

ACADEMY TRANSFORMATION TRUST
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2018



**ACADEMY TRANSFORMATION TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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**ACADEMY TRANSFORMATION TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2018**

Members	A Leonard (resigned 18 January 2018) P Beanland B Dickenson N Edwards (resigned 10 November 2017) M McDonagh (appointed 18 January 2018) S Kelly (appointed 14 February 2018, resigned 16 October 2018)
Trustees	I Cleland (resigned 28 September 2017) B Dickenson, Chair of Trustees P Beanland B Cook P Wilson (resigned 29 June 2018) S McShane (resigned 5 December 2017) D Brown (resigned 30 June 2018) G Empson N Lucas P Milligan (appointed 1 March 2018) W Schirmer (appointed 25 April 2018, resigned 23 October 2018) M Wilson (appointed 22 February 2018) J Clark (appointed 1 November 2018) D Trotman
Company registered number	07846852
Company name	Academy Transformation Trust
Principal and registered office	Suite 413 Jewellery Business Centre 95 Spencer Street Birmingham B18 6DA
Company secretary	K Robson
Chief executive officer	I Cleland (accounting officer until 31 October 2017) C Pritchard (accounting officer from 1 November 2017 until 13 September 2018) D Clinton (accounting officer from 13 September 2018)
Senior management team	I Cleland (accounting officer until 31 October 2017), Chief Executive Officer (until 31 October 2018) D Mortiboys (appointed 4 September 2017, resigned 22 June 2018) P Wilson (appointed 16 July 2018), Chief Finance Officer C Pritchard (accounting officer from 1 November 2017 until 13 September 2018), Chief Operating Officer D Clinton (accounting officer from 13 September 2018), Chief Executive Officer (from 1 November 2018) J Bloor, Chief Education Officer
Independent auditors	Bishop Fleming LLP Chartered Accountants Statutory Auditors 16 Queen Square Bristol BS1 4NT

**ACADEMY TRANSFORMATION TRUST
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2018**

Advisers (continued)

Bankers

Lloyds Bank
114-116 Colmore Row
Birmingham
B3 3BD

Barclays Bank PLC
Cambridge Benet Street
Leicestershire
LE87 2BB

Solicitors

Browne Jacobson
Victoria Square House
Victoria Square
Birmingham
B2 4BU

**ACADEMY TRANSFORMATION TRUST
(A COMPANY LIMITED BY GUARANTEE)**

Directory of Academies

Academy 1

Beck Row Primary Academy

The Street,
Beck Row,
Bury St Edmunds,
P28 8AE

Senior Leadership Team

- Executive Principal
- Head of School
- Assistant Head

S Vincent
R King
L Smith

Academy 2

Bristnall Hall Academy

Bristnall Hall Lane,
Oldbury,
West Midlands,
B68 9PA

Senior Leadership Team

- Principal and ATT Executive Lead
- Vice Principal
- Vice Principal
- Assistant Principal
- Assistant Principal

V Green
P Harris
K Uppal
I Jones
A Chivers

Academy 3

Caldmore Primary Academy

Carless Street,
Walsall,
West Midlands,
WS1 3RH

Senior Leadership Team

- Executive Principal
- Principal
- Head of School
- Vice Principal
- Assistant Principal

A Bills (from Sep 2018)
A Bills
H Mitchell (from Sep 2018)
H Mitchell
M McPherson

Academy 4

Great Heath Academy

Girton Close,
Mildenhall,
Suffolk,
IP28 7PT

Senior Leadership Team

- Executive Principal
- Head of School
- Assistant Principal
- Assistant Principal

S Vincent (from Sep 2018)
N Brown
E Mitchinson
A Smith

Academy 5

Iceni Academy Primary

Main Street,
Hockwold,
IP26 4LP

Senior Leadership Team

- Principal

E Owner

**ACADEMY TRANSFORMATION TRUST
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Academy 6

Iceni Academy Secondary

Stoke Road,
Methwold,
IP26 4PE

Senior Leadership Team

- Principal
- Vice Principal
- Assistant Principal
- Assistant Principal

S Plume
C Carmichael
S Turner
A Staniforth

Academy 7

Kingsmoor Academy

Ployters Road,
Harlow,
Essex,
CM18 7PS

Senior Leadership Team

- Principal
- Assistant Principal
- Assistant Principal
- Assistant Principal
- Assistant Principal

L Brennan
A Lymbouris
R Getley
A Atkins
M Minas

Academy 8

Jubilee Academy

Ployters Road,
Harlow,
Essex,
CM18 7PS

Senior Leadership Team

- Principal
- Assistant Principal
- Assistant Principal

D Brownsword
J Westwood
C Goldup

Academy 9

Mark Hall Academy

First Avenue,
Harlow,
Essex,
CM17 9LR

Senior Leadership Team

- Principal
- Vice Principal
- Vice Principal
- Assistant Principal
- Assistant Principal

J Fuller
M Hazle
V Butler
E Whittington
L Lee

Academy 10

Mildenhall College Academy

Bury Road,
Suffolk,
IP28 7HT

Senior Leadership Team

- Principal and ATT Executive Lead
- Head of School
- Vice Principal
- Vice Principal
- Assistant Principal
- Assistant Principal
- Assistant Principal
- Assistant Principal

S Byles (from Sep 2018)
N Hood (from Sep 2018)
K Ward
N Hood
D Barrett
M Blenkin
R Goodenough
C Kerr

**ACADEMY TRANSFORMATION TRUST
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Academy 11

The Nicholas Hamond Academy

Brandon Road,
Swaffham,
Norfolk,
PE37 7DZ

Senior Leadership Team

- Principal
- Vice Principal
- Vice Principal
- Assistant Principal

M Woodhouse
S Franklin
E Thomason
K Ogden

Academy 12

North Walsall Primary Academy

Derby Street,
Walsall,
West Midlands,
WS2 7BH

Senior Leadership Team

- Executive Principal
- Principal
- Head of School
- Vice Principal
- Assistant Principal

A Bills (from Sep 2018)
L Chambers (resigned Aug 2018)
N Hawkins (from Sep 2018)
N Hawkins
Z Maisey

Academy 13

Phoenix Academy

Odell Road,
Leamore,
Walsall,
West Midlands,
WS3 2ED

Senior Leadership Team

- Executive Principal (Consultant)
- Principal
- Interim Principal
- Interim Head of School
- Interim Associate Principal
- Assistant Principal
- Assistant Principal

A Munoz-Bailey (until Aug 2018)
J Ashwin (resigned Aug 2018)
J Thompson (from Sep 2018)
N Cunliffe (resigned Aug 2018)
J Thompson
E Phillips (from Sep 2018)
L Dawes (from Sep 2018)

Academy 14

Pool Hayes Academy

Castle Drive,
Willenhall,
West Midlands,
WV12 4QZ

Senior Leadership Team

- Principal
- Vice Principal
- Vice Principal
- Vice Principal
- Senior Asst. Principal
- Assistant Principal
- Assistant Principal

L Baker
D Mason
A Lawrence
S Darlington
L Evans
L Macey
A Williams

Academy 15

Ravens Academy

Nayland Drive,
Clacton on Sea,
Essex,
CO16 8TZ

Senior Leadership Team

- Principal
- Principal
- Vice Principal
- Vice Principal
- Assistant Principal

A Bear (from Sep 2018)
K Hammond (resigned Aug 2018)
C Minter
A Bear
E Randell

**ACADEMY TRANSFORMATION TRUST
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Academy 16

Star Academy Sandyford

Burnaby Road,
Sandyford,
Stoke on Trent,
ST6 5PT

Senior Leadership Team

- Executive Principal
- Principal
- Head of School
- Vice Principal

B Caisley (from Sep 2018)
N Broomhall (resigned Aug 2018)
L Broadhurst (from Sep 2018)
L Broadhurst

Academy 17

Sun Academy Bradwell

Cauldon Avenue,
Newcastle under Lyme,
Staffs,
ST5 8JN

Senior Leadership Team

- Executive Principal
- Principal
- Head of School
- Vice Principal
- Assistant Principal

B Caisley (from Sep 2018)
B Caisley
I MacDonald (from Sep 2018)
L Niemczyk
I MacDonald

Academy 18

Sutton Community Academy

High Pavement,
Sutton in Ashfield,
Notts,
NG17 1EE

Senior Leadership Team

- Principal
- Acting Principal
- Acting Vice Principal
- Senior Assistant Principal
- Acting Vice Principal
- Assistant Principal
- Assistant Principal
- Assistant Principal
- Assistant Principal
- Associate Asst Principal

T Croft (resigned May 2018)
D Mackey (from June 2018)
D Jenkins (from Sep 2018)
D Mackey
N Elvidge (from Sep 2018)
V Tansley (resigned Aug 2018)
D Jenkins
P Briscoe
C Clark (from Sep 2018)
J Graves

Academy 19

The Dukeries Academy

Whinney Lane,
New Ollerton,
Newark,
Notts,
NG22 9TD

Senior Leadership Team

- Principal
- Assistant Principal
- Assistant Principal
- Assistant Principal
- Assistant Principal
- Assistant Principal

C Leitheiser
J Ferris
E Rosaman
R Gill
L Glasby
R Roe (resigned Dec 17)

**ACADEMY TRANSFORMATION TRUST
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Academy 20

The Hathaway Academy

Hathaway Road,
Grays,
Essex,
RM17 5LL

Senior Leadership Team

- Principal
- Vice Principal
- Senior Asst. Principal
- Assistant Principal
- Assistant Principal
- Assistant Principal

F Rodrigues
V Walker
J Rose
J Convoy
K Dyke
A Koiki

Academy 21

The Queen Elizabeth Academy

Witherley Road,
Atherstone,
Warwickshire,
CV9 1LZ

Senior Leadership Team

- Principal
- Deputy Principal
- Assistant Principal
- Assistant Principal
- Assistant Principal
- Assistant Principal

D Watts
P Ward
R Clare
R Grainger
R Hill
S Ressel

Academy 22

Westbourne Academy

Marlow Road,
Ipswich,
IP1 5JN

Senior Leadership Team

- Principal
- Vice Principal
- Vice Principal
- Assistant Principal
- Assistant Principal
- Assistant Principal

G Trott
M Bouckley
M Woodhouse
C Cooke
K Roche
R Hawkes

*The senior leadership teams listed above includes those with the titles of Executive Principals, Principals, Vice Principals and Assistant Principals and excludes members of other titles such as Safeguarding Leaders or Directors of Services.

**ACADEMY TRANSFORMATION TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2018**

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company and the group for the year ended 31 August 2018. The annual report serves the purpose of both a Trustees' report, and a Directors' report under company law.

The Trust operates 10 primary academies, 10 secondary academies and 1 all through academy for pupils across England. Its academies have a combined pupil capacity of 14,068 and had a roll of 11,805 in the school census on 1 October 2018.

The Trust also operates a further education provision mostly within Nottinghamshire but extending across other Trust academies. In the current reporting period, 4,835 (2017: 2,426) post-16 learners (including 19+ learners and subcontracted provision) benefitted from this provision.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The academy is a company limited by guarantee and an exempt charity. The charitable company and the group's Memorandum and Articles of Association are the primary governing documents of the academy. The Trustees of the Trust are also the directors of the charitable company for the purposes of company law. The charitable company is known as Academy Transformation Trust ("ATT" and/or "the Trust").

Details of the Trustees who served throughout the year, except as noted, are included in the Reference and Administrative Details on pages 1 to 2.

Members' liability

Each member of the charitable company and the group 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.

Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the year	Nil
Full-time equivalent employee number	N/A

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	Nil
1%-50%	Nil
51%-99%	Nil
100%	Nil

Percentage of pay bill spent on facility time	N/A
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Total cost of facility time	Nil
Total pay bill	Nil
Percentage of total pay bill spent on facility time	N/A

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	N/A
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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018**

Trustees' Indemnities

There are no qualifying third-party indemnity provisions in respect of Trustees, other than trustees' insurance, which is in place.

TRUSTEES

Method of Recruitment and Appointment or Election of Trustees

The Trustees are appointed in accordance with the Articles of Association.

The Trustees complete a skills analysis which allows the Trust Board to identify any skills gaps. Members work with Academy Ambassadors to match skilled and experienced business leaders to the needs of the Trust to strengthen the board.

