid down by the trustees and reporting back to them. They are responsible for the day to day operations of the trust, in particular organising the teaching staff, facilities and students.

The principal and vice principal are responsible for overall spending, scrutinised by the Finance Officers. The appointment of staff, through short listing and interviews for posts in the Senior Leadership Team always contain a safe recruitment trained trustee.

In addition to the above, a Responsible Officer and the Finance & Audit Committee, have been delegated responsibilities by the trustees.

**f. RISK MANAGEMENT**

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

The trustees review the risk register identifying major risks to which the trust is exposed, in particular those relating to teaching, provision of facilities and other operational areas of the trust, and its finances.

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2014**

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**Objectives and Activities**

**a. OBJECTS AND AIMS**

For the trust to fully realise its aims, we recognise the role that the family, the immediate community and other Schools and agencies have to play in the development of the children and we actively encourage their participation in the education of the children in our care. The aims of the trust are:

- to stimulate intellectual growth by encouraging enquiry and a love of learning;
- to teach children how to communicate effectively and to provide challenges and opportunities for each child's social, intellectual, emotional and physical development;
- to provide equal opportunity for each pupil to achieve their true potential;
- to provide for pupils a sensitive and stable community in which to work so every child can have the confidence to develop both as an individual and as a responsible member of society;
- to provide a secure and ordered environment in which pupils will be encouraged to respect themselves, others and the environment; and
- to prepare them to cope with the demands and rapidly changing circumstances of our modern world.

**b. OBJECTIVES, STRATEGIES AND ACTIVITIES**

We aim to stimulate the following attitudes in the children through a wide range of activities and experiences:

- a desire to learn and to take an active part in their own personal development;
- an ability to express themselves creatively and use creative thought in solving problems;
- a desire to do their best for themselves and for others;
- positive behaviour, both in and out of school; and
- self respect and respect for others, their beliefs, values and property.

We aim to provide an environment which supports pupils in realising these aims by:

- ensuring that the needs of pupils are met through quality professional planning and teaching;
- ensuring that all pupils have equal regard and access to the whole curriculum;
- providing a broad, balanced and relevant curriculum within the framework of the National Curriculum, the Literacy and Numeracy Strategies, Local Authority and School policies;
- meeting, with sensitivity, the pastoral needs of pupils; and
- providing security for all pupils through positive, fair and consistent discipline.

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2014**

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**c. ACTIVITIES FOR ACHIEVING OBJECTIVES**

Funded through the EFA, which provides a framework for our operation, the trust's main purpose is the advancement of education for the public benefit. Our schools are non-selective.

The trust's activities cover a broad curriculum range. Beyond the curriculum a breakfast club operates, extra tuition is provided outside the usual teaching day and after school activities are provided. School visits are also regularly available for all pupils with the aim of providing experiences beyond that which they would normally receive.

**d. PUBLIC BENEFIT**

The trustees recognise their charitable responsibilities for the advancement of education as described in the Charity Commission's Statement of Recommended Practice. They have also considered public benefit guidance issued by the Charity Commission. The trustees have recorded in this report the activities carried out by the trust in order to further charitable purposes for the public benefit.

**Achievements and performance**

**a. GOING CONCERN**

After making appropriate enquiries, the board of trustees has a reasonable expectation that the trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it has adopted the going concern basis in preparing the financial statements.

**b. REVIEW OF ACTIVITIES**

Costessey Junior School retains its designation as a National Support School, the Principal being a National Leader of education; an indication we believe of the performance of our school.

In data terms the trust firstly makes reference to the Ofsted data dashboard which provides a range of data about our schools - <http://dashboard.ofsted.gov.uk>.

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2014**

Our Year 1 phonics, key stage 1 and key stage 2 test data is as follows:

**Attainment at Year 1**

**Table 3.1.1: Year 1 Phonics Screening Check by Pupil Characteristics (Y1.PPC)**

This report shows the percentage of pupils meeting the expected standard in the year one phonics screening check for each pupil group alongside the national percentage for the same pupil group.

	Cohort	Phonics Screening Check Number achieving expected standard	% School	% National
All Pupils	86	64	74	74

**Attainment at Key Stage 1**



**Attainment, Average Points Score at Key Stage 1 : Overall and by Subject (KS1.1Trend)**

The following pages provide analysis of pupils' average points scores over the last five years in reading, writing and mathematics.

**Table 3.2.4**

Statistical significance tests have been performed on the data using a 95% confidence interval, and where the school value differs significantly from the corresponding national value for this group sig+ or sig- is shown below. Where the school value differs significantly from the previous year's, ↑ or ↓ is shown to indicate the direction of this change.

Year		2010	2011	2012	2013	2014
All Subjects	Cohort	49	53	73	74	82
	School	16.6	16.5	15.8 ↓	15.7	16.3
	National	15.2	15.3	15.5	15.8	15.9
	Difference	1.4	1.2	0.3	-0.1	0.4
	Significance	Sig+	Sig+			
Reading	Cohort	49	53	73	74	82
	School	16.8	17.3	16.1	16.4	16.6
	National	15.7	15.8	16.0	16.3	16.5
	Difference	1.1	1.5	0.1	0.1	0.1
	Significance	Sig+	Sig+			
Writing	Cohort	49	53	73	74	82
	School	16.2	15.6	15.4	14.9	15.5
	National	14.4	14.4	14.7	14.9	15.1
	Difference	1.8	1.2	0.7	0.0	0.4
	Significance	Sig+	Sig+			
Mathematics	Cohort	49	53	73	74	82
	School	16.8	16.7	16.0	15.9	16.6
	National	15.7	15.7	15.9	16.1	16.2
	Difference	1.1	1.0	0.1	-0.2	0.4
	Significance	Sig+	Sig+			



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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2014**

Costessey Junior School (URN: 138642 DfE No. 9262043)

**Attainment at Key Stage 2**



**Attainment, Average Points Score at Key Stage 2 : Overall and by Subjects (KS2.1Trend)**

The following pages provide analysis of pupils' average points scores over the last five years in the National Curriculum core subjects.

