

**Company registration number 07827747 (England and Wales)**

**THE EVOLVE TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

**ANNUAL REPORT AND ACCOUNTS**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

TUESDAY



\*ABWTOQF4\*

A07

07/02/2023

#177

COMPANIES HOUSE

# **THE EVOLVE TRUST**

## **CONTENTS**

---

	<b>Page</b>
Reference and administrative details	1 - 2
Trustees' report	3 - 14
Governance statement	15 - 18
Statement on regularity, propriety and compliance	19 - 20
Statement of Trustees' responsibilities	21
Independent auditor's report on the accounts	22 - 26
Independent reporting accountant's report on regularity	27 - 29
Statement of financial activities including income and expenditure account	30 - 31
Balance sheet	32
Statement of cash flows	33
Notes to the accounts including accounting policies	34 - 63

---

## THE EVOLVE TRUST

### REFERENCE AND ADMINISTRATIVE DETAILS

---

#### Members

B Wheeler (Resigned 1 March 2022)  
C Morledge (Resigned 4 March 2022)  
E Orridge (Resigned 4 February 2022)  
R Fuller (Resigned 7 February 2022)  
P Watson (Resigned 7 February 2022)  
A Buckley (Appointed 10 February 2022)  
A Child (Appointed 4 February 2022)  
E Leming (Appointed 16 February 2022)  
H Stevenson (Appointed 16 February 2022)

#### Trustees

J Dryden (Chair of trustees) (Resigned 27 January 2022)  
D Orr (Resigned 3 February 2022)  
J Horton (Resigned 2 February 2022)  
D Temple (Resigned 7 February 2022)  
G O'Shea (Resigned 7 February 2022)  
I Jephson (Resigned 2 February 2022)  
R Heyes (Resigned 9 February 2022)  
R Aitken (Resigned 11 February 2022)  
A Child (Chair of trustees) (Appointed 28 January 2022)  
C Anwar (Appointed 7 February 2022)  
S Ball (Appointed 9 February 2022)  
J Chaloner (Appointed 7 February 2022)  
E Grant (Appointed 21 March 2022)  
E Hayden (Appointed 21 May 2022 and resigned 31 August 2022)  
A Michalska (Appointed 9 February 2022)  
S Westaway (Appointed 8 February 2022)  
D McVean (Appointed 7 February 2022 and resigned 19 May 2022)  
W Carratt (Appointed 12 December 2022)

#### Senior management team

- Chief Executive and Accounting Officer	C Cuthbert (Resigned 23 January 2022)
- Chief Finance Officer	B Sims (Resigned 30 March 2022)
- Chief Executive and Accounting Officer	W Norrie (Appointed 31 January 2022, Resigned 31 July 2022)
- Chief Executive and Accounting Officer	W Carratt (Appointed 1 August 2022)
- Chief Finance Officer	A Brown (Appointed 31 March 2022)
- Operations and Marketing Lead	D Pare (Resigned 30 June 2022)
- Director of School Improvement	C Atkin (until 31 January 2022)
- Chief Operating Officer	D McVean (from 23 May 2022 until 31 July 2022)

**Company registration number** 07827747 (England and Wales)

## THE EVOLVE TRUST

### REFERENCE AND ADMINISTRATIVE DETAILS

---

**Registered office**

C/O The Brunts Academy  
The Park  
Mansfield  
NG18 2AT

**Academies operated**

The Brunts Academy  
The Beech Academy  
The Bramble Academy  
The Harlow Academy

**Location**

Mansfield  
Mansfield  
Mansfield  
Mansfield

**Independent auditor**

UHY Hacker Young  
14 Park Row  
Nottingham  
NG1 6GR

**Glossary**

GAG	General Annual Grant
MAT	Multi Academy Trust
ESFA	Education, Skills and Funding Agency
DfE	Department of Education
GAT	Greenwood Acadmey Trust
NAT	Nexus Multi Academy Trust
OFSTED	Office for Standards in Education, Children's Services and Skills
LGPS	Local Government Pension Scheme
FTE	Full Time Equivalent
HMI	His Majesty's Inspectors

# **THE EVOLVE TRUST**

## **TRUSTEES' REPORT**

### **FOR THE YEAR ENDED 31 AUGUST 2022**

---

The Trustees present their annual report together with the accounts and auditor's report of the charitable company for the year 1 September 2021 to 31 August 2022. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The academy trust operates four academies in the Mansfield area: two special schools, one mainstream primary school and one mainstream secondary school. The Trust pupil capacity across all schools is 1,984 and there were 1,809 pupils on roll at the autumn 2021 census.

The Board of Trustees was subject to wholesale change from February 2022, following an Inadequate grade Ofsted inspection outcome of one of the schools (Harlow Academy) leading the Department for Education to directly intervene into the running of the Trust.

Following the intervention in early 2022, the Trust has had 3 accounting officers throughout this academic year, with the latter two being off-payroll by virtue of being accounting officers at other Trusts, where their services have been purchased by the Evolve Trust. The current Chief Finance Officer is also an off-payroll appointee. All off-payroll appointments were made by the Board of Trustees with advance agreement by the ESFA.

All four schools are in the process of being re-brokered to other trusts, as the Evolve Trust is scheduled to be wound up in the year ending 31 August 2023.

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

##### Constitution

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

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.

##### Members' liability

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

##### Trustees' indemnities

The Evolve Trust has in place relevant third-party indemnity provisions.

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

The management of the Trust is the responsibility of the Trustees who are appointed under the terms of the articles of association.

Up to 9 Trustees may be appointed by members of the trust. The Trustees may appoint co-opted Trustees.

The term of office for any Trustee will be 4 years. Subject to remaining eligible to be a particular type of Trustee, any trustee can be re-appointed or re-elected.

## THE EVOLVE TRUST

### TRUSTEES' REPORT (CONTINUED)

#### FOR THE YEAR ENDED 31 AUGUST 2022

---

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

New Trustees are provided with an induction pack which provides guidance on their role as a Trustee.

##### Organisational structure

The members of the Evolve Trust are the subscribers to the memorandum of association, and any other individuals permitted under its charitable articles of association. Members have a limited financial liability to the Trust in the event it is wound up and have the power to appoint and remove Trustees.

The Trustees, who are also directors of the charitable company, are responsible for the three core strategic governance functions:

- Ensuring clarity of vision, ethos and strategic direction;
- Holding executive leaders to account for the educational performance of the organisation and its pupils, and the effective and efficient performance management of staff; and
- Overseeing the financial performance of the organisation and making sure its money is well spent.

The Trustees are responsible for ensuring that the charitable company achieves its objectives as well as compliance with charity and company law and the Trust's funding agreement.

Governance is held by the Board of Trustees, with any and all committees removed in February 2022. This change was made following the appointment of new group of Members and Trustees in February 2022. From February 2022 direct control on all Trust operations was retained by the Board of Trustees.

The Trustees appoint the Chief Executive Officer who also acts as Accounting Officer for the Trust. The Trustees delegate the day to day financial management of the Trust to the Chief Executive Officer.

Each school has an appointed Headteacher, who is responsible for managing their assigned academy on a daily basis.

## **THE EVOLVE TRUST**

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

#### **FOR THE YEAR ENDED 31 AUGUST 2022**

---

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

Following the departure of the full time Chief Executive Officer in January 2022, the Trustees – taking advice from the Department for Education and the ESFA – have appointed two off-payroll Chief Executive Officers to lead the Trust as the academies within the Evolve Trust are brokered to other trusts.

Mr. Wayne Norrie was appointed Chief Executive and Accounting Officer 31 January 2022 until 31 July 2022, seconded on a 0.5 FTE basis from Greenwood Academies Trust. Mr Norrie worked closely with Mr. Andrew Child MBE to recruit a new team of Members and Trustees to ensure the Trust had fit-for-purpose governance in place. Trustees provided the cost for Mr. Norrie's salary at the specified 0.5 FTE rate, without any additional fee being charged by Greenwood Academies Trust. Mr. Norrie stepped down on 31 July 2022.

From 1 August 2022, Mr. Warren Carratt was appointed Chief Executive and Accounting Officer. Mr. Carratt has been seconded on a 0.2 FTE basis from Nexus Multi Academy Trust, to continue to oversee the transition of the Evolve Trust schools into new trusts and to ensure that the Evolve Trust is wound up effectively. Trustees provided the cost for Mr. Carratt's salary at the specified 0.2 FTE rate, without any additional fee being charged by Nexus Multi Academy Trust.

As two serving Chief Executive and Accounting Officers sitting off-payroll, the ESFA were required to approve the appointments of Mr. Norrie and Mr. Carratt.

Since commencing in post on 31 March 2022, the Chief Finance Officer (Mr. Andi Brown) is also not employed directly by the Evolve Trust, and his services are provided by SAAF Education.

Headteacher pay was set by the previous Board of Trustees (in place before February 2022), with remuneration decisions taken by the Chief Executive Officer in line with the Trust pay and appraisal policies.

##### Trade union facility time

Under the provision of the Trade Union (Facility Time Publication Requirements) Regulations 2017, where an academy trust has more than 49 full time equivalent employees through any 7 months within the reporting period, it must include the information included in Schedule 2 of the Regulations.

The Trust does not employ union officials as it recognises the Joint Consultative Negotiation Committee from Nottinghamshire County Council.

## THE EVOLVE TRUST

### TRUSTEES' REPORT (CONTINUED)

#### FOR THE YEAR ENDED 31 AUGUST 2022

---

##### Engagement with employees

The Trust has had due regard for The Companies (Miscellaneous Reporting) Regulations 2018. Within the accounting period, the Trust has, since early February 2022 under the new leadership and governance of the Trust:

- Facilitated full workforce meetings to ensure all staff employed in the schools are aware of the significant changes to Trust leadership and governance;
- Undertaken TUPE consultation with staff, in conjunction with the receiver Trusts as determined by the Department for Education;
- Consulted with employees on revisions to school visions, mission statements and values as part of urgent improvement work;
- Ensured there is an open culture where concerns can be raised and responded to without fear or favour.

The Trust has commissioned Fusion HR to support employee relations since the new leadership and governance team were appointed in February 2022.

Recruitment practices have been compliant with the public sector equality duty, with anyone identifying as disabled getting necessary and proportionate support.