Policies and Procedures Adopted for the Induction and Training of Trustees

All new Trustees receive a bespoke induction programme appropriate to their needs. This includes meeting with executive team members, understanding academy data, safeguarding, HR and finance. In the reporting period, Trustees received training on duties under Equalities legislation and a full induction that included sessions from external providers. Committee Chairs also meet with the Director of the relevant directorate on a regular basis.

Trustees are requested to advise of any training requirements/wishes.

Trustees as part of their roles also required to visit several academies during the year.

A skills audit is required to be completed on becoming a Trustee or Governor at a local academy level. From this information and following consultation with the Chair or Principal a bespoke training package is drawn up by the Trust.

A range of training opportunities, as well as access to information documents, are available to all levels of governance through the ATT Governor portal. All new Local Academy Committee Governors are offered the opportunity to take part in an induction session to provide them information regarding:

- What it means to be an ATT Local Academy Committee Governor;
- The features of an effective Local Academy Committee;
- Their roles and responsibilities, included within this are the strategic direction and improvement of the academy; and
- How they can successfully support, monitor and evaluate the effectiveness of the academy.

Governors are required to undertake the following training:

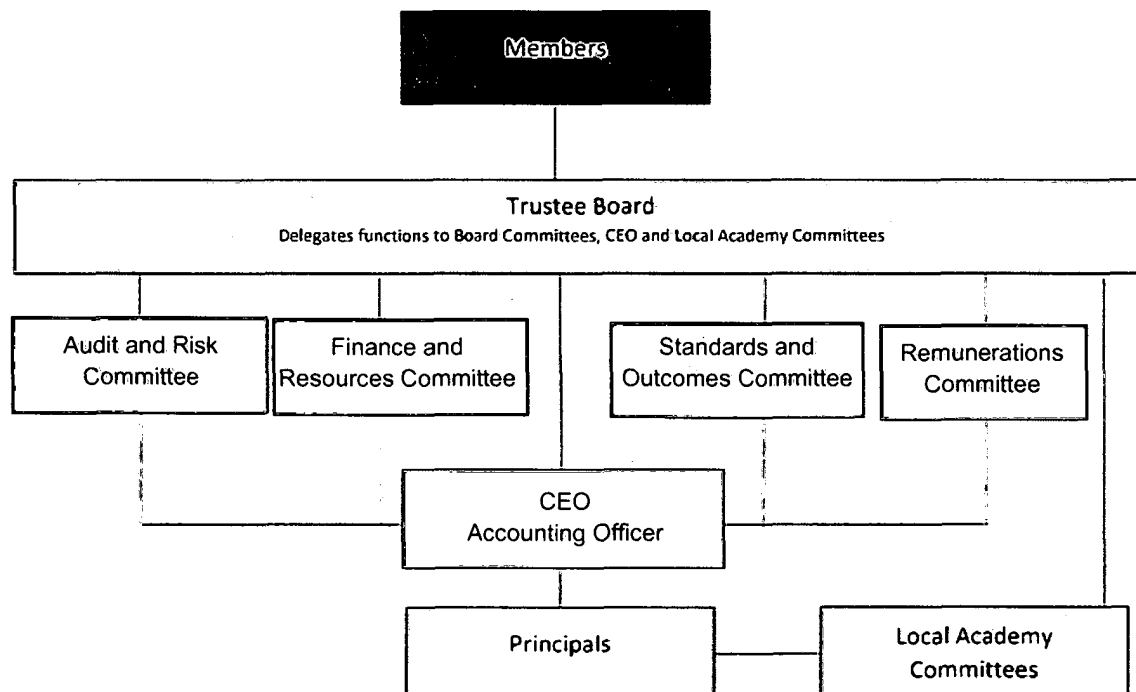
- Child Protection level 1 training;
- Radicalisation and Extremism online course; and
- The Chair plus one other Governor undertakes Safer Recruitment Training.

Organisational Structure

The structure consists of four levels: Members, Trustees, Executive and Academies.

The Scheme of Delegation clearly sets out where decision-making responsibility lies across each level. Members and Trustees have delegated certain responsibilities to the Executive or committees (including those at academy level). Where this is the case, there are clear terms of reference, delegation of authority documents and financial regulations in place to govern decisions.

The Trustees have established the following committees: audit and risk, finance and resources, standards and outcomes, remuneration and a local academy committee in each academy.



**ACADEMY TRANSFORMATION TRUST
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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018**

Overview of responsibilities from the Scheme of Delegation

The local academy committee focuses on school improvement and outcomes for pupils.

The Trust academies were structured on a regional basis particularly for the delivery of finance, estates and HR functions during the current reporting period. All regional employees report directly to the ATT central team improving the consistency and visibility of information received by Trustees.

Members

- Appoint trustees to ensure the Trust's charitable object is carried out.
- Approve any amendments made to the articles of association.
- Appoint the Trust's Auditors.

Chief Executive Officer / Accounting Officer

- Performance of the Trust's academies.
- Manage the academy Principals.
- Overall responsibility for the operation of the Trust's financial responsibilities.
- Leads the executive management team of the Trust.

The Trustee Board

- General control and management of the administration of the Trust.
- Legally responsible and accountable for all statutory functions.
- Responsible overall for performance of all schools within the Trust.
- Approve the scheme of delegation of financial powers.
- Employer of every member of ATT staff.
- Review and adapt the Trust's governance structure.

Audit and Risk Committee

- Promote the highest standards of propriety in the use of public funds and encourage proper accountability for the use of those funds.
- Advising Members on the appointment and remuneration of external auditors and internal audit arrangements.
- Reviewing the external financial statements including the external auditor's opinion, advising the Trustee Board on audit aspects and monitoring.
- Management action in response to issues raised by external audit.
- Promoting a climate of financial discipline and control which will help to reduce the opportunity for financial mismanagement.
- Review the report and recommendations made through the internal audit program of work.
- Overseeing the Trust's policies on fraud, data protection, health and safety, freedom of information and whistleblowing.
- Receive reports on the outcome of investigations of suspected or alleged impropriety.
- Review and authorise due diligence reports regarding proposed new academies.
- Promote development of review the effectiveness of internal controls, governance and risk management systems.

Finance and Resources Committee

- Assess implications of the indicative funding from DfE for each academy in advance of the financial year, drawing any matters of significance/concern to the Trust Board.
- Ensure budgets are consistent with each academy development plan and the Trust's strategic plan priorities.
- Receive and make recommendations on the broad budget headings and areas of expenditure to be adopted each year.
- Liaise with and receive reports from appropriate committees and make recommendations to those committees about the financial aspects of matters being considered by them.
- Consider requests for supplementary expenditure and make appropriate recommendations to the Trust Board.
- Review financial policy including consideration of long term planning and resourcing in accordance with each of the academies' development plans.
- Monitor and review expenditure on a regular basis and ensure compliance with the overall financial plans, financial regulations of the DfE and draw matters of concern to the attention of the Trust Board.
- Monitor and review procedures for ensuring effective implementation and operation of financial procedures.

**ACADEMY TRANSFORMATION TRUST
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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018**

- Receive the financial statement to form part of the annual report of the Trust Board to stakeholders and for filing as per the Companies Act, Charity Commission and Funding Agreement (including the Academies Financial Handbook).

Standards and Outcomes Committee

- Benchmark the performance of the academies against national expectations and targets.
- Setting the framework for target setting at school level.
- Approve the Annual Assessment Cycle.
- Approve Recovery Plans and deployment of support for coasting or not yet good schools.
- Approve the Trust's Achievement Strategy.
- Validate where there are gaps and ensuring appropriate strategies/ support are in place to close them rapidly.
- Ensure there is appropriate monitoring in place to assess the impact of academy/school improvement actions.
- Judge the capacity to secure strong improvements by the end of the year.
- Recommend, monitor and evaluate assigned statutory policies and documents.

Principals

- Responsible for the day to day management of the academy.
- Reports to the academy committee on matters which have been delegated to it.

Remuneration Committee

- To determine the Trust wide Pay Policy and any other policies linked to the remuneration of Staff.
- Oversee and monitor the process of pay and performance moderation across the Trust.
- To determine and agree with the Trust Board the framework for the remuneration of the CEO (and any other senior executives it deems appropriate) ensuring the remuneration paid to senior executives does not exceed an amount that is reasonable in all circumstances.
- To ensure no senior leader or manager is involved in any decisions regarding their own remuneration.
- To oversee and recommend the remuneration of the CEO, receiving reports from the CEOs Performance Review Panel pay schemes operated by the Trust (including annual bonus schemes).
- Monitor and review pay awards across the Trust annually to ensure they remain in line with expectations in terms of our Pay Policy and to act on the recommendations of the Board to operate pay costs as a percentage of income targets.
- Approve for recommendation to the Trust Board (following annual review) all Trust pay Awards - including any Principals' bonuses.
- Scrutinise and propose to the Trust Board any recommendations from Principals relating to pay awards which are outside the guidelines of our Pay Policy.
- In its monitoring of pay and performance, to ensure all staff are treated equitably and with due regard to all relevant equalities legislation.
- Monitor any additional payments awarded by Principals (after agreement with the CFO and CEO) outside the set annual budget parameters (and within the terms of our Pay Policy).
- Monitor and review trust wide performance management and appraisal processes and procedures in line with our agreed policies.
- Scrutinise executive reports concerning matters relating to any of the issues listed in these terms of reference.

Arrangements for Setting Pay and Remuneration of Key Management Personnel

Pay of the Chief Executive Officer is set and reviewed by a panel of Trustees, advised by an independent external adviser, and after considering contributory factors such as scope of the role, market factors and results of the performance review process.

Senior management personnel pay is determined by the Chief Executive Officer in consultation with the Remuneration Committee, who have reviewed and approved the performance management process.

Teacher and non-teacher pay progression in academies is overseen by the Principal who makes recommendations, based on the achievement of objectives that are set and reviewed annually, to the Local Academy Committee for review. The role of the Remuneration Committee is to moderate the outcomes and agree the Local Academy Committee recommendations. The Remuneration Committee moderates pay progression across the Trust following Academy Committee recommendations.

**ACADEMY TRANSFORMATION TRUST
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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018**

Connected Organisations, including Related Party Relationships

The academy trust was established as a company limited by guarantee and controls subsidiary Mark Hall Sports Services Limited which operates a sports centre at Mark Hall academy, and does not have any external sponsors.

OBJECTIVES AND ACTIVITIES

Objects and Aims

The Trust's objects are set out in its Articles and in summary the Trust's purpose is to manage and develop each of the local academies within ATT, providing a good education and a hub for the community which each academy serves.

Our Purpose, Vision and Values

Our Vision – Transforming education: Transforming performance: Transforming lives. Putting children and young people at the heart of all that we do.

The Trust will ensure that all our children and young people, regardless of their background, fulfil their educational potential. The Trust will do this in safe, supportive and ambitious environments, ensuring we maximise life chances for them all.

Our Values

- The Trust will work inclusively within our communities, embracing the varied localities we serve while sharing our common vision and values.
- Develop the very best leaders of the future, working to improve education and transform lives.
- Adhere unwaveringly to the 'Nolan Principles' of Public Service, which is made clear in our Commitment to Ethical Leadership.

Public Benefit

The Trustees have complied with the duty in Part 3 of the Charities Act 2011, to have due regard in public benefit guidance published by the Charity Commission in exercising their powers or duties. In particular, the Governors consider how planned activities will contribute to the aims and objectives they have set. The Trust, has provided a fully comprehensive education to all pupils in its care. It fully complies with all statutory guidance and seeks to support its wider educational objectives via a strong community role. Where the Trust has full control of its facilities it seeks to ensure a broad community use is made of the school facilities outside of the school day and within the school day where this is practical.

The Trustees consider that ATT's aims and objectives are demonstrably to the public benefit.

STRATEGIC REPORT

Achievements and Performance

This report highlights the Trust's activities and achievements during 2017/18, as the Trust continues to strive towards its mission of providing the very best education for all pupils and the highest level of support for staff to ensure every pupil leaves their academy with everything they need to reach their full potential.

Key Performance Indicators

Academy improvement

- 100% primary academies that have been inspected are now Ofsted rated Good (some with Outstanding features).
- 75% of inspected secondaries and FE are rated Good (some with outstanding features).
- 100% of our inspected post-16 provision is rated Good.
- No academies are below floor standards and no academies in an inadequate category.
- 68% of pupils achieved a GLD and 78% passed the Year 1 Phonics testing.