**Table 4.1.5**

Statistical significance tests have been performed on the data using a 95% confidence interval, and where the school value differs significantly from the corresponding national value for this group sig+ or sig- is shown below. Where the school value differs significantly from the previous year's, ↑ or ↓ is shown to indicate the direction of this change.

Year		2010*	2011	2012	2013**	2014
<b>All Subjects</b>	Cohort	62	55	50	51	62
	School	27.5	27.8	28.9	30.0	29.8
	National	27.4	27.5	28.2	28.3	28.7
	Difference	0.1	0.3	0.7	1.7	1.1
	Significance				Sig+	Sig+
<b>Mathematics</b>	Cohort	62	55	50	51	62
	School	28.3	28.5	28.8	30.3	30.5
	National	27.4	27.6	28.4	28.7	29.0
	Difference	0.9	0.9	0.4	1.6	1.5
	Significance				Sig+	Sig+
<b>Reading</b>	Cohort	-	55	50	51	62
	School	-	27.5	29.8	30.2	29.6
	National	-	28.1	28.8	28.5	29.0
	Difference	-	-0.6	1.0	1.7	0.6
	Significance	-			Sig+	
<b>Writing(TA)</b>	Cohort	-	55	50	51	62
	School	-	26.2	27.5	29.2	28.6
	National	-	26.4	27.3	27.5	27.9
	Difference	-	-0.2	0.2	1.7	0.7
	Significance	-			Sig+	Sig+
<b>English Grammar, Punctuation &amp; Spelling</b>	Cohort	-	-	-	51	62
	School	-	-	-	27.6	29.1
	National	-	-	-	28.0	28.6
	Difference	-	-	-	-0.4	0.5
	Significance	-	-	-		
<b>English</b>	Cohort	62	55	50	-	-
	School	26.7	27.0	29.0	-	-
	National	27.3	27.3	28.1	-	-
	Difference	-0.6	-0.3	0.9	-	-
	Significance				-	-

\*\*From 2013 the overall average point score is calculated from mathematics, reading and writing(TA) only.

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2014**

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**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 £160,000 per school within the trust (so £320,000 as at 31 August 2014). Free reserves as at 31 August 2014 were £496,468.

The trustees and school management recognise the current reserves are greater than the target. This is a deliberate policy of creating a surplus to assist with funding being sought from the DfE to complete the move to Primary status on the Costessey Junior School site which requires a significant building programme. The trustees have chosen not to invest in the relatively poor building stock at the Costessey Infant School site as it is intended we move from that site within the next few years. Hence finance that would have been spent on infrastructure has instead been added to the free reserves.

**b. PRINCIPAL FUNDING**

Most of the trust's income is obtained from the Education Funding Agency (EFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the EFA during the period ended 31 August 2014 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities. The trust also receives funding from other government bodies which are shown as restricted funds. There is also income from catering, lettings and energy supply which is shown as unrestricted funding in the financial statements.

The trust also receives grants for fixed assets from the EFA and other government bodies. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2005), 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.

**Plans for future periods**

**a. FUTURE DEVELOPMENTS**

1. To achieve Primary Status and achieve this on one site. Investigations have been supported by Stone King & BDO LLP and both Governing Bodies are in agreement. This project is now at a planning stage which concentrates on the sources of funding to complete it.
2. To grow the Evolution Academy Trust in order to best achieve outstanding outcomes for all pupils in all schools in the Trust.

**FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS**

No such funds are held.

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TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2014

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DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that trustee is aware, there is no relevant audit information of which the charitable company's auditors are unaware, and
- that trustee has taken all the steps that ought to have been taken as a trustee in order to be aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

This report was approved by order of the board of trustees on 15 December 2014 and signed on the board's behalf by:

M J McCormack

M McCormack  
Chair

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**EVOLUTION ACADEMY TRUST**  
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**GOVERNANCE STATEMENT**

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**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.

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

**GOVERNANCE**

The information on governance included here supplements that described in the Trustees' report and in the Trustees' responsibilities statement. The board of trustees has formally met 6 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
M McCormack	5	6
G Creissen	6	6
A Hull	6	6
D Woodley	3	6
K Lawson	3	6
R Marston	4	4
S South	5	6
A Long	4	6
E Colk	5	6
N Parry	6	6
R Brewster	0	6
T Smith	3	6
N Saunders	2	6

**Governance reviews:**

An external review of governance did not take place during the year. In light of the growth of the Multi Academy Trust, the Governors will undertake a self-evaluation of governance in 2015. All Governors through their committee structure contributed to their internal self review which started during the 2013/14 financial year; this is still being completed.

The Finance & Audit Committee is a sub-committee of the main board of trustees focusing on the finances of the trust.

**Attendance at meetings in the year was as follows:**

Trustee	Meetings attended	Out of a possible
A Hull	4	4
G Creissen	2	4
T Smith	0	4

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**GOVERNANCE STATEMENT (continued)**

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**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 ongoing 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 2013 to 31 August 2014 and up to the date of approval of the annual report and financial statements.

**CAPACITY TO HANDLE RISK**

The board of trustees has reviewed the key risks to which the trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the trust's significant risks, that has been in place for the year 1 September 2013 to 31 August 2014 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 Finance & Audit committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

The board of trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the trustees have appointed T Smith, a trustee, as Responsible Officer (RO).

The RO's role includes giving advice on financial matters and performing a range of checks on the trust's financial systems. On a termly basis, the RO reports to the board of trustees on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities. Unfortunately, due to personal circumstances, the RO has been unable to undertake any visits in the period.