##### Engagement with suppliers, customers and others in a business relationship with the Academy Trust

Since their appointments from February 2022 onwards, the Trust's new leadership and governance team have worked hard to repair damaged relationships with families – particularly those of pupils on roll at the Harlow Academy – where confidence and trust had eroded following a multitude of complaints about the quality of provision, which in turn led to an Inadequate grade Ofsted judgement in January 2022 and the temporary closure of the Harlow Academy on safety grounds.

A number of open meetings have been held with families and other key stakeholders to explain what changes have been made to the school and Trust and why, so that stakeholder confidence in the openness and integrity of Trust leadership can be rebuilt.

With the decision to re-broker the schools out of the Evolve Trust and wind up the company, it has been essential to work closely with existing suppliers to ensure that the changes to contracts and services are managed in a sensitive and lawful way.

##### Related parties and other connected charities and organisations

There has been a higher than usual number of related party transactions reported to the ESFA in this accounting period, mainly due to the support provided by Greenwood Academies Trust (of which Mr. Wayne Norrie is substantive Chief Executive and Accounting Officer) and by Nexus Multi Academy Trust (of which Mr. Warren Carratt is substantive Chief Executive and Accounting Officer and of which Mr. Andrew Child MBE is a Member and the Chair of Trustees).

Any and all transactions were charged at cost, underpinned by contracts which have been shared with the ESFA.

Details of these arrangements are provided in notes 9 and 23.



## **THE EVOLVE TRUST**

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

#### **FOR THE YEAR ENDED 31 AUGUST 2022**

---

##### **Objectives and activities**

###### Objects and aims

Since their appointments from February 2022 onwards, the Trust's new leadership and governance team have prioritised the schools being safe, secure places for children to learn and staff to work in the short term, whilst the medium to long term futures of the schools has been prioritised in parallel.

As per the Articles of Association, the objects of the Trust are:

- i. 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 ("the mainstream Academies") or educational institutions which are principally concerned with providing full-time or part-time education for children of compulsory school age who, by reason of illness, exclusion from school or otherwise, may not for any period receive suitable education unless alternative provision is made for them ("the Alternative Provision Academies") or 16 to 19 Academies offering a curriculum appropriate to the needs of its students within that age range ("the 16 to 19 Academies") or schools specially organised to make special educational provision for pupils with Special Educational Needs ("the Special Academies"); and
- i. to promote for the benefit of the inhabitants of the areas in which the Academies are situated the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants.

## THE EVOLVE TRUST

### TRUSTEES' REPORT (CONTINUED)

#### FOR THE YEAR ENDED 31 AUGUST 2022

---

##### Objectives, strategies and activities

Following the Inadequate grade Ofsted judgement at the Harlow Academy in January 2022 (which saw the Department for Education intervene as a matter of urgency into the running of the Trust), a new Chair was appointed (Mr. Andrew Child MBE) who undertook an immediate review of Trust governance which resulted in serving Members and Trustees at that time being asked to consider their positions with the Evolve Trust so that there could be root and branch reform of the leadership and governance of the Trust, allowing for a clean break with the personnel responsible for the failings reported by Ofsted. The new Chair then received the resignations of all serving Members and Trustees at that time.

At the same time, the Department for Education brokered the secondment of Mr. Wayne Norrie as interim Chief Executive and Accounting Officer, to ensure the Trust had secure leadership in the medium term (i.e. for the remainder of the school year) to plan and execute a long term plan for the four schools.

Nexus Multi Academy Trust provided immediate, interim Executive Headship support for the Harlow Academy from the end of January 2022 and followed this up with leadership deployments across the school to return it to a safe level of operation as it worked toward full re-opening. Given the extent of safeguarding concerns and failings at The Harlow Academy, a close tripartite working relationship was put in place between Nexus MAT, Greenwood Academies Trust (GAT) and Nottinghamshire County Council's Children's services to ensure there was a return to open and transparent working practices around the Trust.

Safeguarding was the immediate priority of the Trustees, with reviews of all 4 schools commissioned by Trustees from an independent provider. At the same time, Trustees commissioned the interim Chief Executive Officer to ensure schools received more funding from the pooled GAG held centrally by the Trust, given there was a disproportionate level of funding being retained centrally. All schools were given permission to recruit a minimum level of staff above what had previously been allowed, with urgent capital works being commissioned to ensure all schools met a higher standard of safety.

In a monitoring inspection in July 2022, Ofsted reported positively on the difference made at The Harlow Academy by the new leadership and governance regime, finding arrangements for safeguarding were now effective.

Rebuilding trust and confidence with pupils, families and staff alike has been a key focus for the Trustees, and by April 2022 the necessary decisions had been taken to provide the schools with details of the MATs they would be joining: the Department for Education agreed for Beech and Harlow to move to Nexus MAT and for Bramble and Brunts to move to GAT. These transfers are scheduled to take place in the autumn of 2022.

Once Trustees have overseen the successful transfer of the schools into their respective MAT, the focus will be on the winding up of the company with an anticipated closure date of 31 March 2023, though this is subject to change.

##### Public benefit

In recognising the extent of the failings at the Trust, those Trustees appointed from February 2022 have recognised it was in the public interest to transfer the four academies to other, more effective trusts and for the Evolve Trust to close. Trustees worked closely with officers of the Department for Education to assess prospective Trusts, and the preference of the board was agreed by the Regional Schools Commissioner.

In setting their objectives and planning activities the Trustees have carefully considered the Charity Commission's general guidance on public benefit.

## **THE EVOLVE TRUST**

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

#### **FOR THE YEAR ENDED 31 AUGUST 2022**

---

##### **Strategic report**

##### **Achievements and performance**

As outlined in previous sections, the immediate repair work required by the Trustees appointed from February 2022 has necessitated a re-prioritisation of focus and activity. There has been wholesale change in the central Trust team, with all permanent staff due to have left the Trust's employ by 31 August 2022.

The Trust has worked with Nexus MAT and Greenwood Academies Trust (GAT) to support the improvement of the schools which they will be receiving in the autumn. At the same time, Trustees have ensured areas of investment linked to improvement have been prioritised, with staffing levels increasing in schools following the release of centrally held GAG funds.

The strategic plan of the Trust, which was developed by the now-departed Trustees and executive management team, has been superseded by the urgent need to ensure safeguarding practices are effective in all schools. Securing the long term futures of the four academies has also been the necessary focus of Trustees, which has required extensive due diligence of other Trusts in the selection process.

##### **Key performance indicators**

Due to the intervention by the Department for Education, the first half of 2022 has been characterised by addressing systemic failings in leadership and governance. However, since February 2022 external reviews of the schools have helped inform improvement planning, and Ofsted's monitoring inspection of the Harlow Academy in July 2022 confirmed the Trustee assessment that the school had improved significantly since its inspection 6 months earlier.

In the monitoring visit report from the inspection at the Harlow Academy on 15 July 2022, the responsible HMI stated:

"Leaders and those responsible for governance have acted quickly to provide a safe and stable environment for pupils. They have constructed a robust plan to systematically address all of the recommendations from the previous inspection..."

"Leaders recognised that there was much work needed to rebuild trust with parents and carers. They have strengthened home-school communication as a matter of priority..."

"At the previous inspection, it was noted that exclusions and absences were not being appropriately managed. Since that time, there have been no further exclusions. There is a rigorous process for checking on daily attendance. Leaders have a system to ensure that they know that pupils are safe if they are not in school...."

"The new leaders of the Evolve multi-academy trust have worked collaboratively with brokered support from the Nexus trust to secure a plan to urgently improve the school. They prioritised staff and pupil safety..."

"The school continues to be inadequate. Leaders and those responsible for governance are taking effective action towards the removal of special measures."

The Board of Trustees are confident that the continuing improvements at Harlow Academy and its subsequent transfer to Nexus Multi Academy Trust will lead to an improved grading by Ofsted.

## **THE EVOLVE TRUST**

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

#### **FOR THE YEAR ENDED 31 AUGUST 2022**

---

##### Going concern

Despite the significant decline in the quality of educational provision – or more likely as a consequence of it – the Trust has amassed a large revenue reserve which since February 2022 has been prioritised for investment in the schools and which will transfer to the new trusts they join, so that this investment can continue. However, this does mean that Trust finances are healthier than may ordinarily be associated with such failings.

After making appropriate enquiries, the board of Trustees has a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future, until the agreed point of closure.

Since the end of the accounting period on 31 August 2022 the trust's schools have been transferred to other trusts, as follows:

- The Beech Academy transferred to Nexus Multi Academy Trust on 1 September 2022
- The Harlow Academy transferred to Nexus Multi Academy Trust on 1 September 2022
- The Brunts Academy transferred to The Greenwood Academies Trust on 1 December 2022
- The Bramble Academy transferred to The Greenwood Academies Trust on 1 December 2022

This means that the Evolve Trust is no longer a going concern and the going concern concept is not applicable when preparing the accounts. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

Whilst the operations of the schools have been transferred out of Evolve Trust, the associated assets and liabilities included in the trust balance sheet at 31 August 2022 remain under the control of the Evolve trustees until such time as the assets and liabilities have been allocated to each school and distributed to the incoming sponsoring trust. The trust still holds these assets and liabilities at the date of approval of these financial statements, although it no longer receives income or incurs expenditure in relation to the operation of the schools. Once all assets and liabilities have been distributed the trustees intend to dissolve the Evolve Trust as soon as is practically possible.

##### Protecting the success of the Academy Trust

Trustees have placed the long term success of the four schools above the long term endurance of the Evolve Trust, as this is deemed to be the most secure means of the schools continuing to thrive. This is taken as the most responsible means of promoting the success of the company, by actively seeking to close the company down.

The Trust did secure three Condition Improvement Fund awards for capital works, with one of these projects cancelled and the other two going ahead.

## THE EVOLVE TRUST

### TRUSTEES' REPORT (CONTINUED)

#### FOR THE YEAR ENDED 31 AUGUST 2022

---

##### **Financial review**

The Trust ended the year with an operating surplus of £1,408,000 (2021: £7,789,000). Most of the Academy's recurrent income is obtained from the ESFA in the form of grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the period ended 31 August 2022 and the associated expenditure are shown as restricted funds in the statement of financial activities.