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

- In Year 6, 62% achieved Reading, 68% achieved Writing, 67% achieved Maths and 50% got the combined national standard.
- In Year 11 51% of students achieved Basics 4+ and 31% Basics 5+.
- The average grade for A level is a C+.

Key achievements

- With regards primary pupil outcomes, the number of pupils achieving a GLD in Early Years rose to 68% and is in line with national averages.
- In Year 1 Phonics screening 78% of pupils achieved a pass - a rise of 5% and broadly in line with the national average.
- Improvements in Year 2 reading, writing and maths were made with 68% in reading, 60% in writing and 69% in maths.
- Improvements in Year 6 made in 2017 were sustained in 2018 with 62% in reading, 68% in writing and 67% in maths with 50% of pupils gaining the combined outcome.
- At Key Stage 4 progress 8 scores are broadly in line with the national average.
- The average 'A' Level grade rose from a C- to a C and one academy (Dukeries) saw their first ever student gain a place at Oxford.
- Lead practitioners have continued to work in the East and West regions of ATT to provide more focused support in the core subjects. Academy Progress Boards took place with a focus on progress towards termly milestones against the academy's 'Key lines of Enquiry', which are determined annually during the categorisation process.
- The many successes in improvement are set against a turbulent education context with changes to examinations and assessments.

What Ofsted says

In the 2017-18 academic year, two primary and one secondary academy received their Ofsted inspections.

The Nicolas Hamond Academy, November 2017, Requires Improvement, Good for Sixth Form

The school has had a turbulent year since the departure of the principal in October 2016, followed by a major staff restructure. With support from the academy trust, the governing body has recently managed a restructure of staffing to keep the school financially viable. The academy trust provides support across a range of areas such as safeguarding, managing the school site and ensuring safe internet access at the school.

Great Heath Academy, May 2018, Good.

The school became a member of the Academy Transformation Trust in 2015 and, since then, has been well supported by the trust to maintain and further develop its commitment to high standards for pupils. The principal has recently begun to support another local school in the trust. Because of this, Great Heath Academy has appointed a head of school to ensure that this does not affect its own improving standards. This means that the school's ambitious culture is being maintained, and pupils continue to achieve good outcomes. The trust provides regular challenge and support to the school's leaders. The trust prepares its own school improvement plan, and its representatives visit frequently to check on leaders' progress towards their improvement targets.

Sun Academy, July 2018, Good with Outstanding for Leadership and Management and EYFS

The trust board and governors have very good systems in place to monitor the work of the principal and her leadership team. There are strong accountability measures imposed by the trust board so that governors are held to account for the school's effectiveness. Regular reports to the board from governors communicate the impact of resources and staffing on school improvement, pupils' outcomes and staff performance.

Celebrating Success

In December 2017, the Trust held its third annual Pupil Awards where over 60 pupils from a range of academic, social and creative achievements gained an award. The awards recognise pupils who have been courageous in transforming their lives, ambitious in achieving their goals and relentless in demonstrating exceptional personal qualities.

Throughout 2017-2018 our academies continued to gain a number of awards for the great work they do both as part of a rich and varied curriculum and as part of the 'extra curriculum work they do. Some examples of the accreditation received for this work are listed below.

Star Academy

The inclusion Quality Mark – Flagship status

The inclusion mark was awarded for promoting equal opportunities for all pupils, whatever their age, gender, ethnicity, attainment and background. It pays particular attention to the provision made for, and the achievement of, different groups of pupils within a school and any pupils who are at risk of disaffection and exclusion. For Star this is particularly evident in its inclusion of pupils with life changing medical needs and autism. The quality of provision for children with complex needs and the pastoral support afforded to all was commended. The tireless work to develop a secure, wraparound and caring environment that promotes a good sense of wellbeing is to be applauded is also a highlight of the award.

The School Games Award (Silver)

To achieve the silver School Games Award the pupils and staff at Star academy have greatly increased engagement in school games. This has been achieved through providing pupils with more than 2 hours of sports per week as well as ensuring more than 35% of pupils access extra-curricular activities. Over the course of the academic year, the academy has targeted provision for less active young people ensuring a minimum take up of at least 10% and experience healthier lifestyles. In addition to this, Star has strengthened its competitive prospects by providing opportunities for both boys and girls to take part in both age and stage competitions.

Associate Royal Shakespeare Company School

Star Academy have been chosen to become an associate school of the Royal Shakespeare Company following many years of dedication and engagement with the prestigious company. Being an associate academy means that Star Academy assists and shares its expertise with other setting to bring about a significant change in the way young people experience, engage with, and take ownership of the work of Shakespeare. Teachers explore Shakespeare with their students in the way actors do in a rehearsal room, using dynamic, active approaches.

Sun Academy

The School Games Award (Gold)

To achieve the Gold School Games Award the pupils and staff at Sun Academy Bradwell have greatly increased engagement in school games. This has been achieved through providing pupils with more than 2 hours of sports per week as well as ensuring more than 50% of pupils access extra-curricular activities. Over the course of the academic year, the academy has targeted provision for less active young people ensuring a minimum take up of at least 15% and experience healthier lifestyles. In addition to this, Sun has strengthened its competitive prospects by providing opportunities for both boys and girls to take part in both age and stage competitions this has often included 'B' and 'C' teams. Pupils have undertaken opportunities to lead curriculum PE and parts of lessons. Sports coaches and volunteers have been utilised and at least five links with local community groups have been established to strengthen the provision and quality of sports provided.

Hathaway Academy

Diversity Mark

Contacts were established and developed with Diversity Mark for Schools in the Autumn Term of 2017/2018. Throughout the Academic year Hathaway showed a commitment to providing additional opportunities for students away from the classroom, and due to their inclusive nature, they were fast tracked to achieve a Silver Award Diversity Mark.

Diversity Mark have made a wealth of positive comments about the Academy in their written report for the Silver Award the assessors said:

- There is clearly strong work to extend learning outside the classroom and this is having a positive impact.
- Evidence of good parental engagement.

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

- Strong commitment to inclusion across the whole school setting.
- Evidence that students learn in a caring, supporting environment where all are encouraged and supported to achieve.
- Evidence of well-planned assemblies and opportunities linked to the personal, social and moral education of students.

As a result of Hathaway's work they were able to provide experiences and opportunities to students last year that they previously hadn't been subject to, such as visits to Disneyland Paris, The Somme Battlefields and New York.

Mildenhall College Academy

Bronze School Games Mark awarded September 2017. In order to qualify, the Academy had to show evidence that they were engaging at least 20% of young people in extracurricular sport each week, hold an annual sports day and compete in a large number of inter-school competitions in a range of sports.

National Citizen Service Award – In November 2018 Mildenhall College Academy won an NCS (National Citizen Service) Champion School & College Award 2017/18 and were invited to attend the 2018 awards dinner on Thursday 15th November 2018 to receive the award. The NCS team set the academy a target to get 16 students onto the NCS programme for the summer of 2018. With some targeted work with Year 11 students, 35 students signed up on the programme. This was down to planned assemblies, lunch stands and visiting SKL (PSHE) lessons. NCS were 'amazed' at the amount of sign ups they had.

The NCS scheme takes place in the spring, summer or autumn coinciding with school holidays. Groups of teenagers undertake a week-long residential visit, usually to an activity centre for an Outward Bound-style course in the countryside involving physical and team building activities. After this, volunteers undertake a residential week, gaining a taste of independent living and learning a variety of skills for their future. In the third week, participants plan and deliver a "social action" project in their local community, often to raise awareness of or fundraise for a particular cause. Those completing the course receive a certificate at a graduation ceremony signed by the Prime Minister.

The Dukeries Academy

The Dukeries Academy has been recognised for its work in developing CEIAG through the use of PiXL Edge. This is an on-line tracking tool that records evidence of a range of skills and experiences that can help to transition a student to life beyond 18. The percentage of students going to Russell Group universities has risen to 23% with the first student going to Oxford University in 2018. The success of this has been recognised by the school improvement group and PiXL. The academy has been accredited and verified as an Ambassador of Excellence for PiXL Edge at KS5. A number of national events have been held to share their expertise. They have been selected as a KS5 case study in the PiXL national newsletter. PiXL Edge has now been rolled out to all KS3 students as part of the PSHE and careers package. The LORIC principles help the school meet the Gatsby benchmarks and will form part of a presentation being given at the local head teachers conference in November.

Bristnall Hall Academy

SSAT Educational Outcomes Award and Leading Edge status

Bristnall Hall Academy has won a national award recognising educational GCSE outcomes. They have been recognised nationally for their excellent results in 2017 based on data from the Department of Education and Ofsted, analysed by SSAT (the Schools, Students and Teachers network). Bristnall Hall Academy was found to be among the best performing secondary schools in the country, receiving an award for being in the top 20% of schools nationally for progress.

The SSAT Educational Outcomes database compares all state-funded schools and academies in England, with the highest performing for a range of key measures presented with SSAT Educational Outcomes Awards, sponsored by Lexonik. Bristnall Hall Academy was presented with their award in the summer term at a ceremony attended by winners from across the region.

Sue Williamson, Chief Executive of SSAT said:

"I am delighted that Bristnall Hall Academy has won an Educational Outcomes Award. This recognises an important aspect of the schools' work, but, as we know, there is much more to recognise in a good school like

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

Bristnall Hall Academy. SSAT is pleased to recognise the quality of leadership and the hard work of all staff to ensure the success of every child. A big thank you and well done to pupils, parents, staff and governors.

In addition to this award the academy has been granted Leading Edge status.

The Excellence Mark

Bristnall Hall Academy were awarded the Excellence Mark for the training and development and staff and all stakeholders of the academy. The Excellence Mark award process provides a systematic and robust framework to interrogate the creation, planning, delivery and review of Bristnall Hall Academy's training and development policy and practice. Fundamentally, through the process of gaining the award, it has been recognised that professional development is integral to improving achievement and attainment at the academy. The academy was assessed against a framework of 48 descriptors; to attain the threshold for the award, schools must achieve a minimum of 43 (90%) of the evidence descriptors. We are delighted to have met every standard.

Academy Transformation Trust Further Education

Throughout 2017-2018 our FE provision was recognised at both a local and national level for the excellent work it does to support young people and adult learners in gaining the skills for successful employment. Below are just some of the awards that were gained during 2017-18:

Education and Training Foundation

- National best practice case study – study programmes

Education and Training Foundation/Association of Education and Learning Providers

- National best practice case study – Improving outcomes for adult SEND/LLDD

Learning and Work Institute

- Festival of Learning – Certificate of Achievement – 'Learning and Earning'

2017

North Midlands and South Yorkshire Apprenticeship Awards

- Apprentice of the Year Mansfield and Ashfield – WINNER
- Mentor of the Year – WINNER
- Apprenticeship Champion – Special Commendation

Mansfield and Ashfield 2020 Business Awards

- Young Apprentice of the Year – WINNER

Chad Business Awards

- Apprentice of the Year – WINNER
- Inclusion Award – WINNER – Skills for Independent Living curriculum
- Lifetime Achievement Award – WINNER

2018

North Midlands and South Yorkshire Apprenticeship Awards

- Apprenticeship Champion – Special Commendation
- Apprentice of the Year Mansfield and Ashfield – Special Commendation

Mansfield and Ashfield 2020 Business Awards

- Young Apprentice of the Year – WINNER
- Community Contribution – Finalist – Skills for Independent Living curriculum

Other key Trust activities that supported the continued success of ATT academies in 2017-18 are:

- Robust support and guidance in safeguarding has led to Ofsted recognising this as 'Good' in all inspections carried out.
- The development of a regional delivery model for School Improvement with the establishment of East and West Hubs for primary and secondary school improvement work.
- £28.0m of future capital funding, secured through PSBP2, across three academies (Mark Hall £12.0m, Mildenhall £14.8m and Nicholas Hamond £1.2m).
- ATT undertaking local delivery of building schemes at Nicholas Hamond and Mildenhall.
- £60k of National lottery funding secured for the development of external areas within primary academies.

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

Going Concern

The cumulative restricted income financial reserves across the Trust have significantly depleted over a few years; with the deficit position increasing again in the current period. The Trustees notified the ESFA in 2016/17, as per the Academies Financial Handbook, and a recovery plan was put in place. The current period deficit was fully expected within the recovery plan, with a turnaround to an in year surplus position budgeted for 2018/19. The recovery plan continues to be implemented with the Executive working closely with Trustees and the ESFA to ensure that the necessary curriculum led financial planning, staffing restructures and centralisation of procurement contracts is completed to drive the required cost savings going forward.