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GOVERNANCE STATEMENT (continued)

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REVIEW OF EFFECTIVENESS

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

- the work of the Responsible Officer;
- 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 Finance & Audit committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on 15 December 2014 and signed on its behalf, by:



A Hull  
Accounting Officer

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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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As Accounting Officer of Evolution Academy Trust I have considered my responsibility to notify the trust board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook (2013).

I confirm that I and the trust board of trustees are able to identify any material, irregular or improper use of 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 (2013).

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 EFA.



A Hull  
Accounting Officer

Date: 15 December 2014

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**TRUSTEES' RESPONSIBILITIES STATEMENT  
FOR THE YEAR ENDED 31 AUGUST 2014**

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

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


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

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

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

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

Approved by order of the members of the board of trustees on 15 December 2014 and signed on its behalf by:



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**M McCormack**  
Chair of Trustees



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**INDEPENDENT AUDITORS' REPORT TO THE BOARD OF TRUSTEES OF EVOLUTION ACADEMY TRUST**

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We have audited the financial statements of Evolution Academy Trust for the year ended 31 August 2014 which comprise the Statement of financial activities, the Balance sheet, the Cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2013 to 2014 issued by the Education Funding Agency.

This report is made solely to the academy'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 academy'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 academy and its members, as a body, for our audit work, for this report, or for the opinion we have formed.

**RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS**

As explained more fully in the Trustees' responsibilities statement, the trustees (who are also the directors of the academy 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.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

**SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the academy's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

**OPINION ON FINANCIAL STATEMENTS**

In our opinion the financial statements:

- give a true and fair view of the state of the academy's affairs as at 31 August 2014 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Academies Accounts Direction 2013 to 2014 issued by the Education Funding Agency.

**OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006**

In our opinion the information given in the Trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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**INDEPENDENT AUDITORS' REPORT TO THE BOARD OF TRUSTEES OF EVOLUTION ACADEMY TRUST**

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**MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies' exemption from the requirement to prepare a Strategic report.



Frank Shippam BSc FCA DChA (Senior statutory auditor)

for and on behalf of

**MA Partners LLP**

7 The Close  
Norwich  
Norfolk  
NR1 4DJ  
18 December 2014

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**EVOLUTION ACADEMY TRUST**  
**(A company limited by guarantee)**

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

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In accordance with the terms of our engagement letter dated 23 September 2013 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2013 to 2014, 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 2013 to 31 August 2014 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 EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Evolution Academy Trust and EFA 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 EFA, 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 2013, 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 2013 to 2014. 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 2013 to 31 August 2014 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

**APPROACH**

We conducted our engagement in accordance with the Academies Accounts Direction 2013 to 2014 issued by EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

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**EVOLUTION ACADEMY TRUST**  
(A company limited by guarantee)

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**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO EVOLUTION  
ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY (continued)**

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Our work included:

- a review of minutes of committees and board meetings which may be relevant to regularity;
- a review of the design and operational effectiveness of policies and procedures relating to areas assessed as presenting a higher risk of impropriety;
- substantive testing of individual transactions.

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, except for the matters listed below, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2013 to 31 August 2014 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

1. There were no inspections undertaken in the year by the Responsible Officer.



**MA Partners LLP**

7 The Close  
Norwich  
Norfolk  
NR1 4DJ

18 December 2014

**EVOLUTION ACADEMY TRUST**  
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES**  
(incorporating income and expenditure account and statement of total recognised gains and losses)  
**FOR THE YEAR ENDED 31 AUGUST 2014**

	Note	Unrestricted funds 2014 £	Restricted funds 2014 £	Restricted fixed asset funds 2014 £	Total funds 2014 £	Period ended 31 August 2013 £
<b>INCOMING RESOURCES</b>						
Incoming resources from generated funds:						
Assets transferred on conversion	2	179,484	(69,000)	1,626,000	1,736,484	2,484,786
Other voluntary income	2	11,756	-	-	11,756	4,268
Activities for generating funds	3	124,139	-	-	124,139	69,832
Investment income	4	217	-	-	217	-
Incoming resources from charitable activities	5	-	2,128,802	18,321	2,147,123	1,079,442
<b>TOTAL INCOMING RESOURCES</b>		<b>315,596</b>	<b>2,059,802</b>	<b>1,644,321</b>	<b>4,019,719</b>	<b>3,638,328</b>
<b>RESOURCES EXPENDED</b>						
Charitable activities		-	1,962,399	94,513	2,056,912	1,067,475
Governance costs	6	-	56,769	-	56,769	37,593
<b>TOTAL RESOURCES EXPENDED</b>	9	<b>-</b>	<b>2,019,168</b>	<b>94,513</b>	<b>2,113,681</b>	<b>1,105,068</b>
<b>NET INCOMING RESOURCES BEFORE TRANSFERS</b>		<b>315,596</b>	<b>40,634</b>	<b>1,549,808</b>	<b>1,906,038</b>	<b>2,533,260</b>

**EVOLUTION ACADEMY TRUST**  
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2014**

		Unrestricted funds 2014 £	Restricted funds 2014 £	Restricted fixed asset funds 2014 £	Total funds 2014 £	Period ended 31 August 2013 £
Transfers between Funds	Note 20	-	(145,862)	145,862	-	-
<b>NET INCOME FOR THE YEAR</b>		<b>315,596</b>	<b>(105,228)</b>	<b>1,695,670</b>	<b>1,906,038</b>	<b>2,533,260</b>
Actuarial gains and losses on defined benefit pension schemes		-	(98,000)	-	(98,000)	10,000
<b>NET MOVEMENT IN FUNDS FOR THE YEAR</b>		<b>315,596</b>	<b>(203,228)</b>	<b>1,695,670</b>	<b>1,808,038</b>	<b>2,543,260</b>
<i>Total funds at 1 September 2013</i>		<i>180,872</i>	<i>(88,133)</i>	<i>2,450,521</i>	<i>2,543,260</i>	<i>-</i>
<b>TOTAL FUNDS AT 31 AUGUST 2014</b>		<b>496,468</b>	<b>(291,361)</b>	<b>4,146,191</b>	<b>4,351,298</b>	<b>2,543,260</b>

All activities relate to continuing operations.