During the year ended 31 August 2022, the total surplus was £1,408,000 (2021: £7,789,000). When restricted fixed asset fund and the local government pension adjustments are excluded, there was a surplus of £1,996,000 (2021: deficit of £903,000). When the transfer to fixed asset fund is taken into account the surplus was £1,106,000 (2021: deficit of £1,117,000).

Included within the total surplus of £1,408,000 is £743,000 of capital grants that have been successfully applied for during the year. However the actual cash receipts have not yet been received and these amounts are included within accrued income.

At 31 August 2022, the net book value of fixed assets was £29,824,000 (2021: £28,932,000) and movements in tangible fixed assets are shown in note 12 to the financial statements. During the period the assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

##### Reserves policy

The Trustees in position at the start of the year agreed that reserves should have a minimum target equivalent to one month's average payroll costs. In reality, the revenue reserve of the Trust was much higher, and it is the view of the Trustees appointed from February 2022 that this accumulation of such a high reserve has worked to the detriment of the quality of educational provision in the schools, which is why reinvestment plan was commissioned.

The trustees have determined that the appropriate level of free reserves should be equivalent to one month's payroll costs, approximately £950,000. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grant income and to provide a cushion to deal with unexpected emergencies such as urgent maintenance or long term sickness where unforeseen costs are incurred.

As at 31 August 2022 the trust's 'free' reserves i.e. those reserves that are freely available for general purposes (including education) of the trust total £5,829,000 (2021: £4,723,000). The restricted fixed asset fund totals £30,576,000 (2021: £29,042,000) which can only be realised by disposing of tangible fixed assets. The restricted reserves deficit of £3,566,000 (2021: £14,754,000) relates to the Local Government Pension Fund which is due to be repaid in line with the agreed terms of the Fund. The deficit position on the pension scheme would result in a cash flow effect in the form of an increase in employer's contributions over a period of years. Total funds as at 31 August 2022 equate to £32,839,000 (2021: £19,011,000).

Further information on the Trusts financial performance and reserves can be found in the financial statements.

Trustees have commissioned the Chief Finance Officer to ensure there is a fair and transparent means of apportioning the Trust reserve to the schools as they transfer out.

##### Investment policy

The Trust does not have an investment policy, nor is it likely to adopt one.

## THE EVOLVE TRUST

### TRUSTEES' REPORT (CONTINUED)

#### FOR THE YEAR ENDED 31 AUGUST 2022

---

##### Principal risks and uncertainties

The Trust has previously identified four key priorities, through the lens of which risks have then been assessed. These were:

- **Ensuring effective leadership across the Trust** – given the intervention by the Department for Education in January 2022, it is clear that those in leadership and governance at the start of this reporting period did not have sufficient grip of the risks associated with this priority, and therefore the ineffectiveness of leadership across the Trust necessitated wholesale change in personnel. Those individuals brought in as replacements have proven track records of either management or governance in public services, which is recognised in the aforementioned Ofsted monitoring report for the Harlow Academy from July 2022. The appointments by Trustees of Mr. Norrie and Mr. Carratt – both with strong track records of leading larger, more successful MATs – has ensured that the leadership of the Trust has been effective since 31 January 2022 and will be for the foreseeable, under the strategic leadership of the Trust board.
- **Financial sustainability** – despite the pressures on school budgets as a result of the COVID-19 pandemic in this school year, the Trust ends the year with financial health and resilience, which should ensure that the schools transfer successfully to new MATs with financial health, whilst also allowing the Trust to meet its financial obligations up to the point of closure.
- **Ensuring quality teaching and learning across the Trust** - linked to ineffective leadership, the previous board of Trustees did not do enough to mitigate the risks associated with this objective, and as such Ofsted reported grave failings at the Harlow Academy. Since the changes in leadership and governance of the Trust and as a consequence of the partnerships with Nexus MAT and Greenwood Academies Trust, the four schools in the Trust have been supported by the necessary experts to improve the quality of teaching and learning, relative to the needs of the communities they serve.
- **Partnerships and collaboration across the Trust** – whilst the schools in the Trust have been working closely with the new Trusts they are joining, weekly Headteacher meetings have been taking place chaired by the Chief Executive Officer, to ensure there is a forum for partnership and collaboration across the Trust. Due to the high number of vacancies in schools, there has been significant investment in the recruitment of new staff, which Fusion HR have supported all Trust schools with.

The main risks facing the Trust at the end of the year are associated with the successful transfer of the schools into their new Trusts. This is subject to regular monitoring from the Chief Executive Officer and the Department for Education.

##### **Fundraising**

The academy trust does not use any external fundraisers. All fundraising undertaken during the year was monitored by the Trustees.

However, in this year a donation of up to £150,000 was bequeathed in the last will and testament of a local resident to the Harlow Academy. At 31 August 2022 the amount receivable was not certain and as such the donation has not been recognised within these accounts. Any donation subsequently received will go to the Nexus Multi Academy Trust.

## THE EVOLVE TRUST

### TRUSTEES' REPORT (CONTINUED)

#### FOR THE YEAR ENDED 31 AUGUST 2022

##### Streamlined energy and carbon reporting

	2022	2021
<i>Energy consumption</i>	kWh	kWh
Aggregate of energy consumption in the year	3,221,091	2,324,914
<i>Emissions of CO2 equivalent</i>	2022	2021
	metric tonnes	metric tonnes
Scope 1 - direct emissions		
- Gas combustion	385.11	295.98
- Fuel consumed for owned transport	2.98	3.98
	388.09	299.96
Scope 2 - indirect emissions		
- Electricity purchased	256.74	146.79
Scope 3 - other indirect emissions		
- Fuel consumed for transport not owned by the Academy Trust	3.29	0.42
	648.12	447.17
Total gross emissions		
<i>Intensity ratio</i>		
Tonnes CO2 equivalent per pupil	0.36	0.25

##### Quantification and reporting methodology

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

##### Intensity measurement

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO2 equivalent per pupil, the recommended ratio for the sector.

##### Measures taken to improve energy efficiency

Solar panels are in operation at Brunts, Bramble and Beech. A new heat pump system has been installed at Bramble which will deliver energy efficient heating and hot water. Across the schools, staff and pupils are encouraged to save energy through shutting windows, switching off unnecessary lighting and appliances whilst maintaining an ongoing awareness of the need to achieve increased energy efficiency.

##### Plans for future periods

The Trust will continue to work closely with Greenwood Academies Trust and Nexus Multi Academy Trust to ensure the successful transition of the four academies out of the Evolve Trust. Trustees will then work closely with the ESFA to ensure that the Evolve Trust is wound up effectively.

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

The Trust does not hold any funds as custodian trustee on behalf of others.

## THE EVOLVE TRUST

### TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

---

#### Auditor

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the 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 auditor is aware of that information.

A resolution proposing that UHY Hacker Young be reappointed as auditor of the charitable company will be put to the members.

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 12/12/22 and signed on its behalf by:



A Child MBE

Chair of trustees



## THE EVOLVE TRUST

### GOVERNANCE STATEMENT

#### FOR THE YEAR ENDED 31 AUGUST 2022

---

##### Scope of responsibility

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

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

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

##### Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally (albeit virtually) met 13 times during the year and attendance during the year at meetings of the Board of Trustees was as follows:

Trustees	Meetings attended	Out of possible
J Dryden (Chair of trustees) (Resigned 27 January 2022)	4	4
D Orr (Resigned 3 February 2022)	5	5
J Horton (Resigned 2 February 2022)	3	5
D Temple (Resigned 7 February 2022)	3	5
G O'Shea (Resigned 7 February 2022)	4	5
I Jephson (Resigned 2 February 2022)	4	4
R Heyes (Resigned 9 February 2022)	1	5
R Aitken (Resigned 11 February 2022)	3	5
A Child (Chair of trustees) (Appointed 28 January 2022)	7	8
C Anwar (Appointed 7 February 2022)	6	8
S Ball (Appointed 9 February 2022)	5	8
J Chaloner (Appointed 7 February 2022)	6	8
E Grant (Appointed 21 March 2022)	5	5
E Hayden (Appointed 21 May 2022 and resigned 31 August 2022)	0	0
A Michalska (Appointed 9 February 2022)	6	8
S Westaway (Appointed 8 February 2022)	7	8
D McVean (Appointed 7 February 2022 and resigned 19 May 2022)	3	5

## THE EVOLVE TRUST

### GOVERNANCE STATEMENT (CONTINUED)

#### FOR THE YEAR ENDED 31 AUGUST 2022

---

The Trust Board was subject to radical and wholesale change following the inspection outcome of the Harlow Academy in January 2022. The Department for Education facilitated the appointment of a new Chair of Trustees from January 2022, who led on the recruitment of a new team of Members and Directors. Given the failings of those Trustees responsible through the autumn term, a new team of Trustees was recruited with significant and extensive experience of working in state education or wider strategic public services. The new chair is a national leader of governance. A priority for the new trustees was to ensure there was a long-term plan for the four schools in the Trust, which is an undertaking they successfully completed by April 2022. Parallel to this, trustees worked in partnership with Nexus Multi Academy to secure the rapid improvement of the Harlow Academy.

#### Conflicts of interest

Trustees manage conflicts of interests by having up to date pecuniary interest forms completed (at least annually and updated when required) with individual Trustees responsible for declaring conflicts of interest and managing these as appropriate, such as abstaining from the discussion and voting on any items where a conflict exists.

#### Governance reviews

The Board has met 13 times in this year. A review of governance of the new Board of Trustees has not taken place, though they were each recruited by virtue of their individual skills and experience.

The audit, risk and compliance committee was a sub-committee of the main Board of Trustees, which was disestablished in February 2022 when the new board of trustees was appointed.

Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
J Dryden (Chair of trustees) (Resigned 27 January 2022)	2	2
J Horton (Resigned 2 February 2022)	0	1
G O'Shea (Resigned 7 February 2022)	2	2
I Jephson (Resigned 2 February 2022)	2	2
R Aitken (Resigned 11 February 2022)	1	2

#### Review of value for money

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

## **THE EVOLVE TRUST**

### **GOVERNANCE STATEMENT (CONTINUED)**

#### **FOR THE YEAR ENDED 31 AUGUST 2022**

---

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

- Working in partnership with the Department for Education, Greenwood Academies Trust and Nexus Multi Academy Trust to ensure that from February 2022 there was a robust package of support in place for the schools in the Evolve Trust;
- Working with SAAF from February 2022 to ensure that the Trust had enhanced financial expertise and oversight during a period of significant change;
- Working with the Eden Academy Trust to commission an independent safeguarding review of the Evolve Trust schools
- Working in partnership with Fusion HR from February 2022 to ensure that HR practices were robust with policy applied fairly, judiciously and – where necessary – robustly to ensure the Trust and its schools were improving at the required pace.