The Trustees will continue to ensure there is appropriate control and oversight to ensure the recovery plan is implemented to return the Trust to a cumulative positive restricted income reserves position. The Trustees have gained assurance of the recovery plan following a full review, and re-submission of multi-year budget plans with the ESFA. The ESFA have agreed to provide in year financial assistance to the Trust in 2018/19.

Trustees have considered this alongside the facts that a largely new Executive team is in place at the Trust and governance arrangements have been strengthened and are now confident that the Trust has adequate resource to continue its activities for the foreseeable future. For this reason, it continues to adopt the going concern basis in the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting policies.

FINANCIAL REVIEW

Financial Review

During the period, the Trust has worked tirelessly to implement the recovery plan agreed with the ESFA in early 2018; following the financial difficulties faced in 2016/17. The agreed recovery plan was for the Trust, to record an in-year deficit on adjusted restricted and unrestricted funds for 2017/18 of £1,562k. In this instance adjusted restricted and unrestricted funds means the net movement in funds excluding the impact of the LGPS actuarial gain or loss, the current and past service cost, and the net interest cost, but including the employers pension contributions. Actual achievement was a deficit of £1,562k; this being better than the agreed recovery plan of £1,562k; this being a significant reduction of £3,326k than the prior deficit of £4,888k. The savings of £3,326k have been achieved despite the continued backdrop of rising teacher and support pay and increasing pension contributions. The key savings have been driven from staff restructuring in the year of £2,308k; operating cost savings of £507k; and in the prior year the net cost to the Trust of academy transfers was £1,055k. The Trust is forecasting to record an in-year surplus in 2018/19; as we continue to implement our financial strategies of integrated curriculum financial planning; centralisation of key procurement contracts; increasing estates revenues; and further staff rationalisation. On an accounting basis, and thus considering the FRS102 pension valuation figures, the Trust achieved an in-year surplus on restricted and unrestricted funds of £5,538k an increase of £4,511k in comparison to 2016/17. The pension valuation saw an actuarial gain of £7,752k, due to an increase in the discount rates and strong investment performance.

Reserves Policy

The Trust's policy on reserves is to maintain sufficient reserves to enable the Trust to operate effectively in what is becoming a less certain economic and funding environment, to address any current year shortfall in funding, or to use them in the on-going investment in the Trust's estate, subject to satisfying terms and conditions of the grant funding.

The Trustees review the reserve levels annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves.

The outcomes of these factors will inform ATT's long-term reserves policy. However, as an interim measure, the Trustees have agreed that the minimum level of reserves held for revenue purposes should fall no lower than the equivalent of £100,000 reserve per secondary academy and £50,000 per primary academy.

The level of general reserves as at August 2018 (total funds less the amount held in fixed assets or committed funds) is a deficit of £4,072k.

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

Investment Policy

ATT does not currently have an investment policy as there are no investments. Should a decision be taken to consider a strategy requiring investment, this would be enshrined in a policy.

Principal Risks And Uncertainties

The Trustees have assessed the major risks to which ATT is exposed through its audit and risk committee and these are summarised in ATT's Risk Register. The Trustees have implemented a number of systems to assess the risks that ATT faces, especially in the operational areas (e.g. in relation to teaching, health and safety, educational visits and safeguarding) and in relation to the control of finance. They have introduced mitigating controls, including operational procedures and internal financial controls in order to minimise risk. Where significant risk remains, they have ensured they have adequate insurance cover.

The key risks identified in the Trust's Risk Register and mitigating controls are as follows:

Risk	Mitigating controls
Regulatory procedures, including GDPR, safeguarding, HR, equality and H&S are not effective enough	Policies and procedures in place and under constant review in conjunction with JNC where appropriate. New (GDPR) legislation considered and action plan drawn up. Training programme for all staff in GDPR and continuous CPD. Suitable qualified staff or external support engaged. Safeguarding and H&S reviews and audits carried out. Access to legal advice. Live oversight of H&S information by central team. ATT conferences for safeguarding.
That one or more academies fail to make suitable progress over an acceptable period of time	Appointment of Independent Executive Officer to add capacity to Executive team and ensure suitable focus remains on educational outcomes. ATT categorisation and key lines of enquiry for each academy. Progress boards in operation. Support and monitoring process proportionate to need. PPM targets drive up standards. Developing school to school support. Lead Practitioners deployed to secure improvement in core subjects. Revised school improvement model/plan. Improved data collection/consolidation by central team.
Finance is not managed to ensure stability and reserves are not being managed adequately	Group wide budget setting. Continued development of Integrated Curriculum and Financial Planning (ICFP). Consistent approach to managing finance with regional teams. Financial regulations in place. Update Principals regarding future funding changes. Clear, timely communication regarding scheme of delegation.
That the Members and Trustees are not sufficient in number, do not have a diverse skill set and fail to hold the trust to account	Recruitment of additional trustees through Academy Ambassadors. Improve induction and training programme. Skills audit to be completed. Develop relationship between Trustees and stakeholders. Develop accountability measures.
That succession planning in senior management does not ensure consistency of operation within ATT	Review central staffing structure. Further develop CPD strategy. Identify future leaders.

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

FUNDRAISING

The Trust does not currently actively participate in fundraising activities; and thus has nothing to disclose in accordance with the Charities (Protection and Social Investment) Act 2016.

Disabled Employees and Employee Involvement

The Trust's policy in respect of disabled persons is that their applications for employment are always fully and fairly considered bearing in mind the aptitudes and abilities of the applicant concerned. In the event of a member of staff becoming disabled, every effort is made to ensure that employment with ATT continues and where necessary, appropriate training is arranged. It is ATT's policy that training, career development and promotion of disabled persons should, as far as possible, be identical with that of other employees in a similar position.

During the financial year the trustees have been proactive to maintain and develop arrangements aimed at:

1. Providing employees systematically with information on matters of concern to them as employees
2. Consulting employees on a regular basis so that the views of employees can be taken into account in making decisions which are likely to affect their interests.

PLANS FOR FUTURE PERIODS

The current reporting period has seen several changes in key personnel at both Trustee and Executive level and fundamental changes in governance structure, all of which have served to strengthen ATT. With a revised purpose, vision and values, as detailed on page 11, the Trust has set a strategic plan to make this happen; based around the four key elements of Pupils, Communities, Leaders and School improvement. The Trust's strategic plan to make this happen is as follows:

Pupils - at the heart of all we do

Curriculum, Expectations, Behaviour, Quality Teaching, Individuals

- The Trust will ensure that every pupil attends an academy that has a curriculum that is fit for purpose, broad and balanced and includes a rich and varied extracurricular offer that extends beyond the school day.
- The Trust will work with our academies to ensure high expectations and aspirations are set for all our pupils.
- The Trust will ensure all our academies have the highest standards in terms of behaviour; children know they will go to school with an orderly atmosphere where they can feel safe and learn free from disruption. The Trust will insist on good behaviour and not tolerate excuses.
- We understand the impact the quality of the teaching has on outcomes. The Trust will support academies with training and development and recognise that the work teachers do in the classroom is the single biggest key to success.
- The Trust will ensure that every child is known. Understanding the child, their background and their needs ensures our academies work with families and recognise that educational success is a partnership.

Communities - recognising the needs of the community

Partnership, Innovation, Collaboration

- The Trust want to meet the needs of each community we serve.
- The Trust will ensure that every academy develops links with the local community; playing a part in the life of that community and welcoming the innovation and support that community can bring.
- The Trust will work with local schools and the Local Authority to ensure pupils are safe and feel part of the community they live in.
- The Trust will work with local business to understand the local economy as well as ensuring pupils are equipped for a global economy.
- The Trust will recruit key members of the local community as governors, engage with parents and carers and take part in local events.

**ACADEMY TRANSFORMATION TRUST
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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018**

Leaders - developing the leaders of tomorrow

Training, Partnerships, Opportunities

- We recognise that the key to our success is the strength of leadership at every level.
- The Trust is committed to ensuring quality leadership from Trustees and governors to teachers in the classroom.
- We recognise that an inclusive culture, where leaders at all levels feel consulted, developed, valued and listened to is important to retain and recruit good staff.
- The Trust will develop regional and national programmes to develop targeted professional development; working with national and regional organisations to train our leaders.
- The Trust will embed routine, systematic collaboration across our regions to ensure the best possible leadership opportunities across the three pillars.

School Improvement - Offering challenge and partnership working

Monitor, Challenge, Support, Intervention, Collaboration, Teamwork

- The Trust is committed to improvement which is rooted in the individual needs and context of each ATT academy.
- Our Education CSI (Challenge Support and Intervention) model will develop out of a Hub Model in our two regions.
- We will ensure the creation of 'National Support Schools' and 'Teaching Schools' in our regions to support ATT academies, other local schools and schools that may be thinking of joining ATT. We will work with these schools/academies and other MATs to strengthen capacity for outreach work.
- The Trust will develop stronger collaborative networks with a central hub in both regions, thus ensuring effective Education CSI.
- The Trust will offer all pupils an entitlement to a range of extra curriculum experiences which broaden their horizons and raise their aspirations.

The Trustees and Executive will continue to embed these changes during 2018/19; alongside the agreed ESFA financial recovery plan.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

The academy does not hold such funds and does not act as the custodian trustees of any other charity.

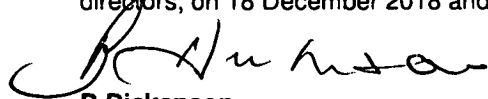
AUDITORS

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable group's auditors are 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 auditors are aware of that information.

The auditors, Bishop Fleming LLP, are willing to continue in office and a resolution to appoint them will be proposed at the annual general meeting.

Trustees' Report, incorporating a strategic report, was approved by order of the Board of Trustees, as company directors, on 18 December 2018 and signed on the board's behalf by:



**B Dickenson
Chair of Trustees**

**ACADEMY TRANSFORMATION TRUST
(A COMPANY LIMITED BY GUARANTEE)**

GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

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

The Board of Trustees has delegated the day-to-day responsibility to the 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 Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

GOVERNANCE

The information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees' responsibilities. The Board of Trustees has formally met 7 times during the academic year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
Bernard Dickenson	6	7
Patricia Beanland	7	7
Gill Empson	4	7
Don Brown	5	6
Sandra McShane	0	1
Dave Trotman	7	7
Peter Wilson	5	6
Bernard Cook	6	7
Ian Cleland	1	1
Neil Lucas	2	3
Phil Milligan	2	2
William Schirmer	2	2
Margaret Wilson	2	2

Governance reviews

In April 2017, the Trust commissioned the National Governance Association (NGA) to undertake a review of governance which was completed in June 2017. A number of strengths and weaknesses were identified in governance arrangements and an action plan to address the weaknesses was put in place. It was also agreed that a further review of governance would be completed 6 and 12 months after the initial report. In January 2018 and June 2018, NGA completed their 6 and 12 month reviews of governance within the Trust. The key actions taken by the Board to best meet the core functions of governance were:

- Revised the purpose, vision, and values of the Trust, which resulted in a clear strategic plan of achievement for 2018 to 2021.
- Appointment of a new Chief Executive Officer to deliver the Trust's vision and strategic aims.
- Defined clearly the roles of Members, Directors and committee representatives in a new Scheme of Delegation.
- Ensured that Members and Trustees have a wide range of relevant skills, experience and expertise to support effective governance.
- Ensured that Trustees receive appropriate training, via a Trustee skills audit, to complete their duties as Trustees.
- Established effective channels for recruiting and appointing new Trustees to cover any skills gaps, particularly through Academy Ambassadors.
- Revised induction procedures for new Trustees to ensure they have clarity about their accountability, role and purpose within ATT.
- Revised Financial Regulations to ensure tighter control of budgets and cash flow during a period of financial recovery.
- Revised Terms of Reference for all levels of governance.

**ACADEMY TRANSFORMATION TRUST
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GOVERNANCE STATEMENT (continued)

- Appointed a Senior Clerk to oversee the quality of minutes of academy committees.
- Increasing the visibility of and communication of Trustees with local academies, via more scheduled visits by the Trustees to the local academies.

The Board of Trustees, and all its committees plan to perform a self-review exercise annually.