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

The notes on pages 23 to 43 form part of these financial statements.

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

BALANCE SHEET  
AS AT 31 AUGUST 2014

	Note	£	2014 £	£	2013 £
<b>FIXED ASSETS</b>					
Tangible assets	17		4,139,592		2,444,012
<b>CURRENT ASSETS</b>					
Debtors	18	89,167		8,809	
Cash at bank		676,286		305,344	
		<u>765,453</u>		<u>314,153</u>	
<b>CREDITORS: amounts falling due within one year</b>	19	<u>(234,747)</u>		<u>(83,905)</u>	
<b>NET CURRENT ASSETS</b>			<u>530,706</u>		<u>230,248</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>4,670,298</u>		<u>2,674,260</u>
Defined benefit pension scheme liability	26		<u>(319,000)</u>		<u>(131,000)</u>
<b>NET ASSETS INCLUDING PENSION SCHEME LIABILITY</b>			<u><u>4,351,298</u></u>		<u><u>2,543,260</u></u>
<b>FUNDS OF THE ACADEMY</b>					
Restricted funds:					
Restricted funds	20	27,639		42,867	
Restricted fixed asset funds	20	4,146,191		2,450,521	
		<u>4,173,830</u>		<u>2,493,388</u>	
Restricted funds excluding pension liability					
Pension reserve		<u>(319,000)</u>		<u>(131,000)</u>	
Total restricted funds			<u>3,854,830</u>		<u>2,362,388</u>
Unrestricted funds	20		<u>496,468</u>		<u>180,872</u>
<b>TOTAL FUNDS</b>			<u><u>4,351,298</u></u>		<u><u>2,543,260</u></u>

The financial statements were approved by the trustees, and authorised for issue, on 15 December 2014 and are signed on their behalf, by:

M McCormack  
Chair

*M McCormack*

The notes on pages 23 to 43 form part of these financial statements.

**EVOLUTION ACADEMY TRUST**  
(A company limited by guarantee)

**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 31 AUGUST 2014**

		31 August 2014 £	<i>Period ended 31 August 2013 £</i>
Net cash flow from operating activities	22	355,552	171,995
Capital expenditure and financial investment	23	(164,094)	(4,823)
Cash transferred on conversion to an academy trust	25	179,484	138,172
<b>INCREASE IN CASH IN THE YEAR</b>		<u>370,942</u>	<u>305,344</u>

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS**  
**FOR THE YEAR ENDED 31 AUGUST 2014**

	31 August 2014 £	<i>Period ended 31 August 2013 £</i>
Increase in cash in the year	370,942	305,344
<b>MOVEMENT IN NET FUNDS IN THE YEAR</b>	370,942	305,344
Net funds at 1 September 2013	305,344	-
<b>NET FUNDS AT 31 AUGUST 2014</b>	<u>676,286</u>	<u>305,344</u>

The notes on pages 23 to 43 form part of these financial statements.



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**EVOLUTION ACADEMY TRUST**  
(A company limited by guarantee)

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2014**

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**1. ACCOUNTING POLICIES**

**1.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities' published in March 2005, the Academies Accounts Direction 2013 to 2014 issued by EFA, applicable accounting standards and the Companies Act 2006.

**1.2 Fund accounting**

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

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

Restricted general funds comprise all other restricted funds received and include grants from the Department for Education.

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

**1.3 Incoming resources**

All incoming resources are included in the Statement of financial activities when the academy has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

Grants are included in the Statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund.

Capital grants are recognised when receivable and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

Donations are recognised on a receivable basis where there is certainty of receipt and the amount can be reliably measured.

Other income, including the hire of facilities, is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

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**EVOLUTION ACADEMY TRUST**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2014**

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**1. ACCOUNTING POLICIES (continued)**

**1.4 Resources expended**

Expenditure is recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources.

Charitable activities are costs incurred in the academy's educational operations.

Governance costs include the costs attributable to the academy's compliance with constitutional and statutory requirements, including audit, strategic management and trustees' meetings and reimbursed expenses.

All resources expended are inclusive of irrecoverable VAT.

**1.5 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 academy to continue as a going concern. The trustees make this assessment in respect of a period of one year from the date of approval of the financial statements.

The governors do not believe there are any material uncertainties leading to significant doubt over the ability of the Academy to continue in operational existence for the foreseeable future. The going concern basis is therefore considered appropriate.

**1.6 Tangible fixed assets and depreciation**

All assets costing more than £1,000 are capitalised.

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. The related grants are credited to a restricted fixed asset fund in the Statement of financial activities and are carried forward in the Balance sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of financial activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the academy's depreciation policy.

Tangible fixed assets are stated at cost less depreciation. Depreciation is not charged on freehold land. Depreciation on other tangible fixed assets is provided at rates calculated to write off the cost of those assets, less their estimated residual value, over their expected useful lives on the following bases:

Long leasehold buildings	-	2% straight line
Plant and machinery	-	15% straight line
Computer equipment	-	25% straight line

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**EVOLUTION ACADEMY TRUST**  
(A company limited by guarantee)

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2014**

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**1. ACCOUNTING POLICIES (continued)**

The academy is party to lease agreements with Norfolk County Council for the school properties.

A new lease for 125 years from 1 September 2013 was signed during the year and substantially all the risk and rewards of ownership have been transferred to the academy for £nil rental. As such, the school property has been recognised as an addition to fixed assets at a depreciated replacement cost of £1,621,000 (the corresponding entry being recognised as voluntary income). The governors' estimate of depreciated replacement cost is based upon a desktop valuation carried out by MRBL Limited trading as Mouchel on behalf of the EFA.