Since February 2022, the new leadership and governance team of the Trust has worked hard to rebuild confidence with families and ensure that the schools had certainty over their maintaining authority in the long-term. Since securing this in April 2022, the schools have worked with the MATs they are joining to begin the transition into their new systems of control and assurance.

#### **The purpose of the system of internal control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Evolve Trust for the period 1 September 2021 to 31 August 2022 and up to the date of approval of the annual report and accounts.

#### **Capacity to handle risk**

The Board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the period 1 September 2021 to 31 August 2022 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the Board of Trustees.

#### **The risk and control framework**

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees;
- regular reviews by the finance and general purposes 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;
- identification and management of risks.

## THE EVOLVE TRUST

### GOVERNANCE STATEMENT (CONTINUED)

#### FOR THE YEAR ENDED 31 AUGUST 2022

---

The Board of Trustees has decided to employ Cooper Parry LLP as internal auditor.

The internal auditor's role includes giving advice on financial and other matters and performing a range of checks on the Academy Trust's financial and other systems. In particular, the checks carried out in the current period included:

- procurement process
- census process
- HR process and absence management

On a yearly basis, the internal auditor reports to the Board of Trustees through the audit committee on the operation of the systems of control and on the discharge of the financial responsibilities of the Board of Trustees. On an annual basis, the internal auditor prepares a summary report to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress.

The internal auditor has completed their schedule of works.

#### Review of effectiveness

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

- the work of the internal auditor;
- the financial management and governance self-assessment process or the school resource management self-assessment tool;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework;
- the work of the external auditor.

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

Approved by order of the Board of Trustees on 12/12/22 and signed on its behalf by:



A Child MBE  
Chair of trustees



W Carratt  
Accounting Officer

## **THE EVOLVE TRUST**

### **STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE FOR THE YEAR ENDED 31 AUGUST 2022**

---

As Accounting Officer of The Evolve Trust, I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy Trust, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academy Trust Handbook 2021.

I confirm that I and the Academy Trust's Board of Trustees are able to identify any material irregular or improper use of funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academy Trust Handbook 2021.

I confirm that the following instances of material irregularity, impropriety or funding non-compliance discovered to date have been notified to the Board of Trustees and ESFA. If any instances are identified after the date of this statement, these will be notified to the Board of Trustees and ESFA:

#### **Alcohol Purchase**

In Dec 21 and under the previous Trust Board and Leadership, there was a purchase of alcohol at a staff awards event. This was discovered and reported to the ESFA following the departure of the previous Board of Directors.

#### **Recruitment of CEO Spouse**

During the year, the Spouse of the then CEO (C Cuthbert) was hired as a caretaker in the Beech Academy which constituted a Related Party Transaction and should have been reported to the ESFA. While records show that a competitive interview process took place, this was not reported and therefore constituted a breach of the Academy Trust Handbook. Following the instalment of the new Board of Directors, the employee in question resigned from their post.

#### **Related Party Transactions**

Since coming into office in early 2022, the new Board of Directors was required to take urgent decisions at pace, in regular consultation with the Department for Education (DfE) and ESFA, to ensure that additional capacity was brought into Harlow Academy to re-open the school ASAP and to provide Leadership and central capacity to a Trust where the CEO and CFO both resigned in quick succession. This required Nexus MAT and Greenwood Academies Trust to provide leadership and teaching personnel, re-charged on a cost recovery basis, to the Evolve Trust, which constituted a technical breach of the ESFA requirement to seek approval for related party arrangements before they are entered into. The related party is Andy Child MBE, who is an unpaid trustee of both the Evolve Trust and Nexus MAT. Both the DfE and ESFA understood the need for this technical breach, and were fully sighted on decision making and the rationale behind this.

Due to the fast moving situation unfolding at Evolve Trust, a contract was entered into with SAAF Education who are a local company with a proven track record of delivering strategic financial management support to Academy Trusts. The contract covered the provision of Chief Finance Officer (CFO) cover, due to the CFO role being classed as a key management function and Andi Brown being a shareholder of SAAF, his appointment as CFO resulted in a related party transaction taking place. SAAF Education have provided a number of services to The Evolve Trust consisting of Financial Management Support, Payroll and Agency Supply cover for a number of years prior to Andi's appointment as Interim CFO. The appointment of Andi Brown as interim CFO was approved by the ESFA prior to the contract commencing.

In exercising their duties effectively, the new Board of Directors also reported all material irregularities as detailed above to the ESFA, which had taken place during the previous leadership and governance regime (pre-January 2022).

**THE EVOLVE TRUST**

**STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

---



Warren Carratt  
Accounting Officer

12/12/22

## THE EVOLVE TRUST

### STATEMENT OF TRUSTEES' RESPONSIBILITIES FOR THE YEAR ENDED 31 AUGUST 2022

---

The Trustees (who are also the directors of The Evolve Trust for the purposes of company law) are responsible for preparing the Trustees' report and the accounts in accordance with the Academies Accounts Direction 2021 to 2022 published by the Education and Skills Funding Agency ("ESFA"), United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Trustees to prepare accounts for each financial year. Under company law, the Trustees must not approve the accounts 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 accounts, the Trustees are required to:

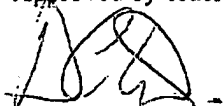
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts 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 accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring that grants received from ESFA or the 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 accounts may differ from legislation in other jurisdictions.

Approved by order of the members of the Board of Trustees on 17/12/22 and signed on its behalf by:



A Child MBE  
Chair of trustees

---

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE EVOLVE TRUST  
FOR THE YEAR ENDED 31 AUGUST 2022**

---

**Opinion**

We have audited the financial statements of The Evolve Trust for the year ended 31 August 2022 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the accounts, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022 issued by the Education and Skills Funding Agency.

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2022 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the accounts' section of our report. We are independent of the Academy Trust in accordance with the ethical requirements that are relevant to our audit of the accounts in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE EVOLVE TRUST  
(CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2022**

---

**Conclusions relating to departure from the going concern basis of accounting**

We draw attention to Note 1 to the financial statements which explains that the trust schools were transferred after the year end to Nexus Multi Academy Trust and The Greenwood Academy Trust on 1 September 2022 and 1 December 2022 respectively. The trustees consider it to be inappropriate to adopt the going concern basis of accounting in preparing the financial statements for the year ended 31 August 2022. Accordingly, the financial statements have not been prepared under the going concern basis as described in Note 1.2.

The net assets of the trust will be transferred at their fair value to Nexus Multi Academy Trust and The Greenwood Academies Trust at a time to be decided in the accounting period ending on 31 August 2023. The company is no longer active from 1 December 2022 although the trust is still operational until the net assets have been distributed, at which point the trust will be formally dissolved. Our opinion is not modified in respect of this matter.

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

Based on the work we have performed, we have agreed with the trustee's assessment that the academy trust is not a going concern and they would be unable to continue for at least 12 months from when the financial statements are authorised.

The accounts have been prepared on the basis that all assets are realisable within 12 months of the year end and note 1.2 details this more fully. For comparative purposes the figures have been presented in the same format as prior years in the Balance Sheet, however all assets and liabilities are due within one year.

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

**Other information**

The other information comprises the information included in the annual report other than the accounts and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. Our opinion on the accounts 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 accounts 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 accounts 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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE EVOLVE TRUST  
(CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2022**

---

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

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

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

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

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

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

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

**Responsibilities of Trustees**

As explained more fully in the statement of Trustees' responsibilities, the Trustees are responsible for the preparation of the accounts 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 accounts that are free from material misstatement, whether due to fraud or error.

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

**Auditor's responsibilities for the audit of the accounts**

Our objectives are to obtain reasonable assurance about whether the accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these accounts.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE EVOLVE TRUST  
(CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2022**

---

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.

Based on our understanding of the charitable company's and the industry in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to:

- child protection,
- the funding agreement,
- academies accounts direction 2021-2022
- the academy trust handbook 2021,
- safeguarding of the assets,
- employment and health and safety regulation,
- anti-bribery, corruption and fraud,

We considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to inflated surplus. Audit procedures performed included:

- review of the financial statement disclosures to underlying supporting documentation,
- enquiries of management,
- testing of journals and evaluating whether there was evidence of bias by the senior leadership team that represented a risk of material misstatement due to fraud and
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- review of correspondence and reports to the regulator, including correspondence with the Education and Skills Funding Agency
- review of internal audit reports in so far as they related to the financial statements.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities (including those relating to going concern) is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE EVOLVE TRUST  
(CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2022**

---

**Use of our report**

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

*Elizabeth Searby*

**Elizabeth Searby (Senior Statutory Auditor)  
for and on behalf of UHY Hacker Young**

**16 December 2022**  
.....

**Chartered Accountants  
Statutory Auditor**

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON  
REGULARITY TO THE EVOLVE TRUST AND THE EDUCATION AND SKILLS  
FUNDING AGENCY  
FOR THE YEAR ENDED 31 AUGUST 2022**

---

In accordance with the terms of our engagement letter and further to the requirements of the Education & Skills Funding Agency ("ESFA") as included in the Academies Accounts Direction 2021 to 2022, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Evolve Trust during the period 1 September 2021 to 31 August 2022 have been applied to the purposes identified by Parliament and that the financial transactions conform to the authorities which govern them.

This report is made solely to The Evolve Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the The Evolve 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 The Evolve Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

**Respective responsibilities of The Evolve Trust's accounting officer and the reporting accountant**

The Accounting Officer is responsible (under the requirements of The Evolve Trust's funding agreement with the Secretary of State for Education dated 1 June 2014 and the Academy Trust Handbook, extant from 1 September 2021) for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and that the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement (established in the United Kingdom by our profession's ethical guidance) are to obtain limited assurance and to report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2021 to 2022. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2021 to 31 August 2022 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 conclusion on regularity.

A limited assurance engagement is limited in scope 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.