The Audit and Risk Committee is a sub-committee of the main board of Trustees. The purpose of the Committee is to provide assurance over the suitability of, and compliance with its financial and other internal systems and controls. The Audit Committee is responsible for monitoring the key risks of the organisation.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Peter Wilson	3	3
Bernard Dickenson	1	1
Patricia Beanland	3	4
Don Brown	3	3
Phil Milligan	2	2

From September 2017, two committees were formed, Finance & Resources (FRC) and Standards; with the later now renamed the Standards and Outcomes committee (SOC). These allow Trustees to assess and validate financial and school improvement data respectively in greater depth, reporting committee challenge to the Executive and risks posed onwards to the Board of Trustees. The FRC are responsible for budget-setting across the Trust and ensuring Principals and finance staff are held to account for performance against this. The Standards and Outcomes committee will benchmark ATT data against national standards and approve proportionate school improvement support for academies. Both committees will utilise their expertise to set strategic and policy direction for their respective focus areas.

Attendance during the year at meetings of the FRC and SOC was as follows:

Trustee	Meetings attended	Out of a possible
FRC:		
Bernard Cook (Chair)	7	7
Bernard Dickenson	6	7
Sandra McShane	1	2
Neil Lucas	4	5
Peter Wilson	2	3
William Schirmer	1	1
SOC:		
Pat Beanland (Chair)	4	4
Dave Trotman	3	4
Gill Empson	3	4
Margaret Wilson	1	2

REVIEW OF VALUE FOR MONEY

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

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

- Continuing to review the centralisation of purchase ledger and banking arrangements to provide greater financial visibility and control; and to aid benchmarking exercises for future procurement activity.

GOVERNANCE STATEMENT (continued)

- Strengthening the financial reporting mechanisms at Trustee and local level to be able to identify opportunities to generate efficiency savings.
- Move towards regional delivery models for school improvement.
- Introducing Integrated Curriculum and Financial Planning (ICFP) in full in some academies (and as a basis for budget- setting in others) with a view to full implementation in September 2019.
- Bulk contract awards for conditions improvements through estates department.
- Implementation of a central catering contract from September 2018.
- National procurement of Health and Safety and Asbestos management services reducing cost per academy and ensuring compliance.
- Development of supply chain partners to secure low rate goods and services reducing reactive maintenance costs.
- Implementation of renewable energy initiatives such as Biomass and Solar technology to reduce carbon footprint, utility costs and secure RHI.

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of 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 ATT for the period 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The Board of Trustees has reviewed the key risks to which ATT is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the Trust's significant risks that has been in place for the period 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

THE RISK AND CONTROL FRAMEWORK

The Trust's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and 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.
- setting KPIs to measure financial and other performance.
- clearly defined purchasing (asset purchase or capital investment) guidelines within financial regulations.
- delegation of authority and segregation of duties.
- identification and management of risks.

The Board of Trustees has considered the need for a specific internal audit function and has decided to appoint Bishop Fleming LLP to provide internal auditor assurance services.

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

- A review of the central office core financial control framework.
- A review of the key account reconciliations; the procedures around production of the management accounts; and the budget and forecast setting and review procedures.

On a quarterly basis, the reviewer reports to the Board of Trustees through the audit committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

The reviewer has delivered their schedule of work as planned, and matters have been identified and are being addressed.

**ACADEMY TRANSFORMATION TRUST
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GOVERNANCE STATEMENT (continued)

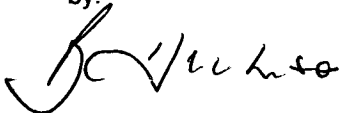
REVIEW OF EFFECTIVENESS

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 external auditors;
- the financial management and governance reviews
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the Board of Trustees on 18 December 2018 and signed on their behalf,
by:



**B Dickenson
Chair of Trustees**



**D Clinton
Accounting Officer**



**ACADEMY TRANSFORMATION TRUST
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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

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

I confirm that the following instances of material irregularity, impropriety or funding non compliance discovered to date have been notified to the Board of Trustees and the ESFA.

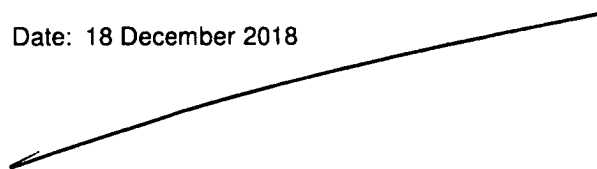
- A cumulative deficit on restricted general and unrestricted reserves of £4,075k (2017: £2,513k). The increase in the cumulative deficit of £1,562k, was fully expected in accordance with the three-year recovery plan submitted to the ESFA in the prior year. The expectation - in line with our recovery plan - is that the Trust will revert to an in-year surplus for 2018/19. As part of the submitted recovery plan, the Trust received an in-year GAG advance of £2.4m to support its working capital requirements. This was fully repaid in accordance with the conditions set by the ESFA in July 2018. In 2018/19, due to the cost saving initiatives taken in 2017/18; a further but lower in-year GAG advance of £950k will be required.
- It has been identified that the Board of Trustees did not receive adequate information regarding the financial performance and position of ATT's small subsidiary entity: Mark Hall Sports Services Limited (MHSS). As a result, MHSS has made a loss in the period of £36k (2017: loss of £27k); with expected negative reserves of £18k at the end of 31 August 2018. In accordance with ESFA funding guidance, ATT is prohibited from supporting a loss-making subsidiary. The Trust is in the process of developing a business recovery plan for MHSS which will ensure that the sports facility (which is used extensively by Mark Hall Academy students, staff and the wider Harlow community) becomes self-sufficient. The Trust has also developed a more comprehensive financial reporting approach to ensure the Board of Trustees receives more regular financial information.
- As at 31 August 2017, there were several accounting judgements and estimates that were included in the financial statements that, whilst not material in overall value, did not fully materialise. These have thus impacted the 2018 financial year. As at 31 August 2018, revised balance sheet controls and reviews were implemented to ensure that all accounting judgements and estimates made by management were fully documented and supported.

If any instances are identified after the date of this statement, these will be routinely notified to the Board of Trustees and the ESFA.



D Clinton
Accounting Officer

Date: 18 December 2018



**ACADEMY TRANSFORMATION TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2018**

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

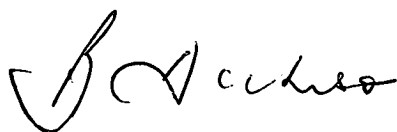
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable group will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company and the group's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the group 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 and the group applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from ESFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the Board of Trustees on 18 December 2018 and signed on its behalf by:



**B Dickenson
Chair of Trustees**

**ACADEMY TRANSFORMATION TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

OPINION

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

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent academy's affairs as at 31 August 2018 and of the group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & Skills Funding Agency.

BASIS FOR OPINION

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

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

We draw attention to note 1.2 in the financial statements, which indicates that the Academy Trust has a deficit on free reserves, is in receipt of advance funding, and is therefore dependant on the ESFA for financial support. As stated in note 1.2, these events or conditions, along with the other matters as set forth in note 1.2 indicate that a material uncertainty exists that may cast significant doubt on the group's or the parent academy's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

OTHER INFORMATION

The Trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditors' report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

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

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

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

RESPONSIBILITIES OF TRUSTEES

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

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

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

**ACADEMY TRANSFORMATION TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

USE OF OUR REPORT

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



Simon Morrison FCA (Senior statutory auditor)

for and on behalf of

Bishop Fleming LLP

Chartered Accountants
Statutory Auditors

16 Queen Square
Bristol
BS1 4NT
20 December 2018

**ACADEMY TRANSFORMATION TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

In accordance with the terms of our engagement letter dated 15/10/2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Academy Transformation Trust during the year 1 September 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

**RESPECTIVE RESPONSIBILITIES OF ACADEMY TRANSFORMATION TRUST'S AND THE REPORTING
ACCOUNTANT**

The is responsible, under the requirements of Academy Transformation Trust's funding agreement with the Secretary of State for Education dated 01/04/2016, and the Academies Financial Handbook extant from 1 September 2017, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2017 to 2018. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

APPROACH

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

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

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

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

Our work on regularity included a review of the internal controls policies and procedures that have been implemented and an assessment of their design and effectiveness to understand how the academy complied with the framework of authorities. We also reviewed the reports commissioned by the trustees to assess the internal controls throughout the year.

We performed detailed testing based on our assessment of the risk of material irregularity, impropriety and non-compliance. This work was integrated with our audit on the financial statements where appropriate and included analytical review and detailed substantive testing of transactions.

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

CONCLUSION

In the course of our work, except for the matters listed in the Accounting Officer's Statement on Regularity, Propriety and Compliance, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Simon Morrison FCA

Bishop Fleming LLP

Chartered Accountants
Statutory Auditors

16 Queen Square
Bristol
BS1 4NT

20 December 2018

ACADEMY TRANSFORMATION TRUST
(A COMPANY LIMITED BY GUARANTEE)

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND
EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2018**

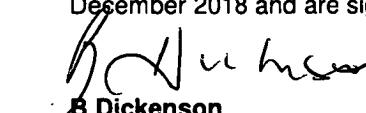
		Unrestricted funds 2018 £000	Restricted funds 2018 £000	Restricted fixed asset funds 2018 £000	Total funds 2018 £000	As restated Total funds 2017 £000
	Note					
INCOME FROM:						
Donations & capital grants:						
Transfers from Local Authority on Conversion	2	-	-	-	-	8,038
Other donations and capital grants	2	219	-	6,248	6,467	5,513
Charitable activities	3	1,911	67,414	-	69,325	70,551
Other trading activities	4	1,520	-	-	1,520	2,180
Investments	6	3	-	-	3	17
TOTAL INCOME		3,653	67,414	6,248	77,315	86,299
EXPENDITURE ON:						
Raising funds		1,486	-	-	1,486	2,382
Charitable activities		3,916	70,903	3,224	78,043	81,140
Other expenditure		-	-	-	-	6,983
TOTAL EXPENDITURE	7	5,402	70,903	3,224	79,529	90,505
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS						
Transfers between Funds	20	(1,749)	(3,489) 502	3,024 (502)	(2,214) -	(4,206) -
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES						
		(1,749)	(2,987)	2,522	(2,214)	(4,206)
Actuarial gains on defined benefit pension schemes	25	-	7,752	-	7,752	5,237
NET MOVEMENT IN FUNDS		(1,749)	4,765	2,522	5,538	1,031
RECONCILIATION OF FUNDS:						
Total funds brought forward		1,749	(38,896)	113,411	76,264	75,233
TOTAL FUNDS CARRIED FORWARD		-	(34,131)	115,933	81,802	76,264

ACADEMY TRANSFORMATION TRUST
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER: 07846852

CONSOLIDATED BALANCE SHEET
AS AT 31 AUGUST 2018

	Note	£000	2018 £000	2017 £000
FIXED ASSETS				
Tangible assets	15		110,320	109,268
CURRENT ASSETS				
Debtors	16	2,888		4,522
Cash at bank and in hand		4,551		3,023
		<u>7,439</u>		<u>7,545</u>
CREDITORS: amounts falling due within one year	17	(5,816)		(5,678)
NET CURRENT ASSETS			<u>1,623</u>	<u>1,867</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>111,943</u>	<u>111,135</u>
CREDITORS: amounts falling due after more than one year	18		(85)	(237)
NET ASSETS EXCLUDING PENSION SCHEME LIABILITIES			<u>111,858</u>	<u>110,898</u>
Defined benefit pension scheme liability	25		(30,056)	(34,634)
NET ASSETS			<u><u>81,802</u></u>	<u><u>76,264</u></u>
FUNDS OF THE ACADEMY TRUST				
Restricted funds:				
General funds	20	(4,075)		(4,262)
Fixed asset funds	20	115,933		113,411
		<u>111,858</u>		<u>109,149</u>
Restricted funds excluding pension liability				
Pension reserve		(30,056)		(34,634)
		<u></u>		<u></u>
Total restricted funds			<u>81,802</u>	<u>74,515</u>
Unrestricted funds	20		-	1,749
TOTAL FUNDS			<u><u>81,802</u></u>	<u><u>76,264</u></u>

The financial statements on pages 33 to 67 were approved by the Trustees, and authorised for issue, on 18 December 2018 and are signed on their behalf, by:


B Dickenson
Chair of Trustees

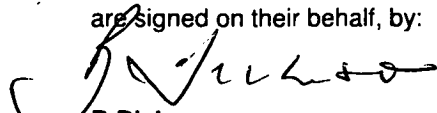
The notes on pages 37 to 67 form part of these financial statements.