**1.7 Taxation**

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

**1.8 Pensions**

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy 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 quinquennial valuations using a prospective benefit method. As stated in note 26, the TPS is a multi-employer scheme and the academy is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

The LGPS is a funded scheme and the assets are held separately from those of the academy 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 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 gains and losses on the settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of financial activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

**EVOLUTION ACADEMY TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2014**

**2. VOLUNTARY INCOME**

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Period ended 31 August 2013 £
Assets transferred on conversion	179,484	1,557,000	1,736,484	2,484,786
Donations	11,756	-	11,756	4,268
Voluntary income	191,240	1,557,000	1,748,240	2,489,054

**3. ACTIVITIES FOR GENERATING FUNDS**

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Period ended 31 August 2013 £
Catering	12,209	-	12,209	2,084
Breakfast club	3,827	-	3,827	1,772
School uniforms	2,732	-	2,732	2,802
Insurance reclaims	9,740	-	9,740	-
Lettings	6,863	-	6,863	1,505
Solar panels	3,602	-	3,602	7,398
Educational visit contributions	14,230	-	14,230	21,815
Services provided to other schools	70,936	-	70,936	32,456
	124,139	-	124,139	69,832

**4. INVESTMENT INCOME**

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Period ended 31 August 2013 £
Investment income	217	-	217	-

**EVOLUTION ACADEMY TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2014**

**5. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES**

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Period ended 31 August 2013 £
Academy's educational operations	-	2,147,123	2,147,123	1,079,442

**FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS**

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Period ended 31 August 2013 £
<b>DfE/EFA revenue grants</b>				
General Annual Grant	-	1,864,943	1,864,943	930,844
Pupil Premium	-	159,519	159,519	43,056
Devolved Formula Capital	-	13,321	13,321	6,509
PE and Sport Premium	-	18,465	18,465	-
	-	2,056,248	2,056,248	980,409
<b>Other government grants</b>				
Cluster funding	-	25,882	25,882	25,612
Growth funding	-	42,105	42,105	-
Special Educational Needs	-	15,888	15,888	29,594
Supporting other schools	-	2,000	2,000	41,827
Primary associate academy	-	-	-	2,000
Capital grant	-	5,000	5,000	-
	-	90,875	90,875	99,033
	-	2,147,123	2,147,123	1,079,442

**EVOLUTION ACADEMY TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2014**

**6. GOVERNANCE COSTS**

	Educational Operations	Total funds	<i>Period ended 31 August 2013</i>
	£	£	£
Auditors' remuneration	4,850	4,850	3,750
Auditors' remuneration - non audit costs	1,356	1,356	725
Professional fees	25,106	25,106	8,857
Wages and salaries	25,457	25,457	24,261
	<u>56,769</u>	<u>56,769</u>	<u>37,593</u>

Included in the above expenses are the following apportionments:

- 25% of the Principal's salary has been allocated to wages and salaries.
- 20% of the Administrator's salary has been allocated to wages and salaries.

**7. DIRECT COSTS**

	Educational Operations	Total 2014	<i>Total 2013</i>
	£	£	£
Staff development	12,251	12,251	1,340
Teaching resources	45,994	45,994	15,369
Other direct costs	48,603	48,603	28,730
Wages and salaries	860,307	860,307	497,896
Pension cost	116,167	116,167	65,291
Depreciation	8,234	8,234	7,431
	<u>1,091,556</u>	<u>1,091,556</u>	<u>616,057</u>

**EVOLUTION ACADEMY TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2014**

**8. SUPPORT COSTS**

	Educational Operations £	Total 2014 £	Total 2013 £
FRS 17 adjustments - note 16	4,000	4,000	4,000
Computer maintenance	54,250	54,250	50,561
Maintenance of property and equipment	47,204	47,204	19,001
Professional fees	18,095	18,095	12,467
Postage, stationery, printing and telephone	58,090	58,090	29,291
Insurance	78,944	78,944	44,883
Occupancy costs	40,554	40,554	21,351
Catering costs	49,822	49,822	40,876
Other support costs	19,345	19,345	4,006
Wages and salaries	439,772	439,772	171,988
Pension cost	69,000	69,000	24,000
Depreciation	86,280	86,280	28,994
	<u>965,356</u>	<u>965,356</u>	<u>451,418</u>

**9. RESOURCES EXPENDED**

	Staff costs 2014 £	Non Pay Premises 2014 £	Expenditure Other costs 2014 £	Total 2014 £	Total 2013 £
Direct costs	976,474	-	115,082	1,091,556	616,057
Support costs	508,772	161,677	294,907	965,356	447,418
<b>Charitable activities</b>	<u>1,485,246</u>	<u>161,677</u>	<u>409,989</u>	<u>2,056,912</u>	<u>1,063,475</u>
<b>Governance</b>	<u>25,457</u>	<u>-</u>	<u>31,312</u>	<u>56,769</u>	<u>37,593</u>
	<u>1,510,703</u>	<u>161,677</u>	<u>441,301</u>	<u>2,113,681</u>	<u>1,101,068</u>

**10. ANALYSIS OF RESOURCES EXPENDED BY ACTIVITIES**

	Activities undertaken directly 2014 £	Support costs 2014 £	Total 2014 £	Total 2013 £
Academy's educational operations	<u>1,091,556</u>	<u>965,356</u>	<u>2,056,912</u>	<u>1,067,475</u>

**EVOLUTION ACADEMY TRUST**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2014**

**11. NET INCOMING RESOURCES**

This is stated after charging:

	<b>31 August 2014 £</b>	<i>Period ended 31 August 2013 £</i>
Depreciation of tangible fixed assets: - owned by the charity	<b>94,514</b>	36,425
Auditors' remuneration	<b>4,850</b>	3,750
	<u><b>99,364</b></u>	<u>40,175</u>