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

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

**FOR THE YEAR ENDED 31 AUGUST 2022**

---

The work undertaken to draw to our conclusion includes:

- An assessment of the risk of material irregularity and impropriety within the trust.
- Testing of those areas identified through risk assessment, including reviewing internal controls, analytical review and enquiries of management.
- Consideration of the evidence and concluding on the work carried out.

**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 period 1 September 2021 to 31 August 2022 has not been applied to purposes intended by Parliament and that the financial transactions do not conform to the authorities which govern them.

In December 2021 alcohol was purchased using school funds - which is a breach of the musts in the Academy Handbook 2021 (section 2.35). This was prior to the resignation of the previous board. This occurred during an awards event hosted by the Trust in December 2021.

In September 2021 the spouse of the then CEO (C Cuthbert) was hired as a caretaker on a temporary basis. This goes against section 5.38 of the Academy Trust Handbook 2021 to manage personal relationships with related parties to avoid both real and perceived conflicts of interest.

After extensive communication with the ESFA W Carratt was appointed Accounting Officer and CEO from 1 August 2022. Due to the exceptional circumstances he was not employed by the Trust. His appointment was approved on 23 August 2022 retrospectively by the ESFA. However the Academy Trust Handbook 2021 section 1.34 states that the approval must be prior to the appointment if the accounting officer is not an employee, resulting in a technical breach.

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

**FOR THE YEAR ENDED 31 AUGUST 2022**

---

On 31 January 2022 A Child was appointed as chair of Trustees plus W Norrie was appointed as CEO and Accounting Officer. On 31 March 2022 A Brown was appointed as CFO. All of these appointments were approved by the ESFA (where required). However, these appointments meant that Greenwood Academies Trust and Nexus Multi-Academy Trust became related parties from 31 January 2022 and SAAF Education Ltd became a related party from 31 March 2022. Prior approval for services with these entities (outside of the chair of Trustees, CEO and CFO role) was sought retrospectively. The ESFA stated that they acknowledged the extenuating circumstances and need for decisive action but did not give retrospective approval. The ESFA stated that no action would be taken and that any contracts already entered should continue given the circumstances of the Trust. This is a technical breach of sections 5.42 to 5.44 of the Academy Trust Handbook 2021 of which the ESFA was aware.

The balance of income recovered and expenditure incurred at The Harlow Academy did not result in an adequate level of education and safeguarding. This matter led to an inadequate grading by OFSTED in January 2022 and subsequently led to the change in the Members and Board of Trustees as set out in the reference and administrative details.

UHY Hacker Young

**Reporting Accountant**

UHY Hacker Young  
14 Park Row  
Nottingham  
NG1 6GR

Dated: 16 December 2022

# THE EVOLVE TRUST

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2022

	Notes	Unrestricted funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total 2022 £'000	Total 2021 £'000
<b>Income and endowments from:</b>						
Donations and capital grants	3	-	4	1,567	1,571	60
Donations - transfer from local authority on conversion	28	-	-	-	-	7,923
Charitable activities:						
- Funding for educational operations	4	-	15,153	-	15,153	13,450
Other trading activities	5	67	61	-	128	101
Investments	6	1	-	-	1	-
<b>Total</b>		<u>68</u>	<u>15,218</u>	<u>1,567</u>	<u>16,853</u>	<u>21,534</u>
<b>Expenditure on:</b>						
Raising funds	7	-	73	-	73	82
Charitable activities:						
- Educational operations	8	-	14,449	923	15,372	13,663
<b>Total</b>	7	<u>-</u>	<u>14,522</u>	<u>923</u>	<u>15,445</u>	<u>13,745</u>
<b>Net income</b>		68	696	644	1,408	7,789
Transfers between funds	17	-	(890)	890	-	-
<b>Other recognised gains/(losses)</b>						
Actuarial gains/(losses) on defined benefit pension schemes	19	-	12,420	-	12,420	(1,981)
<b>Net movement in funds</b>		<u>68</u>	<u>12,226</u>	<u>1,534</u>	<u>13,828</u>	<u>5,808</u>
<b>Reconciliation of funds</b>						
Total funds brought forward		<u>2,019</u>	<u>(12,050)</u>	<u>29,042</u>	<u>19,011</u>	<u>13,203</u>
Total funds carried forward		<u>2,087</u>	<u>176</u>	<u>30,576</u>	<u>32,839</u>	<u>19,011</u>



# THE EVOLVE TRUST

## STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2022

Comparative year information		Unrestricted funds	Restricted funds:		Total
Year ended 31 August 2021	Notes	£'000	General £'000	Fixed asset £'000	2021 £'000
<b>Income and endowments from:</b>					
Donations and capital grants	3	-	2	58	60
Donations - transfer from local authority on conversion	28	445	(2,743)	10,221	7,923
Charitable activities:					
- Funding for educational operations	4	-	13,450	-	13,450
Other trading activities	5	84	17	-	101
<b>Total</b>		529	10,726	10,279	21,534
<b>Expenditure on:</b>					
Raising funds	7	49	33	-	82
Charitable activities:					
- Educational operations	8	30	12,924	709	13,663
<b>Total</b>	7	79	12,957	709	13,745
<b>Net income/(expenditure)</b>					
		450	(2,231)	9,570	7,789
Transfers between funds	17	-	(214)	214	-
<b>Other recognised gains/(losses)</b>					
Actuarial losses on defined benefit pension schemes	19	-	(1,981)	-	(1,981)
<b>Net movement in funds</b>		450	(4,426)	9,784	5,808
<b>Reconciliation of funds</b>					
Total funds brought forward		1,569	(7,624)	19,258	13,203
Total funds carried forward		2,019	(12,050)	29,042	19,011

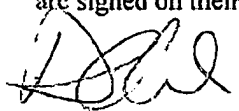
# THE EVOLVE TRUST

## BALANCE SHEET

AS AT 31 AUGUST 2022

		2022		2021	
	Notes	£'000	£'000	£'000	£'000
<b>Fixed assets</b>					
Intangible assets	12		7		15
Tangible assets	13		29,824		28,932
			<u>29,831</u>		<u>28,947</u>
<b>Current assets</b>					
Debtors	14	1,537		375	
Cash at bank and in hand		7,228		5,367	
		<u>8,765</u>		<u>5,742</u>	
<b>Current liabilities</b>					
Creditors: amounts falling due within one year	15	(2,191)		(924)	
<b>Net current assets</b>			<u>6,574</u>		<u>4,818</u>
<b>Net assets excluding pension liability</b>			36,405		33,765
Defined benefit pension scheme liability	19		(3,566)		(14,754)
<b>Total net assets</b>			<u>32,839</u>		<u>19,011</u>
<b>Funds of the Academy Trust:</b>					
<b>Restricted funds</b>	17				
- Fixed asset funds			30,576		29,042
- Restricted income funds			3,742		2,704
- Pension reserve			(3,566)		(14,754)
<b>Total restricted funds</b>			<u>30,752</u>		<u>16,992</u>
<b>Unrestricted income funds</b>	17		<u>2,087</u>		<u>2,019</u>
<b>Total funds</b>			<u>32,839</u>		<u>19,011</u>

The accounts on pages 30 to 63 were approved by the Trustees and authorised for issue on 12 December 2022 and are signed on their behalf by:



A Child MBE  
Chair of trustees

Company registration number 07827747

**THE EVOLVE TRUST**

**STATEMENT OF CASH FLOWS**

**FOR THE YEAR ENDED 31 AUGUST 2022**

		2022		2021	
	Notes	£'000	£'000	£'000	£'000
<b>Cash flows from operating activities</b>					
Net cash provided by operating activities	20		2,864		1,858
<b>Cash flows from investing activities</b>					
Dividends, interest and rents from investments		1		-	
Capital grants from DfE Group		803		58	
Purchase of intangible fixed assets		-		(14)	
Purchase of tangible fixed assets		(1,807)		(209)	
<b>Net cash used in investing activities</b>			(1,003)		(165)
<b>Net increase in cash and cash equivalents in the reporting period</b>			1,861		1,693
Cash and cash equivalents at beginning of the year			5,367		3,674
<b>Cash and cash equivalents at end of the year</b>			7,228		5,367

# THE EVOLVE TRUST

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 AUGUST 2022

---

#### 1 Accounting policies

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

##### 1.1 Basis of preparation

The accounts of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their 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 2021 to 2022 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

##### 1.2 Going concern

Since the end of the accounting period on 31 August 2022 the trust's schools have been transferred to other trusts, as follows:

- The Beech Academy transferred to Nexus Multi Academy Trust trust on 1 September 2022
- The Harlow Academy transferred to Nexus Multi Academy Trust on 1 September 2022
- The Brunts Academy transferred to The Greenwood Academy Trust on 1 December 2022
- The Bramble Academy transferred to The Greenwood Academy Trust on 1 December 2022

This means that the Evolve Trust is no longer a going concern.

Whilst the operations of the schools have been transferred out of Evolve Trust, the associated assets and liabilities included in the trust balance sheet at 31 August 2022 remain under the control of the Evolve trustees until such time as the associated assets and liabilities have been allocated to each school and distributed to the incoming sponsoring trust. The trust still holds these associated assets and liabilities at the date of approval of these financial statements, although it no longer receives income or incurs expenditure in relation to the operation of the schools. Once all associated assets and liabilities have been distributed the trustees intend to dissolve the Evolve Trust as soon as is practically possible.

This means that the Evolve Trust is no longer a going concern and the accounts have been prepared on an alternative basis.

The alternative basis of preparation means that assets at 31 August 2022 are stated at their estimated recoverable amounts. The corresponding liabilities are stated at the estimated amounts realisable - including any redundancy costs and professional fees to affect the wind up of the Trust.

The assets and liabilities of the Trust have been disclosed in line with their historic comparatives to give a better understanding of the position. However, all items are expected to be realised or settled before 31 August 2023.

##### 1.3 Income

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

# THE EVOLVE TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2022

---

#### 1 Accounting policies

(Continued)

##### Grants

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

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

Capital grants are recognised in full when there is an unconditional entitlement to the grant. Capital grants received (including unspent amounts) are reflected in the balance sheet in the restricted fixed asset fund.

Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

##### Sponsorship income

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

##### Donations

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

##### Other income

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

##### Donated goods, facilities and services

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. This income is recognised within 'Income from other trading activities'.