ACADEMY TRANSFORMATION TRUST
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER: 07846852

ACADEMY BALANCE SHEET
AS AT 31 AUGUST 2018

	Note	£000	2018 £000	2017 £000
FIXED ASSETS				
Tangible assets	15		110,306	109,251
CURRENT ASSETS				
Debtors	16	3,068		4,479
Cash at bank and in hand		4,399		2,993
		7,467		7,472
CREDITORS: amounts falling due within one year	17	(5,811)		(5,570)
NET CURRENT ASSETS			1,656	1,902
TOTAL ASSETS LESS CURRENT LIABILITIES			111,962	111,153
CREDITORS: amounts falling due after more than one year	18		(85)	(237)
NET ASSETS EXCLUDING PENSION SCHEME LIABILITIES			111,877	110,916
Defined benefit pension scheme liability	25		(30,056)	(34,634)
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			81,821	76,282
FUNDS OF THE ACADEMY				
Restricted funds:				
Restricted funds		(4,056)		(4,262)
Restricted fixed asset funds		115,933		113,394
Restricted funds excluding pension asset		111,877		109,132
Pension reserve		(30,056)		(34,634)
Total restricted funds			81,821	74,498
Unrestricted funds			-	1,784
TOTAL FUNDS			81,821	76,282

The financial statements were approved by the Trustees, and authorised for issue, on 18 December 2018 and are signed on their behalf, by:


B Dickenson
Chair of Trustees

ACADEMY TRANSFORMATION TRUST
(A COMPANY LIMITED BY GUARANTEE)

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

	Note	2018 £000	2017 £000
Cash flows from operating activities			
Net cash used in operating activities	22	<u>(361)</u>	<u>(2,695)</u>
Cash flows from investing activities:			
Interest received		3	17
Purchase of tangible fixed assets		(4,210)	(5,045)
Capital grants from DfE Group		6,248	5,513
Transfer in of reserves from Local Authority		-	261
Transfer out of reserves to another Academy Trust		-	(559)
Net cash provided by investing activities		<u>2,041</u>	<u>187</u>
Cash flows from financing activities:			
Repayments of borrowings		(152)	(26)
Net cash used in financing activities		<u>(152)</u>	<u>(26)</u>
Change in cash and cash equivalents in the year		1,528	(2,534)
Cash and cash equivalents brought forward		<u>3,023</u>	<u>5,557</u>
Cash and cash equivalents carried forward	23	<u>4,551</u>	<u>3,023</u>

The notes on pages 37 to 67 form part of these financial statements.

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

1. ACCOUNTING POLICIES

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

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements of the 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 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Academy Transformation Trust constitutes a public benefit entity as defined by FRS 102.

The Statement of financial activities (SOFA) and Balance sheet consolidate the financial statements of the academy and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

No separate SOFA has been presented for the academy alone as permitted by section 408 of the Companies Act 2006.

1.2 GOING CONCERN

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

The cumulative restricted income financial reserves across the Trust have significantly depleted over a few years; with the deficit position increasing again in the current period. The Trustees notified the ESFA in 2016/17, as per the Academies Financial Handbook, and a recovery plan was put in place. The current period deficit was fully expected within the recovery plan, with a turnaround to an in year surplus position budgeted for 2018/19. The recovery plan continues to be implemented with the Executive team working closely with Trustees and the ESFA to ensure that the necessary curriculum led financial planning, staffing restructures and centralisation of procurement contracts is completed to drive the required cost savings going forward.

The Trustees will continue to ensure there is appropriate control and oversight to ensure the recovery plan is implemented to return the Trust to a cumulative positive restricted income reserves position. The Trustees have gained assurance of the recovery plan following a full review, and re-submission of multi-year budget plans with the ESFA. The ESFA have agreed to provide in year financial assistance to the Trust in 2018/19 and will consider this if required for 2019/20. As such the Trust is dependant on the ESFA for financial support.

Trustees have considered this alongside the facts that a largely new Executive team is in place at the Trust and governance arrangements have been strengthened and are now confident that the Trust has adequate resource to continue its activities for the foreseeable future. For this reason, it continues to adopt the going concern basis in the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting policies.

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

1. ACCOUNTING POLICIES (continued)

1.3 INCOME

All income is recognised once the academy has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

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

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

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

Sponsorship income provided to the academy which amounts to a donation is recognised in the Statement of financial activities in the period in which it is receivable, where receipt is probable and it is measurable.

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

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

1.4 EXPENDITURE

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

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

Expenditure on charitable activities are costs incurred on the academy's educational operations, including support costs and those costs relating to the governance of the academy appointed to charitable activities.

All expenditure is inclusive of irrecoverable VAT.

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

1. ACCOUNTING POLICIES (continued)

1.5 BASIS OF CONSOLIDATION

The financial statements consolidate the accounts of Academy Transformation Trust and all of its subsidiary undertakings ('subsidiaries').

The academy has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own Income and expenditure account.

The income and expenditure account for the year dealt with in the accounts of the academy was a deficit of £2,221,000 (2017: £1,058,000).

1.6 TANGIBLE FIXED ASSETS AND DEPRECIATION

All assets costing more than £2,500 are capitalised and are carried at cost, net of depreciation and any provision for impairment.

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

Depreciation is provided on all tangible fixed assets other than freehold land and assets under construction, at rates calculated to write off the cost of these assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	2% (50 years) reducing balance
Leasehold property	-	2% (50 years) reducing balance
Motor vehicles	-	20% (5 years) reducing balance
Fixtures and fittings	-	10% (10 years) reducing balance
Computer equipment	-	33% (3 years) reducing balance

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

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

1.7 OPERATING LEASES

Rentals under operating leases are charged to the Statement of financial activities on a straight line basis over the lease term.

1.8 DEBTORS

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

**ACADEMY TRANSFORMATION TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

1. ACCOUNTING POLICIES (continued)

1.9 CASH AT BANK AND IN HAND

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

1.10 LIABILITIES AND PROVISIONS

Liabilities and provisions 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 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. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.11 FINANCIAL INSTRUMENTS

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 16. Prepayments are not financial instruments. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in notes 17 and 18. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment.

1.12 TAXATION

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

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

1. ACCOUNTING POLICIES (continued)

1.13 PENSIONS

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 25, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

1.14 AGENCY ARRANGEMENTS

The Academy Trust acts as an agent in distributing 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 Academy Trust does not have control over the charitable application of the funds. The funds received, paid and any balances held at period end are disclosed in note 28.

1.15 FUND ACCOUNTING

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

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

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

1. ACCOUNTING POLICIES (continued)

1.16 CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

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

Critical accounting estimates and assumptions:

The 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 present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 25, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement:

The Trust obtains use of fixed assets as a lessee. The classification of such leases as operating or finance lease requires the Trust to determine, based on an evaluation of the terms and conditions of the arrangements, whether it retains or acquires the significant risks and rewards of ownership of these assets and accordingly whether the lease requires an asset and liability to be recognised in the Balance Sheet.

The Trust have bad debt provisions in place. These are considered by management based on their knowledge of the debts and the aging of them to determine how likely they are to be recoverable.

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NOTES TO THE FINANCIAL STATEMENTS
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2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2018 £000	Restricted fixed asset funds 2018 £000	Total funds 2018 £000	Total funds 2017 £000
Transfers from Local Authority on Conversion	-	-	-	8,038
Donations	219	-	219	-
Capital Grants	-	6,248	6,248	5,513
Subtotal	219	6,248	6,467	5,513
	219	6,248	6,467	13,551
Total 2017	260	13,291	13,551	

3. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Total funds 2018 £000	Total funds 2017 £000
Education	1,276	67,414	68,690	70,551
Nursery	635	-	635	-
	1,911	67,414	69,325	70,551
Total 2017	1,517	69,034	70,551	

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FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Total funds 2018 £000	As restated Total funds 2017 £000
DfE/ESFA grants				
General Annual Grant	-	56,986	56,986	59,153
Start up Grants	-	-	-	225
Other DfE/ESFA grants	-	7,733	7,733	7,220
	-	64,719	64,719	66,598
Other Government grants				
Local authority grants	-	2,695	2,695	2,392
Special Educational Projects	-	-	-	44
	-	2,695	2,695	2,436
Other funding				
Other	106	-	106	198
Internal catering income	1,170	-	1,170	1,319
	1,276	-	1,276	1,517
	1,276	67,414	68,690	70,551
Total 2017	1,517	69,034	70,551	

4. OTHER TRADING ACTIVITIES

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Total funds 2018 £000	As restated Total funds 2017 £000
Lettings	499	-	499	632
School trips	608	-	608	794
Other	239	-	239	451
	1,346	-	1,346	1,877
Total 2017	1,877	-	1,877	

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

5. TRADING ACTIVITIES

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Total funds 2018 £000	Total funds 2017 £000
Mark Hall Sports Services income	207	-	207	303
Mark Hall Sports Services expenditure	(243)	-	(243)	(366)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total income / (expenditure)	<u>(36)</u>	<u>-</u>	<u>(36)</u>	<u>(63)</u>

6. INVESTMENT INCOME

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Total funds 2018 £000	Total funds 2017 £000
Bank interest	3	-	3	17
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total 2017	<u>17</u>	<u>-</u>	<u>17</u>	

7. EXPENDITURE

	Staff costs 2018 £000	Premises 2018 £000	Other costs 2018 £000	Total 2018 £000	As restated Total 2017 £000
Expenditure on fundraising trading					
Direct costs	135	35	1,316	1,486	2,382
Support costs	-	-	-	-	-
Education:					
Direct costs	47,579	-	5,329	52,908	54,212
Support costs	12,171	6,529	6,132	24,832	26,928
Nursery: Direct costs	300	-	3	303	-
	<u>60,185</u>	<u>6,564</u>	<u>12,780</u>	<u>79,529</u>	<u>83,522</u>
Total 2017	<u>62,467</u>	<u>4,348</u>	<u>16,893</u>	<u>83,708</u>	

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NOTES TO THE FINANCIAL STATEMENTS
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8. DIRECT COSTS

			Total	As restated
	Nursery	Education	2018	Total
	£000	£000	£000	2017
				£000
Pension finance costs	-	613	613	807
Educational supplies	-	435	435	433
Examination fees	-	982	982	1,010
Staff development	-	259	259	298
Other costs	3	1,307	1,310	1,531
Supply teachers	-	1,133	1,133	1,573
Security and transport	-	225	225	199
Technology costs	-	536	536	618
Educational consultancy	-	973	973	1,465
Wages and salaries	262	35,747	36,009	37,243
National insurance	15	3,485	3,500	3,555
Pension cost	23	7,213	7,236	5,480
	303	52,908	53,211	54,212
Total 2017	-	54,212	54,212	

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NOTES TO THE FINANCIAL STATEMENTS
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9. SUPPORT COSTS

	Total 2018 £000	As restated Total 2017 £000
Pension finance costs	268	-
Other costs	37	40
Supply teachers	62	161
Recruitment and support	494	469
Maintenance of premises and equipment	1,175	1,499
Cleaning	985	1,042
Rent and rates	536	595
Energy costs	1,136	1,166
Insurance	374	375
Security and transport	128	179
Catering	842	750
Technology costs	1,430	1,614
Office overheads	928	894
Legal and professional	887	1,023
Bank interest and charges	8	16
Impairment on fixed assets	780	-
Governance	209	217
Wages and salaries	8,868	9,567
National insurance	764	800
Pension cost	2,477	3,997
Depreciation	2,444	2,524
	24,832	26,928
Total 2017	26,928	

10. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2018 £000	2017 £000
Depreciation of tangible fixed assets:		
- owned by the charitable group	2,378	2,524
Auditors' remuneration - audit	45	65
Auditors' remuneration - other services	11	25
Operating lease rentals	204	244

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

11. STAFF COSTS

a. Staff costs

Staff costs were as follows:

	2018 £000	As restated 2017 £000
Wages and salaries	44,709	46,143
Social security costs	4,265	4,355
Operating costs of defined benefit pension schemes	9,713	9,477
	<u>58,687</u>	<u>59,975</u>
Agency staff costs	1,194	1,639
Staff restructuring costs	169	667
MHSS staff costs	135	186
	<u>60,185</u>	<u>62,467</u>

Staff restructuring costs comprise:

	2018 £000	2017 £000
Redundancy payments	49	667
Severance payments	120	-
	<u>169</u>	<u>667</u>

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

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £119,488 (2017: £Nil). Individually, the payments were: £5,000, £7,684, £11,000, £12,300, £20,176, £28,328 and £35,000.