**12. STAFF**

**a. Staff costs**

Staff costs were as follows:

	<b>31 August 2014 £</b>	<i>Period ended 31 August 2013 £</i>
Wages and salaries	<b>1,270,914</b>	691,938
Other pension costs (Note 26)	<b>185,167</b>	89,291
	<u><b>1,456,081</b></u>	<u>781,229</u>
Supply teacher costs	<b>54,622</b>	2,207
	<u><b>1,510,703</b></u>	<u>783,436</u>

**b. Staff numbers**

The average number of persons employed by the academy during the year expressed as full time equivalents was as follows:

	<b>31 August 2014 No.</b>	<i>Period ended 31 August 2013 No.</i>
Teachers	<b>22</b>	14
Support	<b>18</b>	8
Administration	<b>4</b>	2
Management	<b>1</b>	1
	<u><b>45</b></u>	<u>25</u>



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**EVOLUTION ACADEMY TRUST**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2014**

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**12. STAFF (continued)**

**c. Higher paid staff**

The number of employees whose emoluments fell within the following bands was:

	<b>31 August 2014 No.</b>	<i>Period ended 31 August 2013 No.</i>
In the band £80,001 - £90,000	<u>1</u>	<u>1</u>

The above employee participated in the Teachers' Pension Scheme. During the year ended 31 August 2014, pension contributions for this employee amounted to £11,309 (2013: £11,602).

**13. CENTRAL SERVICES**

No central services were provided by the trust to its academies during the year and no central charges arose.

**14. TRUSTEES' REMUNERATION AND EXPENSES**

The Principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of Principal and staff, and not in respect of their services as trustees. Other trustees did not receive any payments, other than expenses, from the academy in respect of their role as trustees. The value of trustees' remuneration fell within the following bands:

	<b>31 August 2014 £'000</b>	<i>Period ended 31 August 2013 £'000</i>
A Hull (principal and trustee)	<b>95-100</b>	90-95
R Brewster (staff trustee)	<b>20-25</b>	50-55
K Lawson (staff trustee)	<b>55-60</b>	55-60

During the year, no trustees received any reimbursement of expenses (2013 - £568).

**15. TRUSTEES' AND OFFICERS' INSURANCE**

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2014 was £1,890 (2013 - £1,400). The cost of this insurance is included in the total insurance cost.

**EVOLUTION ACADEMY TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2014**

**16. OTHER FINANCE INCOME**

	31 August 2014 £	<i>Period ended 31 August 2013 £</i>
Expected return on pension scheme assets	23,000	9,000
Interest on pension scheme liabilities	(27,000)	(13,000)
	<u>(4,000)</u>	<u>(4,000)</u>

**17. TANGIBLE FIXED ASSETS**

	L/Term Leasehold Property £	Plant and machinery £	Computer equipment £	Total £
<b>Cost</b>				
At 1 September 2013	2,393,000	76,389	11,048	2,480,437
Additions	128,957	5,095	30,042	164,094
Transfer on conversion	1,621,000	1,000	4,000	1,626,000
At 31 August 2014	<u>4,142,957</u>	<u>82,484</u>	<u>45,090</u>	<u>4,270,531</u>
<b>Depreciation</b>				
At 1 September 2013	18,050	10,944	7,431	36,425
Charge for the year	73,919	12,361	8,234	94,514
At 31 August 2014	<u>91,969</u>	<u>23,305</u>	<u>15,665</u>	<u>130,939</u>
<b>Net book value</b>				
At 31 August 2014	<u>4,050,988</u>	<u>59,179</u>	<u>29,425</u>	<u>4,139,592</u>
At 31 August 2013	<u>2,374,950</u>	<u>65,445</u>	<u>3,617</u>	<u>2,444,012</u>

Included in land and buildings is leasehold land at valuation of £447,000 (2013: £227,000) which is not depreciated.

**18. DEBTORS**

	2014 £	2013 £
Trade debtors	3,478	427
Other debtors	38,094	3,704
Prepayments and accrued income	47,595	4,678
	<u>89,167</u>	<u>8,809</u>

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**19. CREDITORS:**  
Amounts falling due within one year

	2014 £	2013 £
Trade creditors	52,831	27,647
Other taxation and social security	44,044	13,912
Other creditors	35,418	30,674
Accruals and deferred income	102,454	11,672
	<u>234,747</u>	<u>83,905</u>

	£
<b>Deferred income</b>	
Resources deferred during the year	<u>48,791</u>

The Universal Infant Free School Meal funding received in the year has been deferred.

**20. STATEMENT OF FUNDS**

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
<b>Unrestricted funds</b>						
General Funds	180,872	315,596	-	-	-	496,468
<b>Restricted funds</b>						
General Annual Grant (GAG)	42,867	1,864,943	(1,682,309)	(197,862)	-	27,639
Pupil Premium	-	159,519	(159,519)	-	-	-
Cluster funding	-	25,882	(25,882)	-	-	-
Special Educational Needs	-	15,888	(15,888)	-	-	-
Supporting other schools	-	2,000	(2,000)	-	-	-
PE and Sport Premium	-	18,465	(18,465)	-	-	-
Growth funding	-	42,105	(42,105)	-	-	-
Pension reserve	(131,000)	(69,000)	(73,000)	52,000	(98,000)	(319,000)
	<u>(88,133)</u>	<u>2,059,802</u>	<u>(2,019,168)</u>	<u>(145,862)</u>	<u>(98,000)</u>	<u>(291,361)</u>

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**20. STATEMENT OF FUNDS (continued)**