##### Donated fixed assets

Donated fixed assets are measured at fair value unless it is impractical to measure this reliably, in which case the cost of the item to the donor is used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Academy Trust's accounting policies.

# THE EVOLVE TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2022

---

#### 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 are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT where applicable.

##### Expenditure on raising funds

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

##### Charitable activities

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

##### 1.5 Intangible fixed assets and amortisation

Intangible assets costing £3,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment.

Amortisation is provided on intangible fixed assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

- Purchased computer software 3 years

##### 1.6 Tangible fixed assets and depreciation

Assets costing £3,000 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 that require the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the statement of financial activities and carried forward in the balance sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the statement of financial activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

# THE EVOLVE TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2022

---

#### 1 Accounting policies

(Continued)

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Land and buildings	Buildings - 2% - Land - not depreciated
Improvements to leasehold	4-10%
Computer equipment	33.3%
Fixtures, fittings & equipment	12.5%
Motor vehicles	25%

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. Any impairment losses are recognised in the statement of financial activities.

#### 1.7 Liabilities

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

#### 1.8 Leased assets

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

#### 1.9 Financial instruments

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

##### Financial assets

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

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

##### Financial liabilities

Trade creditors and other creditors are financial instruments, and are measured at amortised cost. Taxation and social security plus accruals 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.

## THE EVOLVE TRUST

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

---

#### 1 Accounting policies

(Continued)

##### 1.10 Taxation

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

##### 1.11 Pensions benefits

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes and the assets are held separately from those of the Academy Trust. Further details on these schemes are detailed in note 19.

The TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate.

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the Academy Trust in separate trustee administered funds.

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

The amounts charged to net income or expenditure 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 or asset is also recognised in the statement of financial activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

As detailed in note 1.2 these accounts have not been prepared on the going concern basis as at the year end plans were in place to transfer the schools into other trusts. As such the pension deficit is due under one year - as within 12 months the deficit will transfer to other trusts. For comparative purposes the trustees have shown the pension deficit in the same location on the balance sheet as the prior year for better understanding. Following the subsequent transfer of the schools and the staff out of the trust during the year ended 31 August 2023 the pension deficit in the Trust will be Nil.

##### 1.12 Fund accounting

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



# **THE EVOLVE TRUST**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2022**

---

### **1 Accounting policies**

**(Continued)**

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

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the Education and Skills Funding Agency.

#### **1.13 Agency arrangements**

The Trust acts as an agent in distributing the 16-19 Bursary Funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the Statement of Financial Activities as the Trust does not have control over the charitable application of the funds.

The funds received and paid and any balances held are disclosed in Note 25.

### **2 Critical accounting estimates and areas of judgement**

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

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

## THE EVOLVE TRUST

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### FOR THE YEAR ENDED 31 AUGUST 2022

---

#### 2 Critical accounting estimates and areas of judgement

(Continued)

##### Pension scheme liabilities

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 as set out in note 19.

A key assumptions used in determining the net cost or income for pensions is the discount rate applied. Under FRS102 the discount rate is determined by reference to market yields at the year-end date on high quality corporate bonds. On this basis the trust's actuary has calculated a discount rate of 4.25% at 31 August 2022 which is significantly higher than the discount rate used at 31 August 2021. The impact of the movement in the discount rate is to decrease the defined benefit obligations by approximately 47% compared to 2021. This decrease has a direct impact on the quantification of the overall pension deficit reported in these financial statements at 31 August 2022. Any changes in these assumptions, which are disclosed in note 19, 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 2022. 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.

The ultimate responsibility for setting the assumptions is that of the Academy Trust, as the employer. However each year the LGPS actuary proposes a standard set of assumptions as part of the valuation exercise, using their expert opinion, and which comply with the accounting requirements, details of the assumptions used are detailed in note 19..

The Academy Trust has (in practice with most employers) adopted the recommended actuarial assumptions following further consultation with its auditors to ensure these assumptions are reasonable and in line with those adopted by other academy trusts.

##### Alternative basis to going concern

As detailed in note 1.2 these accounts have not been prepared on the going concern basis as at the year end plans were in place to transfer the schools into other trusts. However the Trustees have decided to present the Balance Sheet in a similar format to the comparatives rather than disclose all items as current assets or liabilities.

As such the pension deficit is due under one year - within 12 months the deficit will transfer to other trusts. Following the transfer of the schools out of the trust the pension deficit in the Trust will be Nil.

Similarly the fixed assets of the Trust are not included in current assets - albeit these were transferred to the Greenwood Academy Trust and Nexus Multi Academy Trust during the year ended 31 August 2023.

##### Harlow Academy Donation

A donation bequeathed to the Harlow Academy of up to £150,000 in the last will and testament of a local resident. At 31 August 2022 the amount receivable was not certain and as such the donation has not been recognised within these accounts. Any donation subsequently received will go to the Nexus Multi Academy Trust.

# THE EVOLVE TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2022

#### 3 Donations and capital grants

	Unrestricted funds £'000	Restricted funds £'000	Total 2022 £'000	Total 2021 £'000
Capital grants	-	1,567	1,567	58
Other donations	-	4	4	2
	-	1,571	1,571	60

The income from funding for educational operations was £1,571,000 (2021: £60,000) all of which was restricted (2021: all restricted).

#### 4 Funding for the Academy Trust's educational operations

	Unrestricted funds £'000	Restricted funds £'000	Total 2022 £'000	Total 2021 £'000
<b>DfE/ESFA grants</b>				
General annual grant (GAG)	-	10,810	10,810	9,546
Other DfE/ESFA grants:				
Pupil premium	-	511	511	474
Teachers pension grant	-	24	24	332
Supplementary grant	-	111	111	-
National College grants	-	4	4	2
Others	-	154	154	522
	-	11,614	11,614	10,876
<b>Other government grants</b>				
Local authority grants	-	3,450	3,450	2,327
<b>COVID-19 additional funding</b>				
<b>DfE/ESFA</b>				
Catch-up premium	-	81	81	150
Other DfE/ESFA COVID-19 funding	-	8	8	82
	-	89	89	232
Other income from the academy trust's educational operations	-	-	-	15
<b>Total funding</b>	-	15,153	15,153	13,450

## THE EVOLVE TRUST

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### FOR THE YEAR ENDED 31 AUGUST 2022

---

#### 4 Funding for the Academy Trust's educational operations (Continued)

Funding for academy trust's educational operations was £15,153,000 (2021: £13,450,000) all of which was restricted (2021: all was restricted).

From the 2021-2022 academic year the Teacher pension grant is included within the General Annual Grant and this is the reason for the apparent drop in this grant in the table above.

#### 5 Other trading activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2022 £'000	Total 2021 £'000
Income from other charitable activities	-	61	61	17
Income from ancillary trading activities	67	-	67	84
	<u>67</u>	<u>61</u>	<u>128</u>	<u>101</u>

The income from other trading activities was £128,000 (2021: £101,000), of which £67,000 was unrestricted (2021: £84,000) and £61,000 was restricted (2021: £17,000).

#### 6 Investment income

	Unrestricted funds £'000	Restricted funds £'000	Total 2022 £'000	Total 2021 £'000
Short term deposits	<u>1</u>	<u>-</u>	<u>1</u>	<u>-</u>

Investment income in year ended 31 August 2022 totaled £1,000 (2021: £Nil), of which £1,000 (2021: £Nil) related to unrestricted funds and £Nil related to restricted funds (2021: £Nil).

# THE EVOLVE TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

### 7 Expenditure

	Staff costs £'000	Non-pay expenditure Premises £'000	Other £'000	Total 2022 £'000	Total 2021 £'000
Expenditure on raising funds					
- Direct costs	-	-	73	73	70
- Allocated support costs	-	-	-	-	12
Academy's educational operations					
- Direct costs	9,151	-	1,051	10,202	11,799
- Allocated support costs	2,205	1,697	1,268	5,170	1,864
	<u>11,356</u>	<u>1,697</u>	<u>2,392</u>	<u>15,445</u>	<u>13,745</u>

Expenditure in year ended 31 August 2022 totalled £15,445,000 (2021: £13,745,000), of which £11,356,000 (2021: £10,640,000) related to staff costs, £1,697,000 (2021: £787,000 ) related to premises costs and £2,392,000 (2021: £2,318,000) related to other expenditure.

The year ended 31 August 2021 had split several costs between direct and support based on a percentage that was determined through the percentage of direct staff and support staff costs. The year ended 31 August 2022 has allocated every nominal cost into either support costs or direct costs. As such the splits between support and direct costs in each year are not always comparable.

#### Net income/(expenditure) for the year includes:

	2022 £'000	2021 £'000
Fees payable to auditor for:		
- Audit	23	16
- Other services	1	9
Operating lease rentals	46	35
Depreciation of tangible fixed assets	915	648
Amortisation of intangible fixed assets	8	14
Net interest on defined benefit pension liability	238	162

# THE EVOLVE TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2022

#### 8 Charitable activities

	2022	2021
All from restricted funds:	£'000	£'000
<b>Direct costs</b>		
Educational operations	10,202	11,799
<b>Support costs</b>		
Educational operations	5,170	1,864
	<u>15,372</u>	<u>13,663</u>

	2022	2021
	£'000	£'000
<b>Analysis of support costs</b>		
Support staff costs	2,205	1,499
Depreciation and amortisation	923	94
Technology costs	-	22
Premises costs	774	111
Legal costs - conversion	-	21
Legal costs - other	273	49
Other support costs	972	43
Governance costs	23	25
	<u>5,170</u>	<u>1,864</u>

## THE EVOLVE TRUST

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### FOR THE YEAR ENDED 31 AUGUST 2022

#### 9 Staff

##### Staff costs

Staff costs during the year were:

	2022 £'000	2021 £'000
Wages and salaries	6,807	6,970
Social security costs	640	683
Pension costs	2,446	2,374
Staff costs - employees	9,893	10,027
Agency staff costs	1,449	540
Staff restructuring costs	14	73
Total staff expenditure	11,356	10,640

Staff restructuring costs comprise:

Redundancy payments	14	73
Ex-gratia payment	3	-

##### Severance payments

The legal authority for making the above ex-gratia payments was delegated authority or approval from the Education and Skills Funding Agency - in accordance with the Academy Trust Handbook 2021.