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NOTES TO THE FINANCIAL STATEMENTS
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11. STAFF COSTS (continued)

c. Staff numbers

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

	2018	2017
	No.	No.
Teachers	699	801
Administration and support	1,239	1,188
Management	150	112
	2,088	2,101

Average headcount expressed as a full time equivalent:

	2018	2017
	No.	No.
Teachers	580	682
Administration and support	580	995
Management	140	112
	1,300	1,789

d. Higher paid staff

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

	2018	As restated 2017
	No.	No.
In the band £60,001 - £70,000	16	20
In the band £70,001 - £80,000	9	10
In the band £80,001 - £90,000	2	3
In the band £90,001 - £100,000	5	5
In the band £100,001 - £110,000	5	5
In the band £110,001 - £120,000	1	2
In the band £160,001 - £170,000	0	1
In the band £180,001 - £190,000	1	0
In the band £210,001 - £220,000	0	1

e. Key management personnel

The key management personnel of the Academy Trust comprise the Trustees (who do not receive remuneration for their role as Trustees) and the Senior Management Team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £593,347 (2017: £671,873).

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

12. CENTRAL SERVICES

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

- Asset management
- Financial services
- HR services
- Payroll services
- Procurement
- Risk management
- School improvement

The academy charges for these services on the following basis:

5.5% of GAG for each financial year, with additional charges/credits based on local circumstances. The increase in the central charge in comparison to the prior year is due to the recognition of the regional staff members in the central budget for 2018.

The actual amounts charged during the year were as follows:

	2018	2017
	£000	£000
Admirals Academy	-	51
Beck Row	50	13
Bristnall Hall	374	170
Caldmore Village	96	57
Diamond	-	41
Great Heath	117	56
Iceni - all through	313	178
Jubilee	78	41
Kingsmoor	78	41
Mark Hall	270	165
Mildenhall	376	170
North Walsall Primary	83	41
Norwich Road	-	56
Phoenix	56	42
Pool Hayes	383	170
Queen Elizabeth	82	81
Ravens	97	45
Star	76	41
Sun	73	41
Sutton (including ATT FE £65k)	428	225
The Dukeries	337	170
The Hathaway	312	165
The Nicholas Hammond	282	165
Westbourne	367	170
Total	<u><u>4,328</u></u>	<u><u>2,395</u></u>

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

13. TRUSTEES' REMUNERATION AND EXPENSES

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

		2018	2017
		£000	£000
Ian Cleland (Chief Executive and trustee) (Resigned as Trustee on 28 September 2017)	Remuneration	Nil	215-220
	Pension contributions paid	Nil	0-5
Joyce Hodgetts (Managing Director and trustee) (Resigned as Trustee on 30 June 2017)	Remuneration	Nil	125-130
	Pension contributions paid	Nil	10-15

During the year ended 31 August 2018, expenses totalling £4,372 (2017: £668) were reimbursed to 7 Trustees (2017: 3).

14. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2018 was £7,347 (2017: £6,185).

15. TANGIBLE FIXED ASSETS

GROUP	Freehold property	Leasehold property	Motor vehicles	Fixtures and fittings	Computer equipment	Total
COST	£000	£000	£000	£000	£000	£000
At 1 September 2017	18,344	97,281	15	936	1,419	117,995
Additions	995	2,562	-	45	608	4,210
At 31 August 2018	19,339	99,843	15	981	2,027	122,205
DEPRECIATION						
At 1 September 2017	1,355	5,900	14	270	1,188	8,727
Charge for the year	358	1,869	-	35	116	2,378
Impairment charge	-	780	-	-	-	780
At 31 August 2018	1,713	8,549	14	305	1,304	11,885
NET BOOK VALUE						
At 31 August 2018	17,626	91,294	1	676	723	110,320
At 31 August 2017	16,989	91,381	1	666	231	109,268

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FOR THE YEAR ENDED 31 AUGUST 2018

15. TANGIBLE FIXED ASSETS (continued)

	Freehold property £000	Leasehold property £000	Motor vehicles £000	Fixtures and fittings £000	Computer equipment £000	Total £000
ACADEMY						
COST						
At 1 September 2017	18,344	97,276	15	904	1,411	117,950
Additions	995	2,562	-	45	608	4,210
At 31 August 2018	19,339	99,838	15	949	2,019	122,160
DEPRECIATION						
At 1 September 2017	1,355	5,896	14	255	1,179	8,699
Charge for the year	358	1,869	-	32	116	2,375
Impairment charge	-	780	-	-	-	780
At 31 August 2018	1,713	8,545	14	287	1,295	11,854
NET BOOK VALUE						
At 31 August 2018	17,626	91,293	1	662	724	110,306
At 31 August 2017	16,989	91,380	1	649	232	109,251

16. DEBTORS

	GROUP		ACADEMY	
	2018 £000	2017 £000	2018 £000	2017 £000
Trade debtors	159	361	145	318
Amounts owed by group undertakings	-	-	212	-
VAT recoverable	431	524	431	524
Other debtors	2	73	2	73
Prepayments and accrued income	2,296	3,564	2,278	3,564
	2,888	4,522	3,068	4,479

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	GROUP		ACADEMY	
	2018 £000	2017 £000	2018 £000	2017 £000
Other loans	83	83	83	83
Trade creditors	1,385	2,004	1,383	1,895
Other taxation and social security	1,022	1,156	1,022	1,156
Other creditors	1,056	905	1,055	906
Accruals and deferred income	2,270	1,530	2,268	1,530
	5,816	5,678	5,811	5,570

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

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR (continued)

	GROUP		ACADEMY	
	£000	£000	£000	£000
DEFERRED INCOME				
Deferred income at 1 September 2017	860	526	860	526
Resources deferred during the year	979	860	979	860
Amounts released from previous years	(860)	(526)	(860)	(526)
Deferred income at 31 August 2018	979	860	979	860

Deferred income at the year end is in relation to Universal Infant Free School Meals, Rates relief, SEN Funding, Trips, PE and Sport and other grants that were funded in advance.

18. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	GROUP		ACADEMY	
	2018 £000	2017 £000	2018 £000	2017 £000
Other loans	85	237	85	237

Other loans relates to Salix loans which are interest free and repayable to Government agencies.

19. PRIOR YEAR ADJUSTMENT

A prior year adjustment has been made in relation to the reallocation of income and expenditure to align them with current year allocations. There is no impact on the prior year net deficit position.

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NOTES TO THE FINANCIAL STATEMENTS
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20. STATEMENT OF FUNDS

	Brought forward £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Carried forward £000
UNRESTRICTED FUNDS						
General funds	1,749	3,653	(5,402)	-	-	-
RESTRICTED FUNDS						
General Annual Grant (GAG)	(4,262)	56,986	(57,301)	502	-	(4,075)
Pupil premium	-	4,309	(4,309)	-	-	-
Other ESFA	-	3,559	(3,559)	-	-	-
Other government grants	-	2,560	(2,560)	-	-	-
Pension reserve	(34,634)	-	(3,174)	-	7,752	(30,056)
	<u>(38,896)</u>	<u>67,414</u>	<u>(70,903)</u>	<u>502</u>	<u>7,752</u>	<u>(34,131)</u>
RESTRICTED FIXED ASSET FUNDS						
Fixed assets transferred on conversion	94,311	-	(1,630)	-	-	92,681
Fixed assets purchased from GAG and other restricted funds	1,051	-	(114)	-	-	937
DfE/ESFA Capital grants	17,413	6,248	(1,411)	(502)	-	21,748
Private sector capital sponsorship	636	-	(69)	-	-	567
	<u>113,411</u>	<u>6,248</u>	<u>(3,224)</u>	<u>(502)</u>	<u>-</u>	<u>115,933</u>
Total restricted funds	<u>74,515</u>	<u>73,662</u>	<u>(74,127)</u>	<u>-</u>	<u>7,752</u>	<u>81,802</u>
Total of funds	<u>76,264</u>	<u>77,315</u>	<u>(79,529)</u>	<u>-</u>	<u>7,752</u>	<u>81,802</u>

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

RESTRICTED FUNDS:

General Annual Grant (GAG) - Income from the ESFA which is to be used for the normal running costs of the Academy, including education and support costs.

Pupil Premium (PP) - Income from the ESFA which is to be used to address the current inequalities by ensuring that funding to tackle disadvantage reaches the students who need it most.

Other ESFA and Government grants - Income which has been received for specific purposes.

Pension reserve - This represents the academy's share of the assets and liabilities in the Local Government Pension Scheme (LGPS).

CAPITAL GRANTS:

Fixed assets transferred on conversion - This represents the buildings and equipment donated to the

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20. STATEMENT OF FUNDS (continued)

school from the Local Authority on conversion to an academy.

Fixed assets purchased from GAG - This represents capital assets that have been purchases out of restricted GAG funding.

DfE/ESFA Capital grants - This represents funding from the ESFA to cover maintenance and purchase of the schools assets.

Private sector capital sponsorship - This represents funding from the private sector to cover maintenance and purchase of the schools assets.

ANALYSIS OF ACADEMIES BY FUND BALANCE

Fund balances at 31 August 2018 were allocated as follows:

	Total 2018 £000	Total 2017 £000
Beck Row	124	105
Bristnall Hall	727	659
Caldmore Village	400	175
Great Heath	283	524
Iceni	(1,263)	(1,327)
Jubilee	630	589
Kingsmoor	27	57
Mark Hall	(1,714)	(802)
Mildenhall	460	454
North Walsall Primary	151	158
Phoenix	445	399
Pool Hayes	1,064	916
Queen Elizabeth	499	464
Ravens	323	50
Star	(126)	(39)
Sun	206	181
Sutton	(237)	(85)
The Dukeries	(2,227)	(1,769)
The Hathaway	456	143
The Nicholas Hamond	(1,565)	(1,264)
Westbourne	205	43
ATT FE	(1,188)	(961)
Mark Hall Sports Services	(140)	(35)
Central Services	(1,615)	(1,148)
Total before fixed asset fund and pension reserve	(4,075)	(2,513)
Restricted fixed asset fund	115,933	113,411
Pension reserve	(30,056)	(34,634)
Total	81,802	76,264

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NOTES TO THE FINANCIAL STATEMENTS
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20. STATEMENT OF FUNDS (continued)

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

Name of academy	Amount of deficit £000
Central	(1,615)
The Dukeries	(2,227)
ATT FE	(1,188)
Iceni Secondary	(1,280)
Mark Hall	(1,714)
Mark Hall Sports Services	(140)
The Nicholas Hamond	(1,565)
Sutton	(237)
Star	(126)

The Trust has adopted a policy of fairly funding each academy, and although the individual reserves positions vary significantly, the Trust ensures that each academy has sufficient resources to meet their ongoing working capital requirements. Where individual academies have a cumulative deficit; the Trust has put in place a recovery plan to return them to an in-year surplus. This will involve adopting the Trust wide financial strategies of integrated curriculum financial planning; increasing estates income; centralisation of key procurement contracts; and further rationalisation of staffing structures.