**Restricted fixed asset funds**

Fixed Assets transferred on conversion	2,440,395	1,626,000	(83,936)	-	-	3,982,459
Devolved Formula Capital Grant	6,509	13,321	(265)	-	-	19,565
Capital expenditure from GAG	3,617	-	(9,562)	145,862	-	139,917
NCC capital grant	-	5,000	(750)	-	-	4,250
	<u>2,450,521</u>	<u>1,644,321</u>	<u>(94,513)</u>	<u>145,862</u>	<u>-</u>	<u>4,146,191</u>
Total restricted funds	<u>2,362,388</u>	<u>3,704,123</u>	<u>(2,113,681)</u>	<u>-</u>	<u>(98,000)</u>	<u>3,854,830</u>
Total of funds	<u>2,543,260</u>	<u>4,019,719</u>	<u>(2,113,681)</u>	<u>-</u>	<u>(98,000)</u>	<u>4,351,298</u>

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

The **General Annual Grant (GAG)** has been provided by the EFA in order to fund the normal running costs of the academy. The following transfers have been made from the GAG: **£52,000** to restricted pension reserve representing the cost of employer contributions towards the Local Government Pension Scheme; and **£145,862** 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** 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 **Pupil Premium** funding has been provided by the EFA 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 **Supporting other schools** funding has been provided by the Local Authority to fund services provided to other schools.

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

**Growth funding** has been provided by Norfolk County Council to reflect the growth in pupil numbers at Costessey Infant school after the original budgets were set.

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

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**20. STATEMENT OF FUNDS (continued)**

Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2014.

**Analysis of academies by fund balance**

Fund balances at 31 August 2014 were allocated as follows:

	Total £
Costessey Junior School	220,453
Costessey Infant School	303,654
Total before fixed asset fund and pension reserve	524,107
Restricted fixed asset fund	4,146,191
Pension reserve	(319,000)
Total	4,351,298

**Analysis of academies by cost**

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 £
Costessey Junior School	561,330	246,304	57,567	237,223	1,102,424
Costessey Infant School	467,144	235,925	53,281	160,394	916,744
	1,028,474	482,229	110,848	397,617	2,019,168

**SUMMARY OF FUNDS**

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
General funds	180,872	315,596	-	-	-	496,468
Restricted funds	(88,133)	2,059,802	(2,019,168)	(145,862)	(98,000)	(291,361)
Restricted fixed asset funds	2,450,521	1,644,321	(94,513)	145,862	-	4,146,191
	2,543,260	4,019,719	(2,113,681)	-	(98,000)	4,351,298

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**21. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Unrestricted funds 2014 £	Restricted funds 2014 £	Restricted fixed asset funds 2014 £	Total funds 2014 £	Period ended 31 August 2013 £
Tangible fixed assets	-	-	4,139,593	4,139,593	2,444,012
Current assets	496,468	262,388	6,598	765,454	314,153
Creditors due within one year	-	(234,749)	-	(234,749)	(83,905)
Provisions for liabilities and charges	-	(319,000)	-	(319,000)	(131,000)
	<u>496,468</u>	<u>(291,361)</u>	<u>4,146,191</u>	<u>4,351,298</u>	<u>2,543,260</u>

**22. NET CASH FLOW FROM OPERATING ACTIVITIES**

	31 August 2014 £	Period ended 31 August 2013 £
Net incoming resources before revaluations	1,906,038	2,533,260
Assets transferred on conversion	(1,805,484)	(2,484,786)
Depreciation of tangible fixed assets	94,514	36,425
Increase in debtors	(80,358)	(8,809)
Increase in creditors	150,842	83,905
FRS 17 adjustments	90,000	12,000
<b>Net cash inflow from operations</b>	<u>355,552</u>	<u>171,995</u>

**23. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT**

	31 August 2014 £	Period ended 31 August 2013 £
<b>Capital expenditure and financial investment</b>		
Purchase of tangible fixed assets	<u>(164,094)</u>	<u>(4,823)</u>

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**NOTES TO THE FINANCIAL STATEMENTS  
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**24. ANALYSIS OF CHANGES IN NET FUNDS**

	1 September 2013 £	Cash flow £	Other non-cash changes £	31 August 2014 £
Cash at bank and in hand:	305,344	370,942	-	676,286
<b>Net funds</b>	<b>305,344</b>	<b>370,942</b>	<b>-</b>	<b>676,286</b>

**25. CONVERSION TO AN ACADEMY TRUST**

On 1 September 2013 Costessey Infant School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Evolution Academy Trust from Norfolk County Council for £NIL consideration.

The transfer has been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the Balance sheet under the appropriate headings with a corresponding net amount recognised as net incoming resources in the Statement of financial activities as voluntary income.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of financial activities.

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Leasehold land and buildings	-	-	1,626,000	1,626,000
Other assets	179,484	-	-	179,484
LGPS pension surplus/(deficit)	-	(69,000)	-	(69,000)
<b>Net assets/(liabilities)</b>	<b>179,484</b>	<b>(69,000)</b>	<b>1,626,000</b>	<b>1,736,484</b>

The above net assets include £179,484 that were transferred as cash.

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**FOR THE YEAR ENDED 31 AUGUST 2014**

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**26. PENSION COMMITMENTS**

The academy's employees belong to two principal pension schemes: the Teacher's Pension Scheme for 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. Both are defined benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2013.

Contributions amounting to £35,418 were payable to the scheme at 31 August 2014 (2013 - £7,174) and are included within creditors.

**Teachers' Pension Scheme**

**Introduction**

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

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

The Teachers' Pensions Regulations require an annual account to be kept of receipts and expenditure (including the cost of pensions' increases). From 1 April 2001, the account has been credited with a real rate of return, which is equivalent to assuming that the balance in the account is invested in notional investments that produce that real rate of return.

**Valuation of the Teachers' Pension Scheme**

The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%);
- total scheme liabilities for service to the effective date of £191,500 million, and notional assets of £176,600 million, giving a notional past service deficit of £14,900 million; and
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations.