##### Staff numbers

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

	2022 Number	2021 Number
Teachers	114	119
Administration and support	170	139
Management	2	4
	286	262

## THE EVOLVE TRUST

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

#### 9 Staff

(Continued)

##### Higher paid staff

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

	2022 Number	2021 Number
£60,001 - £70,000	4	2
£70,001 - £80,000	-	1
£80,001 - £90,000	-	2
£90,001 - £100,000	2	1
£140,001 - £150,000	-	1
	<u>        </u>	<u>        </u>

##### Key management personnel

The key management personnel of the Academy Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of key management personnel benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £449,253 (2021: £675,000).

#### 10 Trustees' remuneration and expenses

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

Expenses of £98 was paid to A Child MBE for mileage.

#### 11 Trustees' and officers' insurance

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



# THE EVOLVE TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

### 12 Intangible fixed assets

	Computer software £'000
<b>Cost</b>	
At 1 September 2021 and at 31 August 2022	86
<b>Amortisation</b>	
At 1 September 2021	71
Charge for year	8
At 31 August 2022	79
<b>Carrying amount</b>	
At 31 August 2022	7
At 31 August 2021	15

### 13 Tangible fixed assets

	Land and buildings £'000	Improvements to leasehold £'000	Computer equipment £'000	Fixtures, fittings & equipment £'000	Motor vehicles £'000	Total £'000
<b>Cost</b>						
At 1 September 2021	29,841	1,911	668	822	25	33,267
Additions	-	841	721	245	-	1,807
At 31 August 2022	29,841	2,752	1,389	1,067	25	35,074
<b>Depreciation</b>						
At 1 September 2021	2,462	809	603	436	25	4,335
Charge for the year	483	216	131	85	-	915
At 31 August 2022	2,945	1,025	734	521	25	5,250
<b>Net book value</b>						
At 31 August 2022	26,896	1,727	655	546	-	29,824
At 31 August 2021	27,379	1,102	65	386	-	28,932

At 31 August 2022 the Trust held long leasehold land and buildings under both 25 and 125 year leases from Nottinghamshire County Council. Included in leasehold land and buildings is land of £8,990,500 (2021: £8,990,500) which has not been depreciated.

# THE EVOLVE TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

### 14 Debtors

	2022 £'000	2021 £'000
Trade debtors	15	3
VAT recoverable	207	44
Other debtors	7	1
Prepayments and accrued income	1,308	327
	<u>1,537</u>	<u>375</u>

### 15 Creditors: amounts falling due within one year

	2022 £'000	2021 £'000
Trade creditors	1,496	294
Corporation tax	-	1
Other creditors	40	44
Accruals and deferred income	655	585
	<u>2,191</u>	<u>924</u>

### 16 Deferred income

	2022 £'000	2021 £'000
Deferred income is included within:		
Creditors due within one year	<u>72</u>	<u>151</u>
Deferred income at 1 September 2021	151	183
Released from previous years	(151)	(183)
Resources deferred in the year	<u>72</u>	<u>151</u>
<b>Deferred income at 31 August 2022</b>	<u><b>72</b></u>	<u><b>151</b></u>

Included in the above is £23,426 (2021: £21,549) relating to deferred school trip income, £Nil (2021: £92,753) SEN funding, £9,083 (2021: £12,976) relating to Universal Infant Free School Meals, £Nil (2021: £4,697) relating to Ambition Headteacher Reward Fund, £4,682 (2021: £19,415) relating to deferred grants, £26,816 (2021: £Nil) relating to rates refunds and £8,429 (2021: £Nil) relating to other deferred income.

# THE EVOLVE TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2022

#### 17 Funds

	Balance at 1 September 2021 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2022 £'000
<b>Restricted general funds</b>					
General Annual Grant (GAG)	2,256	10,810	(8,434)	(890)	3,742
Pupil premium	211	511	(722)	-	-
Teachers Pension Grant	-	24	(24)	-	-
Catch-up premium	-	81	(81)	-	-
Other DfE/ESFA COVID-19 funding	-	8	(8)	-	-
Other DfE/ESFA grants	-	269	(269)	-	-
Other government grants	153	3,450	(3,603)	-	-
Other restricted funds	84	65	(149)	-	-
Pension reserve	(14,754)	-	(1,232)	12,420	(3,566)
	<u>(12,050)</u>	<u>15,218</u>	<u>(14,522)</u>	<u>11,530</u>	<u>176</u>
<b>Restricted fixed asset funds</b>					
DfE capital grants	<u>29,042</u>	<u>1,567</u>	<u>(923)</u>	<u>890</u>	<u>30,576</u>
<b>Total restricted funds</b>	<u>16,992</u>	<u>16,785</u>	<u>(15,445)</u>	<u>12,420</u>	<u>30,752</u>
<b>Unrestricted funds</b>					
General funds	<u>2,019</u>	<u>68</u>	<u>-</u>	<u>-</u>	<u>2,087</u>
<b>Total funds</b>	<u>19,011</u>	<u>16,853</u>	<u>(15,445)</u>	<u>12,420</u>	<u>32,839</u>

## THE EVOLVE TRUST

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

---

#### 17 Funds

(Continued)

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

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

During the year ended 31 August 2022 the trustees authorised the transfer of funds from general restricted funds to the fixed asset restricted fund in order to finance fixed asset additions that are not financed by capital grants. The transfer amounted to £890,000.

At 31 August 2022 there were unspent capital grants totalling £745,000. These are included within the restricted fixed asset funds.

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Education and Skills Funding Agency or Department for Education or sponsor or other 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 Education and Skills Funding Agency or Department for Education.

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2022.

The pension reserve held within restricted funds was in deficit by £3,566,000 at 31 August 2022. This does not mean that an immediate liability for this amount crystallises. The deficit position will result in a subsequent cash flow effect in the form of employer's pension contributions as assessed by the actuary.

# THE EVOLVE TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2022

#### 17 Funds

(Continued)

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

	Balance at 1 September 2020 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2021 £'000
<b>Restricted general funds</b>					
General Annual Grant (GAG)	1,213	9,546	(8,381)	(122)	2,256
Pupil premium	184	474	(447)	-	211
Teachers Pension Grant	-	332	(332)	-	-
Other government grants	51	3,081	(2,887)	(92)	153
Other restricted funds	48	(2,675)	2,711	-	84
Pension reserve	(9,120)	-	(3,653)	(1,981)	(14,754)
	<u>(7,624)</u>	<u>10,758</u>	<u>(12,989)</u>	<u>(2,195)</u>	<u>(12,050)</u>
<b>Restricted fixed asset funds</b>					
DfE group capital grants	<u>19,258</u>	<u>10,279</u>	<u>(709)</u>	<u>214</u>	<u>29,042</u>
<b>Total restricted funds</b>	<u>11,634</u>	<u>21,037</u>	<u>(13,698)</u>	<u>(1,981)</u>	<u>16,992</u>
<b>Unrestricted funds</b>					
General funds	<u>1,569</u>	<u>529</u>	<u>(79)</u>	<u>-</u>	<u>2,019</u>
<b>Total funds</b>	<u>13,203</u>	<u>21,566</u>	<u>(13,777)</u>	<u>(1,981)</u>	<u>19,011</u>

# THE EVOLVE TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

### 17 Funds

(Continued)

#### Total funds analysis by academy

	2022	2021
	£'000	£'000
Fund balances at 31 August 2022 were allocated as follows:		
The Brunts Academy	-	-
The Beech Academy	-	-
The Bramble Academy	-	-
The Harlow Academy	-	-
Central services	5,829	4,723
	<u>5,829</u>	<u>4,723</u>
Total before fixed assets fund and pension reserve	5,829	4,723
Restricted fixed asset fund	30,576	29,042
Pension reserve	(3,566)	(14,754)
	<u>32,839</u>	<u>19,011</u>
Total funds	<u>32,839</u>	<u>19,011</u>

Following the implementation of GAG pooling across all academies, all fund are held centrally.

# THE EVOLVE TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

### 17 Funds

(Continued)

#### Total cost analysis by academy

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

	Teaching and educational support staff £'000	Other support staff costs £'000	Educational supplies £'000	Other costs excluding depreciation £'000	Total 2022 £'000	Total 2021 £'000
The Brunts Academy	5,137	941	565	712	7,355	6,435
The Beech Academy	1,260	253	127	214	1,854	1,488
The Bramble Academy	670	150	105	191	1,116	865
The Harlow Academy	1,795	497	90	232	2,614	2,410
Central services	289	364	164	766	1,583	3,242
	<u>9,151</u>	<u>2,205</u>	<u>1,051</u>	<u>2,115</u>	<u>14,522</u>	<u>13,036</u>

	Teaching and educational support staff £'000	Other support staff costs £'000	Educational supplies £'000	Other costs excluding depreciation £'000	Total 2021 £'000
The Brunts Academy	5,200	684	386	165	6,435
The Beech Academy	1,224	174	57	33	1,488
The Bramble Academy	667	103	24	71	865
The Harlow Academy	755	133	9	1,513	2,410
Central services	1,295	425	9	1,513	3,242
	<u>9,141</u>	<u>1,499</u>	<u>485</u>	<u>1,911</u>	<u>13,036</u>

# THE EVOLVE TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

### 18 Analysis of net assets between funds

	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total Funds £'000
<b>Fund balances at 31 August 2022 are represented by:</b>				
Intangible fixed assets	-	-	7	7
Tangible fixed assets	-	-	29,824	29,824
Current assets	2,087	5,933	745	8,765
Current liabilities	-	(2,191)	-	(2,191)
Pension scheme liability	-	(3,566)	-	(3,566)
<b>Total net assets</b>	<b>2,087</b>	<b>176</b>	<b>30,576</b>	<b>32,839</b>

	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total Funds £'000
<b>Fund balances at 31 August 2021 are represented by:</b>				
Intangible fixed assets	-	-	15	15
Tangible fixed assets	-	-	28,932	28,932
Current assets	2,019	3,628	95	5,742
Current liabilities	-	(924)	-	(924)
Pension scheme liability	-	(14,754)	-	(14,754)
<b>Total net assets</b>	<b>2,019</b>	<b>(12,050)</b>	<b>29,042</b>	<b>19,011</b>

### 19 Pension and similar obligations

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

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

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



## THE EVOLVE TRUST

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

---

#### 19 Pension and similar obligations

(Continued)

##### Teachers' Pension Scheme

###### Introduction

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

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

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

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 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% employer administration charge)
- 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. The 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 the TPS in the period amounted to £966,475 (2021: £ 1,049,959).