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FOR THE YEAR ENDED 31 AUGUST 2018

20. STATEMENT OF FUNDS (continued)

ANALYSIS OF ACADEMIES BY COST

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

	Teaching and educational support staff costs £000	Other support staff costs £000	Educational supplies £000	Other costs excluding depreciat- ion £000	Total 2018 £000	Total 2017 £000
Admirals	-	-	-	-	-	1,254
Beck Row	553	52	1	249	855	189
Bristnall Hall	3,955	846	30	2,563	7,394	6,337
Caldmore Village	1,150	133	1	527	1,811	1,095
Diamond	-	-	-	-	-	962
Great Heath	1,465	165	7	492	2,129	1,920
Iceni	2,097	462	20	846	3,425	4,308
Jubilee	720	104	26	324	1,174	1,205
Kingsmoor	924	137	7	273	1,341	1,231
Mark Hall	2,455	744	43	1,096	4,338	4,026
Mildenhall	3,815	651	44	1,299	5,809	5,723
North Walsall Primary	780	140	17	350	1,287	1,308
Norwich Road	-	-	-	-	-	1,686
Phoenix	695	147	8	439	1,289	759
Pool Hayes	4,237	853	79	1,032	6,201	5,990
Queen Elizabeth	2,170	593	30	831	3,624	3,491
Ravens	1,242	187	11	558	1,998	1,681
Star	726	156	5	318	1,205	1,088
Sun	704	76	5	256	1,041	1,102
Sutton	2,939	696	28	778	4,441	4,498
The Dukeries	2,601	770	19	1,920	5,310	5,175
The Hathaway	2,579	648	39	898	4,164	4,028
The Nicholas Hamond	2,166	420	-	955	3,541	3,527
Westbourne	3,621	650	10	1,140	5,421	5,704
ATT FE	832	744	5	766	2,347	2,140
Mark Hall Sports Services	-	136	-	47	183	406
Central Services	11	4,455	-	1,511	5,977	10,165
	42,437	13,965	435	19,468	76,305	80,998

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NOTES TO THE FINANCIAL STATEMENTS
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20. STATEMENT OF FUNDS (continued)

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 September 2016 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2017 £000
GENERAL FUNDS						
General funds	2,433	2,883	(3,567)	-	-	1,749
RESTRICTED FUNDS						
General Annual Grant (GAG)	-	59,150	(63,412)	-	-	(4,262)
Pupil premium	-	4,386	(4,386)	-	-	-
Other grants	-	6,590	(6,590)	-	-	-
Pension reserve	(36,787)	(1,236)	(1,848)	-	5,237	(34,634)
	<u>(36,787)</u>	<u>68,890</u>	<u>(76,236)</u>	<u>-</u>	<u>5,237</u>	<u>(38,896)</u>
RESTRICTED FIXED ASSET FUNDS						
Fixed assets transferred on conversion	94,529	9,013	(9,231)	-	-	94,311
Fixed assets purchased from GAG and other restricted funds	1,165	-	(114)	-	-	1,051
DfE/ESFA Capital grants	13,188	5,513	(1,288)	-	-	17,413
Private sector capital sponsorship	705	-	(69)	-	-	636
	<u>109,587</u>	<u>14,526</u>	<u>(10,702)</u>	<u>-</u>	<u>-</u>	<u>113,411</u>
Total restricted funds	<u>72,800</u>	<u>83,416</u>	<u>(86,938)</u>	<u>-</u>	<u>5,237</u>	<u>74,515</u>
Total of funds	<u>75,233</u>	<u>86,299</u>	<u>(90,505)</u>	<u>-</u>	<u>5,237</u>	<u>76,264</u>

21. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Restricted fixed asset funds 2018 £000	Total funds 2018 £000
Tangible fixed assets	-	-	110,320	110,320
Current assets	-	1,669	5,771	7,440
Creditors due within one year	-	(5,658)	(158)	(5,816)
Creditors due in more than one year	-	(85)	-	(85)
Pension scheme liability	-	(30,057)	-	(30,057)
	<u>-</u>	<u>(34,131)</u>	<u>115,933</u>	<u>81,802</u>

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21. ANALYSIS OF NET ASSETS BETWEEN FUNDS (continued)

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds	Restricted funds	Restricted fixed asset funds	Total funds
	2017 £000	2017 £000	2017 £000	2017 £000
Tangible fixed assets	-	-	109,267	109,267
Current assets	1,748	1,654	4,144	7,546
Creditors due within one year	-	(5,596)	-	(5,596)
Creditors due in more than one year	-	(320)	-	(320)
Pension scheme liability	-	(34,634)	-	(34,634)
	<u>1,748</u>	<u>(38,896)</u>	<u>113,411</u>	<u>76,264</u>

22. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	GROUP	
	2018	2017
	£000	£000
Net expenditure for the year (as per Statement of Financial Activities)	(2,214)	(4,206)
Adjustment for:		
Depreciation charges	2,378	2,524
Interest receivable	(3)	(17)
Decrease in stocks	-	47
Decrease in debtors	1,635	1,912
Increase in creditors	138	368
Capital grants from DfE and other capital income	(6,248)	(5,513)
Defined benefit pension scheme cost less contributions payable	2,292	-
Defined benefit pension scheme finance cost	881	3,245
Transfer in from Local Authority	-	(8,038)
Balance in relation to schools transferred out	-	6,983
Impairment of fixed assets	780	-
Net cash used in operating activities	<u>(361)</u>	<u>(2,695)</u>

23. ANALYSIS OF CASH AND CASH EQUIVALENTS

	GROUP	
	2018	2017
	£000	£000
Cash at bank and in hand	4,551	3,023
	<u>4,551</u>	<u>3,023</u>

**ACADEMY TRANSFORMATION TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

24. CAPITAL COMMITMENTS

At 31 August 2018 the group and academy had capital commitments as follows:

	GROUP AND ACADEMY	
	2018	2017
	£000	£000
Contracted for but not provided in these financial statements	1,312	575

25. PENSION COMMITMENTS

The group's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Norfolk Pension Fund, West Midlands Pension Fund, Essex Pension Fund, Staffordshire Pension Fund, Suffolk Pension Fund, Nottinghamshire County Council Pension Fund, Warwickshire Pension Fund. Both are Multi-employer defined benefit pension schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

Contributions amounting to £847,543 were payable to the schemes at 31 August 2018 (2017: £846,091) and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

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

NOTES TO THE FINANCIAL STATEMENTS
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25. PENSION COMMITMENTS (continued)

- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

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

The employer's pension costs paid to TPS in the period amounted to £4,326,349 (2017: £4,442,087).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx).

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £3,686,000 (2017: £3,343,000), of which employer's contributions totalled £2,907,000 (2017: £2,566,000) and employees' contributions totalled £779,000 (2017: £777,000). The agreed contribution rates for future years are 18.3 - 29.5% for employers and 5.5 - 12.5% for employees.

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

Norfolk Pension Fund

Principal actuarial assumptions:

	2018	2017
Discount rate for scheme liabilities	2.80 %	2.50 %
Rate of increase in salaries	2.60 %	2.70 %
Rate of increase for pensions in payment / inflation	2.30 %	2.40 %

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

	2018	2017
Retiring today		
Males	22.1	22.1
Females	24.4	24.4
Retiring in 20 years		
Males	24.1	24.1
Females	26.4	26.4

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

25. PENSION COMMITMENTS (continued)

West Midlands Pension Fund

Principal actuarial assumptions at the Balance sheet date (expressed as weighted averages):

	2018	2017
Discount rate for scheme liabilities	2.65 %	2.60 %
Rate of increase in salaries	3.80 %	4.20 %
Rate of increase for pensions in payment / inflation	2.30 %	2.70 %

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

	2018	2017
Retiring today		
Males	21.9	21.8
Females	24.4	24.3
Retiring in 20 years		
Males	24.1	24.0
Females	26.7	26.6

Essex Pension Fund

Principal actuarial assumptions at the Balance sheet date (expressed as weighted averages):

	2018	2017
Discount rate for scheme liabilities	2.65 %	2.60 %
Rate of increase in salaries	3.80 %	4.20 %
Rate of increase for pensions in payment / inflation	2.30 %	2.70 %

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

	2018	2017
Retiring today		
Males	22.3	22.2
Females	24.8	24.7
Retiring in 20 years		
Males	24.5	24.3
Females	27.1	27.0

Staffordshire Pension Fund

Principal actuarial assumptions at the Balance sheet date (expressed as weighted averages):

	2018	2017
Discount rate for scheme liabilities	2.80 %	2.50 %
Rate of increase in salaries	2.70 %	2.80 %
Rate of increase for pensions in payment / inflation	2.30 %	2.40 %

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NOTES TO THE FINANCIAL STATEMENTS
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25. PENSION COMMITMENTS (continued)

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

	2018	2017
Retiring today		
Males	22.1	22.1
Females	24.4	24.4
Retiring in 20 years		
Males	24.1	24.1
Females	26.4	26.6

Suffolk Pension Fund

Principal actuarial assumptions at the Balance sheet date (expressed as weighted averages):

	2018	2017
Discount rate for scheme liabilities	2.80 %	2.50 %
Rate of increase in salaries	2.60 %	2.70 %
Rate of increase for pensions in payment / inflation	2.30 %	2.40 %

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

	2018	2017
Retiring today		
Males	21.9	21.9
Females	24.4	24.4
Retiring in 20 years		
Males	23.9	23.9
Females	26.4	26.6

Nottinghamshire County Council Pension Fund

Principal actuarial assumptions at the Balance sheet date (expressed as weighted averages):

	2018	2017
Discount rate for scheme liabilities	2.65 %	2.60 %
Rate of increase in salaries	3.80 %	4.20 %
Rate of increase for pensions in payment / inflation	2.30 %	2.70 %

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

	2018	2017
Retiring today		
Males	22.7	22.6
Females	25.6	25.5
Retiring in 20 years		
Males	24.9	24.8
Females	28.0	27.9

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NOTES TO THE FINANCIAL STATEMENTS
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25. PENSION COMMITMENTS (continued)

Warwickshire Pension Fund

Principal actuarial assumptions at the Balance sheet date (expressed as weighted averages):

	2018	2017
Discount rate for scheme liabilities	2.80 %	2.50 %
Rate of increase in salaries	3.00 %	3.00 %
Rate of increase for pensions in payment / inflation	2.40 %	2.40 %

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

	2018	2017
Retiring today		
Males	22.5	22.5
Females	24.7	24.7
Retiring in 20 years		
Males	24.3	24.3
Females	26.7	26.7

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

	Fair value at 31 August 2018 £000	Fair value at 31 August 2017 £000
Equities	20,165	19,125
Corporate bonds	6,523	3,739
Property	2,954	2,033
Cash	842	1,379
Other	2,088	1,634
Total market value of assets	32,572	27,910

The actual return on scheme assets was £1,547,550 (2017: £1,819,000).

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

	2018 £000	2017 £000
Current service cost	(5,199)	(4,901)
Past service cost	(1)	-
Interest income	750	526
Interest cost	(1,631)	(1,333)
Total	(6,081)	(5,708)

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NOTES TO THE FINANCIAL STATEMENTS
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25. PENSION COMMITMENTS (continued)

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

	2018	2017
	£000	£000
Opening defined benefit obligation	59,832	59,851
Restatement of opening defined benefit obligation	2,712	-
Transferred in on existing academies joining the trust	-	1,383
Transferred out on existing academies leaving the trust	-	(2,908)
Current service cost	5,199	4,901
Interest cost	1,631	1,333
Employee contributions	779	777
Actuarial gains	(7,025)	(5,237)
Benefits paid	(501)	(367)
Past service costs	1	99
Changes in financial assumptions	-	-
Closing defined benefit obligation	62,628	59,832

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

	2018	2017
	£000	£000
Opening fair value of scheme assets	25,202	23,064
Restatement of opening fair value of scheme assets	2,708	-
Transferred in on existing academies joining the trust	-	147
Transferred out on existing academies leaving the trust	-	(1,511)
Interest income	757	526
Actuarial losses	727	-
Employer contributions	2,907	2,566
Employee contributions	779	777
Benefits paid	(501)	(367)
Admin expenses	(7)	-
Closing fair value of scheme assets	32,572	25,202

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NOTES TO THE FINANCIAL STATEMENTS
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26. OPERATING LEASE COMMITMENTS

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

GROUP	2018	2017
	£000	£000
AMOUNTS PAYABLE:		
Within 1 year	226	204
Between 1 and 5 years	309	299
Total	535	503

There is a contract between Star Academy and the PFI. The Trust are committed to paying £40,420 each year to the PFI in quarterly installments, plus a 5% administration fee.

27. MEMBERS' LIABILITY

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

28. RELATED PARTY TRANSACTIONS

Owing to the nature of the Academy Trust's operations and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which a Trustee has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy Trust's financial regulations and normal procurement procedures.

No related party transactions took place in the period of account, other than certain Trustees' remuneration and expenses already disclosed in note 13.

29. AGENCY ARRANGEMENTS

The Trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ended 31 August 2018 the Trust received £42,813 and disbursed £13,714 from the fund. An amount of £29,099 is included in other creditors relating to undistributed funds that is repayable to ESFA.

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NOTES TO THE FINANCIAL STATEMENTS
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30. PRINCIPAL SUBSIDIARIES

Mark Hall Sports Services Limited

Subsidiary name	Mark Hall Sports Services Limited
Company registration number	05825872
Basis of control	
Total assets as at 31 August 2018	£ 199,000
Total liabilities as at 31 August 2018	£ (217,409)
Total equity as at 31 August 2018	£ (18,409)
Turnover for the year ended 31 August 2018	£ 206,639
Expenditure for the year ended 31 August 2018	£ (242,740)
Loss for the year ended 31 August 2018	£ (36,101)