The new employer contribution rate is applicable from 1 April 2015 and will be implemented for the TPS from September 2015.

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



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**26. PENSION COMMITMENTS (continued)**

**Teachers' Pension Scheme Changes**

Lord Hutton made recommendations in 2011 about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation with trade unions and other representative bodies. In March 2012 the Department for Education published proposals for the design for a reformed TPS.

The key provisions of the reformed scheme include: a pension based on career average earnings; an accrual rate of 1/57th; and a Normal Pension Age equal to State Pension Age, but with options to enable members to retire earlier or later than their Normal Pension Age. Pension benefits built up before 1 April 2015 will be fully protected.

In addition, the proposed final agreement includes a Government commitment that those within 10 years of Normal Pension Age on 1 April 2012 will see no change to the age at which they can retire, and no decrease in the amount of pension they receive when they retire. There will also be further transitional protection, tapered over a three and a half year period, for people who would fall up to three and a half years outside of the 10 year protection.

In his interim report of October 2010, Lord Hutton recommended that short-term savings were also required, and that the only realistic way of achieving these was to increase member contributions. At the Spending Review 2010 the Government announced an average increase of 3.2 percentage points on the contribution rates by 2014-15. The increases have been phased in from April 2012 on a 40:80:100% basis.

The Department for Education has continued to work closely with trade unions and other representatives bodies to develop the reformatted Teachers' Pension Scheme and regulations giving effect to it came into force on 1 April 2014. Communications are being rolled out and the reformatted scheme will commence on 1 April 2015.

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The academy is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the academy has taken advantage of the exemption in FRS 17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy has set out above the information available on the scheme.

**Local Government Pension Scheme**

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2014 was £69,000, of which employer's contributions totalled £52,000 and employees' contributions totalled £17,000. The agreed contribution rates for future years for Costessey Junior School are 16.8% for employers and 5.5 - 12.5% for employees. The agreed contribution rates for future years for Costessey Infant School are 17.3% for employers and 5.5 - 12.5% for employees.

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

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**26. PENSION COMMITMENTS (continued)**

The academy's share of the assets and liabilities in the scheme and the expected rates of return were:

	Expected return at 31 August 2014 %	Fair value at 31 August 2014 £	Expected return at 31 August 2013 %	Fair value at 31 August 2013 £
Equities	6.30	309,000	6.60	151,000
Bonds	3.40	100,000	4.10	45,000
Property	4.50	52,000	4.70	25,000
Cash	3.30	15,000	3.60	4,000
Total market value of assets		476,000		225,000
Present value of scheme liabilities		(795,000)		(356,000)
(Deficit)/surplus in the scheme		(319,000)		(131,000)

The amounts recognised in the Balance sheet are as follows:

	31 August 2014 £	Period ended 31 August 2013 £
Present value of funded obligations	(795,000)	(356,000)
Fair value of scheme assets	476,000	225,000
Net liability	(319,000)	(131,000)

The amounts recognised in the Statement of financial activities are as follows:

	31 August 2014 £	Period ended 31 August 2013 £
Current service cost	(69,000)	(24,000)
Interest on obligation	(27,000)	(13,000)
Expected return on scheme assets	23,000	9,000
Total	(73,000)	(28,000)

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**26. PENSION COMMITMENTS (continued)**

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

	<b>31 August 2014 £</b>	<i>Period ended 31 August 2013 £</i>
Opening defined benefit obligation	356,000	-
Current service cost	69,000	24,000
Interest cost	27,000	13,000
Contributions by scheme participants	17,000	6,000
Actuarial Losses	127,000	7,000
Benefits paid	(6,000)	-
Transfer in of scheme obligations	205,000	306,000
	<hr/>	<hr/>
Closing defined benefit obligation	<b>795,000</b>	<b>356,000</b>
	<hr/>	<hr/>

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

	<b>31 August 2014 £</b>	<i>Period ended 31 August 2013 £</i>
Opening fair value of scheme assets	225,000	-
Expected return on assets	23,000	9,000
Actuarial gains and (losses)	29,000	17,000
Contributions by employer	52,000	16,000
Contributions by employees	17,000	6,000
Benefits paid	(6,000)	-
Transfer in of scheme assets	136,000	177,000
	<hr/>	<hr/>
	<b>476,000</b>	<b>225,000</b>
	<hr/>	<hr/>

The cumulative amount of actuarial gains and losses recognised in the Statement of total recognised gains and losses was £88,000 (loss) (2013 - £10,000 (gain)).

The academy expects to contribute £65,000 to its Defined benefit pension scheme in 2015.

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**26. PENSION COMMITMENTS (continued)**

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

	2014	2013
Retiring today		
Males	22.1 years	22.1 years
Females	24.3 years	24.3 years
Retiring in 20 years		
Males	24.5 years	24.5 years
Females	26.9 years	26.9 years

Amounts for the current and previous period are as follows:

Defined benefit pension schemes

	2014 £	2013 £
Defined benefit obligation	(795,000)	(356,000)
Scheme assets	476,000	225,000
Deficit	<u>(319,000)</u>	<u>(131,000)</u>
Experience adjustments on scheme liabilities	(127,000)	(7,000)
Experience adjustments on scheme assets	<u>29,000</u>	<u>17,000</u>

**27. OPERATING LEASE COMMITMENTS**

At 31 August 2014 the academy had annual commitments under non-cancellable operating leases as follows:

	2014 £	2013 £
Expiry date:		
Between 2 and 5 years	<u>42,570</u>	<u>42,570</u>

**28. RELATED PARTY TRANSACTIONS**

Owing to the nature of the academy's operations 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 a trustees has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the academy's financial regulations and normal procurement procedures.

There were no related party transactions other than those disclosed in note 14.

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**29. POST BALANCE SHEET EVENTS**

On 1 October 2014, Filby Primary School joined the Trust.