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

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

##### Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 20.8% for employers and 5.5 to 12.5% for employees.

# THE EVOLVE TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2022

#### 19 Pension and similar obligations

(Continued)

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

Total contributions made	2022 £'000	2021 £'000
Employer's contributions	488	418
Employees' contributions	140	123
Total contributions	<u>628</u>	<u>541</u>

Principal actuarial assumptions	2022 %	2021 %
Rate of increase in salaries	3.9	3.9
Rate of increase for pensions in payment/inflation	2.9	2.9
Discount rate for scheme liabilities	4.25	1.65
Inflation assumption (CPI)	<u>2.9</u>	<u>2.9</u>

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

	2022 Years	2021 Years
Retiring today		
- Males	21.7	21.6
- Females	24.4	24.3
Retiring in 20 years		
- Males	23.0	22.9
- Females	<u>25.8</u>	<u>25.7</u>

# THE EVOLVE TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2022

#### 19 Pension and similar obligations

(Continued)

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

	2022	2021
	£'000	£'000
Discount rate + 0.1%	(352)	(639)
Discount rate - 0.1%	361	657
Mortality assumption + 1 year	395	1,045
Mortality assumption - 1 year	(384)	(1,002)
CPI rate + 0.1%	339	600
CPI rate - 0.1%	(329)	(585)
Long term salary + 0.1%	26	48
Long term salary - 0.1%	(26)	(48)

#### The Academy Trust's share of the assets in the scheme

	2022	2021
	Fair value	Fair value
	£'000	£'000
Equities	5,939	6,373
Gilts	239	321
Other bonds	699	620
Cash and other liquid assets	579	401
Property	1,468	1,006
Other assets	1,207	1,096
Total market value of assets	10,131	9,817

The actual return on scheme assets was deficit £62,000 (2021: £1,095,000 surplus).

#### Amount recognised in the statement of financial activities

	2022	2021
	£'000	£'000
Current and past service cost	1,477	1,130
Interest income	(166)	(118)
Interest cost	404	280
Administration expenses	5	4
Total operating charge	1,720	1,296

# THE EVOLVE TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

19 Pension and similar obligations		(Continued)	
Changes in the present value of defined benefit obligations		2022	2021
		£'000	£'000
At 1 September 2021		24,571	15,434
Obligations acquired on conversion		-	4,747
Current service cost		1,477	1,034
Interest cost		404	280
Employee contributions		140	123
Actuarial (gain)/loss		(12,648)	2,958
Benefits paid		(247)	(101)
(Gains)/losses on curtailment		-	96
		<u>13,697</u>	<u>24,571</u>
At 31 August 2022		<u>13,697</u>	<u>24,571</u>
Changes in the fair value of the Academy Trust's share of scheme assets		2022	2021
		£'000	£'000
At 1 September 2021		9,817	6,314
Assets acquired on conversion		-	1,972
Interest income		166	118
Actuarial loss/(gain)		(228)	977
Employer contributions		488	418
Employee contributions		140	123
Benefits paid		(247)	(101)
Administration expenses		(5)	(4)
		<u>10,131</u>	<u>9,817</u>
At 31 August 2022		<u>10,131</u>	<u>9,817</u>

# THE EVOLVE TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2022

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

	Notes	2022 £'000	2021 £'000
Net income for the reporting period (as per the statement of financial activities)		1,408	7,789
Adjusted for:			
Net surplus on conversion to academy	28	-	(7,446)
Capital grants from DfE and other capital income		(1,567)	(58)
Investment income receivable	6	(1)	-
Defined benefit pension costs less contributions payable	19	994	712
Defined benefit pension scheme finance cost	19	238	166
Depreciation of tangible fixed assets		915	648
Amortisation of intangible fixed assets	12	8	14
(Increase) in debtors		(399)	(105)
Increase in creditors		1,268	138
<b>Net cash provided by operating activities</b>		<b>2,864</b>	<b>1,858</b>

#### 21 Analysis of changes in net funds

	1 September 2021 £'000	Cash flows £'000	31 August 2022 £'000
Cash	5,367	1,861	7,228

#### 22 Long-term commitments

##### Operating leases

At 31 August 2022 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2022 £'000	2021 £'000
Amounts due within one year	25,348	35,141
Amounts due in two and five years	25,305	50,652
	<b>50,653</b>	<b>85,793</b>

**THE EVOLVE TRUST**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2022**

---

**23 Capital commitments**

	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
Expenditure contracted for but not provided in the accounts	<u>1,089,781</u>	<u>407,074</u>

## THE EVOLVE TRUST

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### FOR THE YEAR ENDED 31 AUGUST 2022

---

#### 24 Related party transactions

Owing to the nature of the Academy 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. The following related party transactions took place in the financial period.

During the year the then CEO's (C Cuthbert) spouse was hired as an employee at the Evolve Trust as a caretaker on a short term basis. Conflicts of interest were managed and the pay was determined independently of the then CEO. Amounts paid totalled £19,063.

D McVean, a trustee from 7 February 2022 to 19 May 2022 was appointed as Chief Operating Officer on 23 May 2022 and paid through their company DSDN Consultancy Limited. These services commenced on 23 May 2022. The total costs were £27,051. Amounts owed to the related party at the year end was £16,714.

W Norrie was the Accounting Officer from 31 January 2022 to 31 July 2022. At this point Greenwood Academy Trust is a related party as W Norrie was also the Accounting Officer and CEO there. Transactions with Greenwood Academies Trust related to CEO support and staff from Greenwood Academies Trust to support the education at the Evolve Trust. The total costs were £73,065 in the period since becoming a related party. Amounts owed at the year end to the related party was £47,611. Expenses of £79 was paid in the year to W Norrie for mileage.

A Brown has been appointed the Chief Finance Officer from 31 March 2022. At this point SAAF Education Ltd and SAAF Supply became related parties, companies A Brown controls. Transactions related to CFO support, finance function support, payroll support and the year end procedures. Total costs have totalled £212,168 in the period since becoming related parties. Amounts owed at the year end to the related parties was £38,046.

A Child MBE was appointed as chair of Trustees on 31 January 2022 and Warren Carratt was appointed Chief Executive Officer from 1 August 2022. Both hold the same respective positions at Nexus Multi-Academy Trust which became a related party from 31 January 2022. Transactions related to CEO support and staff from Nexus Multi Academy Trust to support the education at the Evolve trust. Total costs have totalled £234,634 in the period since becoming a related party. Amounts owed to the related party at the year end was £177,107. Expenses of £98 was paid to A Child MBE for mileage.

The ESFA gave prior approval for the appointment of W Norrie, and A Brown. Approval for W Carratt was given on 23 August 2022. Retrospective approval for other transaction with Greenwood Academy Trust, Nexus Multi-Academy Trust and SAAF Education Ltd was requested. Approval was not granted for the other transactions. The ESFA have been made aware of extenuating circumstances surrounding the appointments. The ESFA acknowledged decisive actions were needed, however, they have not approved the transactions retrospectively based on the grounds of the information submitted. The ESFA have stated that no further action will be taken and the decision not to approve the transactions should not dissuade the trust from continuing or entering with the arrangements with Nexus Multi-Academy Trust, Greenwood Academy Trust or SAAF Education Ltd.

During the prior year, a leaving gift totalling £32 was purchased for D Swift who left as Chair of Trustees in May 2021.

During the prior year, an amount of £780 was paid in respect of an expense for C Cuthbert (then CEO), and subsequently reimbursed to the trust during the same year.

## **THE EVOLVE TRUST**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

#### **FOR THE YEAR ENDED 31 AUGUST 2022**

---

##### **25 Post balance sheet events**

On 1 September 2022 the operation of The Beech Academy and The Harlow Academy transferred to Nexus Multi-Academy Trust and on 1 December 2022 the operation of The Brunts Academy and The Bramble Academy transferred to The Greenwood Academy Trust.

The associated assets and liabilities included in the trust balance sheet at 31 August 2022 remain under the control of The Evolve Trustees until such time as the assets and liabilities have been allocated to each school and distributed to the incoming sponsoring trust. The trust still holds these associated assets and liabilities at the date of approval of these financial statements, although it no longer receives income or incurs expenditure in relation to the operation of the schools.

##### **26 Members' liability**

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

##### **27 Agency arrangements**

The Trust distributes the 16-19 Bursary Funds to students as an agent for ESFA. In the accounting period ending 31 August 2022 the Trust received £18,895 (2021: £12,948) and disbursed £16,801 (2021: £11,292) from the fund. An amount of £15,957 (2021: £13,863) is included in other creditors relating to undistributed funds that is potentially repayable to ESFA.



## THE EVOLVE TRUST

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

#### 28 Conversion to an academy

On 1 April 2021 the Harlow Academy (formerly Fountaindale School) converted to academy status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to The Evolve Trust from the Nottinghamshire County Council for £nil consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as a net gain in the Statement of Financial Activities as Donations - transfer from local authority on conversion.

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

Academy	Location	Date of conversion		
The Harlow Academy	Mansfield	1 April 2021		
	Unrestricted funds	Restricted funds:		Total
	£'000	General £'000	Fixed asset £'000	2021 £'000
Net assets transferred:				
Freehold land and buildings	-	-	10,077	10,077
Other tangible fixed assets	-	-	144	144
Cash - representing budget surplus on LA funds	445	-	-	445
Cash - representing budget surplus on other school funds	-	32	-	32
LGPS pension deficit	-	(2,775)	-	(2,775)
Net assets	445	(2,743)	10,221	7,923

#### 29 Fountaindale School Fund

The financial statements incorporate the assets and liabilities associated with the Fountaindale School Fund which is a separate unincorporated charity. The activities of the charity relate to fundraising for students with special education needs, of which the funds are spent in support of the Harlow Academy (previously named Fountaindale School).

The charity prepares accounts to the 31 March each year and the results as at 31 March 2022 have been incorporated into these financial statements, as there has been no material movement between 31 March 2022 and 31 August 2022.

As at 31 March 2022, the charity held assets totalling £32,276, raised funds of £653 and spent £Nil. The charity made an overall surplus to 31 March 2022 of £653.